INSECTICIDES (INDIA) LIMITED

*Insecticides (India) Limited (the "**Company**"), incorporated in the Republic of India as a limited liability company under the Companies Act, 1956, as amended (the "**Companies Act, 1956**"), with Corporate Identity Number L65991DL1996PLC083909. For details of change of our name and details of our Registered and Corporate Office, see "**General Information**".*

ISSUE OF UP TO 16,43,347 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF THE COMPANY AT A PRICE OF ₹ 509.70 PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹ 499.70 PER EQUITY SHARE, AGGREGATING UP TO ₹ 8,376.14 LACS (THE "ISSUE").

All of the outstanding Equity Shares of the Company are listed on the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**", together with the BSE, the "**Stock Exchanges**"). In-principle approvals under Clause 24(a) of the Listing Agreements for listing of the Equity Shares have been received on August 10, 2015 and August 10, 2015 from the BSE and the NSE, respectively. The closing prices of the outstanding Equity Shares on the BSE and the NSE on August 11, 2015 were ₹ 542.00 and ₹ 541.30 per Equity Share, respectively. Applications shall be made for the listing and trading of the Equity Shares offered through this Placement Document on the BSE and the NSE (collectively, the "**Stock Exchanges**"). The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of this Placement Document will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**RoC**") and the Securities and Exchange Board of India ("**SEBI**") within the stipulated period as required under the Companies Act, 2013, as amended, and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. This Placement Document has not been reviewed by SEBI, the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Qualified Institutional Buyers ("**QIBs**"), as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"). This Placement Document has not been and will not be registered as a prospectus with the RoC in India, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING DONE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, AND THE RULES MADE THEREUNDER AND CHAPTER VIII OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBS, AS DEFINED IN THE SEBI ICDR REGULATIONS.

YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS", BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

This Placement Document (which includes disclosures prescribed under Form PAS-4) will be circulated only to such QIBs whose names are recorded by the Company prior to making an invitation to subscribe to the Equity Shares. Invitations, offers and sales of Equity Shares shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note. For further details, please see "***Issue Procedure***". The distribution of this Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than QIBs, and persons retained by QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the website of our Company or any website directly or indirectly linked to the website of our Company or the website of the Book Running Lead Managers or their respective affiliates, does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws of the United States. The Equity Shares are being offered and sold only outside the United States (within the meaning of Regulation S) in offshore transactions in reliance on the Regulation S and applicable laws of the jurisdictions where those offers and sales occur. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***".

BOOK RUNNING LEAD MANAGERS

RELIGARE CAPITAL MARKETS LIMITED	**SBI CAPITAL MARKETS LIMITED**

This Placement Document is dated August 12, 2015.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to our best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to us and the Equity Shares that is material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to us and are based on reasonable assumptions. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. Religare Capital Markets Limited and SBI Capital Markets Limited (the "**Book Running Lead Managers**") have not separately verified the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares or its distribution. Each person receiving this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers, or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as on any time subsequent to its date.

The Equity Shares issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the U.S. Securities and Exchange Commission, any state securities commission in the U.S. or the securities commission of any non-U.S. jurisdiction or any other U.S. or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the U.S. and may be a criminal offence in certain other jurisdictions.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States (within the meaning of Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only to QIBs outside the United States (within the meaning of Regulation S) in an offshore transaction in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described in the sections "***Selling Restrictions***" and "***Transfer Restrictions***". Purchasers of the Equity Shares will be deemed to make the representations set forth in "***Representations by Investors***" and "***Transfer Restrictions***".

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs specified by the Book Running Lead Managers or its representatives, and those retained by such QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

The distribution of this Placement Document and the offering of the Equity Shares may be restricted by law in certain countries or jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no

action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of the Preliminary Placement Document or this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers is making any representation to any offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such offeree or purchaser under applicable laws or regulations.

Each purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, and is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in securities. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

The information available on or through our Company's website, any website directly and indirectly linked to the website of the Company or on the website of the Book Running Lead Managers, or its affiliates, does not constitute or form a part of this Placement Document, and prospective investors should not rely on such information contained in, or available through, such websites.

This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information in relation to transfer or selling restrictions of the Equity Shares in certain other jurisdictions, see the sections "***Selling Restrictions***" and "***Transfer Restrictions***".

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors of the Issue. By bidding and subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are allocated to you in accordance with Chapter VIII of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) to comply with all requirements under applicable law in relation to reporting obligations, if any, in this relation;

- If you are Allotted (hereinafter defined) Equity Shares pursuant to the Issue, you shall not sell the Equity Shares for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges;

- You are aware that this Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs. This Placement Document has not been reviewed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. Further, this Placement Document has not been verified or affirmed by the SEBI or the Stock Exchanges;

- You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and you have all necessary capacity and have obtained all necessary consents and authorities and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honor such obligations;

- Neither, our Company nor the Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue or you in any way acting in any fiduciary capacity;

- All statements other than statements of historical fact included in this Placement Document, including those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. None of our Company, the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware that the Equity Shares are being offered only to QIBs on a private placement basis and are not being offered to the general public, and the Allotment, by our Company in consultation with the Book Running Lead Managers, shall be on a discretionary basis;

- You have made, or been deemed to have made, as applicable, the representations set forth under "***Selling Restrictions***" and "***Transfer Restrictions***";

- You have been provided a serially numbered copy of this Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***";

- In making your investment decision, you have (i) relied on your own examination of our Company and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, the effects of local laws, (iv) relied solely on the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

- None of the Book Running Lead Managers or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, the Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

- You are not a Promoter (as defined in the SEBI ICDR Regulations), or are not a person related to the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or Promoter Group (as defined in the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no rights under a shareholders agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, provided that a qualified institutional buyer who does not hold any Equity Shares in our Company and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to Promoters;

- You have no right to withdraw your Bid after the Issue Closing Date;

- You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering a tender offer under the SEBI (Substantial Acquisition of

Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**");

- To the best of your knowledge and belief, your aggregate holding, together with other QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue, shall not exceed 50% of the Issue Size. For the purposes of this representation:

a. The expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956, as amended; and

b. 'Control' shall have the same meaning as is assigned to it by Clause (e) of Regulation 2(1) of the Takeover Regulations.

- Applications will be made for listing and trading approvals from the Stock Exchanges after Allotment. There can be no assurance that such approvals will be obtained on time or at all. Neither, our Company nor the Book Running Lead Managers nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

- You shall not undertake any trade in the Equity Shares credited to your Depository Participant account until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

- You are aware that if you, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to them on the website of the Stock Exchanges and you consent to such disclosures being made by our Company;

- The Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Placement Document are exclusively the responsibility of our Company, and that neither the Book Running Lead Managers or any person acting on their behalf, has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and its respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- The Book Running Lead Managers do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

- You are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities;

- That (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are,

therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

- You agree to indemnify and hold our Company and the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- Any dispute arising in connection with the Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in New Delhi, India, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Placement Document;

- You confirm that either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company presentations; (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

- If you are not a resident of India, but a QIB, you are an Eligible FPI or an FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution or an FVCI, and are eligible to invest in India under applicable law, including FEMA 20 (as defined hereinunder), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You understand that the Equity Shares have not been and will not be registered under the Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and accordingly, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable US state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. For more information, see "***Transfer Restrictions***";

- You are, at the time the Equity Shares are purchased pursuant to Regulation S, located outside of the United States (within the meaning of Regulation S), and you are not an affiliate of our Company, or a person acting on behalf of the Company or such an affiliate;

- You are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act, and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Our Company and the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers, on their own behalf and on behalf of our Company, and are irrevocable;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**"), FPIs (which include FIIs, and QFIs that are deemed FPIs) other than Category III FPIs (as defined hereinafter) and unregulated broad based funds, which are classified as Category II FPIs (as defined under the SEBI FPI Regulations) by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation, subject to compliance with 'know your client' requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Affiliates of the Book Running Lead Managers, which are FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority, nor the Company, has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Also see "***Selling Restrictions***" and "***Transfer Restrictions***".

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document was delivered to each of the Stock Exchanges and a copy of this Placement Document has been filed with the Stock Exchanges. The Stock Exchanges do not in any manner:

1. Warrant, certify or endorse the correctness or completeness of the contents of this Placement Document; or

2. Warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

3. Take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

and it should not, for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

CERTAIN CONVENTIONS, FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless the context otherwise indicates or implies, references to 'you,' 'offeree', 'purchaser,' 'subscriber,' 'recipient,' 'investors' and 'potential investor' are to the prospective investors in the Issue; references to the 'Company', 'our Company', the 'Issuer' are to Insecticides (India) Limited; and references to 'we', 'our' or 'us' are to Insecticides (India) Limited.

In this Placement Document, references to 'U.S.$', 'USD' and 'U.S. Dollars' are to the legal currency of the United States; and references to '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Financial and Other Information

We record and publish our financial statements in Rupees. Our audited financial statements as of and for the years ended March 31, 2015, March 31, 2014 and March 31, 2013 included in this Placement Document (collectively, the "**Financial Statements**"), have been prepared in accordance with generally accepted accounting principles followed in India (the "**Indian GAAP**"), the Companies Act, 1956, as amended, and the Companies Act, 2013, as applicable, and the requirements under the Listing Agreement, as applicable. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so all references to a particular 'financial year' or 'fiscal' or 'FY' are to the 12 months period ended on March 31 of that year.

Indian GAAP differs in certain significant respects from United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), International Financial Reporting Standards (the "**IFRS**") and generally accepted accounting principles followed in the U.S. (the "**U.S. GAAP**"). Accordingly, the degree to which the Financial Statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. We have not provided a reconciliation of our Financial Statements or a summary of differences between Indian GAAP, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), IFRS or U.S. GAAP.

Rounding adjustments have been made in calculating some of the data included in this Placement Document. As a result, the totals in some tables may not be exact arithmetic aggregations of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Placement Document consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. The statistical information included in this Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications, websites and reports such as the 'Safer and Judicious use of Crop Protection Chemicals & Applications of Green Chemistry' dated January 2015 by the Federation of Indian Chambers of Commerce & Industry and Tata Strategic Management Group, the 'Agrochemicals for Ensuring Food and Nutritional Security for the Nation' dated August 2014 by the Federation of Indian Chambers of Commerce & Industry and Tata Strategic Management Group and 'Agro-chemicals Sector Overview and Issuer Profile Insecticides (India) Limited' dated April 2015 by Credit Rating Information Services of India Limited.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Book Running Lead Managers have independently verified this data and do not make any representation regarding the accuracy of such data. Our Company confirms that such information and data has been accurately reproduced, and that as far as it is aware and is able to ascertain from information published by third parties, no material facts have been omitted that would render the reproduced information inaccurate or misleading. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Book Running Lead Managers can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Any failure to obtain registrations for our formulations and active ingredients or our inability to comply with the regulatory framework;
- Our failure to accurately forecast demand or any cancellation of orders and higher inventory;
- Seasonal and cyclical nature of the agricultural industry and unfavourable climatic conditions;
- Termination or amendment of our license arrangements with Nissan and AMVAC;
- Introduction of alternative crop protection measures such as biotechnology products, pest resistant seeds or genetically modified crops;
- Dependence on a limited number of formulations for a significant portion of our income;
- Availability and cost of raw materials, power and fuel;
- If we are unable to successfully identify and integrate any acquisitions or partnerships, our growth strategy and prospects may be adversely affected;
- Our sales and profitability could be harmed if we are unable to maintain and further build our brands; and
- Any inability to successfully obtain product patents on molecules may result in delay or failure to recover the costs incurred towards research and development of such molecules.

Additional factors that could cause actual results, performance or achievements to differ materially include but are not limited to, those discussed under "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Business***". The forward-looking statements contained in this Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All of our Directors and key managerial personnel named here are residents of India and all or a substantial portion of assets of our Company and such persons are located in India. As a result, it may be difficult for investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except where: (i) the judgment has not been pronounced by a court of competent jurisdiction; (ii) the judgment has not been given on the merits of the case; (iii) it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) the proceedings in which the judgment was obtained were opposed to natural justice; (v) the judgment has been obtained by fraud, and (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; such presumption may be displaced by proving want of jurisdiction.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government of India (the "**GoI**") has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the U.S. has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currency will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currency of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar (in Rupees per U.S. dollar). The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI.

	Period end	Average[(1)]	High	Low
Financial Year:				(₹ Per US$)
2013	54.39	54.45	57.22	50.56
2014	60.10	60.50	68.36	53.74
2015	62.59	61.15	63.75	58.43
Quarter ended:				
September 30, 2014	61.61	60.59	61.61	59.72
December 31, 2014	63.33	62.00	63.75	61.04
March 31, 2015	62.59	62.25	63.45	61.41
June 30, 2015	63.75	63.50	64.20	62.16
Month ended:				
January 31, 2015	61.76	62.23	63.45	61.41
February 28, 2015	61.79	62.04	62.43	61.68
March 31, 2015	62.59	62.45	62.82	61.82
April 30, 2015	63.58	62.72	63.61	62.16
May 31, 2015	63.76	63.80	64.20	63.52
June 30, 2015	63.75	63.86	64.18	63.51
July 31, 2015	64.01	63.64	64.03	63.38

Note:

[(1)]*Average of the official rate for each working day of the relevant period.*

Source: www.rbi.org.in

The RBI reference rate on August 7, 2015 was U.S. $ 1 = ₹63.81

No representation is made that the Rupee amounts actually represent such amounts in U.S. dollars or could have been or could be converted into U.S. dollars at the rates indicated, any other rates, or at all.

Although our Company has converted selected Rupee amounts in this Placement Document into U.S. dollars for convenience, such conversions should not be considered as a representation that such U.S. dollar amounts have been, could have been or could be converted into Rupee amounts at any particular rate, the rate stated above or at all. There are certain restrictions on the conversion of Rupees into U.S. dollars.

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The terms defined in this section shall have the meaning set forth herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company Related Terms

Term	Description
"Our Company" or "the Company" or "we" or "us" or "our"	Insecticides (India) Limited
AMVAC	AMVAC Chemical Corporation
Articles/ Articles of Association	Articles of Association of our Company, as amended
Auditors	The current statutory auditors of our Company, Mohit Parekh & Co., Chartered Accountants
Board of Directors/Board	Board of Directors of our Company or any duly constituted committee thereof
Branded Formulation Sales	Sale of branded formulations and cater to the insecticide, herbicide, fungicide and plant growth regulator segments
Directors	The directors of our Company
Equity Shares	Equity shares of face value of ₹ 10 each, of our Company
Institutional Sales	Sale to other companies or institutions by contract manufacturing and distributing directly or through agents, unbranded bulk formulations, packaged formulations and active ingredients
Joint Venture Agreement	Joint venture agreement dated December 26, 2012 with OAT Agrio Company Limited, Mr. Akihei Mori, Mr. Tetsuya Imai, Mr. Isao Tada, Mr. Yasuhiro Endo and Mr. Rajesh Aggarwal
Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended
Nissan	Nissan Chemical Industries Limited
OAT & IIL Laboratories	OAT & IIL India Laboratories Private Limited
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(za) of the SEBI ICDR Regulations and as reported to the Stock Exchanges, being, Mr. Rajesh Aggarwal and Rajesh Aggarwal (HUF)
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered and Corporate Office	401- 402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110 003, India
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana

Issue Related Terms

Term	Description
Allocated /Allocation	Allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of Application Forms submitted by them, in consultation with the Book Running Lead Managers and in compliance with Chapter VIII of the SEBI ICDR Regulations
Allotment /Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Persons to whom Equity Shares of our Company are issued pursuant to the Issue
Application Form	Form (including any revisions thereof) pursuant to which a QIB submits a bid for the Equity Shares pursuant to the Issue
Bid(s)	Indication of a QIB's interest, to subscribe for the Equity Shares pursuant to the Issue
Bidder	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of this Placement Document and the Application Form
BOLT	BSE on-line trading
Book Running Lead Managers/BRLMs	Religare Capital Markets Limited and SBI Capital Markets Limited
CAN/Confirmation of Allocation Note	Note, advice or intimation confirming the Allocation of Equity Shares to QIBs after determination of the Issue Price and requesting for payment of entire applicable Issue Price for all Equity Shares Allocated to such QIBs
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about August 17, 2015
Cut-off Price	The Issue Price, which shall be finalized by our Company in consultation with the Book Running Lead Managers
Designated Date	Date on which the Escrow Agent transfers the funds from the Escrow Account to our

Term	Description
	Company's account
Eligible FPI	FPIs that are eligible to participate in the Issue and does not include Category III Foreign Portfolio Investors (who are not eligible to participate in the Issue)
Escrow Account	Special bank account with the Escrow Agent, subject to the terms of the Escrow Agreement, by and among our Company, the Book Running Lead Managers and the Escrow Agent
Escrow Agent	HDFC Bank Limited
Escrow Agreement	Agreement dated August 10, 2015, entered into amongst our Company, the Book Running Lead Managers and the Escrow Agent for collection of the Bid amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	Floor price of ₹ 536.52 for each Equity Share, calculated in accordance with Chapter VIII of the SEBI ICDR Regulations and/ or as directed by SEBI. Our Board/Securities Committee, was eligible to offer a discount of upto 5% of the Floor Price in accordance with the approval of the shareholders accorded on March 20, 2015 and Regulation 85(1) of the SEBI ICDR Regulations.
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
Indian Stock Exchanges / Stock Exchanges	BSE and NSE
Issue	Offer and issuance of the Equity Shares to QIBs, pursuant to Chapter VIII of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder, who are outside of the United States acquiring Equity Shares in an offshore transaction in reliance on Regulation S.
Issue Closing Date	August 12, 2015, the date after which our Company (or the Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms
Issue Opening Date	August 10, 2015, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which QIBs can submit their Bids
Issue Price	A price per Equity Share of ₹ 509.70
Issue Size	This issue of up to 16,43,347 Equity Shares up to ₹ 8,376.14 lacs
Pay-in Date	Last date specified in the CAN for payment of Bid monies by the QIBs
NEAT	National exchange for automated trading
Placement Agreement	Placement agreement dated August 10, 2015, by and among our Company and the Book Running Lead Managers
Placement Document	This Placement Document, dated August 12, 2015, issued in accordance with Chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The Preliminary Placement Document, dated August 10, 2015, issued in accordance with Chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Relevant Date	August 10, 2015 which is the date of the meeting in which the Board decided to open the Issue
QIB or Qualified Institutional Buyer	Qualified Institutional Buyer, as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VIII of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013

Conventional and General Terms/ Abbreviations

Term/Abbreviation	Full Form
Air Act	Air (Prevention and Control of Pollution) Act, 1981
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ASSOCHAM Report	'Agricultural Growth in India, Raising it to match GDP's Growth Rate' 2015, by ASSOCHAM
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIB	Central Insecticides Board
Civil Procedure Code	Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013, to the extent notified and the Companies Act, 1956, to the extent not repealed

Term/Abbreviation	Full Form
Companies Act, 1956	The Companies Act, 1956, and the rules made thereunder (without reference to the provisions that have ceased to have effect upon the notification of the Companies Act, 2013)
Companies Act, 2013	The Companies Act, 2013, and the rules made thereunder (to the extent in force)
Consolidated FDI Policy	FDI Policy, effective from May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
CPI	Consumer Price Index
CRISIL	Credit Rating Information Services of India Limited
CRISIL Report	'Agro-chemicals Sector Overview and Issuer Profile Insecticides (India) Limited' dated April 2015 by CRISIL
Department of Agriculture Annual Report	Annual Report 2013-14, Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India
Depositories Act	Depositories Act, 1996
DP/Depository Participant	Depository participant as defined under the Depositories Act, 1996
DSIR	Department of Science and Industrial Research, Ministry of Science and Technology, Government of India
DTC	Direct Taxes Code, 2013
EBITDA	Earnings before interest, tax, depreciation and amortization
EPA	Environment (Protection) Act, 1986
Factories Act	The Factories Act, 1948
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FICCI	Federation of Indian Chambers of Commerce and Industry
FICCI Report 2014	'Agrochemicals for Ensuring Food and Nutritional Security for the Nation' dated August 2014 by FICCI and Tata Strategic Management Group
FICCI Report 2015	'Judicious use of Crop Protection Chemicals & Applications of Green Chemistry' dated January 2015 by FICCI and Tata Strategic Management Group
FIIs	Foreign Institutional Investors (as defined under the SEBI FPI Regulations)
Financial Year/fiscal/FY	Period of 12 months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
Food Security Act	National Food Security Act, 2013
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations. Any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration is deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GoI/ Government	Government of India
GST	Goods and service tax
HUF	Hindu undivided family
I.T. Act	Income Tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
Insecticides Act	The Insecticides Act, 1968
Insecticides Rules	The Insecticides Rules, 1971
IT	Information technology
Listing Agreement(s)	The equity listing agreement(s) with each of the Stock Exchanges
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NABL	National Accreditation Board for Testing and Calibration Laboratories
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P-Notes	Offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities, listed or proposed to be listed on any stock exchange in India

Term/Abbreviation	Full Form
PAN	Permanent account number
Patents Act	Patents Act, 1970
PLI Act	Public Liability Insurance Act, 1991
Pesticides Management Bill	The Pesticides Management Bill, 2008
R&D	Research and Development
RBI	Reserve Bank of India
RBI Annual Report	RBI Annual Report, 2013-2014
RBI Updated Report	RBI Macroeconomic and Monetary Developments 2014-15 (An Update) dated April 1, 2014
Regulation S	Regulation S under the Securities Act, as amended and the related rules and regulations promulgated thereunder
₹ or Rs. or Rupees	The lawful currency of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Securities Act	The United States Securities Act of 1933, as amended
SKU	Stock keeping units
STT	Securities transaction tax
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011
Trade Marks Act	Trade Marks Act, 1999
TRIPS	Trade related agreement on intellectual property rights
UK	United Kingdom
U.S. or United States	United States of America
U.S. GAAP	Generally accepted accounting principles followed in the U.S
U.S.$ or U.S. dollars or USD	U.S. dollars, the lawful currency of the United States
VAT	Value added tax
Water Act	Water (Prevention and Control of Pollution) Act, 1974

Technical and Industry Terms

Term/Abbreviation	Full Form
GLP	Good laboratory practices
GM	Genetically modified
Mino	3-methyl-N—nitroimino perhydro-1,3,5-oxadiazine

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

S. No.	Disclosure Requirements	Relevant Page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	263
b.	Date of incorporation of the company.	113, 260
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	87-99
d.	Brief particulars of the management of the company.	102-112
e.	Names, addresses, DIN and occupations of the directors.	102-112
f.	Management's perception of risk factors.	27-49
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
i)	Statutory dues;	158-159
ii)	Debentures and interest thereon;	Not Applicable
iii)	Deposits and interest thereon; and	Not Applicable
iv)	Loan from any bank or financial institution and interest thereon.	158
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	263
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	260
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities.	260
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	22
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	22
e.	Name and address of the valuer who performed valuation of the security offered.	Not applicable
f.	Amount which the company intends to raise by way of securities.	52
g.	Terms of raising of securities:	
(i).	Duration, if applicable;	Not applicable
(ii).	Rate of dividend;	55
(iii).	Rate of interest;	Not applicable
(iv).	Mode of payment; and	Not applicable
(v)	Mode of repayment.	Not applicable
h.	Proposed time schedule for which the offer letter is valid.	22
i.	Purposes and objects of the offer.	52
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not applicable
k.	Principle terms of assets charged as security, if applicable.	Not applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	105, 111
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	158
c.	Remuneration of directors (during the current year and last three financial years).	106-109
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	195-196

S. No.	Disclosure Requirements	Relevant Page of this Placement Document
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	NIL
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	159
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	Not applicable
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	54
(b)	Size of the present offer; and	54
(c)	Paid up capital:	54
(A)	After the offer; and	54
(B)	After conversion of convertible instruments (if applicable);	Not applicable
(d)	Share premium account (before and after the offer).	54
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	54
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	54
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	171
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	55
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	24-26
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	26
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	Not applicable
5.	**A DECLARATION BY THE DIRECTORS THAT**	261
a.	The company has complied with the provisions of the Act and the rules made thereunder.	
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	

SUMMARY OF BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "**Forward-Looking Statements**" for a discussion of the risks and uncertainties related to those statements and also the section "**Risk Factors**" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve months ended March 31 of that year.*

Overview

We are one of the top 10 players in the domestic Indian agrochemical industry, with around 7% market share (*Source: CRISIL Report*). We have a pan-India presence, with integrated operations across research and development, manufacturing, marketing and distribution of a wide range of formulations, active ingredients and household pesticides. We are engaged in Branded Formulation Sales as well as Institutional Sales. We have a diverse portfolio of 99 formulations, 18 active ingredients and over 350 SKUs as at March 31, 2015. In fiscal 2015 and fiscal 2014, Branded Formulations Sales accounted for 70.16% and 74.61%, respectively, of our gross revenue, and Institutional Sales accounted for 29.84% and 25.39% for the same periods. As at March 31, 2015, we had 348 registrations in our name for our formulations and active ingredients. Additionally, we have six registrations for export, 16 registrations for formulations and four registrations for active ingredients pending with the CIB.

Since our acquisition of 21 brands from Montari Industries Limited in March 2003, including the '*Tractor*' brand and '*Lethal*' formulation, we believe we have built a diversified portfolio of agrochemical formulations with a strong brand presence in India. We have a portfolio of established agrochemical brands, achieved through both inorganic and organic growth and our '*Navratna'* range of branded formulation products, including '*Lethal'*, '*Victor'*, '*Thimet'*, '*Hakama'*, '*Pulsor'*, '*Monocil'*, '*Hijack'*, '*Xplode'* and '*Nuvan*' are well-recognized in the agrochemical industry, particularly in the insecticides and herbicides segments, and eight '*Navratna*' products are among the top five products of their respective categories (*Source: CRISIL Report*).

We commenced operations at our formulation plant in Chopanki (Rajasthan) in fiscal 2002. We presently operate seven manufacturing facilities, with five formulation plants located at Chopanki (Rajasthan), Udhampur and Samba (Jammu & Kashmir) and Dahej (Gujarat) and two technical synthesis plants located at Chopanki (Rajasthan) and Dahej (Gujarat). Our manufacturing facilities have an aggregate total installed capacity of 17,450 KLPA of liquid, 75,600 MTPA of granules, 16,980 MTPA of powders, 13,800 MTPA of active ingredients and bulk formulations. Our technical manufacturing capacity accounted for approximately 4% of India's installed capacity in fiscal 2014 (*Source: CRISIL Report*). All our manufacturing facilities are equipped with fully automatic lines and automatic packaging machinery which facilitate in manufacturing quality products.

We are a research driven company, with our R&D efforts focused on developing processes for new environmentally friendly formulations for expansion of our current product portfolio and improving existing processes and production cost efficiency. We operate an advanced R&D centre located at Chopanki (Rajasthan). Our R&D facility is accredited with NABL and recognized by DSIR. We have made seven applications for process patents with the Indian Patent Office, and have been granted one process patent. We have also entered into a joint venture agreement with OAT Agrio Company Limited, pursuant to which OAT & IIL Laboratories has been set up and is engaged in the invention of new agricultural molecules for domestic and international markets. Our R&D centre located at Chopanki (Rajasthan) has a team of 32 personnel, including 12 scientists as at March 31, 2015. OAT & IIL Laboratories has a team of 39 personnel, including 23 scientists and three technicians as at March 31, 2015.

We have over the years developed an extensive network of distributors and dealers across India. As at March 31, 2015, our distribution network included more than 5,000 distributors with a pan-India presence. We believe our extensive distribution network allows us to penetrate rural markets across major crop producing regions of India. The strength of our distribution network has also attracted international companies to partner with us for the distribution of their products in India, for instance Nissan, Japan (through Nagarjuna Agrichem Limited, the company manufacturing its products in India), entered into marketing agreements with our Company in June 2012, granting us the right to market their product '*Pulsor*' in India and Nepal. Further, we have an arrangement with Nissan, to market their product '*Hakama*', on a non-exclusive basis. Further, pursuant to a memorandum of

understanding entered into in February 2006, AMVAC granted our Company the exclusive license and right to use AMVAC's know-how and information related to Phorate and its trademarks for promotion, marketing, distribution and sale in India. Consequently, we manufacture, market and distribute, exclusively in India the brands '*Thimet*' and '*Nuvan*'.

In fiscal 2015, 2014 and 2013 we generated net revenue from operations of ₹ 96,419.15 lacs, ₹ 86,408.17 lacs and ₹ 61,667.93 lacs, respectively and net profit after tax of ₹ 5,484.39 lacs ₹ 3,994.26 lacs and ₹ 3,531.77 lacs, respectively. We have been able to increase our net revenue from operations from fiscal 2013 to fiscal 2015 at a compound annual growth rate ("**CAGR**") of 25.05% and our net profit after tax has increased at a CAGR of 24.61% over the same period. Profit for the year increased by 37.31% to ₹ 5,484.39 lacs during fiscal 2015 from ₹ 3,994.26 lacs during fiscal 2014.

Strengths

- Portfolio of established agrochemical brands
- Track record of successful inorganic growth and strategic partnerships
- Robust manufacturing capabilities
- Strong product development capabilities
- Extensive sales and distribution network
- Experienced and qualified team of professionals

Strategies

- Continue to expand our product portfolio
- Enhancing innovation and focusing on product development
- Increasing geographical penetration and addressable market
- Focus on institutional sales

SUMMARY OF THE ISSUE

*The following general summary of the terms of the Issue should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including "**Risk Factors**", "**Use of Proceeds**", "**Placement**", "**Issue Procedure**" and "**Description of the Equity Shares**":*

Issuer	Insecticides (India) Limited
Face Value	₹ 10 per Equity Share
Issue Size	Issue of upto 16,43,347 Equity Shares of our Company, at a premium of ₹ 499.70 each, aggregating up to ₹ 8,376.14 lacs A minimum of 10% of the Issue Size, i.e. at least 1,64,335 Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance 14,79,012 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds The minimum value of the issue or invitation to subscribe to each QIB is ₹ 20,000 of the face value of the Equity Shares In case of under-subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other QIBs
Date of Board Resolution	January 21, 2015
Date of Shareholders' Approval	March 20, 2015
Floor Price	₹ 536.52 per Equity Share
Issue Price	₹ 509.70 per Equity Share, at a discount of 5% of the Floor Price in accordance with the approval of the shareholders accorded on March 20, 2015, and Regulations 85(1) of the SEBI ICDR Regulations
Eligible Investors	QIBs, as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations who are outside of the United States acquiring Equity Shares in an offshore transaction in reliance on Regulation S. See "***Issue Procedure - Qualified Institutional Buyers***"
Equity Shares issued and outstanding prior to the Issue	1,90,24,449 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	2,06,67,796 Equity Shares
Listing	Our Company has received in-principle approvals from the BSE and the NSE under Clause 24(a) of the Listing Agreements for the listing of the Equity Shares on the Stock Exchanges on August 10, 2015 and August 10, 2015, respectively. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after completion of Allotment in this Issue
Trading	The trading of the Equity Shares would be in dematerialized form only in the cash segment of each of the Stock Exchanges
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. See "***Transfer Restrictions***"
Lock-up	See "***Placement and Lock-up***"
Use of Proceeds	Net proceeds of the Issue (after deduction of fees, commissions and expenses) are expected to total approximately ₹ 8,092 lacs. See "***Use of Proceeds***"
Risk Factors	See "***Risk Factors***" for a discussion of factors you should consider before deciding whether to subscribe to Equity Shares of our Company
Pay-in Date	Last date specified in the CAN for payment of Bid monies by the QIBs
Closing	Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about August 17, 2015 ("**Closing Date**")
Taxation	See "***Statement of Tax Benefits***"
Status and Ranking	Equity Shares being issued shall be subject to the provisions of our Company's Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, Listing Agreements and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. See "***Description of the Equity Shares***"

Security Codes for the Equity Shares	**ISIN:** INE070I01018 **BSE Code:** 532851 **NSE Code:** INSECTICID

SELECTED FINANCIAL INFORMATION

*The following tables set forth selected financial information derived from the audited financial statements as of and for the years ended March 31, 2015, 2014 and 2013. This financial information has been prepared in accordance with the Companies Act, 2013 and Companies Act, 1956, as applicable, and the SEBI ICDR Regulations and presented in "**Financial Statements**". The selected financial information presented below should be read in conjunction with "**Management's Discussion and Analysis of Our Financial Conditions and Results of Operations**" and "**Financial Statements**".*

BALANCE SHEET

	PARTICULARS		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
			AMOUNT (In Lacs)	AMOUNT (In Lacs)	AMOUNT (In Lacs)
A	**EQUITY AND LIABILITIES**				
	Shareholder's Funds				
	(a) Share Capital		1,268.30	1,268.30	1,268.30
	(b) Reserves & Surplus		27,872.85	23,387.29	19,953.97
			29,141.15	**24,655.59**	**21,222.27**
	Non-current liabilities				
	(a) Long-term borrowings		5,366.24	3,020.70	3,008.12
	(b) Deferred tax liabilities (net)		1,556.92	1,326.66	1,018.10
	(c) Other long-term liabilities		393.51	428.93	483.53
	(d) Long-term provisions		60.29	32.64	57.04
			7,376.96	**4,808.93**	**4,566.79**
	Current liabilities				
	(a) Short-term borrowings		24,094.53	21,242.90	16,997.45
	(b) Trade payables		20,982.75	20,360.41	13,067.64
	(c) Other current liabilities		7,809.75	6,452.51	4,918.61
	(d) Short-term provisions		2,671.25	1,617.01	2,441.32
			55,558.28	**49,672.83**	**37,425.02**
	TOTAL		**92,076.39**	**79,137.35**	**63,214.08**
B	**ASSETS**				
	Non-current assets				
	(a) Fixed assets				
	(i) Tangible assets		20,186.10	16,703.19	13,651.08
	(ii) Intangible assets		284.74	352.36	383.70
	(iii) Capital work-in-progress		3,764.69	5,371.90	4,486.88
			24,235.53	**22,427.45**	**18,521.66**
	(b) Non-Current Investments		1,108.54	1,108.54	-
	(c) Long-term loans and advances		592.42	474.47	560.23
	(d) Other non-current assets		218.56	627.21	473.60
			26,155.05	**24,637.67**	**19555.49**
	Current assets				
	(a) Inventories		39,140.37	31,165.97	22,535.04
	(b) Trade receivables		16,680.81	12,787.43	11,650.59
	(c) Cash and cash equivalents		655.73	903.37	469.11
	(d) Short-term loans and advances		5,759.35	6,626.58	7,229.60
	(e) Other current assets		3,685.08	3,016.33	1,774.25
			65,921.34	**54,499.68**	**43,658.59**
	TOTAL		**92,076.39**	**79,137.35**	**63,214.08**

STATEMENT OF PROFIT & LOSS ACCOUNT

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH, 2015 (In Lacs)	FOR THE YEAR ENDED 31ST MARCH, 2014 (In Lacs)	FOR THE YEAR ENDED 31ST MARCH, 2013 (In Lacs)
CONTINUING OPERATIONS				
INCOME				
Revenue from Operations (Gross)		103,133.46	92,253.55	65,017.06
Less: Excise Duty		6,714.31	5,845.38	3,349.13
Revenue from operations (net)		**96,419.15**	**86,408.17**	**61,667.93**
Other Income		43.53	45.37	20.62
Total revenue (I)		**96,462.68**	**86,453.54**	**61,688.55**
EXPENSES				
Cost of raw material and components consumed		67,963.68	55,028.87	37,119.10
Purchase of Traded Goods		4,962.28	10,184.18	4,157.77
(Increase)/ decrease in inventories of finished goods,				
work-in-progress and traded goods		(8,097.15)	(5,062.02)	192.31
Employee Benefits Expense		3,444.41	2,930.40	2,492.32
Depreciation and amortization Expense		1,416.82	665.55	576.46
Finance Costs		3,315.69	2,691.17	1,735.19
Other expenses		17,040.10	15,150.24	10,775.39
Total (II)		**90,045.83**	**81,588.39**	**57,048.54**
Profit/(loss) before tax (I-II)		**6,416.85**	**4,865.15**	**4,640.01**
Tax Expenses				
Current Tax		902.21	1,062.34	1,109.94
Mat Credit Entitlement		(200.00)	(500.00)	(730.00)
Deferred Tax		230.26	308.55	728.30
Total Tax Expenses		**932.47**	**870.89**	**1,108.24**
Profit/(loss) for the year		**5,484.38**	**3,994.26**	**3,531.77**

CASH FLOW STATEMENT

PARTICULARS	For the year 2014-15 (In Lacs)	For the year 2013-14 (In Lacs)	For the year 2012-13 (In Lacs)
(A) Cash Flow From Operating Activities			
Net Profit Before Tax	**6,416.85**	**4,865.15**	**4,640.01**
Adjustment for			
- Depreciation	1,416.82	665.55	576.46
- (Profit)/ Loss on Sale of Assets	22.90	15.74	(109.80)
- Preliminary Expenses Written Off	-	1.97	2.34
- Interest Income	(35.71)	(21.47)	(20.62)
- Interest Expenses	2,402.06	1,586.80	1,187.02
Operating Profit Before Working Capital Changes	**10,222.92**	**7,113.74**	**6,275.41**
Adjustments for			
- (Increase)/Decrease in Trade Receivable	(3,893.38)	(1,136.84)	(2,729.16)
- (Increase)/Decrease in Inventories	(7,974.40)	(8,630.93)	(2,293.37)
- (Increase)/Decrease in Other Current Assets	(640.05)	(1,243.41)	(625.57)
- (Increase)/Decrease in Short Term Loans & Advances	1,779.00	36.42	(1,866.08)
- (Increase)/Decrease in Long Term Loans & Advances	(117.96)	85.77	(229.14)
- Increase/(Decrease) in Trade Payable	622.34	7,292.77	1,221.53
- Increase/(Decrease) in Long Term Liabilities	(35.42)	(54.60)	260.81
- Increase/(Decrease) in Other Current Liabilities	194.26	1,123.04	907.90
- Increase/(Decrease) in Provision for Expenses	72.47	17.75	13.63
	229.78	**4,603.71**	**935.96**
Less: Income Tax/ Wealth Tax	(713.87)	(837.80)	(1,068.67)
Less: Preliminary Expenses Incurred	(89.33)	-	
Net Cash From Operating Activities (A)	**(573.42)**	**3,765.91**	**(132.71)**
(B) Cash Flow From Investing Activities			
- Addition to Fixed Assets	(3,347.57)	(4,618.93)	(4,974.52)
- Sale of Fixed Assets	33.98	31.85	308.64
- Interest Income	35.71	21.47	20.62
- (Addition) Disposal/Sales of Investments	-	(1,108.54)	
Net Cash From Investing Activities (B)	**(3,277.88)**	**(5,674.15)**	**(4,645.26)**
(C) Cash Flow From Financing Activities			
- Proceeds from borrowing/loans	6,450.87	4,374.45	5,027.53
- Interest paid	(2,402.06)	(1,586.80)	(1,187.02)
- Dividend Paid	(380.49)	(380.49)	(317.07)
- Distribution Tax Paid	(64.66)	(64.66)	(51.44)
Net Cash From Finance Activities (c)	**3,603.66**	**2,342.50**	**3,472.00**
Net Cash Flow during the year (A+B+C)	**(247.64)**	**434.26**	**(1,305.97)**
Cash and Cash equivalents Opening Balance	903.37	469.11	1,775.08
Cash and Cash equivalents Closing Balance	**655.73**	**903.37**	**469.11**

RISK FACTORS

*This section describes the risks that we currently believe may materially affect our business and operations. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Placement Document and the other information contained in this Placement Document, before making any investment decision relating to the Equity Shares. Prospective investors should read this section in conjunction with the sections "**Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" as well as other financial and statistical information contained in this Placement Document. The risks described below are not the only ones relevant to us or the Equity Shares. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could later turn out to be material. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. Investors should pay particular attention to the fact that the Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other jurisdictions. Investors should consult tax, financial and legal advisors about the particular consequences of an investment in the Issue.*

Unless otherwise indicated, all financial information included in this section have been derived from our audited financial statements for fiscal 2015, 2014 and 2013.

Risks Relating to Our Business and Operations

We operate our agrochemical business in a highly regulated sector. Any failure to obtain registrations for our formulations and active ingredients or our inability to comply with the regulations could adversely affect our business, results of operations, cash flows and financial condition.

We, primarily, manufacture, market and distribute a wide range of branded formulations, bulk formulations, packaged formulations and active ingredients, in the insecticide, herbicide, fungicide and plant growth regulator segments, pursuant to our own registrations. As of March 31, 2015, we had 348 registrations for our formulations and active ingredients. Additionally, we have six registrations for export, 16 registrations for formulations and four registrations for active ingredients pending with the Central Insecticides Board ("**CIB**"). We have, in the past, and will, in the future, continue to focus on seeking registrations for formulations and active ingredients. The legal and procedural requirements for seeking registration is fairly complex, stringent and time consuming. The Insecticides Act, 1968 and the rules thereunder, regulates the manufacture, sale, transport, distribution, import and use of insecticides (including pesticides, fungicides and weedicides), with a view to prevent risk to human beings or animals and other connected matters. We are required to obtain specific registration from the CIB, for import, manufacture and distribution of formulations and active ingredients. Further, the registration process is capital intensive and requires us to make significant investments. We invest substantial capital on creating the dossier and registration fees, laboratories and other intermediaries to ensure compliance with applicable regulatory requirements, safety standards and effectiveness of the formulation on crops. Most of the applicable regulations are stringent and they may become stricter in the future. Further, pursuant to the Insecticides Act, certain formulations are banned in India, or the use of such formulations is restricted, due to the toxicity levels of such formulations. Presently, a majority of the products manufactured by our Company are classified as 'poison', and there can be no assurance, any of these formulations will not be banned in the future. The penalties for non-compliance with these regulations can vary from revocation or suspension of the registration to imposition of fines or confiscation of the formulations or active ingredients.

The quality of formulations and active ingredients is open to verification by the regulatory agencies in India. These regulatory agencies carry out quality inspections of formulations and active ingredients. In case the formulation or the active ingredients does not comply with the quality norms prescribed by the government or are defective, it could lead to issuance of show cause notices. Failure to meet the quality standards could lead to suspension of sales of those batches or of those formulations and active ingredients in that particular country or a ban on the sale of the formulation or active ingredients. Any such events are likely to impact our reputation, business, results of operations and cash flows.

Further, we may also explore opportunities and venture into new jurisdictions. We may have limited experience and knowledge of the market and regulatory conditions in such jurisdictions. Also, we are subject to additional risks in relation to complying with a wide variety of local laws, including restrictions on the import and export of certain intermediates, chemicals, technologies and multiple and possibly overlapping tax structures. Additionally, regulatory and procedural requirements are subject to change and as a result, may, at times, be

unclear or inconsistent. For instance, the Pesticides Management Bill, 2008, which if passed will replace the Insecticides Act, 1968, however, it is unclear whether it is proposed to be passed in its current form. Consequently, there is an increased risk that we may inadvertently fail to comply with such regulations or procedures, which could lead to a variety of sanctions being imposed by the relevant authorities, as well as withholding or delay in receipt of regulatory approvals for formulations or active ingredients. Further, any adverse change in the regulatory environment in the future may subject us to increased obligations and may adversely affect our business, cash flows and results of operations. Further, in the past, we have experienced delays in obtaining registration on account of certain factors such as administrative delays and discrepancy in dossiers submitted.

If we are unable to obtain the necessary registration for formulations or active ingredients in a timely manner or at all, we may lose any such market opportunity. Consequently, our returns may be lower than anticipated which may result in our failure to recover the costs incurred towards seeking the registration, which could adversely affect our growth, profitability, financial condition and market position. Moreover, if we fail to comply with various conditions attached to such registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to distribute such formulations or active ingredients. If we fail to obtain or comply with the conditions in such registrations and other related approvals, in a timely manner or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

Our failure to accurately forecast demand or any cancellation of orders, could result in higher inventory, which could adversely affect our operations and profitability.

We maintain an inventory of formulations and active ingredients as well as raw materials in our manufacturing facilities based on demand trends to meet seasonal demand. We monitor such inventory levels based on our own projections of future demand. In the past, we have experienced high levels of inventory of ₹ 39,140.37 lacs and ₹ 31,165.97 lacs as on March 31, 2015 and March 31, 2014, respectively, to meet seasonal demand.

The volume and timing of sales to our distributors and customers may vary due to variation in demand for our products, external factors including inclement weather conditions, drought, and macroeconomic factors affecting the economy in general and our customers in particular. Our inability to forecast the level of customer demand for our products and process innovation as well as inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. In particular, our inability to accurately forecast demand for products in our emerging product portfolio may hinder our planned growth in these verticals. If we are unable to appropriately estimate the demand for formulations or active ingredients and raw materials for any reason, it could result in surplus of inventory levels or unavailability of formulations or active ingredients in high demand resulting in below potential sales. In particular, we upgraded our facility in Dahej in fiscal 2014, where we initially manufactured active ingredients. Due to high production costs, the production of active ingredients were discontinued and the Dahej facility was upgraded to enable the manufacture of certain high margin products. However, due to the delay in this process and lowered demand due to seasonality, our inventories increased substantially in fiscal 2014. Additionally, any cancellation of orders by our distributors and customers could also result in surplus of formulations or active ingredients, which could adversely affect our operations. Further, excess stock subjects us to additional risks related to warehousing of formulations and active ingredients such as health and safety hazards, environmental damage and theft. Further, since formulations and active ingredients typically have a shelf life of between one to five years, our inventory could become obsolete.

If any of these factors materialize, it could have an adverse effect on our operations and profitability.

The agricultural industry is seasonal and cyclical in nature and as a result, our quarterly results may fluctuate significantly. Accordingly, if the agricultural industry in the regions in which we operate is adversely affected by unfavourable climatic conditions, the demand for formulations or active ingredients in such region could be adversely affected.

Our agrochemical business is heavily dependent on the agricultural sector which is inherently seasonal and is subject to soil and climatic conditions, rainfall, seasonal and other weather factors, which make the performance of the agricultural sector as a whole or the levels of production of a particular crop relatively unpredictable. In particular, the Indian agricultural sector is dependant on the quality of the monsoon, which is difficult to predict. Further, global warming and other changes to the weather pattern are being witnessed globally which may make it difficult for us to place reliance on weather forecasts and growth opportunities. As a result, our quarterly results of operations may fluctuate significantly due to the seasonal nature of the agricultural sector. A

significant portion of our operating profit and cash flows have historically been realized during the first and second quarters of each financial year, primarily due to seasonality and weather conditions. For instance, our operating revenue, on a limited reviewed basis, for the quarters ended December 31, 2014, September 30, 2014, June 30, 2014 and March 31, 2014 was ₹ 14,898 lacs, ₹ 40,197 lacs, ₹ 25,239 lacs and ₹ 13,524 lacs, respectively. As a result, our financial statements for consecutive quarters may not be directly comparable with each other. Moreover, any significant disruption in our operations or other factors that result in a significant shortfall compared with our expectations for the first and second quarters could, consequently, result in a significant shortfall in sales and operating cash flows for the full year.

Weather conditions can affect the presence of diseases and pest infestations in the short term on a regional basis, and accordingly, may negatively affect the demand for formulations and active ingredients. Further, on account of seasonality of the agricultural industry, our operating results may fluctuate from quarter to quarter and the sales pattern of the formulations or active ingredients across the world may also be different from our projections and estimates. Accordingly, if the agricultural sector in the regions where we operate, and particularly the crops to which our formulations or active ingredients cater are adversely affected by unfavourable soil or climatic conditions, poor rainfall, seasonal fluctuations, commodity crop price fluctuations or any other extraneous events, the demand for formulations or active ingredients may decrease, which may adversely affect our business, financial condition, cash flows and results of operations.

We license certain formulations from AMVAC and Nissan. Termination or amendment of these agreements may adversely affect our business.

We have entered into an exclusive license agreement with AMVAC Chemical Corporation ("**AMVAC**"), for the promotion, marketing, distribution and sale of phorate, an organo-phosphorus based insecticide, including use of the registered trademark, '*Thimet*' and '*Nuvan*', in India. We have also entered into agreements with Nissan Chemical Industries Limited ("**Nissan**"), Japan (through Nagarjuna Agrichem Limited, the company manufacturing its products in India), granting us the right to market their product '*Pulsor*' in India and Nepal on a non-exclusive basis. Further, we have an arrangement with Nissan, to market their product '*Hakama*', on a non-exclusive basis. The sale of our licensed products represented 26.72% and 23.02% of our Branded Formulation Sales for fiscal 2015 and fiscal 2014, respectively. In addition, we also benefit from our association with the AMVAC and Nissan brands. We are therefore dependent on AMVAC and Nissan for our business and operations, and an inability to continue our existing relationship will materially and adversely affect our business prospects, results of operations and financial condition.

Pursuant to our arrangement with AMVAC, we are required to pay specified royalty every quarter. Our arrangement with AMVAC is automatically renewed annually, unless terminated by either party by written notice. Our Company is not permitted to sublicense, assign, charge or otherwise transfer the trademarks or any technical information in relation to the licensed products without prior written consent of AMVAC. Further, AMVAC will continue to retain ownership of any inventions, modifications or improvements made directly or indirectly by our Company to any technical information in this relation. Any substantial change to the packaging, labels, advertising is also required to be submitted to AMVAC prior to such change. Further, AMVAC may, by written notice of 30 days, terminate our arrangement upon the occurrence of certain events, including any regulatory change restricting the sale of the licensed products, any action or inaction which reduces the value, integrity or reputation of the licensed trademarks.

Pursuant to our arrangement with Nissan for '*Pulsor*', we are required to purchase a specified quantity of the products and pay the price in advance for such products for resale. In the event of any non-payment of dues, Nissan may recover specified interest, cease any future sales and supplies to us or modify the payment terms or recover any costs and expenses in this relation. Any claims by us on account of weight, quantity, loss or damage of products are only permissible within five days from the date of supply of such products. Our Company is not permitted to transfer, sell or assign any rights under these agreements without prior written consent. Our arrangement with Nissan may be terminated by either paty without cause, by written notice of 90 days. Further, Nissan may, by written notice of 30 days, terminate the agreements upon the occurance of certain events, including any misrepresentation, action prejudicial to the interests of Nissan, any violation of licensed trademarks, or terminate without notice, in the event of suspension of business by our Company.

We are also bound by confidentiality obligations under our arrangements with AMVAC and Nissan, to protect their intellectual property, including in relation to technical information and any other intellectual property or proprietary data that may have been shared with us. While we believe that we have not been in breach of any such confidentiality obligations, an inadvertent breach or any misuse of intellectual property or proprietary data

by any of our employees may expose us to expensive infringement claims and may diminish our goodwill and reputation among our customers, suppliers, investors and the public, making it difficult for us to operate our business and compete effectively.

Our business operations and a significant portion of our revenues are therefore directly dependent on the continuation of our existing arrangements with AMVAC and Nissan. AMVAC and/or Nissan may, at their discretion, refuse to renew our existing agreements or may enter into similar licensing arrangements with our existing competitors or agrochemical product companies in India. We may not be immediately able to enter into similar arrangements with other global brands and this may have an adverse effect our business prospects, results of operations and financial condition.

Our business could be adversely affected by introduction of alternative crop protection measures such as biotechnology products, pest resistant seeds or genetically modified ("GM") crops.

We primarily manufacture, market and distribute a wide range of formulations and active ingredients, in the insecticide, herbicide, fungicide and plant growth regulator segments. Our business may be adversely affected by increased use of biotechnology products, pest resistant seeds, GM crops and other organic crop protection substitutes of formulations or active ingredients. The adoption of the products derived through biotechnology or alternative pest management and crop protection measures could have a negative impact on traditional formulations or active ingredients. While the launch and wide commercial use of GM crops in India may take some time, GM crops are likely to have more resistance to insects, pests and disease than non-GM crops and therefore, may require significantly less use of agrochemicals than non-GM crops. The growth and acceptance of such alternative pest management and crop protection products and measures by consumers may have an adverse effect on sales of our formulations which may, in turn, affect our financial condition and results of operations.

We depend on a limited number of formulations for a significant portion of our income.

As of March 31, 2015 and March 31, 2014, revenue from the sale of our top nine branded formulations or our '*Navratna*' range of products, '*Thimet*', '*Monocil*', '*Nuvan*', '*Hijack*', '*Victor*', '*Lethal*', '*Hakama*', '*Pulsor*' and '*Xplode*', accounted for 53.27% and 47.97%, respectively, of our revenue from Branded Formulation Sales. Demand for our top nine branded formulations is directly linked to the growth of the agricultural sector, weather conditions and other factors. Any adverse impact on the agricultural sector, regulatory action, increased competition or fluctuation in demand or supply of these formulations or impairment of our reputation or erosion of our brands or failure to optimize our brands could have a material adverse effect on our capacity to retain our current customers and attract new customers and therefore on our sales and profitability.

While we seek to expand our product portfolio by registering formulations and active ingredients based on certain new and existing generic molecules in different segments, our ability to expand in such segments will depend on various factors, including our ability to identify generic molecules, demand and accessible markets for niche formulations and active ingredients, the demand for and pricing pressures from competitors regarding such niche formulations and active ingredients in the domestic and international markets. Our failure to appropriately identify and respond to competitive pressures in this segment or successfully introduce new generic agrochemicals may adversely affect our strategy and future results of operations.

Availability and cost of raw materials, power and fuel may adversely affect our business, financial condition, results of operations and prospects.

Our business, financial condition, results of operations and prospects are significantly impacted by the availability and cost of raw materials, particularly chemicals, power and fuel. While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. This volatility in commodity prices can significantly affect our raw material costs.

Further, we depend on a steady supply of power for our manufacturing operations for which we primarily rely on the state grids. India suffers from significant energy shortages and power outages, particularly during the summer months, which has resulted in increased power costs in recent years. In the event of unavailability of

constant power supply, we will be dependent on our backup power supply, which may not be adequate to operate our facilities at full capacity. Further, the cost of backup power may increase in the event of such unavailability of power.

To the extent that we are unable to secure adequate supplies of raw materials and power on commercially reasonable terms or to pass on price increases to our customers, our profitability may be impaired.

We may be subject to fines and penalties due to the delayed completion of our bonus issue, which was approved by our shareholders in January 2015.

The Board of Directors of our Company approved a bonus issue of Equity Shares, of one bonus share issued for every two equity shares held by each shareholder, on October 30, 2014 and, subsequently, on January 10, 2015, the shareholders of our Company approved such bonus issue. However, due to the delay in implementing the bonus issue due to a delay in obtaining shareholder approval, due to administrative reasons, our Company made an application dated January 28, 2015 to the SEBI, to condone the delay in completion of the bonus issue. While the SEBI has permitted the Stock Exchanges to grant listing/trading approvals, and the Stock Exchanges have granted such approvals for the allotment of Equity Shares on April 25, 2015 pursuant to the bonus issue, SEBI by letter dated March 26, 2015, has stated that the delay in completion of the bonus issue is under examination. There can be no assurance that SEBI will not initiate penalty proceedings in the future, which may in turn, materially and adversely affect our business and results of operations and the market price of our Equity Shares.

We may continue to focus on inorganic growth. If we are unable to successfully identify and integrate any such acquisitions or partnerships, our growth strategy and prospects may be adversely affected.

We have in the past relied on inorganic growth as a key part of our growth strategy. For instance, we acquired 21 brands, including '*Lethal*' and '*Tractor*' from Montari Industries Limited in March 2003 and '*Monocil*' from Nocil in 2011, as well as entered into license agreements with AMVAC USA and Nissan. We may seek to identify and complete acquisitions and partnerships that meet our strategic and financial return criteria. However, there can be no assurance that we will be able to identify suitable acquisition or partnerships, arrange adequate financing on commercially reasonable terms for planned acquisitions or strategic partnerships, negotiate commercially reasonable terms for the acquisition of target companies or partnerships with businesses, integrate their operations with our own, retain key employees and customers critical for the target entity and realize our expectations and strategic objectives from planned acquisitions and strategic partnerships. We cannot assure you that our acquisitions will prove value accretive.

Strategic acquisitions and strategic partnerships involve several risks, including the following:

- difficulties in arranging adequate financing (whether debt or equity or a combination thereof) on commercially reasonable terms, to complete our planned investments or acquisitions in the budgeted time, cost and manner;
- difficulties or delays in obtaining lender consents required under our financing agreements, prior to undertaking any planned strategic partnerships or acquisitions;
- potential assumption of unanticipated liabilities and contingencies, including claims from current or former creditors, customers, suppliers, employees and other third parties;
- potential adverse short-term effects on operating results through increased costs or otherwise;
- unforeseen difficulties in extending disclosure and other internal controls and procedures over financial and other reporting and in performing the required assessment and remediation at the newly acquired business;
- unforeseen difficulties in assimilating the operations, personnel, management information systems and other administrative systems of acquired businesses and in transitioning existing operations, users and customers onto our platforms;
- potential disagreements with strategic partners and collaborators;
- diversion of management time and focus, and managing the realignment of our management resources;
- possible impairment of relationships with customers, suppliers and employees of acquired businesses as a result of changes in ownership and management; and
- unforeseen difficulties in complying with regulatory requirements that may be applicable.

While we believe that strategic acquisitions can improve our competitiveness and profitability, we may be unable to complete planned acquisitions or strategic partnerships on schedule or as budgeted or at all, or our due diligence processes may fail to identify all the challenges and liabilities involved in the acquisition or strategic

partnership. Further, we may be required to expend significant resources and management attention towards such acquisitions and strategic partnerships, which may not fructify. There can be no assurance that any businesses acquired or invested in will perform in accordance with our expectations or that our judgments concerning the value, strengths and weaknesses of businesses acquired or invested in will prove to be correct. Any such risks mentioned above, may reduce our profitability, increase our operating costs, interest and amortization expenses, require us to obtain additional debt and/or equity financing, dilute our goodwill and brand value, or otherwise have an adverse effect on our business, financial condition, results of operations and prospects.

Our sales and profitability could be harmed if we are unable to maintain and further build our brands.

We believe that our future success will be partially influenced by further development of the '*Tractor*' umbrella brand and brands under which we market our formulations, and our ability to communicate effectively about our products to our distributors and farmers through consistent and focused marketing messages. A number of factors, including adverse publicity regarding our brand ambassadors and unsuccessful product introductions, may have a negative effect on our reputation and erode our brand image. Insufficient investments in marketing and brand building could also erode or impede the development of our brands. Although we have expended, and expect to continue to expend resources on establishing and maintaining our brands, no assurance can be given that our brands will be effective in attracting and growing our customer base or that such efforts will be successful and cost-effective. Any impairment of our reputation or erosion of our brand or failure to optimize our brand in the marketing of our products could have a material adverse effect on our capacity to retain our current customers and attract new customers and therefore on our sales and profitability.

As part of our strategy, we invest in research and development for creation of new processes and we propose to develop new molecules, which we intend to patent. Any inability to successfully obtain product patents on such molecules, in a timely manner or at all, may result in our delay or failure to recover the costs incurred towards development of such molecules.

To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. The R&D process is often time consuming and costly, and obtaining an approval or patent protection in any one jurisdiction would not ensure approval in other jurisdictions. We have made seven applications for process patents with the Indian Patent Office, and have been granted one process patent. Our processes that are currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals or registrations may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and utilize such processes. Further, even if we are successful in obtaining patent protection for such processes, such process may become subject to litigation by third parties claiming our process infringes on their patent, or may be otherwise unsuccessful in the market place due to the introduction of superior or more cost effective processes by competitors. Therefore, our investments in R&D could result in higher costs without a proportionate increase in revenues.

In fiscal 2013, we established a joint venture company, OAT & IIL Laboratories, with OAT Agrio Company Limited, Japan, to establish a dedicated research and development facility with an objective of inventing molecules for both domestic and international markets. In the longer term, we believe that this joint venture will enable us to launch new patented products in India and certain other international markets where we have the exclusive rights, including for manufacturing and distribution. As of March 31, 2015, we had invested ₹ 795.00 lacs for subscription of equity shares in our joint venture, OAT & IIL Laboratories. While we intend to seek patent registrations for any products developed by OAT & IIL India Laboratories, the legal and procedural requirements for seeking patent registrations differ in each jurisdiction. Patent protection is a territorial right and therefore, a patent in India would only be effective within the territory of India. However, we may file corresponding applications for same invention in convention countries, within or before expiry of 12 months from the filing date in India. However, in the event the details of such molecules have been previously published or publicly displayed we may not be able to seek a patent in this regard.

Any inability to secure patent registrations in relation to any molecules invented by our joint venture, may result in our inability to protect our intellectual property rights, which may in turn result in the delay or failure to market such molecules, recover our investment in our joint venture and related costs incurred by us for such development.

Pests may develop immunity to our products in the long term, which may adversely affect our business and results of operation.

Over a long period of time pests develop immunity to the insecticides used and consequently, towards certain of our products. Further, we may be required to modify the chemical formula of our products and/or develop new products, which may not be as effective against pests, or may require investment in research and development. Any inability to launch new products to overcome such immunity may adversely affect our business and results of operation.

We are exposed to foreign currency exchange rate fluctuations, which may harm our results of operations and cause our quarterly results to fluctuate.

Our financial statements are presented in Indian Rupees. However, our income and operating expenses and finance charges are influenced by the currencies of those countries from where we procure raw materials, or, to a limited extent at present, sell our products. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. dollar, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. Moreover, as a certain part of our long term and short term borrowings are U.S. dollar denominated, we expect that our cost of borrowing as well as our cost of raw materials incurred may rise during a sustained depreciation of the Indian Rupee against the U.S. dollar.

We may, therefore, suffer losses on account of foreign currency fluctuations for our raw material procurement and exports, and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers. Moreover, we may be required to reconfigure our loan portfolio from time to time, so as to effectively manage our finance charges.

While we seek to hedge our foreign currency exchange risk by entering into forward exchange contracts, any amounts that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses that we may incur due to such fluctuations. As on March 31, 2015 and March 31, 2014, our total unhedged foreign currency exposure amounted to ₹ 6,722.36 lacs, and ₹ 15,060.70 lacs, while the total value of our outstanding forward exchange contracts amounted to ₹ 2,607.90 lacs and ₹ 3,074.96 lacs, respectively.

Underutilisation of our manufacturing capacities or an inability to manage our growth may disrupt our business and reduce our profitability.

Our production capacity is subject to several variables such as availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning and capacity utilization. We have significantly expanded manufacturing capacity at our facilities in Rajasthan, Jammu & Kashmir and Gujarat. As of March 31, 2015, our manufacturing facilities have an aggregate total installed capacity of 17,450 KLPA of liquid, 75,600 MTPA of granules, 16,980 MTPA of powders, 13,800 MTPA of active ingredients and bulk formulations. However, our capacity utilization was 84.72%, 25.38%, 19.40% and 56.25% of our total installed capacity for liquid, granules, powders and active ingredients and bulk formulations, respectively, in fiscal 2015. There can be no assurance that we will be able to utilize our manufacturing facilities to their full or optimal capacity, and non-utilization of such capacities may lead to loss of profits or may result in losses.

Further, as part of our growth strategy, we are committed to continuing to diversify our product offerings, customer base and geographic footprint. Our growth requires us to continuously invest in our operations, evolve and improve our operational, financial and internal controls and administrative infrastructure. In particular, this significantly increases the challenges involved in:

- maintaining high levels of customer satisfaction;
- acquiring new customers and increasing/maintaining contribution from existing customers;
- maintaining the quality and precision level of our products;
- preserving a uniform work culture and environment across our sites and maintaining and improving operational synergies between our sites;
- arranging for adequate financial resources (whether in the form of debt or equity or a combination thereof) for planned improvements and expansions;
- managing our relations with our labour force and successfully resolving any labour disputes that may arise from time to time; and
- recruiting, training and retaining sufficient skilled technical, marketing and management personnel.

An inability to manage our growth, including as a result of a failure to adequately respond to any such challenges, risks or uncertainties, may disrupt our business and reduce our profitability.

We are subject to various law and regulations, including environmental and health and safety laws and regulations in relation to our manufacturing facilites, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.

Our operations are subject to central, state and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, in order to establish and operate our manufacturing facilities in India and authorization under the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 for disposal of hazardous wastes.

If we fail to comply with such laws and regulations, we could be subject to significant fines, penalties, costs, liabilities or restrictions on operations, which could negatively affect our financial condition. Regulatory permits required for our operations may also be subject to periodic renewal and, in certain circumstances, modification or revocation. Environmental and occupational health and safety laws and regulations, and the interpretation and enforcement thereof, are subject to change and have tended to become stricter over time. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental or health and safety laws or noncompliance with permits required at our facilities, which, as a result, may have an adverse effect on our business and financial condition. While we intend to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may prove restrictive and onerous.

We may be unable to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our strategy to enhance our international operations.

Presently, we export bulk formulations to Nepal, Afghanistan and Bangladesh and plan to increase international sales and expand into certain other jurisdictions including in the Middle-East and South-East Asian regions. Our export revenues in fiscal 2015 constituted ₹ 86.00 lacs, which constituted 0.09% of our net revenue from operations. These international operations and pursuing such a growth strategy exposes us to a variety of risks, including risks arising from:

- introduction of restrictions on foreign trade by India, particularly with respect to the import or registration of agrochemical products;
- unfamiliarity with the development, ownership and management of an adequate distribution network and supply chain in these markets,
- inability to obtain potential customers due to lack of brand recognition and knowledge regarding customer preferences in such markets;
- difficulties in staffing and managing multiple international locations;
- any need to obtain governmental approvals and permits under unfamiliar regulatory regimes;
- increased costs resulting from the need to comply with complex foreign laws and regulations including those relating to import and export requirements, trade restrictions, labour relations and tax laws that apply to our international operations;
- imposition of, or unexpected adverse changes in, the laws, regulatory requirements or trade policies of foreign governments;
- increased exposure to foreign currency exchange rate risk, particularly in the U.S. dollar;
- restrictions on transfer of funds into or out of a country;

- inability to obtain adequate insurance;

- inability to maintain or enforce legal rights and remedies, including those relating to intellectual property and trade secrets, at a reasonable cost or at all;

- potential for political unrest, war or acts of terrorism;

- challenges caused by distance, language and cultural differences and by doing business with foreign agencies and governments;

- longer payment cycles in some countries;

- uncertainty regarding liability for products; and

- credit risk and higher levels of payment fraud.

We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we do business or plan to do business. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition.

Furthermore, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. If we are unable to successfully build our brand reputation and sale revenues in our international markets, it may limit our ability to grow our business.

A failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may cause us to default on these agreements, which may adversely affect our ability to conduct our business and operations.

As on March 31, 2015 and March 31, 2014, our total long-term borrowings (including long-term debt payable within 12 months) from banks and financial institutions amounted to ₹ 8,066.46 lacs and ₹ 4557.94 lacs, while our total short-term borrowings from banks amounted to ₹ 24,094.52 lacs and ₹ 21,242.90 lacs, respectively. Our leverage has several important consequences, including the following:

- a portion of our cash flow will be used towards repayment of debt, which will reduce the availability of cash to fund working capital requirements, capital expenditures, acquisitions and other general corporate purposes;

- our borrowing cost and the existence of encumbrances on a significant portion of our immovable properties including our manufacturing facilities, may constrain our ability to raise incremental financing in the future, at commercially reasonable terms. In the event of enforcement of an event of default in connection with such secured borrowings (which is not waived or cured), our ability to continue to operate our business at such locations may be restricted; and

- fluctuations in interest rates may affect our cost of borrowing, as all or a substantial part of our borrowings is at floating rates of interest.

In particular, our financing agreements require us to maintain certain financial ratios including debt service coverage ratio, and to obtain the consent of, or to intimate, our lenders for certain actions including effecting any change in shareholding or management of our Company, raising further loans or incurring any major capital expenditure, issuance of guarantees by our Company, for certain actions including making any amendments in our Memorandum and Articles of Association. Our failure to comply with financial or restrictive covenants or periodic reporting requirements or to obtain our lenders' consent to take restricted actions in a timely manner or at all may result in the declaration of an event of default by one or more of our lenders, which may accelerate repayment of the relevant loans or increase applicable interest rates or trigger cross-defaults under other financing agreements.

An event of default may also affect our ability to raise additional funds or renew maturing borrowings to finance our existing operations and pursue our growth initiatives. The termination of, or declaration or enforcement of default under, any financing agreement (if not waived or cured) may have an adverse effect on our business, financial condition, results of operations and prospects.

Increases in interest rates may materially impact our results of operations.

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. As on March 31, 2015, 0.33% of our debt facilities carried variable interest rates. Although we may exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Our audited financial statements as of and for the year ended March 31, 2015 have not been adopted by the shareholders of the Company.

Our audited financial statements as of and for the year ended March 31, 2015 included in this Placement Document has been approved by our Board of Directors pursuant to a resolution dated May 27, 2015. However, these are subject to adoption in a general meeting of our shareholders.

Further, in accordance with the Companies Act, 2013, our Company has not consolidated the accounts of OAT & IIL India Laboratories for fiscal 2015, and will consolidate accounts for future periods, as required under the Companies Act, 2013.

We are susceptible to product liability claims that may not be covered by insurance and may subject us to substantial expenditure thereby adversely affecting our reputation and if the claim is successful, could require us to pay substantial amounts.

We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage, packaging or handling which may lead to the deterioration of formulations or active ingredients. All formulations are packed with instructions about the optimum dosage and usage method and labels of active ingredients typically provide for directions for use. However, any wrong usage of formulations by the end user could damage crops. While usage of formulations and active ingredients by end users as per the instructions is not within our control, any such damage could result in potential litigation instituted by end users raising questions on the nature of instructions and may consequently tarnish our reputation. We may have to incur significant costs defending in such suits which may impact our sales and hence our profitability.

Further, any mishandling or accident while storing or transporting formulations or active ingredients may cause personal injury or loss of life and may further lead to severe damage or destruction to property or equipment and environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. Even unsuccessful product liability claims would likely require us to incur substantial expenses on litigation, divert management's time, adversely affect our goodwill and impair the marketability of formulations.

We are liable for the quality of the formulations and active ingredients for the duration of their shelf life. Disputes over non-conformity of formulations or active ingredients with prescribed quality standards or specifications are generally referred to independent testing laboratories. If any independent laboratory confirms that the formulations or active ingredients do not conform to the prescribed or agreed standards and specifications, we may be required to bear the expenses of replacing and testing such formulations or active ingredients, which could adversely affect our business, results of operations, cash flows and financial condition.

We are subject to certain risks in our manufacturing process. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.

We presently operate seven manufacturing facilities, comprising five formulation plants, at Chopanki in Rajasthan, Udhampur and Samba in Jammu & Kashmir and Dahej in Gujarat and two technical synthesis plants at Chopanki and Dahej. Our business involves complex manufacturing processes that can be dangerous to our employees. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery

delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labor dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. For instance, in September 2014, there was a fire in our facility in Chopanki (Rajasthan), which resulted in a loss of certain raw material and machinery. While we have initiated insurance claims, there can be no assurance that we will be able to recover such costs. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects.

Our revenue from operations are to a large extent dependent on the stability of agricultural commodity prices, trade policies and the cropping pattern adopted by the farming community in the regions we operate.

Our net revenue from operations for fiscal 2015 and fiscal 2014 was ₹ 96,419.15 lacs and ₹ 86,408.17 lacs, respectively. We derive bulk of our revenue from the sale of branded formulations used on crops such as wheat, paddy, cotton, soya bean, black and green gram, maize and tomato and potato. Recently, these commodity prices have been on a rise with sharp fluctuations. We cannot assure you that such rising commodity prices would not result in the farmers and consumers preferring cheaper substitutes for the crops that we cater to. Any significant change in cropping patterns or change in consumption patterns may significantly reduce the demand for formulations which may have significant impact on our sales and profitability.

Any change in the government policies vis-à-vis expenditure, subsidies and incentives etc. in agriculture sector or failure of farmers to realize expected prices for their crops could affect their ability to spend on agrochemical products, thereby affecting our business and profitability.

Any changes in government policies relating to the agriculture sector such as reduction of government expenditure, withdrawal or changes in incentives and subsidy systems, export restrictions on crops, or adverse changes in commodity prices and/or minimum support prices could have an adverse effect on the ability of farmers to spend on agrochemicals.

Our ability to freely set prices for formulations and generic active ingredients may be restricted by the government and our profits may reduce. Governments and end users of our agrochemicals may seek to find ways to reduce or contain agriculture related costs. We cannot predict the nature of the measures that may be adopted by governments or private organisations or their impact on our revenues. In the event such measures result in increased costs for farmers to undertake agriculture, their demand for formulations and generic active ingredients may reduce, which could reduce our cash flows. Also, if agriculture related legislation or third party payer influence results in lower prices for formulations or generic active ingredients, our overall revenues may decrease and our cash flows and profits could be adversely affected even in cases where the demand for formulations and generic active ingredients increases.

Disruption of our relationships with our distributors, changes in their business practices, their failure to meet payment schedules and provide timely and accurate information or our inability to further expand our distribution network could adversely affect our business, operating cash flows and financial condition.

We have over the years developed an extensive network of distributors and dealers across India. As at March 31, 2015, our distribution network included more than 5,000 distributors with a pan-India presence. We have also established 29 branches and depots, across the country, in states such as Haryana, Andhra Pradesh and Tamil Nadu, including through clearing and forwarding agents, for effective storage and distribution of our products. We intend to grow our business by adding new distributors both in existing as well as in new markets.

We are dependent on our state and regional distributors for the distribution of our products within India. Our policy is to offer attractive margins to our channel partners to incentivize and motivate them with respect to the distribution of our products versus the products of our competitors. While we believe that our relationship with

these parties has been satisfactory, we have neither long-term nor exclusive contracts with such distributors. If our competitors offer distributors and retailers more favourable terms or have more products available to meet their needs, those distributors may de-emphasize or decline to distribute our products. In addition, our distributors could change their business practices, such as inventory levels, or seek to modify their contractual terms, such as payment terms. The inability of our distributors to meet our payment schedules or unexpected changes in inventory levels, payment terms or other practices by our distributors could negatively impact our business, operating cash flows and financial condition. We rely on our distributors to provide us with timely and accurate information about their inventory levels as well as sell-through of products purchased from us. We use this information as one of the factors in our forecasting process to plan future production and sales levels, which in turn influences our financial forecasts. If we do not receive this information on a timely and accurate basis, our results of operations and financial condition may be adversely impacted.

In order to expand the sales volume of our products, it is essential that we continue to expand the density as well as the geographic reach of our existing distribution network. If we are unable to continue to expand our distribution network, our business and financial condition may be adversely affected.

Our reliance on third parties for certain aspects of our business, including raw material suppliers and transporters of our raw materials, exposes us to certain risks.

We rely on third parties for the supply of raw materials, contract labour and power required for the manufacture of our formulations and active ingredients. Our ability to identify and build relationships with reliable suppliers contributes to our growth and our management of our inventory as well as other aspects of our operations. Our raw material suppliers may fail to consistently deliver products of acceptable quality, technical specifications and within stipulated schedules, which may adversely affect our operations. We may be required to replace a supplier if its products do not meet our safety, quality or performance standards or if a supplier should unexpectedly discontinue operations due to reasons beyond its or our control (including financing constraints caused by credit market conditions).

Factors such as the financial instability of suppliers, noncompliance with applicable laws, trade restrictions, labour disputes, commodity price fluctuations, currency fluctuations, changes in tax or import policies, severe weather, political uncertainty, terrorist attacks and transport capacity and cost may disrupt our supply chains, which may result in increased costs or delivery delays. Further, increase in competition and/or our competitors having established operations and long-term relationships with suppliers may see us facing challenges to secure adequate supply of raw materials or may increase our overall cost of raw materials. Therefore, there is no assurance that third party suppliers will be able to meet their commitments to us, or that we will not be required to incur additional costs to remedy any deficiencies or to obtain alternative sources of supply in the event that our suppliers should default or be delayed in their performance. A significant disruption in supply of raw material, contract labour or power may, in turn, disrupt our operations and adversely affect our inventory management, business and financial condition, at least until alternative sources of supply of raw materials and services are arranged.

We also use, and intend to continue to use, third party transporters for the supply of our raw materials and for deliveries of our products to our customers. Increased transportation costs as well as interruptions due to strikes by members of truckers' unions or shipping delays or adverse weather conditions or inadequate transport infrastructure may, to the extent that our losses are not covered by insurance, adversely affect the timely receipt of our raw materials as well as products, resulting in an adverse impact on our business, financial condition, results of operations and prospects.

Our success depends on our senior management and our ability to retain and attract technical personnel and various other professionals. If we are not able to retain them or recruit additional qualified personnel, we may not be able to successfully develop our business.

Our experienced senior management and Directors have had significant contribution to the growth of our business, and our future success is dependent on the continued service of our senior management team. We are assisted by various technical personnel and experienced professionals skilled in several fields including management, product engineering, scientific research, sales, IT and finance, for all our functions. We employ scientists, chemists and engineers for research and development of new molecules and new processes for manufacture of formulations and active ingredients. We benefit from their experience and the loss of their association with us may significantly delay or prevent the development of our business.

Competition among agrochemical companies for qualified professionals is intense and the ability to retain or associate with qualified individuals is critical to our success. Furthermore, as we expect to continue to expand our operations, we will need to continue to attract and retain such professionals. There can be no assurance that we will be able to retain and attract such professionals in the future on acceptable terms, or at all, and the failure to do so may have an adverse effect on our business and results of operations.

Further, our manufacturing activities are labor intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. Currently, in our facilities (where we do not have any recognized trade unions), we have maintained a generally positive working environment. Although we have not faced work stoppages in the past, we cannot ensure that we will not be subject to work stoppages, strikes or other types of conflicts with our employees or contract workers in the future. Further, we cannot ensure that our employees will not unionize in the future. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers and impair our relationships with key customers and suppliers, which may adversely impact our business and financial condition.

We have significant working capital expenses. If we experience insufficient cash flows to enable us to fund working capital requirements or to service our working capital loans, there may be an adverse effect on our business, financial condition, results of operations and prospects.

Our business requires a high amount of working capital, primarily on account of high inventory levels owing to multiple levels of operations, including backward integrated manufacturing operations as well as forward integrated distribution. Our working capital requirements have also increased significantly in recent years, due to the general growth in our business, our greater focus on expanding distribution, increased inventories maintained by us, and extended credit periods granted by us to our customers, in certain cases.

We deliver a significant portion of formulations and active ingredients against future payment. Our credit terms vary according to local market practice and typically, the credit period ranges between 90 days to 120 days. If any of our distributors or customers fail to make payments to us or become insolvent, we would suffer losses and our business, financial condition and results of operations could be adversely affected. While we believe that we have not experienced material losses in this respect, in certain conditions there can be a significant impact on our distributors' or customers' ability to pay their debts, which could result in a material adverse effect on our business, results of operations and financial condition. Moreover, our agrochemical sales are not supported by letters of credit or bank guarantee. In case of any disputes or differences or default with regard to our payments, we would have to initiate appropriate recovery proceedings and which may be costly and time consuming. If customers default on or delay payments, it may affect our profitability and liquidity and decrease capital resources available to us for other uses, including our obligations under the credit facilities granted to us by our lenders. This could increase the quantum of payables to our suppliers, which may further result in reduced availability of raw materials and/or increased raw material costs. Further, if customers of our bulk formulations default in their payments on an assignment for which we have devoted significant resources or if an order or assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are unable to finance our working capital needs or to secure other financing, when needed, on acceptable commercial terms, it may adversely affect our business, financial condition, results of operations and prospects.

Increased competition may result in decreased demand or lower prices for our formulations and active ingredients, which could reduce our profitability.

The agrochemical industry in India is highly fragmented and competitive. The Indian agrochemical industry is dominated by generic products, with more than 80% of molecules being non-patented (*Source: FICCI Report 2014*). This results in low entry barriers for this industry. The Indian agrochemical value chain comprises of technical grade manufacturers, formulators producing the end products, distributors and end use customers. According to the Pesticide Monitoring Unit, Government of India, there are about 125 technical grade manufacturers, including about 10 multinationals, more than 800 formulators and over 145,000 distributors in India. More than 60 technical grade pesticides are being manufactured indigenously.

We face substantial competition from existing and potential competitors who may manufacture or distribute same formulations or active ingredients as us or competitors who are already distributing and selling formulations and active ingredients similar to ours. None of our registrations are granted exclusively to us and

our competitors are free to seek registration for formulations or active ingredients for which we hold registrations. In the event that other players obtain registration for formulations or active ingredients registered in our name, it may adversely affect our sales and margin in relation to such registered formulation or active ingredient. Additionally, we compete with existing agrochemical companies on the basis of portfolio of our formulations and active ingredients, product traits, including disease resistance, plant quality and other factors, as well as based on price, reputation, customer service and customer convenience. The greater financial, marketing, technological and other resources of certain of our competitors may enable them to commit larger amounts of capital in response to changing market conditions, or to achieve substantially more market penetration in certain segments of those markets in which we operate or to anticipate the course of market developments and trends more effectively than we do and to develop product and process innovations and capabilities that may put us at a disadvantage. We may also face competition from new entrants in the market as well as aggressive pricing and marketing strategies by other manufacturers trying to gain market share. Further, competitors in international jursidictions in which we operate or propose to operate, may be more competitive in terms of pricing due to lower labour and other costs.

There are several competing producers of varying size and in various geographical markets. Therefore, as the parameters of competition in this business are less firmly established than in certain other types of businesses, we believe that it is difficult to predict how the competitive landscape of our business will develop over the long term. General competitive factors in the market, which may affect the level of competition over the short and medium term, include vulnerability to overall macroeconomic factors, time to market, product features, technical competence, quality, price, delivery, warranty, general customer experience and relationships between manufacturers and their customers.

As a result of intense competition, we may have to reduce the prices of our products and/or increase expenditures in order to differentiate ourselves and achieve economies of scale which may adversely affect our profitability and margins. Our inability to compete successfully would materially affect our business prospects, results of operations and cash flows.

We do not own trademarks in relation to certain of our products and have made applications for their registration. Until we receive such registration, these trademarks enjoy limited legal protection and our ability to use the trademarks and logo may be impaired.

We have filed an application with the Registrar of Trademarks to register a trademark over our corporate logo and certain of our product brands, including '*Tractor*', '*Victor*' and '*Xplode*', and consequently, may not be able to efficiently prevent any unauthorized use of our logo and trademarks. In the absence of registration, competitors or other companies may challenge our use of our corporate name and logo or allege that we have breached their intellectual property rights, which may adversely affect our brand image, goodwill and customer relations.

We also obtain trademark registration for names and logos of formulations and active ingredients which we use to market our products. Despite these intellectual rights protections, entities operating in our markets could pass off their own spurious or sub-standard formulations or active ingredients, including counterfeit or pirated formulations or active ingredients. Certain entities could imitate our label, name, packaging materials or attempt to create look-alike products. The proliferation of formulations and active ingredients with unauthorised label or name, and the time and attention lost to defending claims and complaints about counterfeit formulations and active ingredients could have an adverse effect on our goodwill, market share, growth prospects and results of operations.

While we endeavor to ensure that we comply with the intellectual property rights of others, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties that may require us to introduce changes to our operations, including our manufacturing processes. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. We could be required to pay third party infringement claims, alter our business methodology, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we are required to cease distribution of affected formulations or active ingredients, our revenue could be materially and adversely affected.

We may be unable to obtain future financing on favorable terms, or at all, to fund our operations, expected capital expenditure and working capital requirements.

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, regulatory changes, economic conditions, technological changes and market developments in the agrochemical sector. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including:

- Future results of operations, financial condition and cash flows;
- Economic, political conditions and market scenario for our products;
- Costs of financing, liquidity and overall condition of financial and capital markets in India;
- Issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and
- Limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds.

Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

If any third party laboratory on which we rely for tests does not perform its obligations as contractually required or in accordance with Good Laboratory Practices ("GLP"), we may not be able to obtain regulatory approval or commercialize formulations.

We approach independent certified laboratories and other third party service providers for conducting tests of new formulations and active ingredients and expect to continue to do so. We do not control many aspects of their activities and third party laboratories may not complete activities on schedule or may not conduct studies in accordance with applicable plans and protocols and GLP standards. If third parties fail to carry out their obligations, development of formulations or active ingredients, their registration and commercialization could be delayed or prevented or an enforcement action could be brought against us which may adversely affect our business, financial condition and results of operations.

Patent laws allowing innovator companies to extend their patents could delay the introduction of formulations and generic active ingredients and adversely affect our business.

We plan to continue off-patent product development to expand our formulations and technical business. In many countries, patent holders have the option of extending the terms of their patents. For instance, the regulatory authorities in the United States allow companies to extend the terms of their patents to compensate for the time spent awaiting necessary regulatory approval for grant of patent. While in certain jurisdictions, registration is allowed during the patent period, the extension of patent terms or the extension of exclusivity in the marketplace by these or other means may delay our introduction of formulations and generic active ingredients and may adversely affect our business.

We are entitled to certain tax benefits in relation to our manufacturing facilities in Jammu & Kashmir. These tax benefits are available for a definite period of time, which, on expiry or if withdrawn prematurely, may adversely affect our business, financial condition, results of operations and prospects.

We are entitled to claim certain direct tax exemptions or reimbursements on account of parts of our manufacturing facilities in Samba and Udhampur in Jammu & Kashmir, pursuant to the Industrial Policy, 2004 for development of industries in Jammu & Kashmir. We are entitled to exemptions from (or refunds on account of) certain duties and levies including the following:

- 100% deduction for the Udhampur facility until fiscal 2016 and 30% income tax deduction for a further period of five years;
- 100% deduction of profit on account of power generation from its own captive power plant and utilised by itself for 10 consecutive years starting from fiscal year 2016 and till the end of fiscal year 2025; and
- excise duty refund for the of period 10 years from the date of commencement commercial production.

Our profitability will be affected to the extent that such benefits are not available beyond the periods currently contemplated. Our profitability may be further affected in the future if any benefit under the statute is reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits. In the event that any adverse development in the law or the manner of its implementation affect our ability to benefit from these tax incentives, our business, financial condition, results of operations and prospects may be adversely affected.

We are involved in certain legal and regulatory proceedings that if decided against us may adversely affect our business operations, results of operations and financial condition.

We are involved in certain material legal and regulatory proceedings pending at different levels of adjudication before various courts and tribunals. In the event of any new development such as a change in Indian law or a ruling against us by any such court or tribunal, we may be required to make provisions in our financial statements. There can be no assurance that these legal proceedings will be decided in our favour. Furthermore, we may also not be able to quantify all the claims in which we are involved.

Our legal proceedings include:

- One excise tax matters involving our Company, pending before the Excise and Service Tax Appellate Tribunal, New Delhi alleging certain irregularities, where the amounts involved aggregate to approximately ₹ 186.11 lacs.
- Six sales and value added tax matters involving our Company, pending at various levels of adjudication, alleging certain procedural irregularities, where the amounts involved aggregate to approximately ₹ 464.48 lacs.
- Separately our Company has also have received a show cause notice under the West Bengal Value Added Tax Act, 2003 from the office of the Additional Commissioner, Commercial Tax, Kolkata, alleging short payment of tax, where the amount involved aggregates to approximately ₹ 13.95 lacs.

For details, see "***Legal Proceedings***".

If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks and are subject to exclusions and deductibles. Our insurance coverage may not cover all risks and may be restricted to only certain kinds of damage. There can be no assurance that such formulations or generic active ingredients are adequately insured.

Further, we are required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance polices or not obtain at all, we may face significant uninsured losses. If we suffer a large uninsured loss or if any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

Contingent liabilities which have not been provided for may adversely affect our financial condition.

As of March 31, 2015, our contingent liabilities not provided for, include the following:

(in ₹ lacs)

Particulars	As of March 31, 2015
Letter of Credits (FLC & ILC)	8,825.99
Bank Guarantee	326.93
Excise Matter with Appellate Authority, New Delhi (Period Covered – September 2004 to August 2007)	186.11
Sales Tax Matters	473.55

If these contingent liabilities materialize, fully or partly, our financial condition may be adversely affected. For details, see "***Financial Statements***".

We have entered, and will continue to enter, into related party transactions, which may involve conflicts of interest.

We have, in the ordinary course of our business, entered into transactions with certain related parties. For instance, we had trade payables of ₹ 0.79 lacs, ₹ 1.34 lacs, ₹ 5.53 lacs and ₹ 0.94 lacs from Paras Agro Industries, Evergreen Mineral Industries¸ Vinod Metal Industries and Valves Pneumatics, respectively, associate firms of the Company, as well as rent payable of ₹ 6.81 lacs to ISEC Organics Limited, an associate company.

While, in our view, all related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such arrangements not been entered into with related parties. Further, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects.

For details, see "***Financial Statements***".

If more stringent labour laws or other industry standards in India become applicable to us, our profitability may be adversely affected.

We are subject to a number of stringent labour laws. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. We are also subject to international, federal, state and local laws and regulations, in all jurisdictions where we have operations, governing our relationships with our employees, including those relating to minimum wage, overtime, working conditions, hiring and firing, non-discrimination, work permits and employee benefits.

Further, in order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for any wage payments that must be made to such labourers. If we are required to pay the wages of the contracted employees, our results of operations and financial condition could be adversely affected.

If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Any failure in our information technology systems may adversely affect our business, results of operations and financial condition.

Our information technology systems are a critical part of our business and enable us to manage key business processes such as research and development, customer relationship management and transaction processing, as well as our financial reporting system. Any delay in implementing critical upgrades to our information management systems or technical failures associated with our information technology systems, including those caused by power failures, computer viruses or unauthorized tampering of our information technology systems, may adversely affect our ability to plan, track, record and analyze work in progress and sales, process, financial information, manage our creditors and debtors, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

Our historical financial information may not be indicative of future growth. Historically we have demonstrated growth on account of successful implementation of our strategies. If for any reason our strategies do not result in the same level of success, our results of operations could be adversely affected.

Our Company has historically continued to demonstrate growth in revenues year after year. In fiscal 2015, 2014 and 2013 we generated a net revenue from operations of ₹ 96,419.15 lacs, ₹ 86,408.17 lacs and ₹ 61,667.93 lacs, respectively and net profit after tax of ₹ 5,484.39 lacs ₹ 3,994.26 lacs and ₹ 3,531.77 lacs, respectively. The historical financial information however may not be indicative of our future growth. Our future growth will depend, among other things, upon the continued success of our business model and our ability to successfully implement our strategies. Our results of future operations may be adversely affected if these strategies do not get successfully implemented for any reason.

Risks Relating to India and Other External Risk Factors

General economic conditions in India and globally could adversely affect our business and results of operation.

Our financial condition and the results of our operations depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations.

We mainly derive revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, rising inflation rates and various other factors. As per the latest estimates released by the Reserve Bank of India ("**RBI**") in its *Macroeconomic and Monetary Developments 2014-15 (An Update),* the Indian economy is estimated to register a growth rate of 5.5% in fiscal 2015 (at factor cost). The RBI, in its *Macroeconomic and Monetary Developments 2014-15 (An Update),* has indicated that inflation continues to be a concern. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations.

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

Further any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Companies Act 2013, contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions and restrictions on the number of layers of subsidiaries. Moreover, effective April 1, 2014, companies

exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profit before tax from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports. We may incur increased costs and other burdens relating to compliance with these new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business and results of operations.

The GoI has also proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

We have not determined the impact of these recent and proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

Investors may have difficulty enforcing judgments against us or our management.

We are incorporated under the laws of India and majority of our directors and key managerial personnel reside in India. A majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws. See "***Enforcement of Civil Liabilities***".

Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition. Further, our failure to successfully adopt IND (AS) may have an adverse effect on the price of our Equity Shares.

Our financial statements, including the financial statements provided in this Placement Document, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the IFRS, which was announced by the MCA, through the press note dated January 22, 2010. These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS). The Ministry of Corporate Affairs, Government of India has issued the Companies (Indian Accounting Standards) Rules, 2015 pursuant to which the IND (AS) shall be mandatorily applicable to companies (except banking companies, insurance companies and non-banking financial companies) effective from (i) the accounting periods beginning on or after April 1, 2016 (with comparatives for the period ending March 31, 2016 or thereafter), for all companies with net worth of ₹ 50,000 lacs or more; and (ii) the accounting periods beginning on or after April 1, 2017 (with comparatives for the period ending March 31, 2017 or thereafter) for listed or to be listed companies (i.e. whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India) with net worth less than ₹ 50,000 lacs and unlisted companies with net worth between ₹ 25,000 lacs and ₹ 50,000 lacs.

These requirements would also apply to any holding, subsidiary, joint venture or associate companies of such aforementioned companies.

Further, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IND (AS) as applied to financial statements. There can be no assurance that the adoption of IND (AS) will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND (AS) may have an adverse effect on the trading price of our Equity Shares.

Moreover, our transition to IND (AS) reporting may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. Any of these factors relating to the use of IND (AS) may adversely affect our financial condition.

Our Company is subject to various Indian taxes and any adverse development in the taxation regime may have a material adverse effect on our results of operations.

Any increase in taxes and/or levies, or the imposition of new taxes and/or levies in the future, could increase the cost of production/operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

Changes in government policies may have an adverse impact on the business and operations of our Company. Further political, economic and social changes in India could adversely affect our business.

The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Company's shares, may be affected by changes in GoI's policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our Equity Shares could change as well. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares. Any adverse change in government policies relating to the agricultural sector in general and agrochemicals sector in particular, may have an impact on our profitability.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of our Equity Shares.

Natural calamities and force majeure events may have an adverse impact on our business.

Our industry may be affected by a number of natural hazards including earthquakes, floods, tsunamis and landslides. Natural disasters may cause significant interruption to our operations and disruptions at our manufacturing facilities, or to the operations of our distributors. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy and specifically the agricultural sector, which could adversely affect our business and results of operations.

Further, our business operations may be adversely affected by severe weather conditions, which may cause suspension or curtailment of operations and delays in the delivery of raw materials and distribution of our products. This may result in delays to our contract schedules and reduction of our productivity. During periods of curtailed activity due to natural calamities, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

An outbreak of an infectious disease or any other serious public health concerns in India or elsewhere could have a material adverse effect on our business and results of operations.

The outbreak of an infectious disease in India or elsewhere or any other serious public health concern such as Ebola, H1N1 influenza around the world could have a negative impact on global economies, financial markets and business activities worldwide, which could have a material adverse effect on our business. Although we have not been adversely affected by such outbreaks, there can be no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on our business.

Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax, or STT, has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares. For further details, see "***Statement of Tax Benefits***".

Risks Relating to the Equity Shares

There is no guarantee that the Equity Shares to be Allotted pursuant to this Issue will be listed on the BSE and NSE in a timely manner or at all, and any trading closures at the stock exchange may adversely affect the trading price of our equity shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares to be Allotted pursuant to this Issue will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict the investor's ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

The Equity Shares may experience price and volume fluctuations.

The market price of our Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian agricultural and agrochemicals sectors, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of our Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, financial condition and results of operations or cash flow.

Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and related regulations, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, the Articles of Association and our Listing Agreements govern the corporate affairs of the Company. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction.

Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of our Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

Currency exchange rate fluctuations may affect the value of the Equity Shares.

Our Equity Shares are, and will be quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

Any future issue of Equity Shares may dilute the investor's shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future

issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. There is no assurance that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized stock exchange in India for a period of 12 months from the date of the Issue of Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Allotment of Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the recognized stock exchanges in India and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares.

Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having a share capital incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the preemptive rights have been waived by adoption of a special resolution by the Company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their preemptive rights without our Company filing an offering document or registration statement with the applicable authority in the jurisdiction that they are in or otherwise taking steps to comply with local securities or other laws, the investors will be unable to exercise their preemptive rights unless our Company makes such a filing or take such other steps. In addition, to the extent that the investors are unable to exercise preemptive rights granted in respect of the Equity Shares held by them, their proportional interest in the Company would be reduced.

There are restrictions on daily movements in the trading price of our Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

Our Equity Shares are, and will be, subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of our Equity Shares, as well as an index-based market-wide circuit breaker. The percentage limit on our Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of our Equity Shares, and the index-based market-wide circuit breaker shall be set by the Stock Exchanges based on market-wide index variation. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of our Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

MARKET PRICE INFORMATION

The Equity Shares are listed and traded on BSE and NSE. The stock market data presented below is given for BSE and NSE separately.

On August 11, 2015, the closing price of the Equity Shares on the BSE and NSE was ₹ 542.00 and ₹ 541.30, respectively.

(i) The following tables set forth the reported high, low and average closing prices of the Equity Shares and the number of Equity Shares traded on the days such high and low closing prices were recorded on BSE and NSE during the fiscal years ended March 31, 2013, March 31, 2014 and March 31, 2015:

BSE

Fiscal Year	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on the date of high (In ₹ lacs)	Low (₹)	Date of Low	Number of Equity Shares traded on the day of low	Total volume of Equity Shares traded on the date of low (In ₹ lacs)	Average closing price for the year/period (In ₹)*	Total volume of Equity Shares traded in The Financial Year/period	
										In number	(In ₹ lacs)
2015	903.10	December 10, 2014	30,114	273.33	224.20	April 1, 2014	3,288	7.40	618.38	29,76,351	18,641.74
2014	425.85	April 26, 2013	6,408	27.27	209.95	November 12, 2013	45,445	98.09	302.57	18,32,365	5,106.42
2013	432.35	September 26, 2012	26,411	113.42	369.20	July 19, 2012	9,138	33.76	403.16	22,43,889	9,082.57

Source: www.bseindia.com
** Average of the daily closing price*
Note: High and low prices are of the daily closing prices.

NSE

Fiscal Year	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on the date of high (In ₹ lacs)	Low (₹)	Date of low	Number of Equity Shares traded on the day of low	Total volume of Equity Shares traded on the date of low (In ₹ lacs)	Average closing price for the year/period (In ₹)*	Total volume of Equity Shares traded in the Financial Year/period	
										In number	(In ₹ lacs)
2015	900.00	January 19, 2015	29.561	267.70	225.2	April 1, 2014	17,276	38.92	618.61	1,18,04,067	73,451.18
2014	425.75	April 26, 2013	15,351	65.11	208.65	November 12, 2013	1,24,368	267.70	301.74	52,79,906	13,293.03
2013	430.90	September 26, 2012	97,943	417.72	367.65	July 19, 2012	31,962	117.71	403.16	56,74,895	22,968.45

Source: www.nseindia.com
** Average of the daily closing price*
Note: High and low prices are of the daily closing prices.

(ii) The following tables set forth the reported monthly high, low and average of the closing prices of the Equity Shares and the total trading volume on BSE and NSE during the last six months preceding the date of filing of this Placement Document:

BSE

Month and Year	High (In ₹)	Date of High	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on the date of high (In ₹ lacs)	Low (₹)	Date of low	Number of Equity Shares traded on the day of low	Total volume of Equity Shares traded on the date of low (In ₹ lacs)	Average closing price for the month /period (In ₹)*	Total volume of Equity Shares traded in the month/period	
										In number	(In ₹ lacs)
July 2015	589.75	July 2, 2015	63,629	374.98	523.75	July 27, 2015	8,624	45.98	558.53	484,289	2,753.51
June 2015	586.00	June 25, 2015	26,483	155.01	488.75	June 12, 2015	40,673	201.70	531.13	7,67,764	4,165.05

Month and Year	High (In ₹)	Date of High	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on the date of high (In ₹ lacs)	Low (₹)	Date of low	Number of Equity Shares traded on the day of low	Total volume of Equity Shares traded on the date of low (In ₹ lacs)	Average closing price for the month /period (In ₹)*	Total volume of Equity Shares traded in the month/period	
										In number	(In ₹ lacs)
May 2015	540.50	May 26, 2015	36,894	195.70	484.75	May 15, 2015	8,132	39.79	505.78	3,10,124	1,613.27
Post-bonus (trading data from April 16, 2015 onwards)											
April 2015	567.25						17,829	89.26	523.48	1,55,591	820.63
Pre-bonus (trading data from April 1 to April 15, 2015 onwards)											
April 2015	916.50	April 9, 2015	82,302	740.55	702.25	April 1, 2015	6,588	46.31	836.75	207,562	1,800.30
March 2015	754.50	March 3, 2015	8,882	65.67	652.75	March 27, 2015	10,894	71.87	721.94	1,99,030	1,439.95
February 2015	848.25	February 3, 2015	1,540	13.05	732.50	February 26, 2015	6,003	44.69	782.57	112,808	869.89
January 2015	901.20	January 19, 2015	4,617	41.86	831.80	January 30, 2015	2,732	22.79	873.19	59,296	520.23

Source: www.bseindia.com
** Average of the daily closing price; Note: High and low prices are of the daily closing prices.*

NSE

Month and Year	High (In ₹)	Date of High	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on the date of high (In ₹ lacs)	Low (₹)	Date of low	Number of Equity Shares traded on the day of low	Total volume of Equity Shares traded on the date of low (In ₹ lacs	Average closing price for the month /period (In ₹)*	Total volume of Equity Shares traded in the month/period	
										In number	(In ₹ lacs)
July 2015	591.65	July 2, 2015	1,76,747	1,048.15	521.05	July 27, 2015	38,047	201.76	558.28	13,38,225	7,602.23
June 2015	585.45	June 25, 2015	85,540	500.89	488.45	June 12, 2015	19,271	95.05	531.16	28,43,559	15,469.48
May 2015	539.95	May 26, 2015	1,93,538	1,031.17	486.25	May 15, 2015	14,951	73.16	506.04	10,13,967	5,349.47
Post-bonus (trading data from April 16, 2015 onwards)											
April 2015	566.70	April 15, 2015	68,748	387.55	496.65	April 22, 2015	29,378	147.28	522.27	5,87,707	3,125.28
Pre-bonus (trading data from April 1 to April 15, 2015 onwards)											
April 2015	918.25	April 9, 2015	3,66,420	3,310.03	701.15	April1, 2015	17,206	120.73	836.89	9,39,196	8,180.86
March 2015	757.30	March 3, 2015	31,718	236.17	652.65	March 27, 2015	15,319	100.87	722.50	363,707	2,636.50
February 2015	847.40	February 3, 2015	8,199	69.44	733.30	February 26, 2015	20,783	154.07	782.49	2,50,378	1,938.07
January 2015	900.00	January 19, 2015	29,561	267.70	830.95	January 30, 2015	12,521	104.45	872.52	3,33,704	2,937.96

Source: www.nseindia.com
** Average of the daily closing price*
Note: High and low prices are of the daily closing prices.

(iii) The following table sets forth the market price on the Stock Exchanges on January 22, 2015, the first working day following the approval of the Board of Directors for the Issue:

Date	BSE				NSE			
	Open	High	Low	Close	Open	High	Low	Close
Price of the Equity Shares (₹)	886.25	889.60	863.15	873.60	889.00	889.00	861.70	871.05
Volume traded (in ₹ lacs)				29.02				201.37
Number of Equity Shares Traded				3,322				23,084

Source: www.bseindia.com and www.nseindia.com
(1) High and low prices are based on the high and low of the daily prices.
(2) In case of two days with the same closing price, the date with higher volume has been considered.
(3) Average of the closing price for the year/month/period, represents the average of the closing prices for that year/month/period.

USE OF PROCEEDS

The total gross proceeds of the Issue will aggregate up to ₹ 8,376.14 lacs. After deducting fees and expenses of approximately ₹ 284.14 lacs, the net proceeds of the Issue will be approximately ₹ 8,092 lacs.

Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of the Issue primarily for repayment of any existing loans/ debts of the Company, expansion of existing businesses, working capital for the Company and general corporate purposes. Further, net proceeds of the Issue may be used for organic and/ or inorganic growth opportunities, including any acquisitions.

We have not yet determined all of our expected expenditures, and we cannot estimate the amounts to be used for the purposes set forth above. The amounts and timing of any expenditure will depend on the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. In accordance with the decision of our Board, our management will have significant flexibility in applying the net proceeds of this offering.

Pending utilization for the purposes described above, we intend to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments will be in accordance with the investment policies approved by the Board and/ or a duly authorized committee of the Board, from time to time and will also be in accordance with all applicable laws and regulations.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the use of the proceeds.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization and total debt as of March 31, 2015 and as adjusted to give effect to the Issue. This table should be read in conjunction with the "***Selected Financial Information***", "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in the "***Financial Statements***".

(in ₹ lacs)

	As of March 31, 2015		
	Unadjusted	**As adjusted for the Bonus Issue***	**As adjusted for the Issue (post Bonus)**
Shareholders' funds			
Share Capital*	1,268.30	1,902.45	2,066.78
Reserves and surplus*	27,872.85	27,238.70	35,450.51
Minority interest	-	-	-
Total shareholders' funds (A)	**29,141.15**	**29,141.15**	**37,517.29**
Loan funds			
Short term debt	**24,094.53**	**24,094.53**	**24,094.53**
-Secured Borrowings	24,094.53	24,094.53	24,094.53
-Unsecured Borrowings	-	-	-
Long term debt	**8,066.46**	**8,066.46**	**8,066.46**
-Secured Borrowings	7,911.56	7,911.56	7,911.56
-Unsecured Borrowings	154.90	154.90	154.90
Total debt (B)	**32,160.99**	**32,160.99**	**32,160.99**
Total capitalization (A+B)	**61,302.14**	**61,302.14**	**69,678.28**

Notes:

**During the quarter June 30, 2015, the Company issued and allotted an aggregate of 63,41,483 bonus shares (one bonus share for existing two fully paid up Equity Shares) on April 25, 2015, to the shareholders whose name appeared in the Register of Members on the record date, i.e. April 17, 2015.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

(In ₹, except share data)

		Aggregate value at face value
A	**Authorized Share Capital**	
	25,000,000 Equity Shares of ₹ 10 each	25,00,00,000
B	**Issued, Subscribed and Paid-Up Capital before the Issue**	
	1,90,24,449 Equity Shares of ₹ 10 each	19,02,44,490
C	**Present Issue***	
	16,43,347 Equity Shares aggregating up to ₹ 8,376.14 lacs	1,64,33,470
D	**Paid-Up Capital after the Issue**	
	2,06,67,796 Equity Shares	20,66,77,960
E	**Securities Premium Account**	
	Before the Issue	25,21,12,287
	After the Issue	1,07,32,92,783

**The Issue has been authorized by the Board of Directors on January 21, 2015 and the shareholders pursuant to their postal ballot resolution dated March 20, 2015.*

Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	No. of Equity Shares (Cumulative)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of Consideration
December 18, 1996	2,000	2,000	10	10	Cash
October 23, 2001	80,000	82,000	10	10	Cash
March 30, 2002	19,18,000	20,00,000	10	10	Cash
March 31, 2003	27,00,000	47,00,000	10	10	Cash
February 02, 2004	13,00,000	60,00,000	10	10	Cash
March 30, 2004	14,52,500	74,52,500	10	10	Cash
October 25, 2004	3,00,000	77,52,500	10	10	Cash
November 21, 2005	15,50,500	93,03,000	10	NA	Bonus in the ratio of 1:5
November 15, 2006	1,69,700	94,72,700	10	100	Cash
May 24, 2007	32,10,266	1,26,82,966	10	115	Cash
April 25, 2015	63,41,483	1,90,24,449	10	NA	Bonus in the ratio of 1:2

Other than as stated above, our Company has not made any allotment of Equity Shares in the last one year preceding the date of filing of this Placement Document.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by the applicable provisions of the Companies Act and our Articles of Association. Dividends are payable within 30 days of approval by the shareholders in an annual general meeting. Our Articles of Association grant discretion to the Board to declare and pay interim dividends as appear to it to be justified by the profits of our Company. For further information, see "***Description of the Equity Shares***".

The following table details the dividend declared by our Company in fiscal 2015 and dividend paid by our Company on the Equity Shares for fiscal 2014 and 2013:

(*in ₹ lacs, except per share data*)

Particulars	Fiscal 2015*	Fiscal 2014	Fiscal 2013
Face value of Equity Shares (₹ per share)	10	10	10
Dividend per share (in ₹)	2.50	3.00	3.00
Total Amount of Dividend[(1)]	475.61	380.49	380.49
Dividend Rate (%)	25	30	30
Dividend Distribution Tax	96.82	64.66	64.66

Notes:

[(1)] Dividends excluding corporate dividend distribution tax.

**Dividend declared for fiscal 2015 as approved by the Board of Directors, subject to approval of the shareholders of our Company.*

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future. The form, frequency and amount of future dividends will depend on our Company's cash flows, financial condition, working capital and other financing requirements, lender approvals and other factors and shall be at the discretion of the Board and subject to the approval of our Company's shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations are based on, and should be read in conjunction with, our audited financial statements as of and for the years ended March 31, 2015, 2014 and 2013, the notes and significant accounting policies thereto and the reports thereon, included in this Placement Document.

We prepare our audited financial statements in accordance with Indian GAAP, which differs in certain material respects from IFRS and U.S. GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Placement Document, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information depends on the reader's level of familiarity with the Companies Act and Indian GAAP. Any reliance on the financial disclosure in this Placement Document, by persons not familiar with Indian accounting practices, should accordingly be limited.

Our fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

This discussion also contains certain forward-looking statements and reflects our management's current views with respect to future events and our financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Given these uncertainties, prospective investors should not place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections titled "Risk Factors", "Forward Looking Statements" and "Our Business" in this Placement Document.

Overview

We are one of the top 10 players in the domestic Indian agrochemical industry, with around 7% market share (*Source: CRISIL Report*). We have a pan-India presence, with integrated operations across research and development, manufacturing, marketing and distribution of a wide range of formulations, active ingredients and household pesticides. We are engaged in Branded Formulation Sales as well as Institutional Sales. We have a diverse portfolio of 99 formulations, 18 active ingredients and over 350 SKUs as at March 31, 2015. In fiscal 2015 and fiscal 2014, Branded Formulations Sales accounted for 70.16% and 74.61%, respectively, of our gross revenue, and Institutional Sales accounted for 29.84% and 25.39% for the same periods. As at March 31, 2015, we had 348 registrations in our name for our formulations and active ingredients. Additionally, we have six registrations for export, 16 registrations for formulations and four registrations for active ingredients pending with the CIB.

Since our acquisition of 21 brands from Montari Industries Limited in March 2003, including the '*Tractor*' brand and '*Lethal*' formulation, we believe we have built a diversified portfolio of agrochemical formulations with a strong brand presence in India. We have a portfolio of established agrochemical brands, achieved through both inorganic and organic growth and our '*Navratna'* range of branded formulation products, including '*Lethal'*, '*Victor'*, '*Thimet'*, '*Hakama'*, '*Pulsor'*, '*Monocil'*, '*Hijack'*, '*Xplode'* and '*Nuvan*' are well-recognized in the agrochemical industry, particularly in the insecticides and herbicides segments, and eight '*Navratna*' products are among the top five products of their respective categories (*Source: CRISIL Report*).

We commenced operations at our formulation plant in Chopanki (Rajasthan) in fiscal 2002. We presently operate seven manufacturing facilities, with five formulation plants located at Chopanki (Rajasthan), Udhampur and Samba (Jammu & Kashmir) and Dahej (Gujarat) and two technical synthesis plants located at Chopanki (Rajasthan) and Dahej (Gujarat). Our manufacturing facilities have an aggregate total installed capacity of 17,450 KLPA of liquid, 75,600 MTPA of granules, 16,980 MTPA of powders, 13,800 MTPA of active ingredients and bulk formulations. Our technical manufacturing capacity accounted for approximately 4% of India's installed capacity in fiscal 2014 (*Source: CRISIL Report*). All our manufacturing facilities are equipped with fully automatic lines and automatic packaging machinery which facilitate in manufacturing quality products.

We are a research driven company, with our R&D efforts focused on developing processes for new environmentally friendly formulations for expansion of our current product portfolio and improving existing processes and production cost efficiency. We operate an advanced R&D centre located at Chopanki (Rajasthan). Our R&D facility is accredited with NABL and recognized by DSIR. We have made seven applications for process patents with the Indian Patent Office, and have been granted one process patent. We have also entered into a joint venture agreement with OAT Agrio Company Limited, pursuant to which the OAT & IIL India Laboratories has been set up and is engaged in the invention of new agricultural molecules for domestic and international markets. Our R&D centre located at Chopanki (Rajasthan) has a team of 32 personnel, including 12 scientists as at March 31, 2015. OAT & IIL India Laboratories has a team of 39 personnel, including 23 scientists and three technicians as at March 31, 2015.

We have over the years developed an extensive network of distributors and dealers across India. As at March 31, 2015, our distribution network included more than 5,000 distributors with a pan-India presence. We believe our extensive distribution network allows us to penetrate rural markets across major crop producing regions of India. The strength of our distribution network has also attracted international companies to partner with us for the distribution of their products in India, for instance Nissan, Japan (through Nagarjuna Agrichem Limited, the company manufacturing its products in India), entered into marketing agreements with our Company in June 2012, granting us the right to market their product '*Pulsor*' in India and Nepal. Further, we have an arrangement with Nissan, to market their product '*Hakama*', on a non-exclusive basis. Further, pursuant to a memorandum of understanding entered into in February 2006, AMVAC granted our Company the exclusive license and right to use AMVAC's know-how and information related to Phorate and its trademarks for promotion, marketing, distribution and sale in India. Consequently, we manufacture, market and distribute, exclusively in India the brands '*Thimet*' and '*Nuvan*'.

Significant Factors Affecting our Results of Operations and Financial Condition

Our business, results of operations and financial condition are affected by a number of factors, including:

Product and Market Mix

We commenced commercial operations in fiscal 2002 and as on March 31, 2015, have a portfolio of 99 formulations, 18 active ingredients and over 350 SKUs, achieved through both inorganic and organic growth. Since our acquisition of 21 brands from Montari Industries Limited in March 2003, including branded formulations, '*Tractor*' and '*Lethal*', we believe we have built a portfolio of agrochemical formulations with a strong brand presence in India. We have a portfolio of established agrochemical brands, achieved through both inorganic and organic growth and our '*Navratna'* range of branded formulations, including '*Lethal'*, '*Victor'*, '*Thimet'*, '*Hakama'*, '*Pulsor'*, '*Monocil'*, '*Hijack'*, '*Xplode'* and '*Nuvan*' are well-recognized in the agrochemical industry, particularly in the insecticides and herbicides segments. Additionally, we are also involved in contract manufacturing and manufacture and distribute unbranded bulk formulations and active ingredients, directly or through agents to other domestic companies. Further, our joint venture OAT & IIL India Laboratories, has been set up for invention of new agricultural molecules, which we intend to market in the future.

In fiscal 2015 and fiscal 2014, Branded Formulations Sales accounted for 70.16% and 74.61%, respectively, of our gross revenue, and Institutional Sales accounted for 29.84% and 25.39% for the same periods. Our ability or inability to expand our product portfolio and the resultant change in the mix of products for Branded Formulation Sales and Institutional Sales can have a significant impact on our results of operations due to different margins and sale trends in each product segment. As the production volume of our various products fluctuates primarily based on market demand and production capacity for such products, the percentage of revenue from those products may also fluctuate between varying margin products, which will in turn cause our revenues and operating margins to fluctuate. Further, any impairment of our reputation or erosion of our brands or failure to optimize our brands or change in consumer preference could have a material adverse effect on our capacity to retain our current customers and attract new customers and therefore on our sales and profitability.

Raw Material Expenses

Our expenditure on raw material and components consumed represented 70.45%, 63.65% and 60.17% of our total revenue, respectively, for the fiscal 2015, 2014 and 2013, respectively. Our financial condition and results of operations are significantly impacted by the availability and cost of raw materials, particularly chemicals. We

have a diverse portfolio of vendors supplying chemicals to us and are not significantly dependent on any single vendor.

Commodity prices are influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by particular producers to capture market share and speculation in the market. The changes in raw material costs are generally passed through to our customers. Nonetheless, because such price adjustments based on cost changes only occur at periodic intervals, there is generally a time lag between changes in our raw material costs and any adjustments to our prices which, if such raw material costs increase significantly during this period, can have a negative impact on our profitability.

Further, our income and operating expenses and finance charges are influenced by the currencies of those countries from where we procure raw materials. For the fiscal 2015, 2014 and 2013, 31.66%, 26.56% and 28.80%, respectively, of our raw materials were imported, from outside India, primarily China. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. dollar, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that cost of raw materials (and to a lesser extent, our foreign currency borrowings) will generally be positively impacted as foreign currency paid will be translated into fewer Rupees. However, the converse negative effect of depreciation in the Indian Rupee increase our raw material costs thereby impacting our business and results of operations during such period.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any amounts we spend in order to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. As on March 31, 2015 and March 31, 2014, our total unhedged foreign currency exposure amounted to ₹ 6,722.36 lacs and ₹ 15,060.70 lacs, while the total value of our outstanding forward exchange contracts amounted to ₹ 2,607.90 lacs and ₹ 3,074.96 lacs, respectively.

Growth of the Agricultural Industry and other Macro Economic Conditions

Our business depends on the growth of the agricultural industry. While 47% of India's workforce is employed in agriculture, its contribution to the GDP during fiscal 2014 was only 13.9%. There has been a continuous decline in the share of agriculture and allied sectors in the GDP from 14.6% in fiscal 2010 to 13.9% in fiscal 2014 at 2005 prices. A growing difficulty faced by the country is the decrease in the agricultural workforce, where the percentage share of rural population has consistently been falling from 75% in fiscal 1991 to 67% in fiscal 2014*(Source: FICCI Report)*. A substantial decrease in the share of agriculture to India's GDP would have a material adverse effect on our growth strategy.

Our business also depends substantially on global economic conditions. The global economic downturn, which began in 2008, coupled with the global financial and credit market disruptions, weakened end markets, diminished demand and credit availability, and increased borrowing costs**.** There may also be a number of secondary effects of an economic downturn, such as the insolvency of suppliers or customers, delays in deliveries by suppliers, payment delays and/or stagnant demand by customers. Cuts in central, state and local government investment can also reduce global and national growth rates. While the global economy has recovered to some extent, we are unable to predict with any degree of certainty the pace or sustainability of economic recovery, the volumes of central, state and local government investment, or the effects of regulatory intervention.

Further, any changes in the government policies relating to the agriculture sector such as government expenditure in agriculture, changes in incentives and subsidy systems, export policy for crops, commodity pricing, ability of farmers to realize minimum support prices could also have an effect on the ability of the farmers to spend on agrochemical products, which thereby could affect the demand and sales of our formulations and generic active ingredients.

Seasonality

Our agrochemical business is heavily dependent on the agricultural sector which is inherently seasonal and is subject to soil and climatic conditions, rainfall, seasonal and other weather factors, which make the performance of the agricultural sector as a whole or the levels of production of a particular crop relatively unpredictable. Further, global warming and other changes to the weather pattern are being witnessed globally which may make it difficult to place reliance on weather forecasts and growth opportunities.

Weather conditions can affect the presence of diseases and pest infestations in the short term on a regional basis, and accordingly, may negatively affect the demand for formulations and active ingredients. Further, on account of seasonality of the agricultural industry, our operating results may fluctuate from quarter to quarter and the sales pattern of the formulations or active ingredients across the world may also be different from our projections and estimates. Consequently, the results of one reporting period may not be necessarily comparable with the preceding or succeeding reporting periods.

Competition

The agrochemical industry in India is highly fragmented and competitive. The Indian agrochemical industry is dominated by generic products, with more than 80% of molecules being non-patented (*Source: FICCI Report 2014*). This results in low entry barriers for this industry. The Indian agrochemical value chain comprises of technical grade manufacturers, formulators producing the end products, distributors and end use customers. According to the Pesticide Monitoring Unit, Government of India, there are about 125 technical grade manufacturers, including about 10 multinationals, more than 800 formulators and over 145,000 distributors in India. More than 60 technical grade pesticides are being manufactured indigenously.

However, the greater financial, marketing, technological and other resources of certain of our competitors may enable them to commit larger amounts of capital in response to changing market conditions, or to achieve substantially more market penetration in certain segments of those markets in which we operate or to anticipate the course of market developments and trends more effectively than we do and to develop product and process innovations and capabilities that may put us at a disadvantage. We may also face competition from new entrants in the market as well as aggressive pricing and marketing strategies by other manufacturers trying to gain market share.

Product development and registration

We are a research driven company, with our R&D efforts focused on developing processes for new environmentally friendly formulations for expansion of our current product portfolio and improve existing processes and production cost efficiency. To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. The R&D process is often time consuming and costly, and obtaining an approval or patent protection in any one jurisdiction would not ensure approval in other jurisdictions. Our processes and products that are currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals or registrations may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and utilize such products or processes.

Further, as a part of our strategy we continue to focus on seeking registrations to increase our portfolio of formulations and generic active ingredients. The legal and procedural requirements for seeking registrations pursuant to the Insecticides Act, 1968, are fairly complex, stringent and time consuming. The registration process is also capital intensive and requires large financial commitment. We invest substantial capital on creating the dossier and registration fees, field trials, fees to consultants, laboratories and other intermediaries to ensure compliance with applicable regulatory requirements, safety standards and effectiveness of the formulation on crops. Accordingly, our profitability, financial condition and market position is dependent on our ability to obtain the necessary registration in a timely manner and to successfully launch and market our products.

Basis of preparation of our financial statements

The financial statements have been prepared to comply with Indian GAAP, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with Generally Accepted Accounting Principles.

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of expenses and income during the reporting period. Difference between the estimates and actual results are recognized in the period in which the results are known /materialized.

Significant accounting policies

Tangible fixed assets (owned)

Fixed assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets.

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

Projects under which assets are not ready for their intended use are shown as capital work in progress.

Intangible assets

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

Depreciation, amortisation and depletion

Depreciation on Fixed Assets has been provided on straight line method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of following assets, where useful life is different than those prescribed in Schedule II are used:

Particulars	Depreciation
Office/Godown Building (Useful Life : 60 years)	(i) Over a period of 30 years as technically assessed
Plant & Machinery (Useful Life : 15 years)	(ii) Over a period of 20 years as technically assessed

Depreciation on assets acquired/disposed off during the year has been provided on pro-rata basis with reference to the date of use/addition/disposal.

Intangible assets are amortized on straight line method over their useful life.

Investments

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

Purchases

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

Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sales of goods: Sale are recognized when substantial risks and rewards of ownership in the goods transferred to the buyer, usually on delivery of the goods. Turnover includes sales of goods & excise duty (net of sales returns, sales tax/ value added tax).

Other Income: Interest income is recognized on time proportion basis taking in to account the amount outstanding and the interest rate applicable.

Dividend Income is recognized when the right to receive payment is established.

Export Incentives: Export incentives are recognized in the statement of profit and loss when the right to receive incentives is established in respect of exports made and when there is no significant uncertainty regarding the collection of the relevant export proceeds.

Foreign currency transactions

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

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

Non monetary foreign currency items are carried at cost.

Any gain or loss on account of exchange difference either on settlement or on translation is recognized in the statement of profit and loss except in case they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

Impairment of Assets

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

Excise duty

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

Inventories

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition including excise duty wherever applicable. Fixed production overheads are based on normal capacity of production facilities. Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

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. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the statement of profit and loss in the period in which they are incurred.

Research and Development

The expenditure on Research & Development for technical plants at Dahej and Chopanki is recognized as an expense in the statement of profit and loss on an accrual basis. The fixed assets acquired for carrying out the research and development activities are capitalized and depreciation thereon is recognized as an expense in the statement of profit and loss.

Provision for current and deferred tax

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

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date.

Financial derivatives hedging transactions

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

Subsidy

The Company has already initiated the process and entitled for subsidy on account of certain revenue and capital nature of expenditures incurred at Samba and Udhampur units in earlier years. The Company's policy is to account for subsidy on cash/acceptance basis as under:

— Subsidy of capital nature and related to specific fixed asset shall be deducted from the gross value of assets.

— Subsidy related to revenue shall be recognized in the statement of profit and loss to match them with related costs.

Provisions, contingent liabilities, contingent assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

MAT credit entitlements

The Company is liable to pay income tax under sections 115JA and 115JB of the Income Tax Act during the year. In terms of the Guidance Note issued by the Council of the Institute of Chartered Accountants of India "*on accounting for credit available in respect to MAT under the Income Tax Act*", the MAT Credit available is treated as an "Asset" if the MAT credit has expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability if the same arises during the specified period and accordingly the necessary provisions has been made by the Company during the year.

Results of Operations and Financial Condition

The following table sets out selected data for fiscal 2015, 2014, and 2013, together with the percentage each line item represents of our total revenue for the periods presented.

Particulars	Fiscal					
	2015		2014		2013	
	(₹ in lacs)	% of Total Revenue	(₹ in lacs)	% of Total Revenue	(₹ in lacs)	% of Total Revenue
Income						
Revenue from operations (Gross)	1,03,133.46	106.92%	92,253.55	106.71%	65,017.06	105.40%
Less: Excise duty	6,714.31	6.96%	5,845.38	6.76%	3,349.13	5.43%
Revenue from operations (net)	96,419.15	99.96%	86,408.17	99.95%	61,667.93	99.97%
Other income	43.53	0.04%	45.37	0.05%	20.62	0.03%
Total revenue	**96,462.68**	**100.00%**	**86,453.54**	**100.00%**	**61,688.55**	**100.00%**
Expenses						
Cost of raw materials and components consumed	67,963.68	70.45%	55,028.87	63.65%	37,119.10	60.17%
Purchase of traded goods	4,962.28	5.14%	10,184.18	11.78%	4,157.77	6.74%
(Increase)/ decrease in inventory of finished, work in progress and traded goods	(8,097.16)	-8.39%	(5,062.02)	-5.86%	192.31	0.31%
Employee benefit expenses	3,444.41	3.57%	2,930.40	3.39%	2,492.32	4.04%
Depreciation and amortization expenses	1,416.82	1.47%	665.55	0.77%	576.46	0.93%
Finance costs	3,315.69	3.44%	2,691.17	3.11%	1,735.19	2.81%
Other expenses	17,040.10	17.66%	15,150.23	17.52%	10,775.39	17.47%
Total expenses	**90,045.83**	**93.35%**	**81,588.39**	**94.37%**	**57,048.54**	**92.47%**
Profit/(loss) before tax	**6,416.85**	**6.65%**	**4,865.15**	**5.63%**	**4,640.01**	**7.52%**
Tax expenses						
Current tax	902.21	0.94%	1,062.34	1.23%	1,109.94	1.80%
MAT credit entitlement	(200.00)	-0.20%	(500.00)	-0.58%	(730.00)	-1.18%
Deferred tax	230.26	0.24%	308.55	0.36%	728.30	1.18%
Total tax expenses	**932.47**	**0.98%**	**870.89**	**1.01%**	**1,108.24**	**1.80%**
Profit/(loss) for the year/period	**5,484.39**	**5.68%**	**3,994.26**	**4.62%**	**3,531.77**	**5.73%**

Fiscal 2015 compared with Fiscal 2014

Income

Our net revenues comprise revenue from operations (sale of finished goods, traded goods and sale of scrap, net of excise duty paid or payable) and other income (including fixed deposits and other non-operating income).

Total revenue increased by 11.58% from ₹ 86,453.54 lacs in fiscal 2014 to ₹ 96,462.68 lacs in fiscal 2015 primarily due to growth in our revenue from operations, for reasons described below.

Revenue from Operations

Gross revenue from operations increased by 11.79% from ₹ 92,253.55 lacs in fiscal 2014 to ₹ 1,03,133.46 lacs in fiscal 2015, while excise duty expenses increased by 14.86% from ₹ 5,845.38 lacs in fiscal 2014 to ₹ 6,714.31 lacs in fiscal 2015. This resulted in increase in net revenue from operations by 11.59% from ₹ 86,408.17 lacs in fiscal 2014 to ₹ 96,419.15 lacs in fiscal 2015, which was primarily due to increased sales of our formulation and active ingredients.

Sale of finished goods, which includes sale of formulations and active ingredients, increased by 18.87% from ₹ 79,876.22 lacs in fiscal 2014 to ₹ 94,952.49 lacs in fiscal 2015 (which constituted sale of formulations of ₹ 79,054.06 lacs and sale of active ingredients of ₹ 15,898.43 lacs), primarily on account of increase in sales of our formulations and active ingredients, including the sale of '*Hakama*' which we began manufacturing at our facilities.

Sale of traded goods decreased by 33.90% from ₹ 12,376.94 lacs in fiscal 2014 to ₹ 8,180.97 lacs in fiscal 2015 primarily on account of '*Hakama*' being packaged in our facility, due to which '*Hakama*' was classified as a manufactured good in fiscal 2015 instead of a traded good.

Other Income

Other income decreased by 4.06% from ₹ 45.37 lacs in fiscal 2014 to ₹ 43.53 lacs in fiscal 2015 primarily on account of decrease of other non-operating income.

Expenses

Our total expenses increased by 10.37% from ₹ 81,588.39 lacs in fiscal 2014 to ₹ 90,045.83 lacs in fiscal 2015.

Cost of Raw Materials and Components Consumed, Purchase of Traded Goods and Change in Inventory of Finished, Work in Progress and Traded Goods

Cost of raw materials and components consumed (which constitutes chemicals and packing material), purchase of traded goods and our change in inventory of finished, work in progress and traded goods, increased by 7.77% from ₹ 60,151.03 lacs in fiscal 2014 to ₹ 64,828.81 lacs in fiscal 2015, primarily on account of higher production of our products.

Employee Benefit Expenses

Employee benefit expenses increased by 17.54% from ₹ 2,930.40 lacs in fiscal 2014 to ₹ 3,444.41 lacs in fiscal 2015, primarily due to an increase in the salaries, wages and bonus by 15.45% from ₹ 2,661.64 lacs in fiscal 2014 to ₹ 3,072.84 lacs in fiscal 2015, primarily on account of increase in the number of full time employees and annual increments.

Finance Costs

Finance costs increased by 23.20% from ₹ 2,691.17 lacs in fiscal 2014 to ₹ 3,315.69 lacs in fiscal 2015, primarily on account of increase in interest on cash credit limits, buyers' credit and demand loans, interest on unsecured loans and bank charges in fiscal 2015.

Other Expenses

Other expenses, which constitutes manufacturing expenses, selling and distribution expenses and administrative and general expenses, increased by 12.47% from ₹ 15,150.23 lacs in fiscal 2014 to ₹ 17,040.10 lacs in fiscal 2015. This was primarily due to increases in power and fuel expenses, discounts and rebates allowed for distribution, freight charges and business promotion expenses.

Profit Before Tax

Our profit before tax increased by 31.89% from ₹ 4,865.15 lacs in fiscal 2014 to ₹ 6,416.85 lacs in fiscal 2015, largely due to the factors discussed above.

Tax Expenses

Tax expenses increased by 7.07% from ₹ 870.89 lacs in fiscal 2014 to ₹ 932.47 lacs in fiscal 2015 primarily due to higher profits.

Profit for the Year

For the various reasons discussed above, profit for the year increased by 37.31% from ₹ 3,994.26 lacs in fiscal 2014 to ₹ 5,484.39 lacs in fiscal 2015.

Fiscal 2014 compared with Fiscal 2013

Income

Our total revenues comprise revenue from operations (sale of finished goods, traded goods and sale of scrap, net of excise duty paid or payable) and other income (including fixed deposits and other non-operating income).

Total revenue increased by 40.15% from ₹ 61,688.55 lacs in fiscal 2013 to ₹ 86,453.54 lacs in fiscal 2014 primarily due to growth in our revenue from operations, for reasons described below.

Revenue from Operations

Gross revenue from operations increased by 41.89% from ₹ 65,017.06 lacs in fiscal 2013 to ₹ 92.253.55 lacs in fiscal 2014, while excise duty expenses increased by 74.53% from ₹ 3,349.13 lacs in fiscal 2013 to ₹ 5,845.38 lacs in fiscal 2014. This resulted in increase in net revenue from operations by 40.12% from ₹ 61,667.93 lacs in fiscal 2013 to ₹ 86,408.17 lacs in fiscal 2014, which was primarily due to increased sales of our finished and traded goods.

Sale of finished goods, which includes sale of formulations and active ingredients, increased by 36.15% from ₹ 58,668.19 lacs in fiscal 2013 to ₹ 79,876.22 lacs in fiscal 2014 (which constituted sale of formulations of ₹ 71,082.75 lacs and sale of active ingredients of ₹ 8,793.47 lacs), primarily on account of increase in sales, including from introduction of new product, '*Diafenthiuron*' in fiscal 2014.

Sale of traded goods increased by 95.01% from ₹ 6,346.82 lacs in fiscal 2013 to ₹ 12,376.94 lacs in fiscal 2014 primarily on account of increased sales of '*Hakama*' and '*Pulsor*' formulations, which we market pursuant to our licence agreement with Nissan, and our traded product '*Xplode*'.

Other Income

Other income increased by 120.03% from ₹ 20.62 lacs in fiscal 2013 to ₹ 45.37 lacs in fiscal 2014 primarily on account of increase in non-operating income, which was on account of sale of certain property.

Expenses

Our total expenses increased by 43.02% from ₹ 57,048.54 lacs in fiscal 2013 to ₹ 81,588.39 lacs in fiscal 2014.

Cost of Raw Materials and Components Consumed, Purchase of Traded Goods and Change in Inventory of Finished, Work in Progress and Traded Goods

Cost of raw materials and components consumed (which constitutes chemicals and packing material), purchase of traded goods and our change in inventory of finished, work in progress and traded goods, increased by 45.05% from ₹ 41,469.18 lacs in fiscal 2013 to ₹ 60,151.03 lacs in fiscal 2014, primarily on account of increased inventories at our facility in Dahej. We expanded the installed capacity at our facility in Dahej in fiscal 2014, where we initially manufactured active ingredients. Due to high production costs, the production of active ingredients were discontinued and the Dahej facility was upgraded to enable the manufacture of certain high margin products, such as '*Diafenthiuron*'. However, due to the delay in this process and lowered demand due to seasonality, our inventories increased substantially in fiscal 2014.

Employee Benefit Expenses

Employee benefit expenses increased by 17.58% from ₹ 2,492.32 lacs in fiscal 2013 to ₹ 2,930.40 lacs in fiscal 2014, primarily due to an increase in the salaries, wages and bonus by 18.15% from ₹ 2,252.84 lacs in fiscal 2013 to ₹ 2,661.64 lacs in fiscal 2014, primarily on account of increase in the number of full time employees.

Finance Costs

Finance costs increased by 55.09% from ₹ 1,735.19 lacs in fiscal 2013 to ₹ 2,691.17 lacs in fiscal 2014, primarily on account of increase in interest on cash credit limits, buyers' credit and demand loans by 33.88% from ₹ 1,145.37 lacs in fiscal 2013 to ₹ 1,533.39 lacs in fiscal 2014, as a result of increase in working capital borrowings due to increased volume of business, and increase of net loss on foreign currency transactions and translations by 91.43% from ₹ 411.78 lacs in fiscal 2013 to ₹ 788.28 lacs in fiscal 2014, on account of unfavourable movement in the U.S. Dollar rate against the Indian Rupee.

Other Expenses

Other expenses, which constitutes manufacturing expenses, selling and distribution expenses and administrative and general expenses, increased by 40.60% from ₹ 10,775.39 lacs in fiscal 2013 to ₹ 15,150.24 lacs in fiscal 2014. This was primarily due to increases in consumption of stores and spares, power and fuel expenses, discounts and rebates allowed for distribution, freight charges and business promotion expenses. Consumption of stores and spares increased by 60.85% from ₹ 201.97 lacs in fiscal 2013 to ₹ 324.87 lacs in fiscal 2014. Power and fuel expenses increased by 164.38% from ₹ 463.56 lacs in fiscal 2013 to ₹ 1,225.58 lacs in fiscal 2014, primarily on account of increased consumption of fuel and electricity at our Dahej facility, which was revamped to increase installed capacity during fiscal 2014. Discounts and rebates increased by 24.30% from ₹ 5,088.05 lacs in fiscal 2013 to ₹ 6,324.31 lacs in fiscal 2014, while business and promotion expenses increased by 51.49% from ₹ 1,057.24 lacs in fiscal 2013 to ₹ 1,601.64 lacs in fiscal 2014. Freight charges increased by 80.64% from ₹ 1,218.88 lacs in fiscal 2013 to ₹ 2,201.84 lacs in fiscal 2014 reflecting the growth in our operations.

Profit Before Tax

Our profit before tax increased by 4.85% from ₹ 4,640.01 lacs in fiscal 2013 to ₹ 4,865.15 lacs in fiscal 2014, largely due to the factors discussed above.

Tax Expenses

Tax expenses decreased by 21.42% from ₹ 1,108.24 lacs in fiscal 2013 to ₹ 870.89 lacs in fiscal 2014 primarily due to a decrease in deferred taxation, which was partially offset by reduced MAT credit.

Profit for the Year

For the various reasons discussed above, profit for the year increased by 13.10% from ₹ 3,531.77 lacs in fiscal 2013 to ₹ 3,994.26 lacs in fiscal 2014.

Liquidity and Capital Resources

Cash Flows

Historically, our primary liquidity requirements have been to finance our working capital needs, loan repayments, and our capital expenditures. The following table sets forth cash flows with respect to operating activities, investing activities and financing activities for the periods indicated.

(₹ in lacs)

Particulars	For fiscal 2015	For fiscal 2014	For fiscal 2013
Net cash flow from/(used in) operating activities	(573.42)	3,765.91	(132.71)
Net cash flow from/(used in) investing activities	(3,277.88)	(5,674.15)	(4,645.26)
Net cash flow from/(used in) financing activities	3,603.66	2,342.50	3,472.00
Net cash flow during the year	(247.64)	434.26	(1,305.97)
Cash and cash equivalents closing balance	655.73	903.37	469.11

Operating activities

Net cash used in operating activities in fiscal 2015 was ₹ 573.42 lacs. Our working capital adjustments for fiscal 2015 were ₹ 9,993.14 lacs, primarily consisting of an increase in inventories of ₹ 7,974.40 lacs, increase in trade receivables of ₹ 3,893.38 lacs, increase in other current assets of ₹ 640.05 lacs, which was partially offset by a decrease in short term loans and advances of ₹ 1,779.00 lacs.

Net cash generated from operating activities in fiscal 2014 was ₹ 3,765.91 lacs. Our working capital adjustments for fiscal 2014 were ₹ 2,510.03 lacs, primarily consisting of an increase in trade receivables of ₹ 1,136.84 lacs, increase in inventories of ₹ 8,630.93 lacs due to increased inventory at our Dahej facility and an increase in other current assets of ₹ 1,243.41 lacs, which was partially offset by an increase in trade payables of ₹ 7,292.77 lacs and increase in other current liabilities of ₹ 1,123.04 lacs.

Net cash used in operating activities in fiscal 2013 was ₹ 132.71 lacs. Our working capital adjustments for fiscal 2013 were ₹ 5,339.45 lacs, primarily consisting of an increase in trade receivables of ₹ 2,729.16 lacs, increase in inventories of ₹ 2,293.37 lacs, an increase in short term loans and advances of ₹ 1,866.08 lacs, which was partially offset by an increase in trade payables of ₹ 1,221.53 lacs.

Investing activities

Net cash used in investing activities in fiscal 2015 was ₹ 3,277.88 lacs, primarily due to an addition to fixed assets of ₹ 3,347.57 lacs.

Net cash used in investing activities in fiscal 2014 was ₹ 5,674.15 lacs, primarily due to addition to fixed assets of ₹ 4,618.93 lacs and investments of ₹ 1,108.54 lacs in our joint venture company, OAT & IIL India Laboratories and our joint venture partner, OAT Agrio Company Limited.

Net cash used in investing activities in fiscal 2013 was ₹ 4,645.26 lacs, primarily due to addition to fixed assets of ₹ 4,974.52 lacs, which was partially offset by sale of fixed assets of ₹ 308.64 lacs.

Financing activities

Net cash generated from financing activities in fiscal 2015 was ₹ 3,603.66 lacs resulting primarily from proceeds from borrowings of ₹ 6,450.87 lacs, which was partially offset by interest paid on our borrowings of ₹ 2,402.06 lacs and dividend payable to our shareholders of ₹ 475.61 lacs.

Net cash generated from financing activities in fiscal 2014 was ₹ 2,342.50 lacs resulting primarily from proceeds from borrowings of ₹ 4,374.45 lacs, which was partially offset by interest paid on our borrowings of ₹ 1,586.80 lacs and dividend payments to our shareholders of ₹ 380.49 lacs.

Net cash generated from financing activities in fiscal 2013 was ₹ 3,472.00 lacs resulting primarily from proceeds from borrowings of ₹ 5,027.53 lacs, which was partially offset by interest paid on our borrowings of ₹ 1,187.02 lacs and dividend payments to our shareholders of ₹ 317.07 lacs.

Capital expenditure

Capital expenditures represent the increase in the value of our fixed assets plus changes in capital work in progress. Our capital expenditures in the fiscals 2015, 2014 and 2013, were ₹ 3,347.57 lacs, ₹ 4,618.93 lacs and ₹ 4,974.06 lacs, respectively. These capital expenditures were incurred primarily towards plant, machinery and buildings.

We believe that our anticipated cash flows from operations, together with the net proceeds of this Issue, our existing cash and certain additional future borrowings will be sufficient to meet our working capital and capital expenditure requirements over the next 12 months.

Indebtedness

Our business requires significant amount of working capital, primarily on account of high inventory levels owing to multiple levels of operations (backward integrated manufacturing operations as well as forward integrated warehousing and distribution).

The following table sets out the principal elements of our indebtedness, as of March 31, 2015, 2014 and 2013.

(₹ in lacs)

Particulars	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013
Long term borrowings			
Term loans			
Indian Rupee loan from banks – vehicle loans (secured)	165.47	164.75	187.34
Indian Rupee loan from banks – term loan (secured)	4,650.96	-	-
Foreign currency loan from banks (secured)	3,095.14	3,102.19	3,947.16

Loans and advances from related parties			
Unsecured	154.90	-	-
Short term borrowings			
Loans repayable on demand from banks (secured)	13,446.17	10,832.50	4,000.00
Cash credit from banks (secured)	9,841.99	8,765.16	9,973.76
Buyers credit loans (secured)	806.36	1,645.24	3,023.69
Total debt	**32,160.99**	**24,509.84**	**21,131.95**

Note: Long term borrowings include current maturities of long term borrowings, however, in the balance sheet, this has been clubbed in other current liabilities.

Contingent Liabilities

As of March 31, 2015, we had the following contingent liabilities not provided for, as disclosed in the notes to our audited financial information:

(in ₹ lacs)

Particulars	As of March 31, 2015
Letter of Credits (FLC & ILC)	8,825.99
Bank Guarantee	326.93
Excise Matter with Appellate Authority, New Delhi (Period Covered – September 2004 to August 2007)	186.11
Sales Tax Matters	473.55

Interest Service Coverage Ratio

The interest service coverage ratio for fiscal 2015, fiscal 2014 and fiscal 2013 was 3.67, 4.06, and 4.91, respectively.

Summary of reservations or qualifications or adverse remarks of auditors

There are no reservations or qualifications or adverse remarks of our auditors during fiscals 2015, 2014, 2013, 2012 and 2011.

Quantitative and qualitative disclosure about market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are subject to commodity price risk, foreign exchange risk and interest rate risk.

The financial instruments that are affected by these include loans and borrowing, deposits, available-for-sale investments and derivative financial instruments. We, from time to time, undertake analysis in relation to the amount of our net debt, the ratio of fixed to floating interest rates of our debt and our financial instruments that are in foreign currencies. We use derivative financial instruments such as foreign exchange contracts to manage our exposures to foreign exchange fluctuations.

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials, which we use in the manufacture of our products. While we seek to pass on input cost increases to our customers, we may not be able to fully achieve this in all situations or at all times.

Foreign exchange risk

We face foreign exchange risk in respect of our foreign currency loans, and expenses in relation to imported raw materials, in respect of which we selectively hedge a portion of the currency exchange rate risk.

Interest rate risk

We are subject to market interest risks due to fluctuations in interest rates primarily in relation to our debt obligations with floating interest rates. As on March 31, 2015, 0.33% of our total loans carried floating interest rate. The interest rate on remaining loans, although fixed, is subject to periodic review by lending banks /

financial institutions in relation to their respective base lending rates, which may vary over a period result of any change in the monetary policy of the Reserve Bank of India.

Inflation risk

Inflationary factors such as increases in the raw material costs may adversely affect our operating results. There may be time lag in recovering the inflation impact from our customer and we may not be able to recover the full impact of such inflation. A high rate of inflation in the future may, therefore, have an adverse effect on our ability to maintain our profit margins.

Credit risk

We are subject to the risk that our counterparties including under various financial agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Related party transactions

We have, in the ordinary course of our business, entered into transactions with certain related parties. For instance, we had trade payables of ₹ 0.79 lacs, ₹ 1.34 lacs, ₹ 5.53 lacs and ₹ 0.94 lacs from Paras Agro Industries, Evergreen Mineral Industries¸ Vinod Metal Industries and Valves Pneumatics, respectively, associate firms of the Company, as well as rent payable of ₹ 6.81 lacs to ISEC Organics Limited, an associate company.

While, in our view, all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such arrangements not been entered into with related parties. Further, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For information on our related party transactions, see "***Risk Factors***" and "***Financial Statements***".

Significant developments after March 31, 2015

In the opinion of our Board, other than as disclosed below and/ or elsewhere in this Placement Document, there have not arisen any circumstances since March 31, 2015, which materially and adversely affect or are likely to materially and adversely affect our trading or profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.

On August 5, 2015, we disclosed our unaudited reviewed financial results for the three months ended June 30, 2015, in accordance with Clause 41 of the Listing Agreements. Set forth below are our unaudited reviewed financial results for the three months ended June 30, 2015:

The Board of Directors
Insecticides (India) Limited
401-402, Lusa Tower,
Azadpur Commercial Complex,
Delhi – 110 033

Dear Sirs,

Ref: **Limited Review Report for the quarter ended 30th June, 2015**

We have reviewed the accompanying statement of Un-audited Financial Results of ***M/s Insecticides (India) Limited*** for the quarter ended 30th June, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed and audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Mohit Parekh & Co.
Chartered Accountants

(Mohit A Parekh)
Prop.
M. No. 81069
Firm Regd. No.- 002067N

Place: Delhi
Date: August 5, 2015

ISO 9001, 14001 & OHSAS 18001
CERTIFIED COMPANY

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Azadpur Commercial Complex, Delhi -110 033
Telefax : +91 11 27679700-05 (6 Lines)
e mail : info@insecticidesindia.com
www.insecticidesindia.com
CIN : L65991DL1996PLC083909

insecticides (INDIA) LIMITED

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015

(Rs. In Lacs, Except EPS)

S.No.	Particulars	Quarter Ended			Year Ended
		30th June 2015 (Un-audited)	31st March 2015 (Audited)	30th June 2014 (Un-audited)	31st March 2015 (Audited)
Part I					
1	**Sales / Income from Operations**	30909	16435	27692	103133
	Less: Excise Duty	2369	351	2453	6714
	Net Sales/Income from Operations	**28540**	**16084**	**25239**	**96419**
2	**Expenses**				
	a) Cost of Materials Consumed	18557	11814	21823	67964
	b) Purchase of Stock-in-Trade	1177	939	948	4962
	c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	350	(2207)	(5482)	(8097)
	d) Employees Benefit Expense	848	989	789	3444
	e) Depreciation and Amortisation Expnese	396	386	221	1417
	f) Other Expenses	4109	3196	3773	17040
	Total Expenses	**25437**	**15117**	**22072**	**86730**
3	**Profit from Operations before Other Income and Finance Costs (1-2)**	**3103**	**967**	**3167**	**9689**
4	Other Income	5	18	10	44
5	**Profit from Ordinary Activities before Finance Costs (3+4)**	**3108**	**985**	**3177**	**9733**
6	Finance Costs	762	557	961	3316
7	**Profit from Ordinary Activities before Tax (5-6)**	**2346**	**428**	**2216**	**6417**
8	**Tax Expense**				
	a) Current Tax	307	(146)	443	902
	b) MAT credit entitlement	-	(200)	-	(200)
	b) Deferred Tax	59	156	33	230
	Total of Taxes	**366**	**(190)**	**476**	**932**
9	**Net Profit for the period (7-8)**	**1980**	**618**	**1740**	**5485**
10	Paid-up Equity Share Capital (Face Value Rs.10/- Per Share)	1902	1268	1268	1268
11	Reserves excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	-	-	-	27873
12	**Earning Per Share (EPS) of (Rs.10/- Each)** (Basic & Diluted)	10.41	4.87	13.72	43.26

Part II					
A	**PARTICULARS OF SHAREHOLDING**				
1	Public Shareholding				
	- Number of Shares	4815399	3210266	3210266	3210266
	- Percentage of Shareholdings	25.31	25.31	25.31	25.31
2	**Promoters and Promoter Group Shareholdings**				
	a) Pledged/Encumbered				
	- Number of Shares	-	-	-	-
	- Percentage of Shares (As a % of the Total Shareholding of Promoter and Promoter Group)	-	-	-	-
	- Percentage of Shares (As a % of the Total Share Capital of the Company	-	-	-	-
	b) Non-Encumbered				
	- Number of Shares	14209050	9472700	9472700	9472700
	- Percentage of Shares (As a % of the Total Shareholding of Promoter and Promoter Group)	100%	100%	100%	100%
	- Percentage of Shares (As a % of the Total Share Capital of the Company	74.69	74.69	74.69	74.69

B	**INVESTOR COMPLAINTS**	**Quarter Ended 30th June, 2015**
	Pending at the Beginning of the Quarter	Nil
	Received During the Quarter	2
	Disposed of During the Quarter	2
	Remaining Unresolved at the End of the Quarter	Nil

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ In Lacs)

Particulars	Quarter Ended			Year Ended
	30th June,2015 (Un-audited)	31st March, 2015 (Audited)	30th June,2014 (Un-audited)	31st March, 2015 (Audited)
1. Segment Revenue (Sales and Other				
Operating Income)				
(a) Formulations	25694	10684	22160	80401
(b) Technical	8804	8579	9842	33199
(c) Unallocated			-	-
Total Segment Revenue	**34498**	**19263**	**32002**	**113600**
Less: Inter Segment Revenue	5958	3179	6763	17181
Net Sales/Income from Operation	**28540**	**16084**	**25239**	**96419**
2. Segment Results (Profit Before Tax				
and Interest from Ordinary Activities				
(a) Formulations	-	-	-	-
(b) Technical	-	-	-	-
(c) Unallocated	3103	967	3166	9689
Total Segment Results	**3103**	**967**	**3166**	**9689**
Less: Finance Costs	762	557	960	3316
Add: Un-allocable Income	5	18	10	44
Total Profit Before Tax	**2346**	**428**	**2216**	**6417**
3. Capital Employed				
(Segment Assets - Segment Liabilities)				
(a) Formulations			-	
(b) Technical			-	
(c) Unallocated	60519	60726	54401	60726
Total Capital Employed	**60519**	**60726**	**54401**	**60726**

NOTES:

1. The above Un-audited Financial Results were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in its Meeting held on 5th August, 2015.

2. Statutory Auditors have carried out a limited review of the financial results for the quarter ended 30th June, 2015.

3. Figures of the previous year have been regrouped/rearranged/reclassified, wherever necessary.

4. During the quarter, the Bonus Shares (One Bonus Share for existing Two fully paid up Equity Shares) have credited in the account of respective shareholders, whose name appeared in the Register of Members on the record date i.e. 17th April, 2015.

Notes for Segmental Information:

Primary Segments

The Company is engaged in the business of Formulation of Pesticides and Manufacturing of Technical Pesticides.

Segmental Capital Employed

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done as the assets are used interchangeably between segments. Accordingly no disclosure relating to Segmental assets and liabilities has been made.

Place: Delhi
Date: August 5, 2015

For Insecticides (India) Limited

(Rajesh Aggarwal)
Managing Director

INDUSTRY OVERVIEW

*The information in this section has been obtained or derived from 'Agro-chemicals Sector Overview and Issuer Profile Insecticides (India) Limited' by Credit Rating Information Services of India Limited dated April 2015 ("**CRISIL Report**"),'Safer and Judicious use of Crop Protection Chemicals & Applications of Green Chemistry' by the Federation of Indian Chambers of Commerce & Industry and Tata Strategic Management Group dated January 2015 ("**FICCI Report 2015**"), 'Agrochemicals for Ensuring Food and Nutritional Security for the Nation' by Federation of Indian Chambers of Commerce & Industry and Tata Strategic Management Group dated August 2014 ("**FICCI Report 2014**"), RBI Annual Report 2013-2014 ("**RBI Annual Report**"), RBI Macroeconomic and Monetary Developments 2014-15 (An Update) dated April 1, 2014 ("**RBI Update Report**") and Annual Report 2013-14, Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India ("**Department of Agriculture Annual Report**"), the World Bank Database, 'Global Economic Prospects, January 2015: Having Fiscal Space and Using It' by the World Bank Group, 2015 and 'Agricultural Growth in India, Raising it to match GDP's Growth Rate' 2015, by the Associated Chambers of Commerce and Industry of India ("**ASSOCHAM Report**").*

This information has not been prepared or independently verified by us or by any of our advisors, including the Book Running Lead Managers, and should not be relied on as if it had been so prepared or verified. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

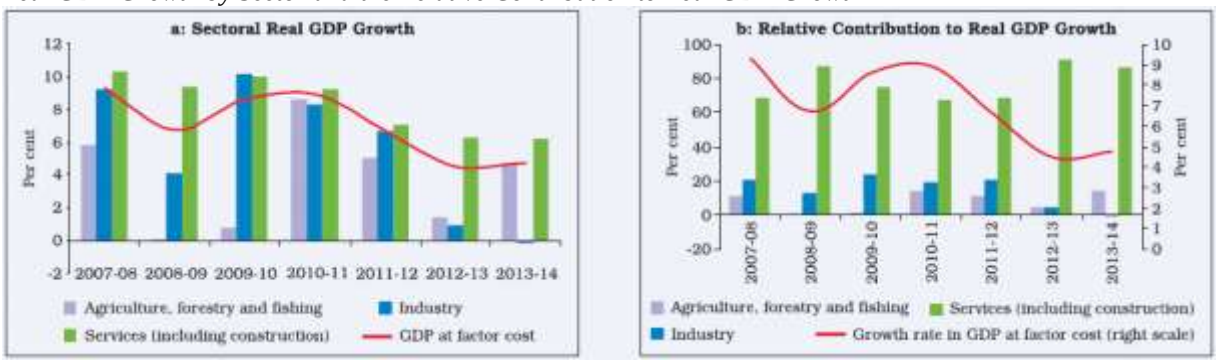
Overview of the Indian Economy

India is the world's fourth largest economy, with a population of 1.2 billion people. For the fiscal year 2015, the forecast for real GDP growth rate (on factor cost basis) in India is estimated to be 6.4%. *(Source: World Bank Database and Global Economic Prospects, January 2015: Having Fiscal Space and Using It - World Bank Group, 2015)*

GDP growth in the Indian economy had steadily declined from 9.6% in 2011 stagnating at 4.4% for three quarters in 2013. After two consecutive years of moderation, GDP growth improved marginally in 2013-2014 due to a rebound in the growth of agriculture and allied activities and electricity, and buoyant activity in financing, insurance, real estate and business services. *(Source: RBI Update Report and RBI Annual Report*)

In 2013-2014, the agricultural sector's rebound to an 'above trend' growth rate on the back of a normal monsoon, supported overall growth. However, growth in the industrial sector contracted and the services sector growth remained unchanged at the previous year's level. (*Source: RBI Annual Report*)

Real GDP Growth by Sector and the Relative Contribution to Real GDP Growth



(*Source: RBI Annual Report*)

High food price inflation has emerged as a major impediment for macro-economic policy in recent years. The phenomenon of rising food prices in India has been attributable to a number of factors including rise in wages and increase in inefficiencies in the supply chain. (*Source: RBI Annual Report*)

Headline consumer price index ("**CPI**") inflation increased between June to November 2013, predominantly driven by an increase in food prices. The spike in vegetable prices led to CPI inflation peaking at 11.2% in November 2013. In March 2014 there was a fall in CPI inflation to 8.3% due to food price corrections, largely on account of seasonal moderation in vegetable prices. After remaining above 8% during the April to May 2014 period, CPI inflation moderated to 7.5% in June 2014, driven largely by the favourable base effect. However, inflation increased to 8% in July 2014 as prices of vegetables increased substantially due to deficient monsoon rainfall. In January 2015, the CPI inflation rate was 5.1%, which was well within the target of 8% for January 2015. (*Source: RBI Annual Report*)

The rising food price pressures witnessed in 2013-2014, despite a normal monsoon raised concerns over inefficiencies in the supply chain and the need for improving the agro-marketing infrastructure in India. (*Source: RBI Annual Report*)

Overview of the Agricultural Sector in India

India has the second largest area of agricultural land in the world. As per the land use statistics 2010-2011, the gross cropped area of land is 198.8 million hectares, with a cropping intensity of 140.5%. About 47% of India's workforce is employed in agriculture. However, the contribution of agriculture and allied sectors to the GDP during fiscal 2014 was only 13.9%. There has been a continuous decline in the share of agriculture and allied sectors in the GDP from 14.6% in fiscal 2010 to 13.9% in fiscal 2014 at 2005 prices. (*Source: FICCI Report 2014 and Department of Agriculture Annual Report*)

Growth (over the previous year) in the total GDP and that in the GDP of the agriculture and allied sectors at 2004-2005 prices is given below:

Period	Total GDP	Agriculture and Allied Sectors GDP
2007- 2008	9.3	5.8
2008-2009	6.7	0.1
2009-2010	8.6	0.8
2010-2011	8.9	8.6
2011-2012	6.7	5.0
2012-2013	4.5	1.4
2013-2014	4.9	4.6

(Source: Department of Agriculture Annual Report)

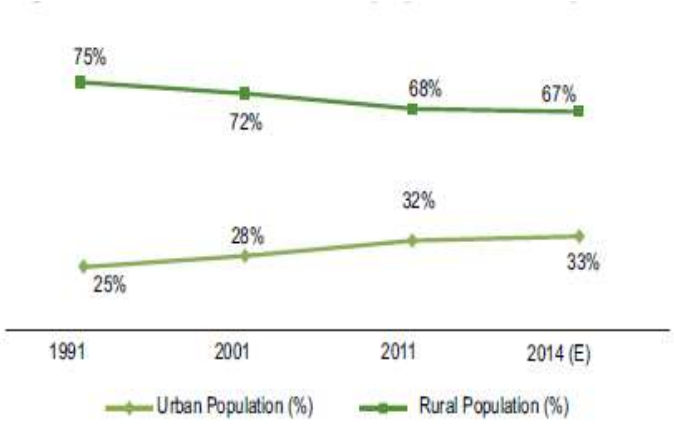
Challenges Faced by the Indian Agricultural Sector

The Indian agricultural sector is facing a critical challenge of maintaining food and nutrition security for the burgeoning population. The French Institute of Demographic Studies predicts that, by 2050, India will be the most populous country in the world, with a staggering population of 1.6 billion to leave behind current world leader China, at second place with 1.3 billion people. The considerable increase in population will pose a challenge for the Indian agricultural sector in meeting the food requirements of the country. It is expected that the Indian agricultural sector will have to produce 355 million tonnes of food grains by 2030 in order to meet growing demand. (*Source: FICCI Report 2014*)

Rising Urban and Declining Rural Population

The Indian population is estimated to reach almost 1.6 billion by 2050. Although the population in India is escalating, there is a growing decrease in the agricultural workforce. There has been a marked increase in the urban population and decrease in the rural population of India. The percentage share of rural population has consistently been falling from 75% in 1991 to 67% in 2014, while urban population increased from 25% to 33% during the same period. The decrease in rural population will lead to immense pressures on the agricultural workforce to increase productivity to feed India's growing population. (*Source: FICCI Report 2014*)

Indian Rural-Urban Population Comparison

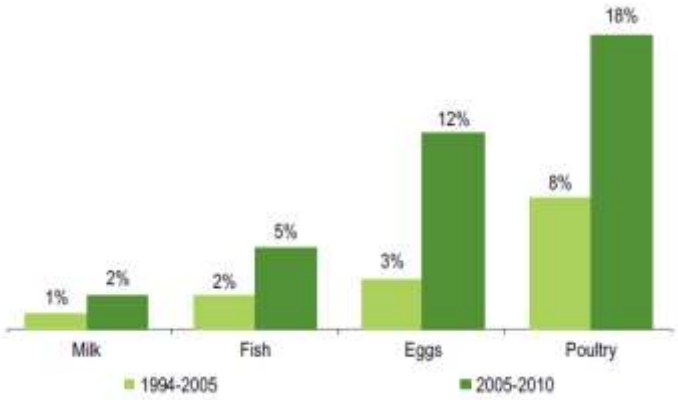


(Source: FICCI Report 2014)

Increasing Shift towards Animal Products

With rising disposable income, the Indian food consumption pattern is witnessing a shift towards animal products. During 1994 to 2005, the per capita consumption of eggs and poultry was 3% and 8%, respectively whereas during 2005 to 2010, consumption increased to 12% and 18%, respectively. During 2005 to 2011, 37% of agricultural output growth was from animal products (milk, meat, fish, and eggs), fruits and vegetables contributed to only 23% of agricultural output growth while cereals contributed to 14% of agricultural output growth. The increase in consumption of animal products presents an increasing burden to improve agricultural productivity since it results in a change from direct to indirect foodgrain consumption. It is estimated that one kilogram of poultry meat requires two to three kilograms of feedgrain, while one kilogram of pork requires four to five kilograms of feedgrain. With limited agricultural resources, the shift towards indirect foodgrain consumption will lead to mounting concerns for food security. (*Source: FICCI Report 2014*)

Per capita consumption growth in animal products



(Source: FICCI Report 2014)

Reduction in Arable Land

The amount of per capita arable land in India has consistently declined from 0.34 hectares in the 1950's to 0.15 hectares in the 2000's. With the rising population in India, per capita arable land is expected to reduce to 0.07 hectares by 2030. Land utilized for urban use has increased at the expense of arable land. This has caused an immense amount of pressure on the land currently available for agricultural purposes. (*Source: FICCI Report 2014*)

Decreasing farm size

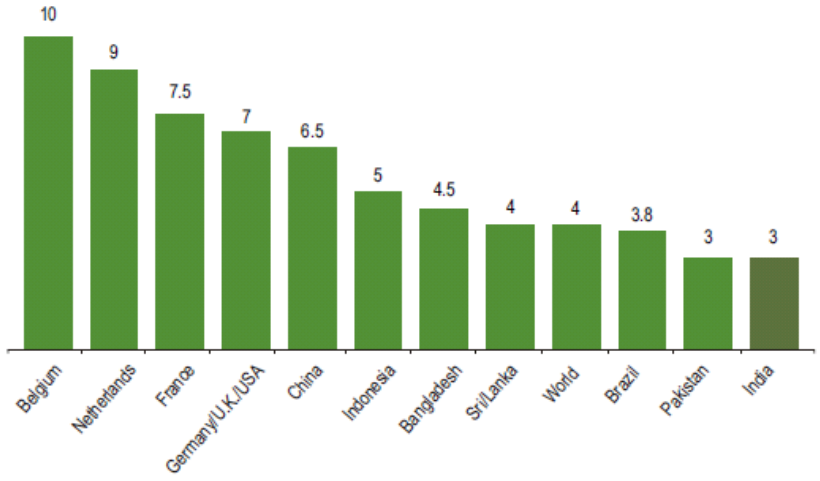
The average farm size in India has declined by almost 50% from 2.28 hectares in the 1970's to 1.16 hectares in 2010-2011. The 2011 Census of India indicates that 68% of farms are less than two acres in size and 95% are less than five acres in terms of owned holdings. While the average size of landholding is decreasing and fragmenting the number of operational holdings is increasing. An increase in the number of fragmented landholdings has led to more landholdings but a decrease in the operating size of farms. Irrigation difficulties and restrictions in crop variety due to smaller farms have impacted agricultural productivity. (*Source: FICCI Report 2014*)

Per Hectare Yield in India Lower than the Rest of the World

Compared to the global average of four tonnes per hectare, the yield in India stands at three tonnes per hectare. Developed countries like USA, UK, France and Germany are able to achieve higher per hectare yields than India due to the extensive and judicious use of agrochemicals. (*Source: FICCI Report 2014*)

As per the report FICCI Report 2014, yield across countries during 2013-2014 were as follows:

Comparison in Yield across Countries (in tonnes per hectare)



(Source: FICCI Report 2014)

Lack of Irrigation Infrastructure

Irrigation is one of the most critical factors affecting agricultural productivity. It is estimated that crop yields on irrigated farms are usually two to two point five times more than those in rain-fed areas. As per 2010-2011 of the Department of Economics and Statistics, Department of Agriculture and Cooperation, Ministry of Agriculture, only 44.9% of the area in which crops grow is irrigated. India's total percentage coverage of irrigated area has declined from 45.3% in fiscal 2009 to 44.9% in fiscal 2011. Further groundwater irrigation, which is the large source of irrigation, suffers from over-exploitation in most states, particularly in the north-west, where the water table is depleting drastically. (*Source: ASSOCHAM Report*)

Climate Change and Global Warming

Temperature and seasonal patterns play a critical role in determining agricultural productivity and output. Rising temperatures and changing precipitation patterns, which are associated with global warming, are major impediments to the global agricultural industry. Global warming and climate change are expected to be the main reasons for reduced availability of water. This will drastically affect agricultural production in India, where a majority of the agricultural areas are rain-fed.

Soil Erosion and Deterioration in Soil Quality

The chemical composition of soil determines productivity and fertility. Changes in temperature and precipitation affect the organic carbon and nitrogen content of soil, which in turn affects the fertility of soil. Water movement, wind and certain farming activities cause soil erosion, which results in removal of topsoil, which consequently impacts productivity and fertility of the soil.

Increasing Pest Attacks

The types of pests impacting major crops have increased significantly from the 1940's. The increase in pest attacks and consequent loss of crops highlights the importance of the use agrochemicals in ensuring food security. (*Source: FICCI Report 2014*)

Crop-Wise Pests

Crop	1940		At Present	
	Total Pests	Serious Pests	Total Pests	Serious Pests
Rice	35	10	240	17
Wheat	20	2	100	19
Sugarcane	28	2	240	43
Groundnut	10	4	100	12
Mustard	10	4	38	12
Pulses	35	6	250	34

(Source: FICCI Report 2014)

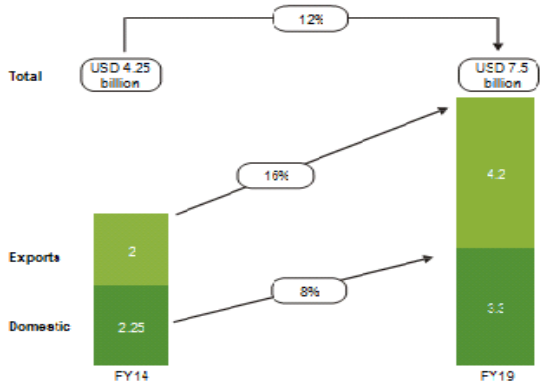
Food Grain Requirement Increasing due to Food Security Act

Under the National Food Security Act, 2013 ("**Food Security Act**"), two-thirds of the population will receive five kilograms of food grain every month at subsidized rates of ₹ 1 to 3 per kilogram, with the poorest households receiving 35 kg of food grains per month at subsidized prices. The introduction of the Food Security Act will lead to an increase in demand for food grains. The current requirement of rice, wheat and coarse cereals is 55 million tons which is expected to increase to 62 million tons after the introduction of the Food Security Act. Decreasing arable land, increased pest attacks, lower yields and farm size is going to make meeting this target a daunting task. (*Source: FICCI Report 2014*)

Overview of the Indian Agrochemical Market

The Indian agrochemical industry is estimated to be USD 4.25 billion in fiscal 2014 and is expected to grow at CAGR of 12% to reach USD 7.5 billion by fiscal 2019. Exports currently constitute almost 50% of the Indian agrochemical industry and are expected to grow at a CAGR of 16% to reach USD 4.2 billion by fiscal 2019, resulting in a 60% share in Indian agrochemical industry. The domestic market on the other hand is expected to grow at 8% CAGR, to reach USD 3.3 billion by fiscal 2019. Globally, India is the fourth largest producer of agrochemical chemicals, after the United States, Japan and China. (*Source: FICCI Report 2015*)

Indian Agrochemical Market (in USD Billion)



(*Source: FICCI Report 2015*)

Despite the shortage of arable land vis-à-vis population growth, land and crop yield efficiency in India is significantly low. Moreover, although India is among the top crop producing nations, the usage of agrochemicals in India is amongst the lowest in the world. Currently the per capita consumption of agrochemicals in India stands at 0.6 kg per hectare as compared to five kilograms per hectare in the UK and seven kilograms per hectare in USA. The per capita consumption of agrochemicals in other Asian countries like Japan, China and Taiwan is almost 50 times as compared to the Indian consumption. The low purchasing power of farmers, lack of awareness amongst farmers and limited reach are some of the reasons for low consumption

of pesticides in India, thus creating tremendous opportunity for the growth of the agrochemical industry in India. (*Source: CRISIL Report and FICCI Report 2015*)

Industry Structure and Competitive Landscape

The Indian agrochemical industry is dominated by generic products, with more than 80% of molecules being non-patented. This results in low entry barriers for the agrochemical industry. Strong distribution network, appropriate pricing, brand recall and dealer margins are some of the critical factors for companies to succeed in the agrochemical industry. (*Source: FICCI Report 2014*)

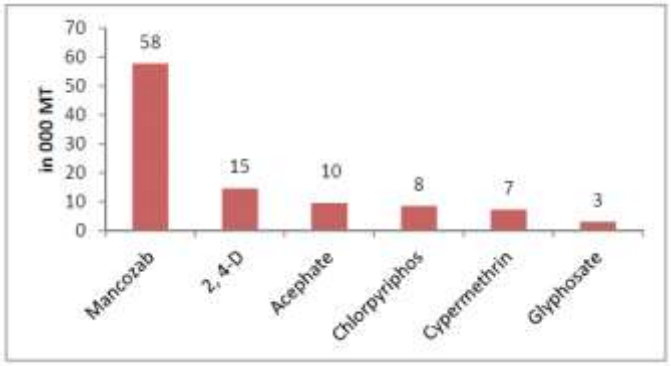
The Indian agrochemical value chain comprises of technical grade manufacturers, formulators producing the end products, distributors and end use customers. According to the Pesticide Monitoring Unit, Government of India, there are about 125 technical grade manufacturers, including about 10 multinationals, more than 800 formulators and over 145,000 distributors in India. More than 60 technical grade pesticides are being manufactured indigenously. (*Source: FICCI Report 2014*)

The top ten companies in the agrochemical industry control almost 75-80% of the agrochemical market share in India. The market share of players depends primarily on product portfolio and introduction of new molecules. The market has seen a number of mergers and acquisitions with large players buying out small manufacturers. Companies are also looking for strategic alliances and partnerships in order to expand their market reach. (*Source: FICCI Report 2014*)

Key Products Consumed in India

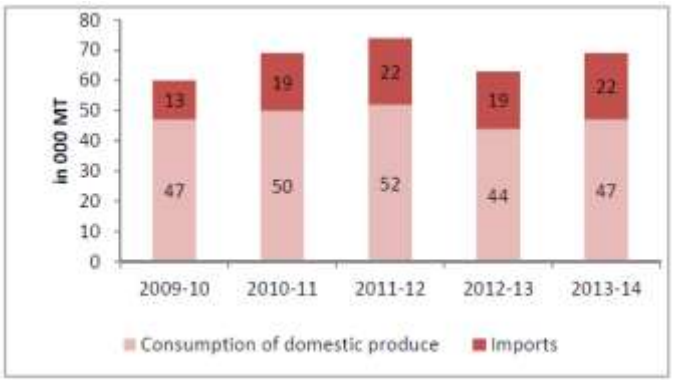
Mancozab, Acephate and Chlorpyriphos are the mostly widely consumed technical products (insecticides and pesticides) domestically. Nearly 100% of the top five consumed products are domestically manufactured. Imports form about 31% of the total domestic consumption. China is the largest supplier for insecticide and pesticide imports, accounting for over 55% of the total imports. (*Source: CRISIL Report*)

Key Pesticides and Insecticides (Technicals) consumed in India (2013-2014)



(*Source: CRISIL Report*)

Domestic Consumption of Pesticides (Technicals) in India

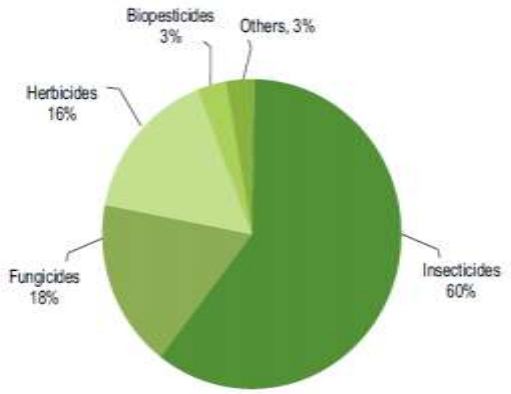


(*Source: CRISIL Report*)

Distribution by Product Category

The Indian agrochemicals market consists mainly of insecticides, herbicides, fungicides and biopesticides. The market is dominated by insecticides, which constitute almost 60% of the domestic agrochemicals market. Fungicides and herbicides are the largest growing segments accounting for 18% and 16% respectively of the total agrochemicals market. The sale of herbicides is seasonal. Increasing labor costs and labor shortage are key growth drivers for herbicides. Fungicides are predominantly used on fruits, vegetables and rice. The key growth drivers for fungicides are the shift in agriculture from cash crops to fruits and vegetables and government support for the export of fruits and vegetables. Biopesticides include all biological materials organisms, which can be used to control pests. Currently biopesticides constitute only 3% of the Indian agrochemical market; however biopesticides have potential for growth due to increasing concerns of safety and toxicity of pesticides, stringent regulations and government support. (*Source: FICCI Report 2014*)

Market Share of the Main Products in the Agrochemical Industry in India



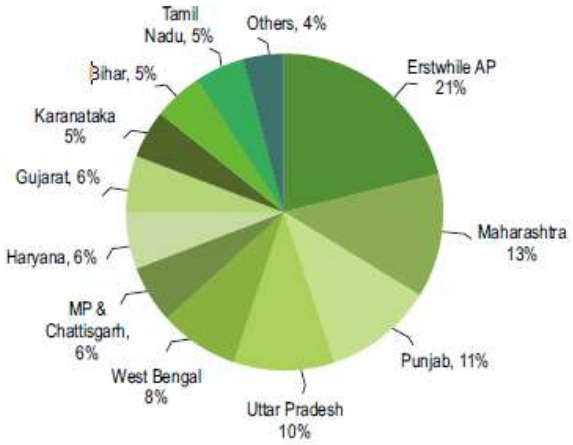
(*Source: FICCI Report 2014)*

Distribution by State

The erstwhile Andhra Pradesh, Maharashtra and Punjab are the top three states contributing to 45% of agrochemical consumption in India. Erstwhile Andhra Pradesh is the leading consumer with a 21% market share. The top seven states together account for more than 70% of agrochemical usage in India. (*Source: FICCI Report 2014*)

According to the FICCI Report 2014, the consumption of agrochemicals by state in 2013-2014 is as follows:

Consumption of Agrochemicals by State

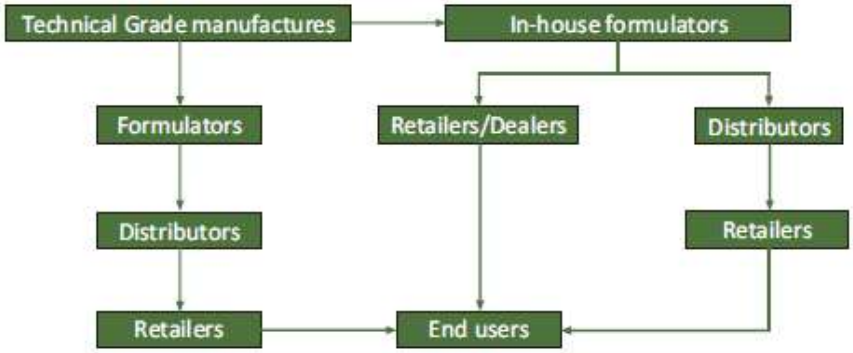


(*Source: FICCI Report 2014)*

Distribution and Sales Channel

Agrochemicals are predominantly sold in rural areas. Therefore, large manufacturers with all-India presence use a three-tier sales and distribution network comprising distributors, wholesalers and retailers for wider market reach. On the other hand, regional participants cater only to the local markets. (*Source: FICCI Report 2014*)

Agrochemical Distribution Network



(*Source: FICCI Report 2014)*

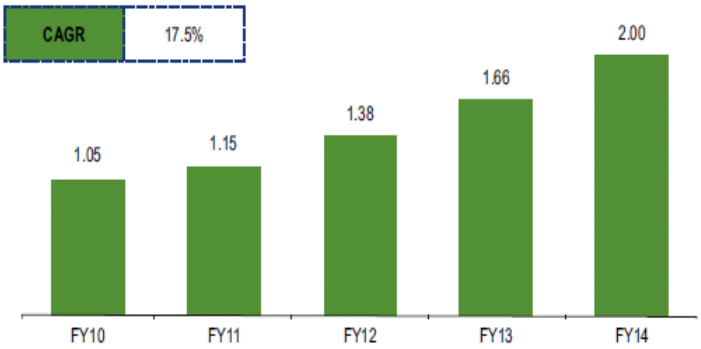
On the whole, agrochemical companies with pan-India presence have from 400 to 1,000 distributors supplying to 25,000 to 30,000 retailers. Several multi-national companies have tied up synergistically with local companies for co-distribution or co-marketing. Mid-size and small scale companies operate through direct marketing of their products. (*Source: FICCI Report 2014*)

Opportunities and Key Growth Drivers

Export Opportunities

The export of agrochemicals from India has seen a strong growth over the last few years. Globally, India is the thirteenth largest exporter of agrochemicals. Most of the exports are off-patent products. The major exports from India are to Brazil, USA, France and the Netherlands. The key growth drivers are India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, better price realization globally and strong presence in generic agrochemical manufacturing. India has process technologies for more than 60 generic molecules. (*Source: FICCI Report 2014*)

Total Agrochemical Exports made by India (in USD Billion)



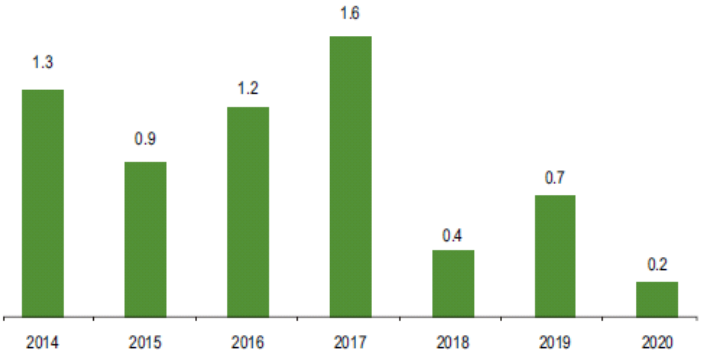
(Source: FICCI Report 2014)

Agrochemicals worth USD 6.3 billion are expected to be off-patented by 2020. Globally, the share of generic products has increased from 33% in 2000 to 52% in 2013. The patented products share has reduced from 30% to 22% in the same period while the rest is constituted by proprietary off-patent products. (*Source: FICCI Report 2014*)

This provides significant export opportunities for Indian companies which have expertise in generic products. The top 6 importing nations constitute only 44% of India's agrochemical exports. This also indicates export potential for Indian companies. Exports are expected to grow at approximately 10% in the medium term due to better intellectual property protection for products and improved cost structure. (*Source: FICCI Report 2014 and CRISIL Report*)

In order to build a strong export base, companies will be required to set up marketing offices in association with domestic players in export geographies. Companies may look for strategic alliances with local companies to expand their marketing and distribution reach. Companies may also explore merger and acquisition opportunities to increase their global presence. (*Source: FICCI Report 2014*)

Agro-Chemicals going Off-Patent from 2014-2020 (in USD Billion)



(Source: FICCI Report 2014)

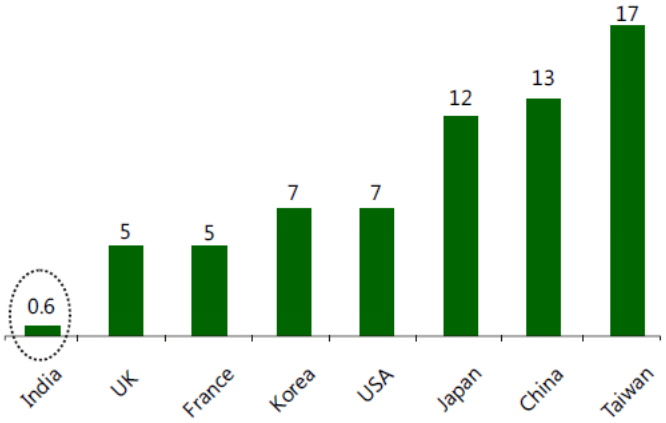
Growth in Herbicides

Labor shortage, rising labor costs and growth in genetically modified crops has led to growth in the use of herbicides. The herbicide consumption in India currently stands at USD 0.3 billion and is expected to grow at a CAGR of 15% over the next five years to reach USD 0.6 billion by fiscal 2018. (*Source: FICCI Report 2014*)

Low Consumption of Agrochemicals in India

The per hectare consumption of agrochemicals in India is amongst the lowest in the world and currently stands at 0.6 kilograms per hectare. On the other hand consumption in developed nations ranges from 5 to 7 kilograms per hectare whereas at 13 kg per hectare, China is almost 20 to 30 times more than India. (*Source: FICCI Report 2014*)

Agrochemical Consumption According to Country (Kg/hectare)



(Source: FICCI Report 2015)

In order to increase yield and ensure food security for its enormous population agrochemicals penetration in India is bound to go up. (*Source: FICCI Report 2014*)

Rise in Population

The burgeoning population poses a challenge for the Indian agricultural sector in meeting the food requirements of the country. Moreover, the government's initiative on food security, per-capita consumption of food grains and the growing demand for food grains, which will only increase, will consequently lead to a growth in the agrochemical industry. (*Source: FICCI Report 2014 and CRISIL Report*)

The Key Players

The key players in the Indian agrochemicals industry consist mainly of multi-national companies such as Monsanto India Limited, Syngenta India Limited and Bayer Crop Science Limited and large Indian companies such as Rallis India Limited, Excel Crop Care and PI Industries Limited. Other than multi-national companies and large Indian companies, the agrochemical industry in India also has various fragmented local players catering to regional or local markets.

Challenges Faced by the Indian Agrochemical Industry

Stringent Regulations

Stringent environment regulations across the world are increasing the cost of developing new products and simultaneously delaying the introduction of new products in the market. For instance, in the European Union any agrochemical product found to be mutagenic, carcinogenic or endocrine disruptor would not achieve registration or re-registration irrespective of the level of exposure generated. In India, the Insecticides Act, 1968 provides for stringent registration and testing requirements for the manufacture of insecticides. There have been instances of pesticides getting banned over the last few years. The number of active ingredients banned in India is lower than average global numbers, however, there is a likelihood that more molecules will get banned.

Number of Active Ingredients Banned

(*Source: CRISIL Report*)

Pollution control norms have become also become more stringent and companies are expected to increase their

capital outlay for pollution control infrastructure. CRISIL estimates that approximately 25% to 30% of capital expenditure spent by players will be towards installing or upgrading pollution control infrastructure. (*Source: FICCI Report 2014* and *CRISIL Report*)

Low Focus on Research and Development

The agrochemical industry is facing a serious challenge owing to rising research and development costs. It takes almost USD 250 million in research and development to introduce a new product in the market. This high cost prevents companies from investing in research and development activities and results in continued focus on generic products, which require low investments in research and development. (*Source: FICCI Report 2014*)

Lack of Education and Awareness among Farmers

There is a lack of awareness among farmers regarding the appropriate kind of agrochemical product, its dosage, quantity and application frequency. Infrastructure issues and problems in communicating due to regional languages and dialects pose a problem in reaching out to farmers. (*Source: FICCI Report 2014*)

Long Gestation Period for New Products

It takes almost 10 years to bring a new molecule into the market. Even for generic products, it can take up to 5 years to get a product registered. Regulatory bodies do not have adequate resources and infrastructure to execute timely registration of products. Often rules are not clearly defined, creating interpretation challenges for the regulatory bodies, leading to ambiguity and thereby adding to the complexities for agrochemical companies. (*Source: FICCI Report 2014*)

Import Dependence and Foreign Exchange Management

Many companies in the agrochemical industry have large import dependence. Any disturbance in supply will severely impact such companies because domestic substitutes are not competitively priced. Companies may be forced to stop production or take a huge cut in margins in such a scenario. For large importers, who mainly operate in domestic markets, any steep foreign exchange movement will impact profitability. While on one side their input costs will increase, weak monsoons could reduce pricing flexibility, thereby affecting margins. (*Source: CRISIL Report*)

The Way Forward

Agrochemicals can play a crucial role in overcoming the challenges faced by the Indian agriculture sector and ensuring food and nutritional security for the nation. This can be achieved by developing innovative products, expanding the products/services offered and promoting the use of agrochemicals among the end users, i.e., the farmers. The low consumption levels provide a significant opportunity for agrochemical companies to increase their market penetration. (*Source: FICCI Report 2014*)

Some of the key imperatives for growth in the Indian agrochemical industry are:

Product Innovation

Innovating products can improve the effectiveness of agrochemical usage as well as reduce the negative impacts on the environment. With the advent of genetically modified crops and increasing popularity of bio-pesticides, environment friendliness of the agrochemicals could also be a differentiating factor. (*Source: FICCI Report 2014*)

Increasing focus on developing new active ingredients rather than just focusing on generics would benefit companies in the Indian agrochemical industry. Currently, Indian companies spend 1-2% of their turnover on research and development as compared to global companies which spend 5-10% of their turnover. Indian companies may also look for strategic tie-ups/ alliances with large multi-national companies for contract manufacturing if they lack the ability to invest in developing new molecules. In line with the global trend, Indian companies may look for opportunities to expand their presence in value chain by incorporating seeds in their product portfolio. (*Source: FICCI Report 2014*)

End to End Farmer Solution

Companies may look into providing a comprehensive agricultural offering to farmers. A one stop solution for farmers ranging from agriculture and farm inputs to procurement, storage and distribution services on the output side would help companies develop sustainable business models. End to end solution would not only create a better reach for farmers but would also turns threats like genetically modified seeds, organic farming, etc. into opportunities. Many companies are already following such an integrated model. Such an approach will help farmers in improving their yield, getting technical assistance and getting better value for their produce and it would also help companies to strengthen their presence amongst farmers. (*Source: FICCI Report 2014*)

Effective Marketing and Distribution

Effective marketing and distribution and increased reach to farmers is a key growth driver for agrochemical companies. However, rising sales of non-genuine agrochemical products has impacted the image of the agrochemical industry. Companies are already investing in marketing activities to educate farmers and have started working with distributors and retailers to increase their customer base. Agrochemical distributors and retailers play a critical role in the supply chain. By promoting their products amongst the retailers/distributors, companies will also be incentivizing such retailers/distributors to sell genuine products. Joint efforts by agrochemical companies and retailers/distributors in educating farmers about the appropriate use of agrochemical may also be undertaken. (*Source: FICCI Report 2014*)

Role of Government and Regulatory Bodies

Apart from agrochemical companies, government and regulatory bodies have to play a critical role for achieving increased reach of agrochemicals amongst the farmers. Without their support it would be difficult to realize the true potential of agrochemicals. (*Source: FICCI Report 2014*)

The Indian government needs to continue to provide infrastructural support to the industry so as to develop effective marketing and distribution solutions. A repository of best practices and development of centre of excellence should be intensified by the Indian government. Increasing in the frequency of awareness camps or education programs organized by the Indian government in conjunction with the agrochemical industry would encourage farmers to use agrochemicals. (*Source: FICCI Report 2014*)

Non-genuine agrochemical products are a critical challenge which impacts not only the industry image but also the crop productivity and soil fertility. Strict actions and regular crackdowns are therefore required to stop the menace and damage caused by non-genuine products. (*Source: FICCI Report 2014*)

Regulatory bodies offering fast track approvals and clearances would also encourage companies to develop new products. Monetary support by the Indian government to industry and academia for research and development activities may also provide an impetus for developing new products and techniques. (*Source: FICCI Report 2014*)

BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "**Forward-Looking Statements**" for a discussion of the risks and uncertainties related to those statements and also the section "**Risk Factors**" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve months ended March 31 of that year.*

Overview

We are one of the top 10 players in the domestic Indian agrochemical industry, with around 7% market share (*Source: CRISIL Report*). We have a pan-India presence, with integrated operations across research and development, manufacturing, marketing and distribution of a wide range of formulations, active ingredients and household pesticides. We are engaged in Branded Formulation Sales as well as Institutional Sales. We have a diverse portfolio of 99 formulations, 18 active ingredients and over 350 SKUs as at March 31, 2015. In fiscal 2015 and fiscal 2014, Branded Formulations Sales accounted for 70.16% and 74.61%, respectively, of our gross revenue, and Institutional Sales accounted for 29.84% and 25.39% for the same periods. As at March 31, 2015, we had 348 registrations in our name for our formulations and active ingredients. Additionally, we have six registrations for export, 16 registrations for formulations and four registrations for active ingredients pending with the CIB.

Since our acquisition of 21 brands from Montari Industries Limited in March 2003, including the '*Tractor*' brand and '*Lethal*' formulation, we believe we have built a diversified portfolio of agrochemical formulations with a strong brand presence in India. We have a portfolio of established agrochemical brands, achieved through both inorganic and organic growth and our '*Navratna'* range of branded formulation products, including '*Lethal'*, '*Victor'*, '*Thimet'*, '*Hakama'*, '*Pulsor'*, '*Monocil'*, '*Hijack'*, '*Xplode'* and '*Nuvan*' are well-recognized in the agrochemical industry, particularly in the insecticides and herbicides segments, and eight '*Navratna*' products are among the top five products of their respective categories (*Source: CRISIL Report*).

We commenced operations at our formulation plant in Chopanki (Rajasthan) in fiscal 2002. We presently operate seven manufacturing facilities, with five formulation plants located at Chopanki (Rajasthan), Udhampur and Samba (Jammu & Kashmir) and Dahej (Gujarat) and two technical synthesis plants located at Chopanki (Rajasthan) and Dahej (Gujarat). Our manufacturing facilities have an aggregate total installed capacity of 17,450 KLPA of liquid, 75,600 MTPA of granules, 16,980 MTPA of powders, 13,800 MTPA of active ingredients and bulk formulations. Our technical manufacturing capacity accounted for approximately 4% of India's installed capacity in fiscal 2014 (*Source: CRISIL Report*). All our manufacturing facilities are equipped with fully automatic lines and automatic packaging machinery which facilitate in manufacturing quality products.

We are a research driven company, with our research and development ("**R&D**") efforts focused on developing processes for new environmentally friendly formulations for expansion of our current product portfolio and improving existing processes and production cost efficiency. We operate an advanced R&D centre located at Chopanki (Rajasthan). Our R&D facility is accredited with NABL and recognized by DSIR. We have made seven applications for process patents with the Indian Patent Office, and have been granted one process patent. We have also entered into a joint venture agreement with OAT Agrio Company Limited, pursuant to which OAT & IIL India Laboratories has been set up and is engaged in the invention of new agricultural molecules for domestic and international markets. Our R&D centre located at Chopanki (Rajasthan) has a team of 32 personnel, including 12 scientists as at March 31, 2015. OAT & IIL India Laboratories has a team of 39 personnel, including 23 scientists and three technicians as at March 31, 2015.

We have over the years developed an extensive network of distributors and dealers across India. As at March 31, 2015, our distribution network included more than 5,000 distributors with a pan-India presence. We believe our extensive distribution network allows us to penetrate rural markets across major crop producing regions of India. The strength of our distribution network has also attracted international companies to partner with us for the distribution of their products in India, for instance Nissan, Japan (through Nagarjuna Agrichem Limited, the company manufacturing its products in India), entered into marketing agreements with our Company in June 2012, granting us the right to market their product '*Pulsor*' in India and Nepal. Further, we have an arrangement with Nissan, to market their product '*Hakama*', on a non-exclusive basis. Further, pursuant to a memorandum of

understanding entered into in February 2006, AMVAC granted our Company the exclusive license and right to use AMVAC's know-how and information related to Phorate and its trademarks for promotion, marketing, distribution and sale in India. Consequently, we manufacture, market and distribute, exclusively in India the brands '*Thimet*' and '*Nuvan*'.

In fiscal 2015, 2014 and 2013 we generated net revenue from operations of ₹ 96,419.15 lacs, ₹ 86,408.17 lacs and ₹ 61,667.93 lacs, respectively and net profit after tax of ₹ 5,484.39 lacs ₹ 3,994.26 lacs and ₹ 3,531.77 lacs, respectively. We have been able to increase our net revenue from operations from fiscal 2013 to fiscal 2015 at a compound annual growth rate ("**CAGR**") of 25.05% and our net profit after tax has increased at a CAGR of 24.61% over the same period. Profit for the year increased by 37.31% to ₹ 5,484.39 lacs during fiscal 2015 from ₹ 3,994.26 lacs during fiscal 2014.

Strengths

Portfolio of established agrochemical brands

We believe our agrochemical formulations have a strong brand presence in India. We believe that our focus on quality, product range and pricing have enabled us to develop strong brand recognition and customer loyalty in these markets. Our umbrella brand for marketing and branding purposes, '*Tractor*' enjoys a strong brand recall and enables us to introduce new products, through brand extensions. Our '*Navratna'* range of branded formulations, including '*Lethal'*, '*Victor'*, '*Thimet'*, '*Hakama'*, '*Pulsor'*, '*Monocil'*, '*Hijack'*, '*Xplode'* and '*Nuvan*' are well-recognized in the agrochemical industry, particularly in the insecticides and herbicides segments, and eight '*Navratna*' products are among the top five products of their respective categories. Further, '*Pulsor'*, is the market leader and the only product available in its product category (*Source: CRISIL Report*). Revenue from Branded Formulation Sales accounted for 70.16% and 74.61% of our gross revenue, for fiscal 2015 and fiscal 2014, respectively. Our '*Navratna*' range of branded formulations accounted for 53.27% and 47.97% of our Branded Formulation Sales in fiscal 2015 and fiscal 2014, respectively. Furthermore our '*Super 11*' range of branded formulations, which includes products for insecticide, herbicide and fungicide segments, accounted for 15.34% and 12.03% of our Branded Formulation Sales in fiscal 2015 and fiscal 2014, respectively. Further, revenue from the sale of bulk formulations accounted for 35.75% and 39.43% of our Institutional Sales for fiscal 2015 and fiscal 2014, respectively.

Our brand has been strengthened through consistent delivery of quality products at competitive prices, development of an extensive pan-India network of distributors and dealers as well as intensive and strategic marketing efforts to create brand awareness among our target customer segments, particularly among farmers. Our sustained marketing efforts have included the print, electronic and other advertisement media, in-store advertisement as well as awareness campaigns targeted at educating farmers. We believe that our effective marketing and branding strategy and successful implementation of such strategy over the past few years have enabled us to develop a strong brand in our industry segment and is a key competitive strength that we intend to leverage in executing our product portfolio expansion strategy.

Track record of successful inorganic growth and strategic partnerships

We believe that we have been successful in selectively identifying strategic acquisition targets in the past, and in integrating, developing, synergizing and leveraging the existing brand equity of our past acquisitions to grow our business. We believe that our successful inorganic growth strategies have contributed to our consistent growth. We believe we have been able to effectively turn around off-the-shelf brands acquired by us, for instance, '*Monocil*' acquired from Nocil Limited in March 2011 and '*Lethal*' acquired from Montari Industries Limited in March 2003, feature in our '*Navratna*' range of products.

To further enhance our product portfolio we have also entered into brand licensing agreements and marketing agreements with AMVAC Chemical Corporation ("**AMVAC**"), and Nissan to market internationally well known brands such as '*Thimet*', '*Nuvan*', '*Pulsor*' and '*Hakama*' in India. Our revenue from these licensed products accounted for 26.72% and 23.02% of our Branded Formulation Sales for fiscal 2015 and fiscal 2014, respectively.

Robust manufacturing capabilities

We operate seven manufacturing facilities, comprising five formulation plants at Chopanki (Rajasthan) Udhampur and Samba (Jammu and Kashmir) and Dahej (Gujarat) and two technical synthesis plants at

Chopanki (Rajasthan) and Dahej (Gujarat) with a total installed capacity of 17,450 KLPA liquid, 75,600 MTPA of granules, 16,980 MTPA of powders, 13,800 MTPA of active ingredients and bulk formulations. Our technical manufacturing capacity accounted for approximately 4% of India's installed capacity in fiscal 2014. (*Source: CRISIL Report*) Our manufacturing facilities at Chopanki, Udhampur and Samba have been have been accredited with ISO 9001:2008, ISO 14000:2004 and OHSAS 18001:2007. We believe we enjoy a competitive advantage due to our robust manufacturing capabilities that enable us to manufacture quality products.

Our manufacturing facilities are designed to manufacture a variety of formulations using a combination of processes and our multipurpose technical synthesis plants have a total of 11 streams. We believe this provides us the flexibility to expand our product range and change our product mix in response to changes in the customer demands and industry trends.

Strong product development capabilities

We are a research driven company, with our R&D efforts focused on developing processes for new environmentally friendly formulations for expansion of our current product portfolio and improve existing processes and production cost efficiency. We believe that our product development initiatives have also enabled us to establish strong relationships with our distributors and dealers as we are able to effectively address changing industry trends and consumer requirements. We operate an advanced R&D centre located at Chopanki (Rajasthan) with a team of 32 personnel, including 12 scientists as at March 31, 2015. Our R&D facility is accredited with NABL and recognized by DSIR. Our R&D department has successfully developed 50 new processes, including making Thiamethoxam environmentally friendly by eliminating Methanol from its formulation and decreasing both time cycle and cost required. In March 2014, we were granted the process patent for the process of preparing Acetamiprid, an active ingredient. Additionally, there are seven process patent applications filed by us with the Indian Patent Office.

We have also entered into a joint venture agreement with OAT Agrio Company Limited, pursuant to which the joint venture entity OAT & IIL India Laboratories has been set up and is engaged in the invention of new agricultural molecules for domestic and international markets. OAT & IIL India Laboratories has a team of 39 personnel, including 23 scientists and three technicians as at March 31, 2015.

Extensive sales and distribution network

We have over the years developed an extensive network of distributors and dealers across India. As at March 31, 2015, our distribution network included more than 5,000 distributors with a pan-India presence. These distributors in turn work with a large number of local dealers. We have also set up 29 depots and branches, including several warehouses across India, in Haryana, Punjab, Andhra Pradesh and Tamil Nadu and employ clearing and forwarding agents for effective storage and distribution of our products. We believe our extensive distribution network allows us to penetrate rural markets across major crop producing regions of India, including Punjab, Haryana, Andhra Pradesh (erstwhile), Maharashtra, Uttar Pradesh, Karnataka, Tamil Nadu, Bihar, Gujarat and Madhya Pradesh. Additionally, this diversification in terms of geographies reduces the risks of adverse market, seasonal conditions or concentration and dependence on a single market.

The strength of our distribution network has also attracted international companies to partner with us for the distribution of their products in India. For instance, Nissan entered into a marketing agreement with our Company granting us the right to market their products '*Pulsor*' in India and Nepal. Also, we have an arrangement with Nissan, to market their product '*Hakama*', on a non-exclusive basis. Further, pursuant to a memorandum of understanding entered into in February 2006, AMVAC granted our Company the exclusive license and right to use AMVAC's know-how and information related to Phorate and its trademarks for promotion, marketing, distribution and sale in India. Consequently, we manufacture, market and distribute, exclusively in India the brands '*Thimet*' and '*Nuvan*'.

Experienced and qualified team of professionals

We believe that our qualified and experienced management team provides us significant competitive advantage and enables us to function effectively and efficiently. Our Chairman, Mr. H. C. Aggarwal has over 40 years of experience and our Promoter and Managing Director, Mr. Rajesh Aggarwal has over 22 years of experience in the agrochemical industry. Our Chairman has been the president of the Northern India Pesticides Manufacturing Association and the director of Crop Care Federation of India. They are supported by our experienced management team with extensive experience in the agrochemical industry, as well as our chief financial officer,

Mr. Sandeep Agarwal who has over 20 years of experience and has been involved with our Company since November 2011. We believe that our effective management team has been instrumental in developing our business ethos and in building strong relationships with dealers, distributors and other members of the industry.

Strategies

Continue to expand our product portfolio

According to the *FICCI Report, 2015,* the Indian crop protection industry is estimated to be USD 4.25 billion in fiscal 2014 and is expected to grow at CAGR of 12% to reach USD 7.5 billion by fiscal 2019. However, the per capita consumption of crop protection products in India is amongst the lowest in the world, being 0.6 kg per hectare currently as compared with five kg per hectare in the UK and seven kg per hectare in USA. In order to capitalize on the growth opportunities, we continue to focus on expanding our product portfolio, both organically and inorganically. We seek to develop new and high margin products, including through developing product extensions of our established brands and expand the revenue share of our '*Navratna*' and '*Super 11*' ranges of branded formulations. We have recently launched new products, including '*Xplode*', an insecticide to deal with bollworms which mostly impact pulses and '*Mycoraja*' a plant growth regulator and will continue to focus on leveraging our brand equity to introduce new products. Additionally, we foresee a rise in the demand for plant growth regulators with the introduction of GM crops.

We believe our robust manufacturing facilities, with surplus land available, is well poised to effectively manage a growth in our product portfolio. We believe that our existing infrastructure, manufacturing capabilities, distribution network and access to R&D and know-how will be instrumental in helping us continue to enhance our product portfolio.

Enhancing innovation and focusing on product development

We seek to extend our revenue generating capabilities by focusing on developing processes for new environmentally friendly formulations and improving existing processes and production cost efficiency. We seek to leverage our advanced in-house R&D facility at Chopanki (Rajasthan) for the development of new products. In March 2014, we were granted the process patent for the process of preparing Acetamiprid, an active ingredient. Additionally, there are seven process patent applications filed by us with the Indian Patent Office. Furthermore, as per the *FICCI Report, 2014*, agrochemicals worth USD 6.3 billion are expected to be off-patented by 2020, which will give us the opportunity to introduce new products to our portfolio.

We have also established a joint venture with OAT Agrio Company Limited, OAT & IIL India Laboratories, as a dedicated research and development facility with an objective of inventing molecules for both domestic and international markets. In the longer term, we believe that this joint venture will enable us to launch new patented products in India and other international markets where we have the exclusive rights, including for manufacturing and distribution. We intend to continue seeking other opportunities of partnering with international companies for the manufacture and distribution of globally reputed agrochemical products.

Increasing geographical penetration and addressable market

We intend to grow our business by adding new distributors both in existing as well as in new markets. We intend to do this by effectively leveraging our distribution network and existing relationships. We sell our products primarily to distributors and these distributors in turn work with a large number of local dealers. Thus, we believe that our strong marketing capabilities and established relationships with our existing distributors as well as our wide range of product offerings will enable us to expand our distributor base. We believe that our distributor focused services, as well as our range of products, will continue to differentiate us from our competitors and help enhance our distributor base.

According to the *FICCI Report, 2015,* exports currently constitute almost 50% of the Indian crop protection industry and are expected to grow at a CAGR of 16% to reach USD 4.2 billion by fiscal 2019, resulting in a 60% share in Indian crop protection industry. We intend to capitalize on the exports market by pursuing registrations in the Middle-East and South-East Asian regions. Also we intend to explore export opportunities for sale of branded formulations as well as Institutional Sales. In this regard, we have appointed Mr. Srikant Satwe as our Senior General Manager and Head, to focus on our export strategy, who has approximately 25 years of experience in sales and marketing in the agrochemical sector, including approximately eight years of experience in international marketing.

Focus on institutional sales

In fiscal 2015 and fiscal 2014, Institutional Sales accounted for 29.84% and 25.39%, respectively, of our gross revenue, which constitutes sale of bulk formulations, packaged formulations and active ingredients. In fiscal 2015 and fiscal 2014, revenue from sale of bulk formulations, accounted for 35.75% and 39.43%, respectively, revenue from sale of packaged formulations, accounted for 12.13% and 19.90%, respectively, and revenue from sale of active ingredients accounted for 52.12% and 41.23%, respectively, of our Institutional Sales.

With the commercial operation of our second technical synthesis plant at Dahej, Gujarat, our total installed capacity of active ingredients increased by 10,000 MTPA. Our multipurpose technical synthesis plants have a total of 11 streams which provides us the flexibility to expand our product range and change our product mix in response to changes in the customer demands and industry trends. Further, we have already received registration from the Central Insecticides Bureau for the manufacture of 41 active ingredients, import of 18 active ingredients, export of 42 active ingredients, and we have applied for three more such registrations for active ingredients. We intend to leverage our advanced R&D capabilities to expand our contract manufacturing for Institutional Sales. We believe that our capability in low cost manufacturing, our availability of trained manpower along with our R&D and manufacturing capabilities makes us the preferred choice for global agrochemical companies operating in India.

Our Operations

Typically, the key activities of an agrochemical value chain are: (a) basic and applied research, (b) identification of new product and registration opportunities, (c) seeking registrations, (d) manufacture of the active ingredient, (e) formulation and packaging, and (f) marketing and distribution. Being an integrated agrochemicals company with a pan-India presence, we are engaged in the research and development, manufacture, marketing and distribution of a wide range of formulations, active ingredients and household pesticides.

Our Branded Formulation Sales, which cater to the insecticide, herbicide, fungicide and plant growth regulator segments, accounted for 70.16% and 74.61% of our gross revenue for fiscal 2015 and fiscal 2014, respectively; and Institutional Sales of bulk formulations, packaged formulations and active ingredients, accounted for 29.84% and 25.39% of our gross revenue for fiscal 2015 and fiscal 2014, respectively. We have a diverse portfolio of 99 formulations, 18 active ingredients and over 350 SKUs as at March 31, 2015. Additionally, our product portfolio also includes three household pesticides. As at March 31, 2015, we have 348 registrations in our name for our formulations and active ingredients. Additionally, we have six registrations for export, 16 registrations for formulations and four registrations for active ingredients pending with the CIB.

We commenced operations at our formulation plant in Chopanki (Rajasthan) in fiscal 2002 and presently operate seven manufacturing facilities, spread across an area of approximately 2,02,111 square metres, with five formulation plants located at Chopanki (Rajasthan) Udhampur and Samba (Jammu and Kashmir) and Dahej (Gujarat) and two technical synthesis plants located at Chopanki (Rajasthan) and Dahej (Gujarat). In fiscal 2008, we commenced manufacture of active ingredients at our technical synthesis plant located in Chopanki (Rajasthan). Our second technical synthesis plant located at Dahej (Gujarat) commenced commercial operation in fiscal 2013.

Our Products

Branded Formulations

We have a portfolio of established agrochemical brands in the insecticide, herbicide, fungicide and plant growth regulator segments, achieved through both inorganic and organic growth. Our Branded Formulation Sales accounted for 70.16% and 74.61% of our gross revenue for fiscal 2015 and fiscal 2014, respectively.

Our '*Navratna'* range of branded formulations '*Monocil'*, '*Victor'*, '*Lethal'*, '*Thimet'*, '*Nuvan'*, '*Hijack'*, '*Hakama*, '*Pulsor/Flite 71'* and '*Xplode/Pluto*' accounted for 6.65%, 5.19%, 7.06%, 10.70%, 8.33%, 4.43%, 3.88%, 4.92% and 2.11%, respectively, of our Branded Formulation Sales, as on March 31, 2015.

Insecticides

As at March 31, 2015, we have 42 branded formulations catering to the insecticides segment in our product portfolio. Our net revenue from insecticides were approximately ₹ 46,608.54 lacs, ₹ 43,872.69 lacs and ₹ 34,161.21 lacs, respectively, in fiscal 2015, fiscal 2014 and fiscal 2013which accounted for 64.42%, 63.74% and 66.26% of our Branded Formulation Sales for the respective periods.

Brand Name	Technical Name	Particulars
Xplode / Pluto	Emamectin Benzonate 5% SG	To protect pulses against bollworms
Thimet	Phorate 10% CG	To protect paddy and other crops against stem borers
Nuvan	Dichlorovos 76% liquid	To protect paddy and wheat against brown planthoppers and caterpillars
Victor	Imidacloprid 17.6 % SL	To protect cotton and other crops against sucking pests
Monocil	Monocrotophos 36% SL	To protect cotton against bollworms and sucking pests
Lethal	Chlorpyriphos 20%liquid	To protect from stem borer in paddy and white grub in sugarcane

Herbicides

As at March 31, 2015, we have 24 branded formulations catering to the herbicides segment in our product portfolio. Our net revenue from herbicides were approximately ₹ 16,574.58 lacs, ₹ 17,037.94 lacs and ₹ 11,548.22 lacs, respectively, in fiscal 2015, fiscal 2014 and fiscal 2013, which was 22.91%, 24.75% and 22.40% of our Branded Formulation Sales for the respective periods. Our key branded herbicides include:

Brand Name	Technical Name	Particulars
Hijack+Flite 71	Glyphosate 41% SL	To remove primarily all weeds in non-crop areas
Hakama	Quizalofop Etyl 5% liquid	To control grassy weeds in soybean, cotton, black and green gram
Selector	Imazethapyr 10% SL	To control selected board and grassy weeds in the initial stage in soybean
Strike	Atrazine 50% WP	To control selective weeds in crops like maize

Fungicides

As at March 31, 2015, we have 17 branded formulations catering to the fungicides segment in our product portfolio. Our revenue from fungicides were approximately ₹ 7,458.38 lacs, ₹ 5,759.06 lacs and ₹ 3,536.80 lacs, respectively, in fiscal 2015, fiscal 2014 and fiscal 2013, which was 10.31%, 8.37% and 6.86% of net revenue from branded formulations for the respective periods. Our key branded fungicides include:

Brand Name	Technical Name	Particulars
Pulsor	Thiafluzamide 24% SC	For control of sheath blight in paddy
Force 11	Triacyclozole 75% WP	For control of neck blast in paddy
Prism	Thiophanate Methyl 70% WP	For control of scab in apple and ringrot in tomato
Care	Carbendazim 12% + mancozeb 63% WP	For control of blast in paddy
Himil	Metalaxyl 8% + Mancozeb 64% WP	For control of late blight in potato

Plant Growth Regulators

As at March 31, 2015, we have 16 branded plant growth regulators. Our plant growth regulators provide necessary nutrients to bolster the growth of crops, including the roots and the plant itself, which helps in achieving a better yield, in terms of both quality and quantity. '*Milstim*', '*Surya Zinc Plus*', '*Mycoraja*' and '*Olympic*' are our key branded plant growth regulators. Our revenue from plant growth regulators were approximately ₹ 1,714.80 lacs, ₹ 2,163.40 lacs and ₹ 2,308.10 lacs, which accounted for 2.37%, 3.14% and 4.48% of our Branded Formulation Sales in fiscal 2015, fiscal 2014 and fiscal 2013, respectively.

Institutional Sales

Our Institutional Sales accounted for 29.84% and 25.39% of our gross revenue for fiscal 2015 and fiscal 2014, respectively. Institutional Sales constitute sale of bulk formulations, packaged formulations and active ingredients.

Bulk Formulations and Packaged Formulations

We sell unbranded bulk formulations and packaged formulations pursuant to our Institutional Sales in the insecticide, herbicide and fungicide segments. Revenue from sale of bulk formulations, accounted for 35.75%, 39.43% and 53.18% of our Institutional Sales for fiscal 2015, 2014 and 2013, respectively. Revenue from sale of packaged formulations, accounted for 12.13%, 19.90% and 0.88% of our Institutional Sales for fiscal 2015, 2014 and 2013, respectively.

Active Ingredients

As at March 31, 2015, we manufacture 18 active ingredients, which we partly utilize in-house to manufacture our formulations and partly distribute, directly or through agents to other companies. In fiscal 2008, we commenced manufacture of active ingredients at our technical synthesis plant located in Chopanki (Rajasthan). Our multipurpose technical synthesis plants have a total of 11 streams which provides us the flexibility to expand our product range and change our product mix in response to changes in the customer demands and industry trends. Further, we have already received registration from the Central Insecticides Bureau for the manufacture of 41 active ingredients and we have applied for three more such registrations as well as two registrations for export of active ingredients.

Revenue from sale of active ingredients, accounted for 52.12%, 41.23% and 45.93% of our Institutional Sales for fiscal 2015, 2014 and 2013, respectively.

Technology and Brand/Marketing and Distribution Collaborations

Pursuant to a memorandum of understanding entered into in February 2006 and as amended from time to time, AMVAC granted our Company the exclusive license and right to use AMVAC's know-how and information related to Phorate and its trademarks for promotion, marketing, distribution and sale in India. Consequently, we manufacture, market and distribute, exclusively in India the insecticide brands '*Thimet*' and '*Nuvan*'.

We have also entered into a marketing agreement with Nissan granting us the right to market their products '*Pulsor*' in India and Nepal. Also, we have an arrangement with Nissan, to market their product '*Hakama*', on a non-exclusive basis.

Manufacturing Facilities

We presently operate seven manufacturing facilities, all on leased premises at Chopanki (Rajasthan) Udhampur and Samba (Jammu and Kashmir) and Dahej (Gujarat). Details of our facilities are as follows:

Location	Commercial Operation Year	Total plot area (in square metres)	Built up area (in square metres)	Total Installed Capacity				Total Utilized Capacity (in Fiscal 2015)			
				Liquid (KLPA)	Granules (MTPA)	Powders (MTPA)	Active Ingredients (MTPA)	Liquid (KLPA)	Granules (MTPA)	Powders (MTPA)	Active Ingredients (MTPA)
Chopanki (Rajasthan) *(Unit-I, Formulations)*	Fiscal 2002	8,000	3,314	6,000	7,500	4,500	-	3,094	6,866	1,183	-
Chopanki (Rajasthan) *(Unit-II, Active Ingredients)*	Fiscal 2008	3,958	1,657	-	-	-	3,800	-	-	-	1,199
Chopanki (Rajasthan) *(Unit-III, Formulations)*	Fiscal 2015	7,094	4,077	-	20,000	-		-	2,120	-	-
Samba (Jammu and Kashmir) *(Formulations)*	Fiscal 2005	9,358	6,210	5,450	6,100	1,880		2,690	2,559	908	-
Udhampur (Jammu and Kashmir) *(Formulations)*	Fiscal 2012	6,070	5,434	3,000	2,000	600		1,940	347	634	-
Dahej (Gujarat) *(Unit-I, Formulations)*	Fiscal 2012	1,17,313.74	11,830	3,000	40,000	10,000		7,059	7,296	569	-
Dahej (Gujarat) *(Unit-II, Active Ingredients)*	Fiscal 2013			-	-	-	10,000	-	-	-	6,564

Location	Commercial Operation Year	Total plot area (in square metres)	Built up area (in square metres)	Total Installed Capacity				Total Utilized Capacity (in Fiscal 2015)			
				Liquid (KLPA)	Granules (MTPA)	Powders (MTPA)	Active Ingredients (MTPA)	Liquid (KLPA)	Granules (MTPA)	Powders (MTPA)	Active Ingredients (MTPA)
Total				**17,450**	**75,600**	**16,980**	**13,800**	**14,783**	**19,188**	**3,294**	**7,763**

We have a total of 31 fully automated/semi automated filling lines, nine granule filling machines, and nine powder filling machines. We practice strict quality control checks and our products pass through stringent quality tests, and our quality assurance team monitors at various stages of the manufacturing process and performs finished product inspections to ensure the quality of our products. Our operations generate small quantities of effluents, which are treated at our effluent treatment plants, and we use such treated water for irrigation of plants.

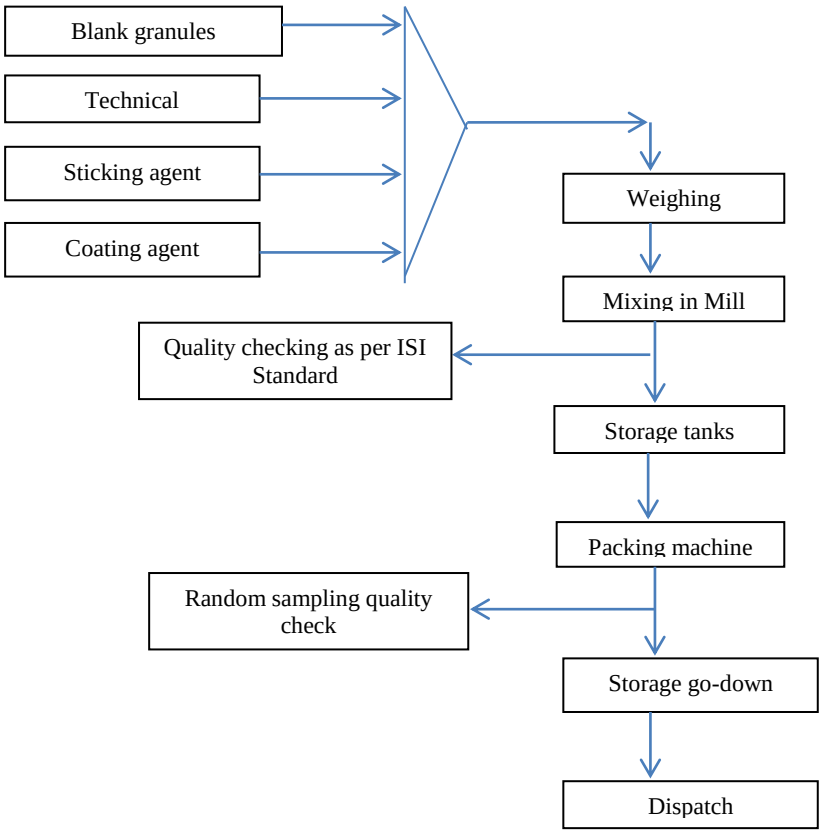
All of our manufacturing facilities are located in industrial zones and the manufacturing facilities located in Jammu and Kashmir enjoy certain tax benefits, for details see "***Statement of Tax Benefits***".

Manufacturing Process

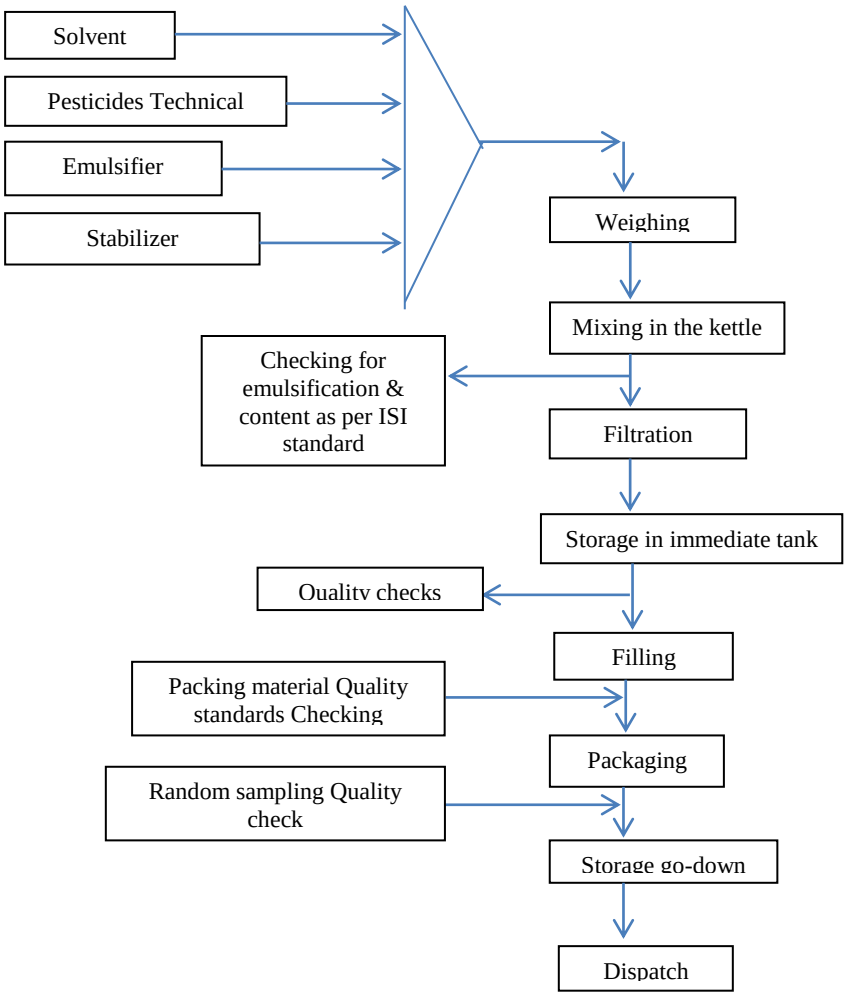
The manufacturing process of formulations and active ingredients differ from product to product. However, it typically involves a series of reaction steps under controlled conditions of temperature and pressure to produce the finished products. Each of these processes vary depending on the form of the product, i.e., granule, powders or liquid. It is then suitably packed in different packaging material.

General illustrations for production of granules and liquid are as follows:

Flow chart for granule packing:



Flow chart for liquid formulation:



Raw Materials

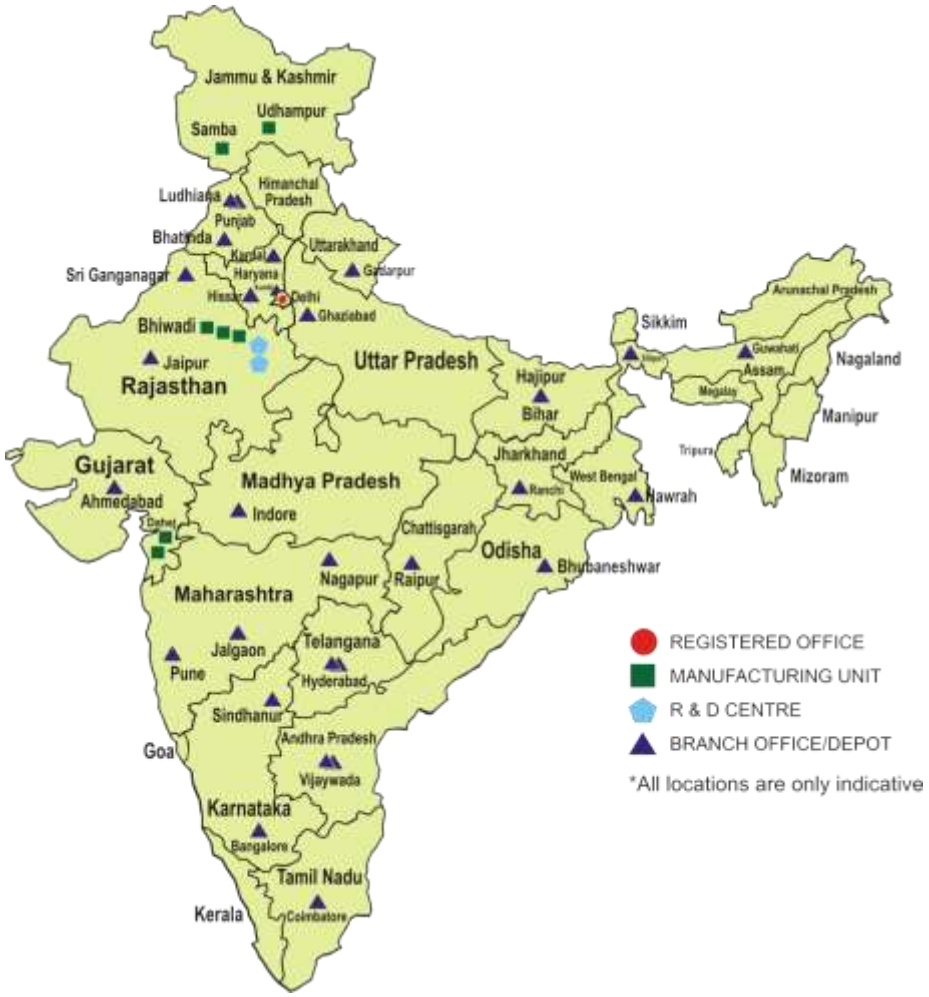
Our raw materials can be primarily classified into two categories – active ingredients and adjuvants. We source our active ingredients, such as Monocrotophos, Chlorpyriphos and Cypermethrin either indigenously or through imports. We primarily import our raw materials from China. Certain active ingredients are also manufactured in-house at our technical synthesis plants located at Chopanki and Dahej. Adjuvants such as granules, emulsifiers, solvents, powders, among others are sourced from various suppliers in India. We typically do not have long term supply arrangements with our suppliers and purchase our raw materials on a spot basis. The price and supply of raw materials depend on various factors beyond our control, including economic conditions, competition, availability of quality suppliers, production levels, transportation costs, import duties, fuel prices, trade restrictions and currency exchange rates. In order to maintain and manage our raw material requirements, we have a comprehensive inventory management system for raw materials, consumables and spares.

Sales and Distribution Network

We have over the years developed an extensive network of distributors and dealers across India. As at March 31, 2015, our distribution network included more than 5,000 distributors with a pan-India presence. These distributors in turn work with a large number of local dealers. As at March 31, 2015, we have 379 personnel working in our sales and marketing team spread across the country. We hold regular farmers meets at different places to educate and disseminate new methods of the plant protection with the help of our marketing sales staff, dealers and distributors. With the help of our distribution network and in-house marketing team, we keep ourselves updated about the occurrence of a particular pest and the trends of the agrochemical industry. We have also established 29 branches and depots, across the country, in states such as Haryana, Punjab, Andhra Pradesh and Tamil Nadu, including through clearing and forwarding agents, for effective storage and distribution of our

products. We provide certain advance booking schemes and credit arrangements to our distributors in order to facilitate ease of payment and as an incentive. While we typically do not have long term agreements with our distributors, we believe that our numerous schemes and incentives have ensured allegiance and we have maintained long term relationships with most of our distributors.

The following map illustrates our India wide presence, as of March 31, 2015:



Map not to scale

Marketing

We believe our agrochemical formulations have established a strong brand name in India, particularly in the insecticides segment. Our brand has been strengthened through consistent delivery of quality products at competitive prices, development of an expansive pan-India network of distributors and dealers as well as intensive and strategic marketing efforts to create brand awareness among our target customer segments, particularly farmers. We seek to seize market opportunities by continuing to allocate significant resources to enhance our brand.

Our sustained marketing efforts have included the print, electronic and other advertisement media, in-store advertisement as well as awareness campaigns targeted at educating farmers. We have also engaged Mr. Suniel Shetty, a popular film personality in India, as our brand ambassador.

In addition, in order to facilitate the understanding of the distinctive features, benefits and applications of our products as well as assistance with usage, we have initiated various awareness campaigns targeted at educating farmers, such as the 'Doctor Dada' campaign. Our first awareness campaign, the 'Jagrukta Abhiyan', initiated in 2008 was organized across India through which we disseminated information to farmers with the help of local agricultural experts. Additionally, we hold regular farmer meetings and workshops on safe and judicious use of agrochemicals.

Research and Development

We operate an advanced R&D centre located at Chopanki (Rajasthan) with a 32 personnel, including 12 scientists as at March 31, 2015. Our R&D facility is accredited with NABL and recognized by DSIR. Our R&D center has augmented its infrastructure with sophisticated instruments including High Performance Liquid Chromatography, Gas Liquid Chromatography, Atomic Absorption Spectrophotometer, GC MASS, UV and Infrared Spectrophotometer that are used for standardization of manufacturing processes. Our focus areas for R&D are on developing processes for new environmentally friendly formulations for expansion of our current product portfolio and improve existing processes and production cost efficiency. Our R&D department has successfully developed 50 new processes, including making Thiamethoxam environmentally friendly by eliminating Methanol from its formulation and decreasing both time cycle and cost required. In March 2014, we were granted the process patent for the process of preparing Acetamiprid. Additionally, there are seven process patent applications filed by us with the Indian Patent Office.

Pursuant to an agreement dated March 25, 2011, DSIR agreed to partially fund the research of a new approach to synthesis of an import substitute 3-methyl-N—nitroimino perhydro-1,3,5-oxadiazine ("**Mino**"). In fiscal 2014, we were able to successfully commercialize Mino and have since commenced our refund to DSIR.

We have also entered into a joint venture agreement with OAT Agrio Company Limited, pursuant to which the joint venture entity OAT & IIL India Laboratories has been set up and is engaged in the invention of new agricultural molecules to control pests, weeds, and diseases affecting crops like soya bean, cotton, wheat and rice for domestic and international markets. In the longer term, we believe that this joint venture will enable us to launch new patented products in India and other international markets where we have the exclusive rights, including for manufacturing and distribution. OAT & IIL India Laboratories operates an advanced R&D centre located at Chopanki (Rajasthan) spread over 25,000 square feet. The R&D centre is engaged in the invention of new agricultural molecules.

Quality Certifications

We are committed to ensuring quality standards. Our products pass through stringent quality tests, and our quality assurance team monitors at various stages of the manufacturing process and performs finished product inspections to ensure the quality of our products. Our quality control team also performs root cause analysis of any non-conformances in order to continuously improve our production processes. Our quality assurance initiatives also include the continuous improvement of our manufacturing processes and reduction of internal rejection through comprehensive process audits and control. Our manufacturing facilities at Samba and Udhampur (Jammu and Kashmir) have been accredited with ISO 9001:2008 by United Registrar of Systems in recognition of our quality management system in the manufacture, formulation and marketing of agro-chemical and household pesticide. Our manufacturing facilities at Samba and Udhampur (Jammu and Kashmir) and Chopanki (Rajasthan) have been accredited with OHSAS 18001:2007 by United Registrar of Systems in recognition of our health and safety systems in the manufacture, formulation and marketing of agro-chemicals and household pesticides. Further, our facilities at Udhampur (Jammu & Kashmir) and Chopanki (Rajasthan) have been accredited with ISO 140001:2004 by United Registrar of Systems in recognition of our environment management system in the manufacture, formulation and marketing of agro-chemicals and household pesticides.

Competition

We sell our products in highly competitive markets. Certain competitors may be larger than us and may have significantly greater financial resources than us. As a result, to remain competitive in our markets, we continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. The key players in the Indian agrochemicals industry consist mainly of multi-national companies such as Monsanto India Limited, Syngenta India Limited, Bayer Crop Science Limited and Indian companies such as Rallis India Limited, Excel Crop Care, PI Industries Limited, Dhanuka Agritech Limited, Crystal Crop Protection Private Limited, Meghmani Organics Limited and Sabero Organics Gujarat Limited. Other than multi-national companies and Indian companies, the agrochemical industry in India also has various fragmented local players catering to regional or local markets.

Human Resources

Our employees contribute significantly to our business operations. As at March 31, 2015, our Company had 979 employees, including a research and development a team of 32 personnel, including 12 scientists.

We place significant emphasis on the recruitment and retention of our personnel and provide continuous training for employees to achieve high quality skills. Our employees are not unionized and our operations have not been interrupted by any work stoppage, strike, demonstration or other labour or industrial disturbance. We have not experienced any industrial disputes and further our attrition level has been commensurate with the industry standards. In addition to salary and allowances, we provide our employees benefits which include medical reimbursements, yearly leave and retirement benefits.

Insurance

We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire, accidents and other natural disasters. We typically maintain standard fire and special perils insurance policies for our plants and machineries and buildings at our manufacturing facilities to cover risks such as fire and other ancillary perils. We also maintain burglary policies apart from general insurance policies. We also have policies to cover the various risks during the transit of goods any where in the country. Further, our operations are subject to hazards inherent in our industry and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

Real Property

Our Company's registered and corporate office premises, situated at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 100 003, India is owned by us. Our seven manufacturing facilities located at Chopanki (Rajasthan) Udhampur and Samba (Jammu and Kashmir) and Dahej (Gujarat) are all on leased premises. Our Company has also obtained several premises on lease/leave and license basis for our depots located across the country.

Corporate Social Responsibility

We have initiated the social welfare program 'Agla Kadam', pursuant to which our Company has adopted certain villages and provides for the basic needs of the people pertaining to healthcare, education and women empowerment. We also undertake various activities for these villages such as providing books and study material to children, giving scholarships and aid for schools, providing vocational education like stitching, embroidery etc., to women for self-employment and providing technical education to farmers to help them increase their yield. In addition, in order to facilitate the understanding of the distinctive features, benefits and applications of our products as well as assistance with usage, we have initiated various awareness campaigns targeted at educating farmers, such as the 'Jagrukta Abhiyan' and the 'Doctor Dada' campaigns.

REGULATIONS AND POLICIES IN INDIA

The following is an overview of the important laws and regulations which are relevant to our business in India. The information provided below has been obtained from sources available in the public domain. The description of laws and regulations set out below is not exhaustive, and is only intended to provide general information, and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The Insecticides Act, 1968 ("Insecticides Act")

The Insecticides Act regulates the import, manufacture, sale, transport, distribution and use of insecticides, with a view to prevent risk to human beings or animals and other matters connected therewith. The definition of insecticides includes fungicides and weedicides. Any person who desires to import or manufacture any insecticide is required to apply to the registration committee, established under the Insecticides Act, for the registration of such insecticide. The functions of the registration committee include registering insecticides after scrutinizing their formulae and verifying claims made by the importer or the manufacturer, as the case may be, as regards their efficacy and safety to human beings and animals; and perform such other functions as are assigned to it.

Any person who desires to manufacture or sell, stock or exhibit for sale or distribute any insecticide, or to undertake commercial pest control operations with the use of any insecticide may make an application to the licensing officer for the grant of a license under the Insecticides Act. Our Company is also required to comply with the guidelines, regulations and rules issued by the CIB. The functions of the CIB include to advise the central and state governments on technical matters such as the risk to human beings or animals involved in the use of insecticides and the safety measures necessary to prevent such risk and the manufacture, sale, storage, transport and distribution of insecticides with a view to ensure safety to human beings or animals and to carry out other functions assigned to it by or under this Act. The license granted under the Insecticides Act may be revoked or suspended or cancelled in accordance with the provisions of the Insecticides Act. Additionally, in the event of violation of the provisions of the Insecticides Act, the same shall constitute an offence, for which a person may be penalized, imprisoned or both.

The Insecticides Rules, 1971 ("Insecticides Rules")

The Central Government, in exercise of the powers conferred by Section 36 of the Insecticides Act, and upon consultation with the CIB, promulgated the Insecticides Rules which assigns functions to the CIB in addition to those assigned under the Insecticides Act. The Insecticides Rules make detailed provisions for manufacture and/or sale of insecticides, *inter alia*, the registration of insecticides, grant of license to manufacture insecticides and specifications relating to packaging, transportation and labelling of insecticides and the appointment, powers, duties and functions of insecticide analysts and inspectors.

The Pesticides Management Bill, 2008 ("Pesticides Management Bill")

The Pesticides Management Bill which if passed will replace the Insecticides Act. The Pesticides Management Bill proposes to regulate the import, manufacture, export, sale, transport, distribution, quality and use of pesticides with a view to control pests; ensure availability of quality pesticides; allowing its use only after assessment of its efficacy and safety; minimizing the contamination of agricultural commodities by pesticide residues; create awareness among users regarding safe and judicious use of pesticides and to take necessary measures to continue, restrict or prohibit the use of pesticides on reassessment with a view to prevent its risk on human beings, animals or environment, and for matters connected therewith or incidental thereto.

Foreign Investment Regulations

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable FEMA Regulations and the extant consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

Under the current consolidated FDI Policy, effective from May 12, 2015, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (the "**Consolidated FDI Policy**"), which consolidates the policy framework on FDI, up to 100% FDI through the automatic route is permitted in sectors and activities not specifically restricted under the Consolidated FDI Policy. Therefore, our business is not subject to sectoral investment limits enumerated under the Consolidated FDI Policy.

Environment Related Legislations

The Environment (Protection) Act, 1986 (the "**EPA**") is an umbrella legislation designed to provide a framework for the Government of India to co-ordinate the activities of various central and state authorities established under other laws, such as the Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**"). The EPA vests the Government of India with various powers including the power to formulate rules prescribing standards for emission of discharge of environment pollutants from various sources, as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of processes and materials likely to cause pollution.

The Water Act requires a person to obtain the consent of the relevant central or state pollution control board, which is empowered to establish standards and conditions for establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage.

The Air Act requires any person establishing or operating any industrial plant within an air pollution control area to obtain the prior consent of the relevant central or state pollution control board. Further, no person operating any industrial plant in any air pollution control area is permitted to discharge any air pollutant in excess of emission standards prescribed by the relevant pollution control board.

The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 require every occupier and operator of a facility generating hazardous waste to obtain prior approval from the relevant central or state pollution control board. The occupier, the transporter and the operator are liable for damage to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier are liable for any fine that may be levied by the relevant pollution control board.

The Public Liability Insurance Act, 1991 (the "**PLI Act**") imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been notified under the PLI Act. The owner or handler is also required to take out an insurance policy insuring against liability under the PLI Act.

Labour Related Legislations

The Factories Act, 1948 (the "**Factories Act**")

The Factories Act seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. It applies to industries in which (i) 10 or more than 10 workers are employed on any day of the preceding 12 months and are engaged in the manufacturing process being carried out with the aid of power, or (ii) 20 or more than 20 workers are employed in the manufacturing process being carried out without the aid of power. Each State has enacted rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

Depending upon the nature of the activity undertaken by us, additional applicable labour laws and regulations include the following are applicable to us:

- The Workmen's Compensation Act, 1923;

- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employee's State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936; and
- The Industrial Disputes Act, 1947.

Intellectual Property Rights Legislations

Intellectual property in India enjoys protection under both under common law and statutory law. Under the statute, India provides for patent protection under the Patents Act, 1970 (the "**Patents Act**"), copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999 (the **"Trade Marks Act")**. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement.

The Trade Marks Act governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both common law and statutory law. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Indian law permits the registration of trademarks for goods and services. Certification trade marks and collective marks can also be registered under the Trade Marks Act.

The Patents Act, 1970 governs the patent regime in India. Historically, India granted patent protection only to processes and not to products (i.e., only the process to manufacture an insecticide is protected and not the insecticide itself). This meant that if an insecticide company could find an alternative process to produce the same formulation as a competitor, it could sell such an alternative process in India without fear of patent infringement suits. In 1995, under the general agreement on tariffs and trade, India became a signatory to the trade related agreement on intellectual property rights (the "**TRIPS**"). The TRIPS requires India to recognize product patents as well as process patents, which is all that were granted under the Patents Act. The regime provided for recognition of product patents, patent protection period of 20 years as opposed to the previous 14 years protection for process, and provided that under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer. As a developing country, India was granted a grace period of 10 years to comply with product patent laws under the WTO agreement, meaning that the product patent regime came into force in India from 2005, pursuant to the Patents (Amendment) Act, 2005.

The definition of 'inventive step' in the Patents Act mandates that an inventive step must involve a technical advance as compared to the existing knowledge or must have economic significance or both. Further, the invention must be non-obvious to a person skilled in the art. With a view to reducing ever greening of patents, section 3(d) of the Patents Act has been amended such that the following are not patents:

- the mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance, or
- the mere discovery of any new property or new use for a known substance or the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The general supervision, direction and management of our operation and business is vested in our Board, which exercises its powers subject to our Memorandum and Articles of Association and the requirements of applicable Indian laws. Pursuant to the Companies Act, 2013 and our Articles of Association, the Directors may be appointed by the Board or by our shareholders in a general meeting. In accordance with Article 79 of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors, including a woman director. Currently, our Company has eight Directors. The present composition of the Board and its proceedings are in accordance with the Companies Act and the Listing Agreements.

The following table sets forth details regarding the Board as of the date of this Placement Document:

Name, Address, DIN, Term, Occupation and Nationality	Age (years)	Designation	Other Directorships
Mr. Hari Chand Aggarwal **Address:** FD-42, Vishaka Enclave, Pitam Pura, Delhi 110034, Delhi, India **DIN:** 00577015 **Term:** Five years with effect from October 1, 2012; last-reappointed pursuant to retirement by rotation at annual general meeting dated September 19, 2014 **Occupation:** Industrialist **Nationality:** Indian	66	Chairman and wholetime Director	Crop Care Federation of India
Mr. Rajesh Aggarwal **Address:** FD-42, Vishaka Enclave, Pitam Pura, Delhi 110034, Delhi, India **DIN:** 00576872 **Term:** Five years with effect from November 15, 2011 **Occupation:** Industrialist **Nationality:** Indian	44	Managing Director	OAT & IIL India Laboratories Private Limited Emroyal Shiksha Private Limited
Ms. Nikunj Aggarwal **Address:** FD-42, Vishaka Enclave, Pitam Pura, Delhi 110034, Delhi, India **DIN:** 06569091 **Term:** Five years with effect from May 2, 2013; last-reappointed pursuant to retirement by rotation at annual general meeting dated September 19, 2014 **Occupation:** Professional **Nationality:** Indian	42	Wholetime Director	Nil
Mr. Virjesh Kumar Gupta **Address:** C-1/66, Bhim Nagri, Safdarjung Development Area, New Delhi 110016, Delhi, India	68	Independent Director	Nil

Name, Address, DIN, Term, Occupation and Nationality	Age (years)	Designation	Other Directorships
DIN: 06382540 **Term:** Five years with effect from June 1, 2014 **Occupation:** Industrialist **Nationality:** Indian			
Mr. Navneet Goel **Address:** M- 570, Guru Harkishan Nagar, New Delhi 110087, Delhi, India **DIN:** 01752305 **Term:** Five years with effect from June 1, 2014 **Occupation:** Professional **Nationality:** Indian	54	Independent Director	Nil
Mr. Gopal Chandra Agarwal **Address:** 240, Ghalib Apartments, Parwana Road, Pitampura, Delhi 110034 **DIN:** 00372830 **Term:** Five years with effect from June 1, 2014 **Occupation:** Professional **Nationality:** Indian	57	Independent Director	RGM Finvest Private Limited
Mr. Navin Shah **Address:** 26/53, Punjabi Bagh, New Delhi 110026, New Delhi, India **DIN:** 02701860 **Term:** Five years with effect from June 1, 2014 **Occupation:** Industrialist **Nationality:** Indian	72	Independent Director	Varahi Limited
Mr. Anil Kumar Singh **Address:** J-1A Krishan Vihar, Pooth Kalan, Delhi 110041, Delhi, India **DIN:** 02525852 **Term:** Five years with effect from June 1, 2014 **Occupation:** Professional **Nationality:** Indian	39	Independent Director	Nil

Relationship with other Directors

Except Mr. Hari Chand Aggarwal, Mr. Rajesh Aggarwal and Ms. Nikunj Aggarwal, none of our directors are related to each other. Mr. Rajesh Aggarwal is married to Ms. Nikunj Aggarwal and he is the son of Mr. Hari Chand Aggarwal.

Brief Profiles

Mr. Hari Chand Aggarwal

Mr. Hari Chand Aggarwal, aged 66 years, is the Chairman and a wholetime Director of our Company. He has been a Director on our Board since 2001. He has over 40 years of work experience in the agrochemical industry. Prior to being associated with our Company, he founded HIM Pulverizing Mills Limited to carry on the business of manufacturing, marketing and trading of pesticides products. He is a recipient of Udyog Bharti Award by the Indian Achievers Forum, New Delhi and has been the president of Northern India Pesticides Manufacturers Association and the Giants Group of Delhi (International). He was the director of Crop Care Federation of India and Indian Association of Plant Growth Products.

Mr. Rajesh Aggarwal

Mr. Rajesh Aggarwal, aged 44 years, is the Managing Director of our Company. He holds a bachelor's degree in commerce from the University of Delhi. He has over 22 years of experience in the agrochemical industry. Prior to founding our Company, he was associated with HIM Pulverizing Mills Limited from 1993 until 2001 and was responsible for handling verticals such as production, procurement management and accounting functions. He was last appointed as the Managing Director of our Company with effect from November 15, 2011 and has been a Director on our Board since incorporation.

Ms. Nikunj Aggarwal

Ms. Nikunj Aggarwal, aged 42 years, is a wholetime Director of our Company. She holds a bachelor's degree in commerce from the University of Delhi. She has over two years of experience in the field of agrochemical industry and has been a Director on our Board since May 2, 2013.

Mr. Virjesh Kumar Gupta

Mr. Virjesh Kumar Gupta, aged 68 years, is an independent Director of our Company. He holds a bachelor's degree in commerce (honours) from the University of Delhi. He has over 35 years of cumulative experience as a consultant in the field of food grains and retail sales of electrical goods. He has been a Director on our Board since September 25, 2012.

Mr. Navneet Goel

Mr. Navneet Goel, aged 54 years, is an independent Director of our Company. He holds a bachelor's degree in commerce from Guru Nanak Dev University, Amritsar. He is a fellow member of the ICAI and a practising chartered accountant. He has over 22 years of experience in accounting functions. He has been a Director on our Board since July 26, 2007.

Mr. Gopal Chandra Agarwal

Mr. Gopal Chandra Agarwal, aged 57 years, is an independent Director of our Company. He holds a bachelor's degree in science from Meerut University and is a fellow member of the ICAI. He has over 30 years of experience in the field of accounting functions and is a practising chartered accountant. He has been a Director on our Board since October 26, 2007.

Mr. Navin Shah

Mr. Navin Shah, aged 72 years, is an independent Director of our Company. He has over 40 years of experience in the field of manufacturing PVC compounds and plastics. He has been a Director on our Board since June 23, 2009.

Mr. Anil Kumar Singh

Mr. Anil Kumar Singh, aged 39 years, is an independent Director of our Company. He holds a bachelor's degree in arts from Guru Nanak Dev University, Amritsar and is a fellow member of the Institute of Company Secretaries of India. He has over 12 years of experience in corporate secretarial functions and is a practicing company secretary. He has been a Director on our Board since April 24, 2009.

Borrowing Powers of our Directors

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed at our annual general meeting dated September 19, 2014 our shareholders authorized our Board to borrow from time to time such sums of money as may be required, provided that such amount shall not exceed ₹ 80,000.00 lacs.

Interests of our Directors

Our Directors may be deemed to be interested to the extent of any fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of any reimbursement of expenses payable to them under our Articles of Association. Our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or that may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Further our Executive Directors Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal are interested to the extent of rent payable by our Company equivalent to ₹ 3.30 lacs per month as on March 31, 2015 to ISEC Organics Limited, in which they are interested to the extent of their shareholding in ISEC Organics Limited.

There are no existing or potential conflicts of interest between any duties owed to our Company by our Directors and the private interests or external duties of the Directors. As part of their investment portfolio, certain of the Directors may from time to time hold direct or beneficial interests in securities of our Company or other companies, with which our Company has engaged or may engage in transactions, including those in the ordinary course of business. Our Company does not believe that the holdings in such other companies create a conflict of interest because transactions typically engaged between such other companies and our Company is not likely to have a material effect on the prices of such securities.

Except as disclosed in this Placement Document and except to the extent of shareholding in our Company, our Directors do not have any economic interest in our Company. As of March 31, 2015, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

For details relating to contracts, agreements or arrangements entered into by our Company during the three years preceding the date of this Placement Document, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements, see "***Financial Statements***".

Shareholding of Directors

The following table sets forth the shareholding of the Directors as of June 30, 2015:

Name	Number of Equity Shares	Percentage (%)
Mr. Hari Chand Aggarwal	9,23,400	4.85
Mr. Rajesh Aggarwal	52,92,900	27.82
Ms. Nikunj Aggarwal	11,25,000	5.91
Mr. Virjesh Kumar Gupta	-	-
Mr. Navneet Goel	-	-
Mr. Gopal Chandra Agarwal	1,275	0.006
Mr. Navin Shah	-	-
Mr. Anil Kumar Singh	-	-

Terms and conditions of employment of our wholetime Directors

Mr. Hari Chand Aggarwal

Mr. Hari Chand Aggarwal was appointed as a wholetime Director and Chairman of our Company for a term of five years with effect from October 1, 2012 pursuant to a Board resolution dated September 25, 2012 and shareholders' resolution dated August 27, 2013.

In accordance with terms and conditions of his appointment, Mr. Hari Chand Aggarwal is entitled to a basic salary of ₹ 6.00 lacs per month or ₹ 72.00 lacs per annum, including dearness allowance. Further, he is entitled to use of Company's car along with driver. Additionally, he is entitled to Company's contribution to provident fund and superannuation or annuity fund to the extent they are not singly or together taxable under the provisions of the I.T. Act. He is entitled to bonus, gratuity and other benefits available in accordance with the rules of our Company.

Mr. Rajesh Aggarwal

Mr. Rajesh Aggarwal was appointed as the Managing Director of our Company for a term of five years with effect from November 15, 2011 pursuant to a Board resolution dated August 29, 2012 and shareholders' resolution dated September 25, 2012.

In accordance with terms and conditions of his appointment, Mr. Rajesh Aggarwal is entitled to a basic salary of ₹ 5.00 lacs per month or ₹ 60.00 lacs per annum, including dearness allowance. Further, he is entitled to perquisites, including, free use of telephone facility at his residence, payment of mobile phone bill by our Company on an actual basis used by himself and his family members and entitlement to use of Company's car along with driver. Additionally, he is entitled to Company's contribution to provident fund and superannuation or annuity fund to the extent they are not singly or together taxable under the provisions of the I.T. Act. He is entitled to bonus, gratuity and other benefits available in accordance with the rules of our Company.

Ms. Nikunj Aggarwal

Ms. Nikunj Aggarwal was appointed as a wholetime Director of our Company for a term of five years with effect from May 2, 2013 pursuant to a Board resolution dated May 2, 2013 and shareholders' resolution dated August 27, 2013.

In accordance with terms and conditions of her appointment, Ms. Nikunj Aggarwal is entitled to ₹ 12.00 lacs per annum as remuneration including dearness allowance and other allowances. Further, she is entitled to perquisites, including, use of telephone facility at her residence, payment of mobile phone bill by our Company on an actual basis used by herself and entitlement to use of Company's car along with driver. Additionally, she is entitled to Company's contribution to provident fund and superannuation or annuity fund to the extent they are not singly or together taxable under the provisions of the I.T. Act. She is entitled to bonus, gratuity and other benefits available in accordance with the rules of our Company.

Remuneration of the Directors

A. Executive Directors

The following table sets forth the compensation paid by our Company to the Executive Directors for the months of July 2015, June 2015, May 2015 and April 2015:

July 2015

(*In ₹ lacs*)

S.No.	Name	Salary	HRA	CCA	LCA	Bonus	Perquisites	Total
1	Mr. Hari Chand Aggarwal	3.00	1.50	0.60	0.60	-	0.33	6.03
2	Mr. Rajesh Aggarwal	2.50	1.25	0.50	0.50	-	0.28	5.03
3	Ms. Nikunj Aggarwal	0.50	0.25	0.10	0.10	-	0.06	1.01

June 2015

(*In ₹ lacs*)

S.No.	Name	Salary	HRA	CCA	LCA	Bonus	Perquisites	Total
1	Mr. Hari Chand Aggarwal	3.00	1.50	0.60	0.60	-	0.33	6.03

2	Mr. Rajesh Aggarwal	2.50	1.25	0.50	0.50	-	0.28	5.03
3	Ms. Nikunj Aggarwal	0.50	0.25	0.10	0.10	-	0.06	1.01

May 2015

(*In ₹ lacs*)

S.No.	Name	Salary	HRA	CCA	LCA	Bonus	Perquisites	Total
1	Mr. Hari Chand Aggarwal	3.00	1.50	0.60	0.60	-	0.33	6.03
2	Mr. Rajesh Aggarwal	2.50	1.25	0.50	0.50	-	0.28	5.03
3	Ms. Nikunj Aggarwal	0.50	0.25	0.10	0.10	-	0.06	1.01

April, 2015

(*In ₹ lacs*)

S.No.	Name	Salary	HRA	CCA	LCA	Bonus	Perquisites	Total
1	Mr. Hari Chand Aggarwal	3.00	1.50	0.60	0.60	-	0.33	6.03
2	Mr. Rajesh Aggarwal	2.50	1.25	0.50	0.50	-	0.28	5.03
3	Ms. Nikunj Aggarwal	0.50	0.25	0.10	0.10	-	0.06	1.01

The following table sets forth the compensation paid by our Company to the Executive Directors for the fiscals 2015, 2014 and 2013:

Fiscal 2015

(*In ₹ lacs*)

S.No.	Name	Salary	HRA	CCA	LCA	Bonus	Perquisites	Total
1	Mr. Hari Chand Aggarwal	36.00	18.00	7.20	7.20	3.60	3.99	75.99
2	Mr. Rajesh Aggarwal	30.00	15.00	6.00	6.00	3.00	3.40	63.40
3	Ms. Nikunj Aggarwal	6.00	3.00	1.20	1.20	0.60	0.82	12.82

Fiscal 2014

(*In ₹ lacs*)

S.No.	Name	Salary	HRA	CCA	LCA	Bonus	Perquisites	Total
1	Mr. Hari Chand Aggarwal	36.00	18.00	10.80	7.20	3.60	0.40	76.00
2	Mr. Rajesh Aggarwal	30.00	15.00	9.00	6.00	3.00	0.32	63.32
3	Ms. Nikunj Aggarwal	5.48	2.74	1.65	1.10	0.55	0.30	11.81
4	Mr. Sanjeev Bansal	0.25	0.12	0.07	0.05	-	-	0.50

Fiscal 2013

(*In ₹ lacs*)

S.No.	Name	Salary	HRA	CCA	LCA	Bonus	Perquisites	Total
1	Mr. Hari Chand Aggarwal	27.00	13.50	9.00	4.50	2.70	-	56.70
2	Mr. Rajesh Aggarwal	30.00	15.00	9.00	6.00	3.00	-	63.00
3	Mr. Sanjeev Bansal	3.00	1.50	0.90	0.60	0.30	-	6.30

B. Non-Executive Independent Directors

Our non-executive independent Directors are entitled to sitting fees of ₹ 25,000 for attending each meeting of the Board of Directors or a committee thereof.

The following table sets forth the compensation paid by our Company to the non-executive Directors for the months of July 2015, June 2015, May 2015 and April 2015:

July, 2015

(*In ₹ lacs*)

S.No.	Name	Sitting Fee	Total
1.	Mr. Navneet Goel	-	-
2.	Mr. Navin Shah	-	-
3.	Mr. Gopal Chandra Agarwal	-	-

4.	Mr. Anil Kumar Singh	-	-
5.	Mr. Virjesh Kumar Gupta	-	-

June, 2015

(*In ₹ lacs*)

S.No.	Name	Sitting Fee	Total
1.	Mr. Navneet Goel	-	-
2.	Mr. Navin Shah	-	-
3.	Mr. Gopal Chandra Agarwal	-	-
4.	Mr. Anil Kumar Singh	-	-
5.	Mr. Virjesh Kumar Gupta	-	-

May, 2015

(*In ₹ lacs*)

S.No.	Name	Sitting Fee	Total
1.	Mr. Navneet Goel	0.50	0.50
2.	Mr. Navin Shah	0.50	0.50
3.	Mr. Gopal Chandra Agarwal	0.50	0.50
4.	Mr. Anil Kumar Singh	0.50	0.50
5.	Mr. Virjesh Kumar Gupta	0.50	0.50

April, 2015

(*In ₹ lacs*)

S.No.	Name	Sitting Fee	Total
1.	Mr. Navneet Goel	0.25	0.25
2.	Mr. Navin Shah	-	-
3.	Mr. Gopal Chandra Agarwal	0.25	0.25
4.	Mr. Anil Kumar Singh	0.25	0.25
5.	Mr. Virjesh Kumar Gupta	0.25	0.25

The following table sets forth the compensation paid by our Company to the non-executive Directors for the fiscals 2015, 2014 and 2013:

Fiscal 2015

(*In ₹ lacs*)

S.No.	Name	Sitting Fee	Total
1.	Mr. Navneet Goel	1.65	1.65
2.	Mr. Navin Shah	1.30	1.30
3.	Mr. Gopal Chandra Agarwal	1.95	1.95
4.	Mr. Anil Kumar Singh	1.95	1.95
5.	Mr. Virjesh Kumar Gupta	1.80	1.80

Fiscal 2014

(*In ₹ lacs*)

S.No.	Name	Sitting Fee	Total
1.	Mr. Navneet Goel	1.35	1.35
2.	Mr. Navin Shah	0.30	0.30
3.	Mr. Gopal Chandra Agarwal	1.50	1.50
4.	Mr. Anil Kumar Singh	1.50	1.50
5.	Mr. Virjesh Kumar Gupta	1.50	1.50

Fiscal 2013

(*In ₹ lacs*)

S.No.	Name	Sitting Fee	Total
1.	Mr. Navneet Goel	1.20	1.20
2.	Mr. Navin Shah	1.05	1.05
3.	Mr. Gopal Chandra Agarwal	1.20	1.20
4.	Mr. Anil Kumar Singh	1.20	1.20

5.	Mr. Virjesh Kumar Gupta	0.45	0.45
6.	Mr. Rajendra Pershad Gupta	0.45	0.45

Corporate Governance

Our Company has been complying with the requirements of applicable law, including the Listing Agreements and the SEBI guidelines, in respect of corporate governance including constitution of the Board of Directors and committees thereof.

The Board of Directors presently consists of eight directors. In compliance with the requirements of the Listing Agreements and the Companies Act, 2013 the Board of Directors includes five independent Directors.

The corporate governance framework, *inter alia*, is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of committees of the Board, as required under law. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board of Directors

The Board has constituted four committees, each of which functions in accordance with the relevant provisions of the Companies Act, 2013 and the Listing Agreements, as applicable. These are, (i) Audit Committee, (ii) Stakeholders Relationship Committee, (iii) Nomination and Remuneration Committee and (iv) Corporate Social Responsibility Committee. The details of these committees are as follows:

A. Audit Committee

The members of the Audit Committee are:

1. Mr. Gopal Chandra Agarwal (Chairman);
2. Mr. Navneet Goel; and
3. Mr. Anil Kumar Singh.

The terms of reference of the Audit Committee, amongst others, include overview of our Company's financial reporting process, review of financial statements, related party transactions and review and adequacy of internal audit function and internal control system of our Company.

B. Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

1. Mr. Navneet Goel (Chairman);
2. Mr. Virjesh Kumar Gupta; and
3. Mr. Anil Kumar Singh.

The terms of reference of the Stakeholders Relationship Committee, amongst others, include approval of transfer/ transmission of shares/ debentures issued by our Company, issue of duplicate certificates, issue of certificates after split/ consolidation/ replacement and looking into the redressal of shareholders' complaints and other areas of investor services.

C. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Mr. Gopal Chandra Agarwal (Chairman);
2. Mr. Virjesh Kumar Gupta; and
3. Mr. Navin Shah.

The terms of reference of the Nomination and Remuneration Committee, among others, include formulating the criteria for determining qualifications, attributes and independence of the Directors, formulating policy for

determination of remuneration of Directors/ Key Managerial Personnel/ other employees and recommend to the Board such policies.

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Mr. Hari Chand Aggarwal (Chairman);
2. Mr. Rajesh Aggarwal;
3. Mr. Virjesh Kumar Gupta; and
4. Mr. Ashwani Kumar Aggarwal.

The terms of reference of the Corporate Social Responsibility Committee, among others, include formulating and monitoring the corporate social responsibility policy of our Company and recommending the expenditure to be incurred in this regard.

Key Managerial Personnel

In addition to our Managing Director and wholetime Directors, our key managerial personnel include:

Mr. Sandeep Agarwal, our chief financial officer, holds a bachelor's degree in Commerce from Panjab University, Chandigarh and is an associate member of the ICAI. He has over 20 years of experience in the field of agrochemicals. Prior to joining our Company in November, 2011, he has worked with Mangal Finance Limited and as a consultant with Hindusthan Pullvering Mills Limited. He received a remuneration of ₹ 21.00 lacs in the fiscal 2015.

Mr. Pankaj Gupta, our Company Secretary, holds a LL.B. degree and a master's degree in commerce from Rajasthan University. He is a fellow member of the Institute of Company Secretaries of India. He has over 12 years of experience in the field of corporate secretarial functions. Prior to joining our Company, he worked with Panoptic Alliance Private Limited. He received a remuneration of ₹ 9.12 lacs in the fiscal 2015.

Shareholding of Key Managerial Personnel

Our key managerial personnel do not hold any shares in our Company as on June 30, 2015.

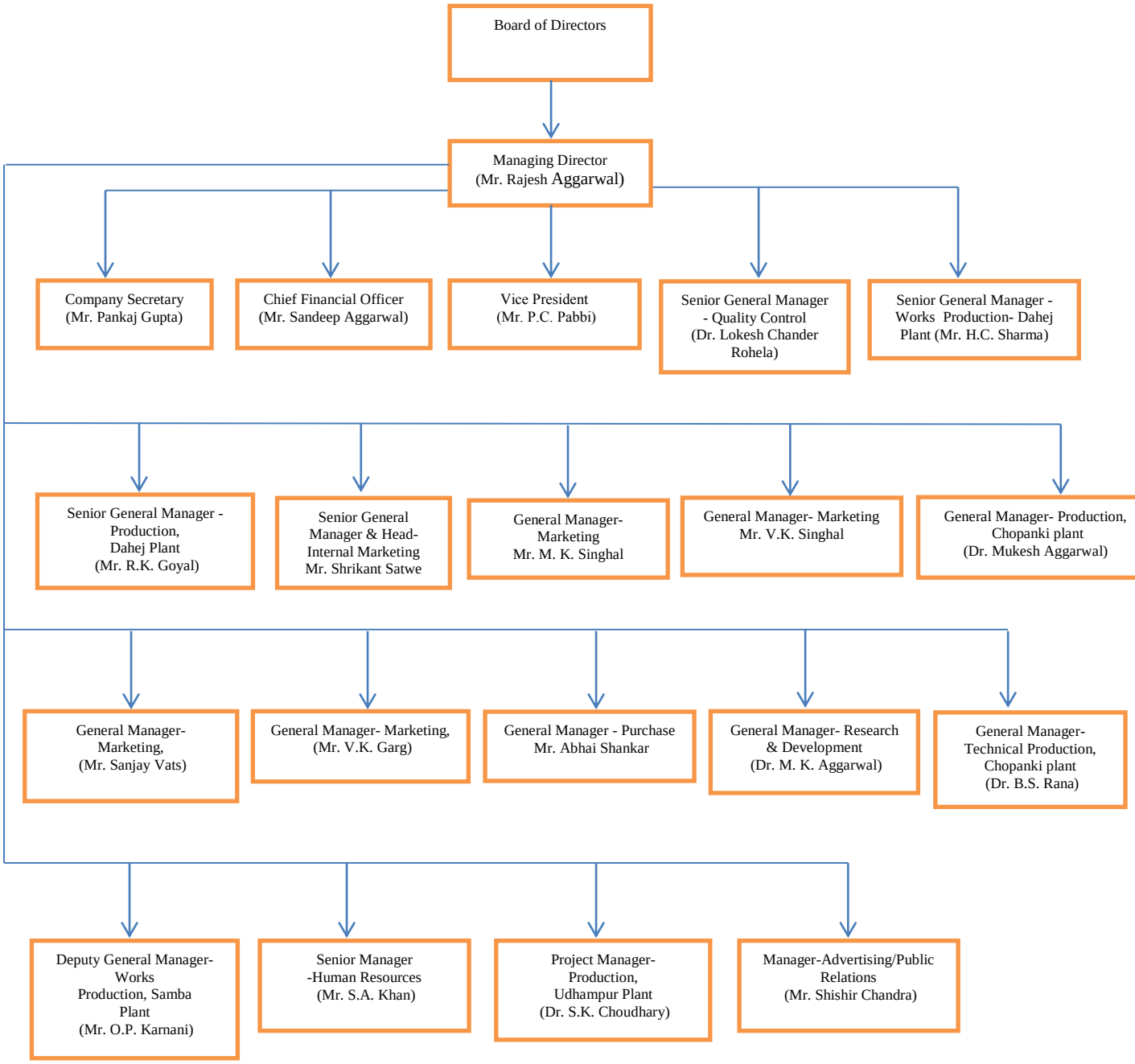
Interest of Key Managerial Personnel

Except as stated in "***Financial Statements – Related Party Transactions***", and to the extent of remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business, our Company's key managerial personnel do not have any other interest in our Company.

Payment or Benefit to Directors and Key Managerial Personnel of our Company

The perquisites and allowances that may be payable to the Directors are in accordance with the Companies Act, 2013. The perquisites and allowances that may be payable to the key managerial personnel of our Company are in accordance with our Company's human resources policies. Except as disclosed above, our Directors and key managerial personnel are not entitled to any other non-salary related amount or benefit.

Organization chart



Policy on disclosures and internal procedure for prevention of insider trading

On January 15, 2015, SEBI notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**"), which came into effect 120 days from the date of publication in the Official Gazette. The Insider Trading Regulations govern the communication of price sensitive information relating to listed public limited companies in India and require our Company to implement a code of fair disclosure and code of conduct for prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the Insider Trading Regulations.

Other Confirmations

None of the Directors or key managerial personnel of our Company have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Related Party Transactions

For further details in relation to the related party transactions entered by our Company during the last three Financial Years, please see section titled "***Financial Statements***".

ORGANIZATIONAL STRUCTURE AND MAJOR SHAREHOLDERS

Corporate History

Our Company was incorporated on December 18, 1996 in Delhi as a private limited company under the name 'Insecticides (India) Private Limited' in accordance with the provisions of Companies Act, 1956. Pursuant to a special resolution of our shareholders dated October 29, 2001, our Company was converted to a public limited company following which our name was changed to 'Insecticides (India) Limited' and a fresh certificate of incorporation was issued by the RoC on November 2, 2001. We are an agrochemical company engaged in the manufacture, marketing and distribution of formulations and active ingredients, in the insecticide, herbicide, fungicide and plant growth regulator segments.

Our Registered Office was changed on October 24, 2001 from 208, Anupam Bhawan, Azadpur Commercial Complex, Delhi 110 033, India, to its present location at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi 110 033, India.

Our Company completed its initial public offering of Equity Shares in India in 2007, pursuant to which our Equity Shares were listed on the BSE and the NSE on May 30, 2007. By means of a scheme of amalgamation sanctioned by the High Court of Delhi, Advance Crop Solutions Limited, our wholly owned subsidiary merged with our Company effective from April 1, 2009.

Our Company has a joint venture, OAT & IIL Laboratories involved in research and development with an objective of inventing molecules for both domestic and international markets.

As at June 30, 2015, our Promoter and Promoter Group hold an aggregate of 74.69% of the Equity Share capital in our Company.

Main Objects

Our Company's main objects as contained in our Memorandum of Association are:

"1. To carry on the business as manufacturers, dealers, exporters, importers, processors, buyers, sellers, stockists, distributors of all kinds of technical grade pesticides, formulation grade pesticides, agro chemicals, pesticides for plant protection, pesticides for public health, pesticides for household uses, neem based pesticides, bio-pesticides, insecticides, weedicides, fungicides, prodenticides, herbicides, micro nutrients, granules, fertilizers, bio-fertilizers, zinc sulphate, magnesium sulphate, ammonium sulphate, urea, ammonium nitrate and any other fertilizers, chemicals, including petro chemicals and gases or any other allied product, and other germs killing materials, all kinds of light chemical, heavy chemicals, sulphuric acids, acids, hydrochloric acids, medicinal chemical drugs, essences, pharmaceuticals, cements, oil paints, pigments, varnishes, compounds, dye-stuffs, colors, printing inks, aluminum containers, plastic containers, tin containers, pet bottles, card board boxes and allied activities of development printing designing, corrugating and carrying on research, development, training and consultancy relating to all or any of above trade.

2. To carry on the business as manufacturers, processors, exporters, importers, distributors of all types of agricultural seeds, agricultural activities, plantation, floriculture, mushrooms, mineral water, drip irrigation and sprinkles systems and other allied activities."

Shareholding Pattern

(a) The shareholding pattern of our Company as of June 30, 2015 is detailed in the table below:

Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares	Equity Shares pledged or otherwise encumbered

Category Code					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a % of Total No. of Equity Shares
(A)	**(A) Shareholding of Promoter and Promoter Group**							
(1)	**(1) Indian**							
(a)	Individuals / Hindu Undivided Family	8	1,39,54,500	1,39,54,500	73.35	73.35	0	0.00
(b)	Central Government/State Government (s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies corporate	1	2,54,550	2,54,550	1.34	1.34	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub Total A (1)	**9**	**1,42,09,050**	**1,42,09,050**	**74.69**	**74.69**	**0**	**0.00**
(2)	**(2) Foreign**							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	**Others**	0	0	0	0.00	0.00	0	0.00
	Sub Total A (2)	0	0	0	0.00	0.00	0	0.00
	Total A = A (1) + A (2)	**9**	**1,42,09,050**	**1,42,09,050**	**74.69**	**74.69**	**0**	**0.00**
(B)	**(B) Public Shareholding**							
(1)	**(1) Institutions**							
(a)	Mutual Funds / UTI	1	2,48,187	2,48,187	1.30	1.30	0	0.00
(b)	Financial Institutions / Banks	4	10,16,186	10,16,186	5.34	5.34	0	0.00
(c)	Central Government/State Government (s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	5	7,57,899	7,57,899	3.98	3.98	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(i)	Others	0	0	0	0.00	0.00	0	0.00
	Sub Total B (1)	**10**	**20,22,272**	**20,22,272**	**10.63**	**10.63**	**0**	**0.00**
(2)	**(2) Non-Institutions**							
(a)	Bodies Corporate	514	6,55,595	6,55,595	3.45	3.45	0	0.00
(b)	Individuals							
	(i)Individuals holding nominal share capital up to ₹ 1 lakh	10,109	16,14,648	16,14,345	8.49	8.49	0	0.00
	(ii)Individuals holding nominal share capital in excess of ₹ 1 lakh	16	3,76,540	3,76,540	1.98	1.98	0	0.00
	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
	Others							
	Non Resident Indians	167	81,021	81,021	0.43	0.43	NA	NA
	Foreign Nationals	1	862	862	0.00	0.00	NA	NA
	Trust	2	55,779	55,779	0.29	0.29	NA	NA
	Foreign Portfolio Investor (Corporate)	1	8,682	8,682	0.05	0.05	NA	NA
	Sub Total B (2)	**10,810**	**27,93,127**	**27,92,824**	**14.68**	**14.68**	**0**	**0.00**

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Equity Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a % of Total No. of Equity Shares
	Total B = B (1) + B (2)	**10,820**	**48,15,399**	**48,15,096**	**25.31**	**25.31**	**0**	**0.00**
	Total (A)+(B):	**10,829**	**1,90,24,449**	**1,90,24,146**	**100.00**	**100.00**	**0**	**0.00**
	(C) Shares held by Custodians against which Depository Receipts have been issued							
	(1) Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
	(2) Public	0	0	0	0.00	0.00	0	0.00
	Sub Total	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total (A)+(B)+(C)	**10,829**	**1,90,24,449**	**1,90,24,146**	**100.00**	**100.00**	**0**	**0.00**

(b) Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group" as of June 30, 2015 is detailed in the table below:

Name of the Shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	No. of Shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
Mr. Hari Chand Aggarwal	9,23,400	4.85	0	0.00	0.00	0	0.00	0	0.00	4.85
Hari Chand Aggarwal HUF	14,94,000	7.85	0	0.00	0.00	0	0.00	0	0.00	7.85
Ms. Kritika Aggarwal	1,12,500	0.59	0	0.00	0.00	0	0.00	0	0.00	0.59
Ms. Nikunj Aggarwal	11,25,000	5.91	0	0.00	0.00	0	0.00	0	0.00	5.91
Ms. Pushpa Aggarwal	21,51,900	11.31	0	0.00	0.00	0	0.00	0	0.00	11.31
Mr. Rajesh Aggarwal	52,92,900	27.82	0	0.00	0.00	0	0.00	0	0.00	27.82
Rajesh Agarwal HUF	19,53,000	10.27	0	0.00	0.00	0	0.00	0	0.00	10.27
Mr. Sanskar Agarwal	9,01,800	4.74	0	0.00	0.00	0	0.00	0	0.00	4.74
ISEC Organics Limited	2,54,550	1.34	0	0.00	0.00	0	0.00	0	0.00	1.34
Total	**1,42,09,050**	**74.69**	**0**	**0.00**	**0.00**	**0**	**0.00**	**0**	**0.00**	**74.69**

**The term encumbrance has the same meaning as assigned to it in regulation 28(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover Regulations), 2011.*

(c) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares as of June 30, 2015 is detailed in the table below:

Name of the Shareholder	No. of Shares held	Shares as % of	Details of warrants	Details of convertible securities	Total shares (including

		Total No. of Shares	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
Life Insurance Corporation of India	10,12,500	5.32	0	0.00	0	0.00	5.32
Fidelity Northstar Fund	5,62,500	2.96	0	0.00	0	0.00	2.96
HFDC Small & Midcap Fund	2,48,187	1.30	0	0.00	0	0.00	1.30
Total	**18,23,187**	**9.58**	**0**	**0.00**	**0**	**0.00**	**9.58**

As of the date of this Placement Document, our Company does not have any outstanding securities convertible into or exercisable or exchangeable for Equity Shares of our Company.

Subsidiary Companies

Our Company does not have any subsidiary companies.

Joint Venture Company

Details of our joint venture company are set forth below:

OAT & IIL India Laboratories Private Limited

Our Company entered into a joint venture agreement dated December 26, 2012 with OAT Agrio Company Limited, Mr. Akihei Mori, Mr. Tetsuya Imai, Mr. Isao Tada, Mr. Yasuhiro Endo and Mr. Rajesh Aggarwal ("**Joint Venture Agreement**") in relation to incorporation of OAT & IIL Laboratories. In accordance with the Joint Venture Agreement, OAT Agrio Company Limited along with its affiliates holds 18,55,000 equity shares and 13,25,000 preference shares, representing 80% of issued and paid up share capital of and 70% of total voting rights of equity share capital of OAT & IIL Laboratories. Our Company along with Mr. Rajesh Aggarwal holds 7,95,000 equity shares representing 20% of issued and paid up share capital of and 30% of total voting rights of equity share capital of OAT & IIL Laboratories.

The business of OAT & IIL Laboratories includes research and innovations of new molecules, management of intellectual property rights attached to such invented molecules and assign rights to OAT Agrio Company Limited and our Company to develop, produce and commercialise the invented molecules in the specified territories.

Our Company has the exclusive right to develop, produce and commercialise the agricultural chemicals invented by OAT & IIL Laboratories and assigned in its favour in certain specified territories. Further, OAT Agrio Company Limited has the exclusive right to develop, produce and commercialise the agricultural chemicals invented by OAT & IIL Laboratories and assigned in its favour in all the areas in the world excluding the territories where our Company enjoys the exclusive right to develop, produce and commercialise the agricultural inventions of OAT & IIL Laboratories.

The Joint Venture Agreement provides certain rights to our Company, including tag-along right in the event of transfer of equity shares by OAT Agrio Company Limited and its affiliates to a third party and the right of first refusal in the event of transfer of equity shares by OAT Agrio Company Limited and its affiliates. In addition, the Joint Venture Agreement provides drag-along right to OAT Agrio Company Limited and its affiliates in the event of transferring all of their shares in OAT & IIL Laboratories to a third party.

In addition, certain reserved matters require the affirmative vote of director nominated by our Company at the board meetings. The reserved matters, among others, include:

- Amendment to or waivers of the memorandum of association or articles of association of OAT & IIL Laboratories;
- Declaration or payment of dividends on the shares of OAT & IIL Laboratories;

- Merger or consolidation with or into another company or other corporate reorganization of any kind;
- Approval of OAT & IIL Laboratories' annual business plan and budget and approval of any capital expenditure; and
- Causing changes to OAT & IIL Laboratories' financial year or any changes to its accounting policies other than those required by the Indian GAAP.

The Joint Venture Agreement stands terminated on account of mutual agreement of shareholders to terminate the Joint Venture Agreement or winding up of OAT & IIL Laboratories or if OAT Agrio Company Limited or our Company or their affiliates cease to be the shareholders of OAT & IIL Laboratories.

Incorporation and Business

OAT & IIL Laboratories was incorporated on March 6, 2013 in Delhi. The corporate identification number of OAT & IIL Laboratories is U73100DL2013FTC249117. The Registered Office of OAT & IIL Laboratories is located at 401-402, Lusa Tower, Commercial Complex, Azadpur, Delhi 110033, India.

OAT & IIL Laboratories is engaged in research and development with an objective of inventing molecules for both domestic and international markets.

Authorized, Issued and Paid-up Share Capital

The authorized share capital of OAT & IIL Laboratories is ₹ 3,975.00 lacs divided into 26,50,000 equity shares of ₹ 100 each and ₹ 13,25,000 preference shares of ₹ 100 each. The issued and paid up share capital of OAT & IIL Laboratories is ₹ 3,975.00 lacs. Our Company along with Mr. Rajesh Aggarwal holds 7,95,000 equity shares of OAT & IIL Laboratories, which is equivalent to 20% of the issued and paid up capital of OAT & IIL Laboratories.

For more information with respect to our joint venture, see "***Financial Statements***".

Other Investments

Our Company has invested in the shares of OAT Agrio Company Limited for a consideration equivalent to ₹ 313.54 lacs. Our Company holds 18,200 shares in OAT Agrio Company Limited equivalent to 0.64% of the issued and paid up capital of OAT Agrio Company Limited.

Shareholder Agreements

There are no subsisting shareholders agreements existing amongst the shareholders of our Company.

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, Bid payment, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "**Selling Restrictions**" and "**Transfer Restrictions**".*

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Application Forms would not result in triggering a tender offer under the Takeover Regulations.

Qualified Institutions Placement

This Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VIII of the SEBI ICDR Regulations read with Section 42 of the Companies Act, 2013, our Company, being a listed company in India may issue Equity Shares to QIBs, provided that:

- the shareholders of our Company have adopted a special resolution approving the QIP. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are listed on the Stock Exchanges, which have nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to adopt the above-mentioned special resolution;

- the Issue must be made through a private placement offer letter (i.e., this Placement Document) and an application form serially numbered and addressed specifically to the QIB to whom the Issue is made and is sent within 30 days of recording the names of such QIBs;

- the aggregate of the proposed Issue and all previous QIPs made by our Company in the same financial year must not exceed five times the net worth (as defined in the SEBI ICDR Regulations) of our Company as per the audited balance sheet of the previous financial year;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer;

- an offer to QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer letter (i.e., this Placement Document), our Company must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by our Company prior to the invitation to subscribe;

- our Company shall offer to each Allottee such number of our Equity Shares in the Issue which would aggregate to at least ₹ 20,000 calculated at the face value of our Equity Shares;

- our Company complies with the minimum public shareholding requirements set out in the Securities Contracts (Regulation) Rules, 1957; and

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

At least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

Prospective purchasers will be deemed to have represented to us and the Book Running Lead Managers in order to participate in the offering that they are outside the United States and purchasing the Equity Shares in an offshore transaction in accordance with Regulation S under the Securities Act and applicable laws of the jurisdiction where those offers and sales occur. For further details, please refer to "***Selling Restrictions***" and "***Transfer Restrictions***".

Bidders are not allowed to withdraw their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date. However, a discount of upto 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or Securities Committee decide to open the proposed issue and "stock exchange" means any of the recognized stock exchanges in which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of the shareholders passed by postal ballot on March 20, 2015, our Company was eligible to offer a discount of not more than 5% on the Floor Price.

The Equity Shares will be Allotted within 12 months from the date of the shareholders' resolution approving the QIP and within 60 days from the date of receipt of subscription money from the successful Bidders. For details of refund of application money, see the section "***– Pricing and Allocation – Designated Date and Allotment of Equity Shares***".

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document shall contain all material information required under applicable law including the information specified in Schedule XVIII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000 lacs; and
- five, where the issue size is greater than ₹ 25,000 lacs.

No single Allottee shall be Allotted more than 50 % of the Issue Size or less than ₹ 20,000 of the face value of the Equity Shares.

QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee. For details of what constitutes "same group" or "common control", see the section "***—Bid Process—Application Form***".

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

The Equity Shares offered hereby have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India, and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares offered hereby have not been and will not be registered under the Securities Act and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable US state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

This Issue was authorized and approved by our Board of Directors on January 21, 2015 and approved by our shareholders on March 20, 2015.

Our Company has also filed a copy of the Preliminary Placement Document and this Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Clause 24 (a) of the Listing Agreements for the listing of the Equity Shares on the BSE and NSE on August 10, 2015 and August 10, 2015, respectively.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Issue Procedure

1. Our Company and the Book Running Lead Managers circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to the QIBs and the Application Form will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act, 2013, our Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and SEBI within the stipulated time periods as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Bidders shall submit Bids for, and our Company shall issue and Allot to each Allottee at least such number of Equity Shares in the Issue which would aggregate to at least ₹ 20,000 calculated at the face value of the Equity Shares.

4. QIBs may submit an Application Form, including any revisions thereof, during the Issue Period to the Book Running Lead Managers.

5. Bidders were required to indicate the following in the Application Form:

    - name of the QIB to whom Equity Shares are to be Allotted;
    - number of Equity Shares Bid for;
    - price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price"; which shall be any price as may be determined by our Company in consultation with the Book Running Lead Managers at or above the Floor Price or the Floor Price net of such discount as approved in accordance with SEBI ICDR Regulations;
    - details of the depository account to which the Equity Shares should be credited; and

- a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction in reliance of Regulation S and it has agreed to certain other representations set forth in the "***Representation by Investors***" and "***Transfer Restrictions***" and certain other representations made in the Application Form.

***Note*: Each sub-account of an FII, other than a sub-account which is a foreign corporate or a foreign individual, will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids.**

6. Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Issue Closing Date. The Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

8. Upon receipt of the Application Form, after the Issue Closing Date, our Company determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue in consultation with the Book Running Lead Managers. Upon determination of the final terms of the Equity Shares, the Book Running Lead Managers will send the serially numbered CAN along with this Placement Document to the QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIB to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

9. Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to the Escrow Bank Account by the Pay-In Date as specified in the CAN sent to the respective QIBs. No payment shall be made by QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only after listing of the Equity Shares being offered under this Issue for the purposes permitted under the Companies Act, 2013.

10. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CANs sent to the QIBs.

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the QIBs.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approval. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations are eligible to invest. Currently, under Regulation 2(1)(zd) of the SEBI ICDR Regulations, a QIB means:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- foreign venture capital investors registered with SEBI;
- insurance companies registered with Insurance Regulatory and Development Authority;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Fund;
- pension funds with minimum corpus of ₹ 2,500 lacs;
- provident funds with minimum corpus of ₹ 2,500 lacs;
- public financial institutions as defined in Section 2(72) of the Companies Act, 2013;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- venture capital funds registered with SEBI.

Eligible non-resident QIBs can participate in the Issue under Schedule 1 of FEMA 20.

Eligible FPIs (including FIIs, other than a sub-account which is a foreign corporate or a foreign individual) are permitted to participate through the portfolio investment scheme under Schedule 2 and Schedule 2A of FEMA 20 respectively, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule 1 of the FEMA 20 and shall make the payment of application money through the foreign currency non-resident account and not through the special non-resident rupee account.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA 20, the total holding by each

FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. The existing foreign institutional investment limit for FPIs in our Company is 24% of the paid up share capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as FIIs shall be included.

Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or persons related to the Promoters;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations.

Note: *Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***":

- The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations and is

not excluded under Regulation 86 of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

- The QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

- The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board, other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

- The QIB acknowledges that it has no right to withdraw its Bid after the Issue Closing Date;

- The QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

- The QIB confirms that its Bids would not result in triggering a tender offer under the Takeover Regulations;

- The QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

  a. The expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

  b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

- The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

- The QIB confirms that it is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and it shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India. It also confirms all other applicable representations and warranties included under "***Representations by Investors***" "***Notice to Investors***", and "***Transfer Restrictions***".

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, EMAIL ID, BANK ACCOUNT DETAILS FROM WHICH PAYMENTS IN THE ISSUE ARE BEING MADE AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, COLLECTION BANK(S) OR

ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by our Company in favour of the QIB.

Bids by Mutual Funds

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. Each scheme/fund of a Mutual Fund registered with SEBI, will have to submit separate Application Form.

Each Mutual Fund will have to submit separate Application Forms for each of its participating schemes. Such applications will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. However, for the purpose of calculating the number of applicants, various schemes of the same Mutual Fund will be considered as a single allottee/applicant.

Demographic details like address, bank account among other will be obtained from the Depositories as per the demat account details given above.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Placement Document. Bidders are advised to make their independent investigations and ensure that the number of Bids for Equity Shares do not exceed the applicable limits under the applicable laws and regulations.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. The Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Religare Capital Markets Limited
901, 9th Floor, Tower I
Indiabulls Finance Centre
Senapati Bapat Marg, Elphinstone Road
Mumbai – 400 013
Maharashtra, India
Contact Person: Mr. Nikhil Kookada
Email: project.platinum2015@religare.com
Phone No.: (+91 22) 6766 3579
Fax: (+91 22) 6766 3600

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai - 400 005
Maharashtra, India
Contact Person: Ms. Sylvia Mendonca
Email: project.platinum@sbicaps.com
Phone No.: (+91 22) 2217 8300
Fax: (+91 22) 2218 8332

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form.

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each QIB shall mention the details of the bank account from which the payment has been made along with confirmation that the payment has been made from such account.

Pricing and Allocation

Build up of the Book

The QIBs shall submit their Bids (including the revision of bids) within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, determined the Issue Price.Our Company was eligible to offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations.

Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such QIBs. Additionally, a CAN will include details of the relevant Escrow Bank Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable Designated Date, being the date of credit of the Equity Shares to the respective successful QIB's account.

The eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Managers and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened the "Insecticides (India) Limited – QIP Escrow Account" with HDFC Bank Limited in terms of the arrangement among our Company, the Book Running Lead Managers and HDFC Bank Limited, as escrow bank. The QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in, and in accordance with, the respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash shall be rejected.

If the payment is not made favouring the "Insecticides (India) Limited – QIP Escrow Account" within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in Insecticides (India) Limited – QIP Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, our Company and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among other investors at their sole and absolute discretion.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the "Insecticides (India) Limited– QIP Escrow Account" as stated above.

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges.

In the case of QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. If you are Allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI.

The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to our Company after Allotment of Equity Shares to QIBs.

In the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, our Company shall repay

the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the respective applicants.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The Escrow Agent shall not release the monies lying to the credit of the "Insecticides (India) Limited – QIP Escrow Account" till such time, that it receives an instruction in pursuance to the Escrow Agreement, along with the listing approval of the Stock Exchanges for the Equity Shares offered in the Issue.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Placement Agreement

The Book Running Lead Managers and our Company have entered into a Placement Agreement dated August 10, 2015, pursuant to which the Book Running Lead Managers have agreed to use their reasonable efforts to procure QIBs to subscribe to such number of our Equity Shares as may be agreed among our Company and the Book Running Lead Managers, pursuant to Chapter VIII of the SEBI ICDR Regulations.

The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to certain conditions and termination provisions in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

From time to time, the Book Running Lead Managers and certain of their affiliates have provided and continue to provide commercial and investment banking services, particularly acting as an underwriter or lead manager, to us or our affiliates for which they have received and may in the future receive compensation.

Lock-up

The Company will not, for a period of 180 days from the date of this Placement Document, directly or indirectly: (a) issue, offer, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) or file any registration statement under the Securities Act of 1933, as amended, with respect to any of the foregoing; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), regardless of whether any of the transactions described above is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise; (c) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) with any depositary in connection with a depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (d) above; provided that the foregoing restrictions do not apply to any sale, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to (A) the issuance of Equity Shares pursuant to the Issue; (B) subject to receipt of prior intimation by each Book Running Lead Manager, Equity Shares or other securities to be issued pursuant to any scheme of amalgamation or arrangement or otherwise in connection with any merger or acquisition of securities, business, property or other assets, joint ventures or other strategic corporate transaction; and (C) effected after obtaining prior written consent of the Book Running Lead Managers, such prior written consent not to be unreasonably withheld or delayed.

Promoter Lock-up

Rajesh Aggarwal, Rajesh Aggarwal (HUF), Kritika Aggarwal, Nikunj Aggarwal, Pushpa Aggarwal, Sanskar Aggarwal and ISEC Organics Limited, during the period commencing on the date hereof and ending 180 days after the date of allotment of Equity Shares pursuant to the Issue (the "**Lock-up Period**") agree not to, directly

or indirectly: (a) offer, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned), with respect to any of the foregoing; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned), regardless of whether any of the transactions described above is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise; (c) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned) with any depositary in connection with a depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (d) above; provided that the foregoing restrictions do not apply to any sale, purchase, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned) pursuant to (A) acquisition in open market transactions, subject to compliance with applicable laws, including, without limitation, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (B) solely among the Promoters/ Promoter Group or their affiliates, provided that prior to any such sale, transfer or disposition, the transferee shall agree to be bound by the restrictions set forth in this document as if it were the transferor by executing and delivering a lock-up agreement to the Book Running Lead Managers, to the satisfaction of the Book Running Lead Managers; (C) the pledge of Equity Shares of the Company by the Promoters or Promoter Group to either (i) top up existing pledges of Equity Shares pledged by the promoters or the promoter group as of the date of the Placement Agreement, as required under the relevant financing and security documents in force as of that date, or (ii) in relation to any new financing or refinancing arrangement entered into by the Company, or (iii) for any borrowing incurred by any member(s) of the Company's Promoters / Promoter Group, provided that in no event shall any general sale, transfer or disposition of additional Equity Shares be permitted without prior intimation to and consent of the Book Running Lead Managers; (D) with prior written intimation to and consent of the Book Running Lead Managers, such consent not to be unreasonably withheld or delayed; and (E) to the extent such sale, transfer or disposition is required by applicable law.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Persons who come into possession of the Placement Document or any offering material are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorised or permitted.

General

No action has been taken or will be taken by the Company or the Book Running Lead Managers that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Placement Document, any offering materials or any advertisements in connection with the offering of the Equity Shares issued pursuant to the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Company or the Book Running Lead Manager. This Issue will be made in compliance with the applicable SEBI Regulations. Each purchaser of the Equity Shares in this Issue will be required to make or deemed to have made, as applicable, the acknowledgments and agreements as described under the sections "***Notice to Investors***", "***Representations by Investors***" and "***Transfer Restrictions***".

India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to QIBs and is not an offer to the public. This Issue is a "private placement" within the meaning of Section 42 of the Companies Act, 2013 since the invitation or offer is to be made only to QIBs. This Placement Document is neither a public issue nor a prospectus under the Companies Act, 2013 or an advertisement and should not be circulated to any person other than to whom the offer is made. This Placement Document has not been and will not be registered as a prospectus with the Registrar of Companies in India.

Australia

This Placement Document is not a disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the "**Australian Corporations Act"**), has not been and will not be lodged with the Australian Securities and Investments Commission (the "**ASIC**") as a disclosure document for the purposes of the Australian Corporations Act and does not purport to include the information required of a disclosure document under the Australian Corporations Act. ASIC has not reviewed this Placement Document or commented on the merits of investing in the Equity Shares, nor has any other Australian regulator.

No offer of the Equity Shares is being made in Australia, and the distribution or receipt of this Placement Document in Australia does not constitute an offer of securities capable of acceptance by any person in Australia, except in the limited circumstances described below relying on certain exemptions in the Corporations Act. Accordingly,

(i) the offer of the Equity Shares in Australia under this Placement Document may only be made to those select persons who are able to demonstrate that they are "Wholesale Clients" for the purposes of Chapter 7 of the Australian Corporations Act and fall within one or more of the following categories: "Sophisticated Investors" that meet the criteria set out in Section 708(8) of the Australian Corporations Act, "Professional Investors" who meet the criteria set out in Section 708(11) and as defined in Section 9 of the Australian Corporations Act, experienced investors who receive the offer through an Australian financial services licensee where all of the criteria set out in section 708(10) of the Australian Corporations Act have been satisfied or senior managers of the Company (or a related body, including a subsidiary), their spouse, parent, child, brother or sister, or a body corporate controlled by any of those persons, as referred to in section 708(12) of the Australian Corporations Act; and

(ii) this Placement Document may only be made available in Australia to those persons who are able to demonstrate that they are within one of the categories of persons as set forth in clause (i) above.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Placement Document, advertisement or other offering material relating to any of the Equity Shares may be distributed in Australia except where disclosure to investors is not required under Chapter 6D or Chapter 7 of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. As any offer of the Equity Shares under this Placement Document will be made without disclosure in Australia under the Australian Corporations Act, the offer of those Equity Shares for resale in Australia within 12 months may, under sections 707 or 1012C of the Australian Corporations Act, require disclosure to investors under the Australian Corporations Act if none of the exemptions in the Australian Corporations Act apply to that resale.

Accordingly, any person who acquires the Equity Shares pursuant to this Placement Document should not, within 12 months of acquisition of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Australian Corporations Act or unless a complaint disclosure document is prepared and lodged with the Australian Securities and Investments Commission. Any person who accepts an offer of the Equity Shares under this Placement Document must represent that, if they are in Australia, they are such a person as set forth in clause (i) above and acknowledge the restrictions on the on-sale of the Equity Shares set out above.

The provisions that define the exempt categories of person as set forth in clause (i) above are complex, and, if you are in any doubt as to whether you fall within one of these categories, you should seek appropriate professional advice regarding those provisions. This Placement Document is intended to provide general information only and has been prepared without taking into account any particular person's objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Investors should review and consider the contents of this Placement Document and obtain financial advice specific to their situation before making any decision to make an application for the Equity Shares.

Cayman Islands

No offer or invitation to purchase Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an exempt offer (an "**Exempt Offer**") in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"). This Placement Document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser. For the avoidance of doubt, the Equity Shares are not interests in a "fund" or a "collective investment scheme" within the meaning of either the Collective Investment Law (DIFC Law No. 2 of 2010) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

European Economic Area

This Placement Document has been prepared on the basis that this Issue will be made pursuant to an exemption under the Prospectus Directive as implemented in member states of the European Economic Area ("**EEA**") from the requirement to produce and publish a prospectus which is compliant with the Prospectus Directive, as so implemented, for offers of the Equity Shares. Accordingly, any person making or intending to make any offer within the EEA or any of its member states (each, a "**Relevant Member State")** of the Equity Shares which are the subject of the Allotment referred to in this Placement Document must only do so in circumstances in which no obligation arises for the Company or any of the BRLMs to produce and publish a prospectus which is compliant with the Prospectus Directive, including Article 3 thereof, as so implemented for such offer. For EEA jurisdictions that have not implemented the Prospectus Directive, all offers of the Equity Shares must be in

compliance with the laws of such jurisdictions. None of the Company or the BRLMs have authorized, nor do they authorize, the making of any offer of the Equity Shares through any financial intermediary, other than offers made by the BRLMs, which constitute a final Allotment of the Equity Shares.

In relation to each Relevant Member State, each Book Running Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date"**), it has not made and will not make an offer of the Equity Shares which are the subject of the Offer contemplated by this Placement Document to the public in that Relevant Member State other than:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the BRLMs nominated by the Company for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Company or the BRLMs of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each subscriber for, or purchaser of, the Equity Shares in the Offer located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive. The Company, each Book Running Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgment and agreement.

Hong Kong

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan

The offering of the Equity Shares has not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "**Financial Instruments and Exchange Law**"). No Equity Shares have been offered or sold, and will not be offered or sold, directly or in directly, in Japan or to, or for the benefit

of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and otherwise in compliance with the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial ordinances of Japan.

Korea

The Equity Shares have not been registered under the Korean Securities and Exchange Law, and the Equity Shares acquired in connection with the distribution contemplated hereby may not be offered or sold, directly or indirectly, in Korea or to or for the account of any resident thereof, except as otherwise permitted by applicable Korean laws and regulations, including, without limitation, the Korean Securities and Exchange Law and the Foreign Exchange Transaction Laws.

Kuwait

The Equity Shares have not been authorized or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No approval of the Securities Commission of Malaysia has been or will be obtained in connection with the offer and sale of the Equity Shares in Malaysia nor will any prospectus or other offering material or document in connection with the offer and sale of the Equity Shares be registered with the Securities Commission of Malaysia. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia.

Mauritius

The Equity Shares may not be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius securities law. No offer or distribution of securities will be made to the public in Mauritius.

New Zealand

This Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Placement Document, each investor represents and warrants that if they receive this Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Placement Document to any person who is not also a Habitual Investor.

Oman

By receiving the Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that the Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**":) or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor have the Book Running Lead Managers or any placement agent acting on its behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute interests in the Equity Shares within Oman.

No marketing, offering, selling or distribution of any interests in the Equity Shares has been or will be made from within Oman and no subscription for any interests in the Equity Shares may or will be consummated within Oman. Neither the Book Running Lead Managers nor any placement agent acting on its behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in

Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the Book Running Lead Managers nor any placement agent acting on its behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

Nothing contained in the Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. The Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

People's Republic of China

This Placement Document, may not be circulated or distributed in the People's Republic of China and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or resale directly or indirectly to any resident of the People's Republic of China except pursuant to applicable laws and regulations of the People's Republic of China. The BRLMs have represented and agreed that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Equity Shares in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the Issue. We do not represent that this Placement Document may be lawfully distributed, or that any Equity Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the People's Republic of China, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any Equity Shares or distribution of this document in the People's Republic of China. Accordingly, the Equity Shares are not being offered or sold within the People's Republic of China by means of this Placement Document or any other document. Neither this Placement Document nor any advertisement or other offering material may be distributed or published in the People's Republic of China, except under circumstances that will result in compliance with any applicable laws and regulations.

Qatar

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the state of Qatar in a manner that would constitute a public offering. This Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than recipient thereof.

Singapore

The BRLM has acknowledged that this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the BRLM has represented and agreed that it has not offered or sold any Equity Shares issued pursuant to the Issue or caused such Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Equity Shares issued pursuant to the Issue or cause such Equity Shares to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will they circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Equity Shares issued pursuant to the Issue, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 by a relevant person which is:

- a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation to the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except:

- to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law; or
- as specified in Section 276(7) of the SFA.

Switzerland

This Placement Document does not constitute an issue prospectus pursuant to Art. 652a of the Swiss Code of Obligations. The Equity Shares will not be listed on the SWX Swiss Exchange, and therefore, this Placement Document does not comply with the disclosure standards of the Listing Rules of the SWX Swiss Exchange. Accordingly, the Equity Shares may not be offered to the public in or from Switzerland, but only to a selected and limited group of investors, which do not subscribe the Shares with a view to distribution to the public. The investors will be individually approached by the BRLM. This Placement Document is personal to each offeree and does not constitute an offer to any other person. This Placement Document may only be used by those persons to whom it has been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of our Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

United Arab Emirates

This Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "**UAE**"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. the Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

By receiving this Placement Document, the person or entity to whom this Placement Document has been issued understands, acknowledges and agrees that the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom

The Book Running Lead Managers has represented and agreed that it:

i. is a person who is a qualified investor within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 (the "**FSMA**"), being an investor whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;

ii. has not offered or sold and will not offer or sell the Equity Shares other than to persons who are qualified investors within the meaning of Section 86(7) of the FSMA or who it reasonably expects will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Equity Shares would otherwise constitute a contravention of Section 19 of the FSMA by us;

iii. has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to it; and

iv. has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States of America

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S**.** Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under section "***Transfer Restrictions***" of the Placement Document.

TRANSFER RESTRICTIONS

*Pursuant to Chapter VIII of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsel prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to QIBs, including FVCIs, VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "**Selling Restrictions**".*

Subject to the foregoing, by accepting this Placement Document and purchasing any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed with our Company and the Book Running Lead Managers as follows:

- you have received a copy of the Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning our Company or the Equity Shares and neither our Company nor any other person responsible for this Placement Document or any part of it or the Book Running Lead Managers will have any liability for any such other information or representation;

- you are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you agree that you will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;

- You are aware that additional requirements would be applicable if you are in jurisdictions other than India, as set forth under the sections titled "***Selling Restrictions***" and "***Transfer Restrictions***".

- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the Securities Act;

- you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S); and

- our Company, the Book Running Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this Placement Document, each of which is given to (a) the Book Running Lead Managers on their own behalf and on behalf of our Company, and (b) to our Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify our Company.

In addition to the above, allotments made to QIBs, including FVCIs, VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them.

Any resale or other transfer or attempted resale or other transfer, made other than in compliance with the above stated restrictions will not be recognised by our Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"). On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the "**SEBI Act**"), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), which regulate, *inter alia*, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI and the listing agreements of the respective stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non compliance with any conditions or breach of company's obligations under such listing agreement or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such equity listing agreements and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

The SCRR requires all listed companies to maintain a minimum public shareholding of 25%. Our Company is in compliance with this requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, the BSE was the first stock exchange in Asia. In 1957, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. S&P BSE SENSEX, India's first equity index was launched in 1986. BSE provides a market for trading in equity, debt instruments, derivatives, mutual funds. It also has a platform for trading in equities of small-and-medium enterprises which was launched in 2012. BSE also entered into a strategic partnership with S&P Dow Jones Indices in 2013. (Source: www.bseindia.com)

NSE

The NSE was established in 1992 by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996. It also established a platform for trading in equities of small-and-medium enterprises in 2012. The securities in the NSE 50 Index are highly liquid. (Source: www.nseindia.com)

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeovers Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

The Insider Trading Regulations have been notified by SEBI to prohibit and penalize insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who is deemed to have been connected with the company or in possession of or having access to unpublished price sensitive information.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

SEBI, by a circular dated August 6, 2008, as modified by its circular dated March 24, 2009, has issued guidelines on exchange traded currency derivatives. The circular lays down the framework for the launch of exchange traded currency futures in terms of eligibility norms for existing and new exchanges and their clearing corporations or clearing houses, eligibility criteria for members of such exchanges or clearing corporations or clearing houses, product design, risk management measures, surveillance mechanism and other related issues.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company as of March 31, 2015 is ₹ 2,500 lacs, divided into 250 lac Equity Shares of ₹ 10 each.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013, or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. The Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, provides that if the profit for a year is inadequate or nil, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following conditions: (i) the rate of dividend to be declared shall not exceed the average of the rates at which dividend was declared by the company in the three years immediately preceding that year; (ii) the total amount to be drawn from such accumulated profits from previous years shall not exceed one-tenth of the sum of the paid-up share capital and free reserves as appearing in the latest audited financial statement; (iii) the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared; (iv) the balance of reserves after withdrawal must not be below 15% of paid-up share capital as appearing in the latest audited financial statement; and (v) unless carried over previous losses and depreciation not provided in previous year or years are set-off against profit of the company of the current year for which the dividend is declared or paid. SEBI, by its circular dated April 24, 2009, amended the Listing Agreement and provided that the dividend declared has to be on a per share basis only.

According to our Articles of Association, the shareholders of our Company may declare dividend which may not exceed the amount of the dividend recommended by the Board of Directors. The Board of Directors may, before recommending dividend, set aside out of the profits of our Company, such sums as reserves for purposes that the Board of Directors thinks fit, including meeting contingencies or for equalizing dividends. The profits of our Company shall, subject to any special rights relating thereto created or authorized to be created under our Articles of Association, be divisible among our shareholders in proportion to the amount of capital paid-up on the Equity Shares held by them respectively. Subject to the provisions of Section 123 of the Companies Act, 2013, the Board of Directors may also, from time to time pay to the shareholders of our Company, such interim dividends as appear to be justified by the profits of our Company. Under the Companies Act, 2013, dividends can only be paid in cash to shareholders listed on the register of shareholders or to the order of such registered shareholders or to his bankers. Our Articles of Association provides that the Board of Directors may deduct from any dividend payable to any member, all such sums of money which may be payable by him to our Company, on account of unpaid calls or otherwise in relation to the shares of our Company.

In terms of Section 124 read with Section 125 of the Companies Act, 2013, our Company shall credit any unclaimed dividends to the unpaid dividend account of our Company, and any money transferred to the unclaimed dividend account of our Company which remains unpaid and unclaimed for a period of seven years from the date they became due for payment, shall be transferred by our Company to the 'Investor Education and Protection Fund', established by the Central Government.

Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act, 2013, permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares, which are similar to a stock dividend. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. The relevant provisions of the SEBI ICDR Regulations prescribe that no company shall, pending conversion of outstanding convertible securities, fully or partly convertible debt instruments, issue any shares by way of bonus unless similar benefit is extended to the holders of such convertible securities, through reservation of shares in proportion to such conversion. Further, as per the Companies Act, 2013, for the issuance of bonus shares a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Our Company, in a general meeting, may upon the recommendation of the Board of Directors, resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, among such shareholders as would be entitled to receive dividends, provided that any sum standing to the credit of the securities premium account or capital redemption reserve account may be applied in paying up of unissued equity shares to be issued to our Company’s shareholders as fully paid bonus shares.

Pre-Emptive Rights and Alteration of Share Capital

The Companies Act, 2013 gives the shareholders the preemptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Under Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company’s shareholders in a general meeting.

Our Articles of Association provide that our Company may from time to time, by ordinary resolution:

- Increase its share capital by such amount as it thinks expedient by creating new shares;
- Consolidate and divide all or any of its share capital into shares of larger amount than the existing shares;
- Sub-divide all or any of its existing shares into shares of smaller amount than is fixed by our Memorandum of Association; and
- Cancel shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.

Preference Shares

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption. No such preference shares will be redeemed, except out of the profits of our Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares for the purpose of the redemption.

General Meetings of Shareholders

There are two types of general meetings of the shareholders:

(i) Annual General Meeting; and

(ii) Extraordinary General Meeting.

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months.

The Board of Directors may, whenever it thinks fit, call an Extraordinary General Meeting and an Extraordinary General Meeting shall also be requisitioned or in default may be called by such requisitionists as provided by Section 100 of the Companies Act, 2013. As per Section 103 of the Companies Act, 2013, since our Company has more than 5,000 members, the quorum for a general meeting of the shareholders of our Company shall be 30 shareholders present in person. If the quorum is not present within half an hour of the scheduled time for holding of the general meeting, the meeting, convened upon requisition of members shall be dissolved, but in any other case it shall stand adjourned and reconvened to the same day in the next week.

Section 101 of the Companies Act, 2013 provides that notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. However, a general meeting may be called at shorter notice if at least 95% of the shareholders entitled to vote at the meeting give their consent.

According to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, a company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of its memorandum of association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013, shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares therein shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, anyone of such persons may vote at any meeting either personally or by his proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting, that the vote of the first named person of such joint holders in the register of members, who tenders a vote whether in person or proxy shall be accepted to the exclusion of the votes of the other joint holders.

Section 47 of the Companies Act, 2013 provides that any preference shareholder present at any meeting of our Company, shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

Under the Companies Act, 2013, every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, shall be signed by an officer or any attorney duly authorized by it. The proxy so appointed shall have no right to speak at such meeting and shall not be entitled to vote except on poll.

As per our Articles of Association the instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer of the share shall have been received by our Company at the Registered Office before the meeting.

Registration of Transfers and Register of Members

Our Company shall keep its Register of Members at its Registered Office and shall enter the particulars of every transfer or transmission of Equity Shares. Subject to the provisions of Section 91 of the Companies Act, 2013, the Board of Directors shall have the power to close the Register of Members for such periods, not exceeding 45 days in aggregate in a year and 30 days at any one time, subject to giving of previous notice of at least seven days or such lesser period as may be specified by SEBI. Under the Listing Agreements with the Stock Exchanges, our Company may, upon at least seven working days' advance notice to such Stock Exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of equity shares and the delivery of certificates in respect thereof may continue while the register of members is closed.

Directors

The Articles of Association of our Company provide that unless otherwise determined by the shareholders of our Company at a general meeting, the number of directors of our Company shall not be less than three and not be more than 15. The directors shall be appointed by our Company in a general meeting subject to the provisions of the Companies Act, 2013, and the Articles of Association. Pursuant to the Companies Act, 2013, not less than two-thirds of the total numbers of directors shall be persons whose period of office is subject to retirement by rotation and one third of such directors, or if their number is not three or a multiple of three, the number nearest to one-third, shall retire from office at every annual general meeting. The directors to retire are those who have been the longest in the office since their last appointment.

The Board of Directors has the power to appoint a person as an additional Director, provided the number of Directors and additional Director together do not exceed the maximum strength fixed by for the Board of Directors by the Articles of Association. Such additional Director shall hold office only until the date of the nest annual general meeting of our Company, but shall be eligible for re-election at such meeting. A casual vacancy in the Board of Directors (for instance, due to the resignation of a Director) who is appointed by the shareholders can be filled by the Board of Directors at a meeting of the Board of Directors, and the person so appointed shall hold office only until the date which the Director in whose place he is appointed would have held office. Our Articles of Association also provide that the Board of Directors shall have the power to appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months from India. The alternate Director shall not hold office for a period longer than the Director in whose place such alternate Director has been appointed and shall vacate the office on the return of the Director.

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company. Under Section 137 of the Companies Act, 2013, a company must file the financial statements with the Registrar of Companies within 30 days from the date of the annual general meeting. As required under the Listing Agreements with the Stock Exchanges, copies of such balance sheet and the profit and loss account are required to be simultaneously sent to the Stock Exchanges on which the shares of our Company making such filings are listed. A listed company must also publish its financial results in at least one English language daily newspaper circulating the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of such company is situated. Our Company submits certain information online, including its financial results and the shareholding pattern statement, in accordance with the requirements of the Listing Agreements and as may be specified by SEBI from time to time.

Transfer of shares

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), which are, however, exempt from stamp duty. The transfer of shares in dematerialized form is governed by the Depositories Act, 1996 and regulations made thereunder.

Under Section 58 of the Companies Act, 2013, if a public company without sufficient cause refuses to register a transfer of shares within 30 days from the date on which the instrument or intimation of transfer is delivered to the company, the transferee may, within a period of 60 days of such refusal or where no intimation has been received from the company, within 90 days of the delivery of the instrument of transfer, appeal to the National Company Law Tribunal seeking to register the transfer of shares.

Pursuant to the Listing Agreements, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, our Company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Companies Act, 2013, provides that the shares or debentures of a publicly listed company shall be freely transferable. However, the Board of Directors may, under our Articles of Association, subject to Section 58 of the Companies Act, 2013 and the SCRA, at any time in its absolute discretion decline to register transfer of shares. Notice of such refusal must be sent to the transferee within two months of the date on which the transfer was lodged with our Company.

According to our Articles of Association, on the death of a member, the surviving joint holder, or his nominee or legal representative where he was a sole holder, shall be the only person recognized by our Company as having title to such members' interest in the shares. A nominee may elect to (a) register himself as a holder of the share; or (b) transfer the shares; or (c) have his nominee registered as holder of the shares, upon providing such evidence, as the Board of Directors may require. The Board of Directors have the right to decline or suspend registration as a member, as it would have, had the deceased or insolvent member transferred the shares before such death or insolvence. A nominee shall be entitled to the same dividends and other advantages to which he would be entitled, if the nominee were the registered holder of the shares. However, the nominee shall not be entitled to exercise any right conferred by membership in relation to meetings of our Company, before being registered as a member in respect of the shares. The Board of Directors shall give notice requiring the nominee to elect either to (a) register himself as a member, or (b) to transfer the shares, and if the notice is not complied with within 90 days, the Board of Directors may withhold payment of all dividends, bonuses or other monies payable in respect of the shares, until the requirements of the notice have been complied with.

Acquisition by our Company of its own Equity Shares

Sections 68, 69 and 70 of the Companies Act, 2013, read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014, relate to the power of a company to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

- the buy-back has been authorized by the articles of association of the company;
- a special resolution has been passed in a general meeting of the company authorizing the buy-back. Under the Companies (Management and Administration) Rules, 2014, such resolution authorizing buy-back has to be passed through a postal ballot;
- the buy-back is for less than 25% of the total paid-up capital and free reserves of the company, provided that the buy-back of equity shares in any financial year shall not exceed 25% of its total paid-up equity capital in that financial year;
- the ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves;

- all the shares or other specified securities for buy-back are fully paid-up; and

- the buy-back is in accordance with the regulations made by SEBI in this behalf.

The requirement of special resolution mentioned above would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back or to issue the same kind of securities for six months subject to certain exceptions. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the board of directors, as the case may be. Under Section 70 of the Companies Act, 2013, a company is also prohibited from purchasing its own shares or other specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company or group of investment companies or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act, 2013.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of our Company, and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the contributories, as the liquidator with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

As per the Companies Act, 2013, subject to the rights of creditors, of employees, and of the holders of any other shares entitled by their terms of issue to preferential repayments over the shares, in the event of winding-up of our Company, the holders of Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares or in case of a shortfall, proportionately. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of winding up. Without prejudice to the rights or the holder of shares issued upon special terms and conditions, preference shareholders shall have prior rights to repayment of capital and dividends due.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO INSECTICIDES (INDIA) LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the IT Act)

Insecticides (India) Limited (herein referred to as "**IIL**" or the "**Company**") is an Indian company, subject to tax in India. IIL is taxed on its profits. Profits are computed after allowing all reasonable business expenditure including depreciation.

Considering the activities and the business of IIL, the following benefits may be available to IIL.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. In accordance with and subject to the conditions specified under Section 80-IB (10) of the IT Act, the Company is eligible for 100 percent deduction of the profits derived from industrial undertaking of the Company at Udhampur until the end of fiscal year 2016 and thereafter @30% for further period of 5 years.

2. In accordance with and subject to the conditions specified under Section 80-IA (4) of the IT Act, the Company is eligible for 100 percent deduction of profit on account of power generation from its own captive power plant and utilised by itself for 10 consecutive years starting from fiscal year 2016 and till the end of fiscal year 2025.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders.

III. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. The provisions of Section 2(22)(e) of the IT Act which has the effect of taxing certain payments in the nature of loan or advance, by a company to a shareholder or to any concern in which such shareholder is a member and has substantial interest, as deemed dividend, would not apply to a company in which public are substantially interested.

2. The Company will be entitled for exemption under Section 10(2A) of the I.T. Act for the share of profits received from the partnership firms in which the company is a partner. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. Subject to compliance of certain conditions laid down in Section 32 of the IT Act the Company will be entitled to a deduction for depreciation in respect of tangible assets, and intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after April 1, 1998 at the rates prescribed under the Income-Tax Rules, 1962.

4. Under Section 35DD of the IT Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

5. The company shall be entitled to deductions as specified in Sections 36 and 37 of the IT Act for the purpose of computing income chargeable under the head 'Profit and gains of business or profession'.

6. Under Section 43CA of the IT Act, if the consideration received or accruing as a result of transfer of an asset (other than a capital asset), being land or building or both, is less than the value adopted or assessed or assessable by any authority of a State Government for the purposes of payment of stamp duty in respect of such transfer, the difference shall be treated as a deemed income of the Company.

7. The provisions of Section 56(2)(viia) of the IT Act, which has the effect of taxing the receipt of property, being shares of a company not being a company in which public are substantially interested, without consideration or for a consideration which is less than the aggregate fair market value of the property determined as per the Rules made in this regard, would not apply to a company in which public are substantially interested.

8. The provisions of Section 56(2)(viib) of the IT Act, which has the effect of taxing the consideration received upon issue of shares which exceeds the fair market value of the shares determined as per Rules made in this regard, would not apply to a company in which public are substantially interested.

9. Under Section 71 of the IT Act, business loss suffered by the Company during the year is allowed to be set-off against income from any other head. Balance loss, if any, could be carried forward under Section 72 of the IT Act, for eight years for claiming set-off against subsequent years' business income.

   If the accumulated loss suffered by a company comprises unabsorbed depreciation, then such unabsorbed depreciation shall be carried forward to subsequent years indefinitely.

10. Under Section 79 of the IT Act, the carry forward and set off of business losses of a company in which public are substantially interested, would not be impacted on a change in shareholding pattern of the Company.

11. Under Section 80G of the IT Act, the Company shall be entitled to deduction in respect of the amounts paid by it as donations as per the limits laid down in the said Section.

12. Where any tax is paid under Section 115JB(1) of the IT Act (hereinafter referred to as Minimum Alternate Tax or "**MAT**"), for any assessment year commencing on April 1, 2006, then Section 115JAA(1A) of the IT Act provides that credit in respect of tax so paid shall be allowed to the Company in accordance with the provisions of the IT Act. Tax credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowed.

13. Under Section 115-O of the IT Act, the Company will be liable to pay Dividend Distribution Tax ("**DDT**") on the dividend declared, distributed or paid. For the purpose of payment of DDT on the dividends, the dividends so declared, distributed or paid by the domestic company shall be reduced by the dividends received from its Indian subsidiary provided such subsidiary has paid DDT on the same.

    For the said purpose, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company.

14. Tax on distributed income to shareholders on buy back of shares under Section 115QA of the IT Act shall not be applicable to shares listed in recognized stock exchange.

Income from distributed profits

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115–O (i.e. dividends declared, distributed or paid on or after April 1, 2003) received from domestic company is exempt from income-tax. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per Section 10(35) of the IT Act, the following income will be exempt in the hands of the Company:
    a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
    b. Income received in respect of units from the Administrator of the specified undertaking; or
    c. Income received in respect of units from the specified company

    However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

    For this purpose (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in Section 2(h) of the said Act.

    As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

Capital Gains

1. As per Section 10(38) of the IT Act, capital gains arising to the Company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust will be exempt in the hands of the Company, provided such transaction is chargeable to securities transaction tax.

    For this purpose, "Equity Oriented Fund" means a fund –
    a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
    b. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the IT Act.

    The long term capital gains exempt under Section 10(38) would be liable to book profit tax under Section 115JB of the IT Act.

    As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. Under the second proviso to Section 48 of the IT Act, long term capital gains of the Company arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the company, in respect of long term capital gains from the sale of listed securities (other than a unit) or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without

indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).

3. Under Section 111A of the IT Act, short term capital gains arising to the Company from the sale of a short term capital asset being an equity share or a unit of an equity oriented fund or a unit of a business trust will be taxable at the rate of 15% (plus applicable surcharge and education cess) where such transaction is chargeable to securities transaction tax. Short term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

   For this purpose, 'equity oriented fund' would have the same meaning as specified in Section 10(38) above.

4. As per Section 70 of the IT Act, short-term capital loss suffered by the Company during the year is allowed to be set off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward under Section 74 of the IT Act for eight years for claiming set-off against subsequent years' long term/short term capital gains.

   Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

IV. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115–O (i.e. dividends declared, distributed or paid on or after April 1, 2003) received from domestic company is exempt from income tax in the hands of shareholder.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been subjected to securities transaction tax.

   The long term capital gains exempt under Section 10(38) would be liable to book profit tax under Section 115JB of the IT Act, where the shareholder is a corporate assessee.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. As per provisions of Section 36(1)(xv) of the IT Act, securities transaction tax paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

4. Under second proviso to Section 48 of the IT Act, long term capital gains of the shareholder arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the shareholder, in respect of long term capital gains from the sale of listed securities (other than a unit) or zero coupon bonds where the tax

payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).

5. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:

    - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or
    - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

    If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

    The investment made by the Shareholder in the Long Term Specified Asset, from the capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed 50 lakh rupees.

    The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income tax under Section 80C for any assessment year beginning on or after April 1, 2006.

6. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("**HUF**") on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property in India within a period of three years after the date of such transfer.

7. As per Section 70, short-term capital loss suffered during the year is allowed to be set-off against short term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward under Section 74 for eight years for claiming set-off against subsequent years' long-term/short term capital gains.

    Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

8. Where the resident shareholder is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies, the provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

9. As per the provisions of Section 111A of the IT Act, short-term capital gains from the sale of an equity share of the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education

cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

V. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after April 1, 2003) received on the shares of any company is exempted from tax and is not subject to any deduction of tax at source.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction is chargeable to securities transaction tax.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. As per provisions of Section 36(1)(xv) of the IT Act, securities transaction tax paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

4. Under Section 111A of the IT Act, short-term capital gains arising from the sale of an equity share, being a short term capital asset in the company, would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction is liable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in the company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

5. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

6. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:

   - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or

- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

The investment made by the Shareholder in the Long Term Specified Asset, from the capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed 50 lakh rupees.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income tax under Section 80C for any assessment year beginning on or after April 1, 2006.

7. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property in India within a period of three years after the date of such transfer.

8. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian subject to Tax Residency Certificate being furnished as per prescribed format.

9. As per provisions of Section 115E of the IT Act, Long Term Capital Gain arising to a Non-Resident Indian from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus applicable surcharge and cess).

   Further, income from investments and Long term capital gain from assets (other than specified foreign exchange assets) arising to a Non-Resident Indian is taxable at the rate of 20% (plus applicable surcharge and cess. No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the IT Act.

10. As per provisions of Section 115F of the IT Act, Long term capital gain arising to a Non-Resident Indian on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that Section.

11. As per provisions of Section 115G of the IT Act, where the total income of a Non-Resident Indian consists only of investment income / Long term capital gain from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the Non-Resident Indian is not required to file a return of income.

12. As per provisions of Section 115H of the IT Act, where a person who is a Non-Resident Indian in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the IT Act for the assessment year in which he / she is first assessable as a

resident, to the effect that the provisions of the Chapter XII-A (Special provisions relating to certain incomes of non-residents) shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

13. As per provisions of Section 115-I of the IT Act, a Non-Resident Indian can opt not to be governed by the provisions of Chapter XII-A (Special provisions relating to certain incomes of non-residents) for any assessment year by furnishing return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the IT Act shall be applicable while determining the taxable income and tax liability arising thereon.

VI. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

VII. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-O of the IT Act) would be exempt from tax in the hands of the shareholders of the Company and are not subjected to deduction of tax at source.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. As per provisions of Section 36(1) (xv) of the IT Act, securities transaction tax paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:

   - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or
   - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

The investment made by the Shareholder in the Long Term Specified Asset, from the capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed 50 lakh rupees.

5. Where the Foreign Institutional Investor is a corporate assessee, to the extent its business consists of purchase and sale of shares of other companies, provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

6. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII subject to furnishing of Tax Residency Certificate and Form No. 10F as applicable.

7. Under the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction which has been subjected to securities transaction tax.

8. As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115-O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	Rate of tax (%)
Income in respect of securities	20
Interest referred to in Section 194LD	5
Long term capital gains	10
Short term capital gains (Other than short term capital gain referred to in Section 111A)	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

VIII. GENERAL TAX BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

1. As per Section 10(23FB) of the IT Act, any income of a Venture Capital Company or Venture Capital Fund from investment in a Venture capital Undertaking would be exempted from income tax subject to the fulfillment of conditions specified.

2. Under Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Fund/company (if non- resident) would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the non-resident.

GENERAL ANTI-AVOIDANCE RULES (GAAR)

The Government of India has incorporated provisions relating to General Anti-Avoidance Rules (GAAR) in the income tax laws of India by way of Chapter X-A. The Union budget of 2015 proposes to defer General Anti-Avoidance Rules (GAAR) by two years with applicability from F.Y. 2017-18 (A.Y. 2018-19) and that it would apply prospectively to investments made on or after April 1, 2017.

Under Section 90(2A) of the IT Act, notwithstanding anything contained in Section 90(2), the provisions of GAAR would apply to a non-resident assessee even if such provisions are not beneficial to him.

UNDER THE WEALTH TAX ACT, 1957

Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.

The Finance Act, 2015 has abolished Wealth Tax Act, 1957 with effect from April 1, 2016 which shall then apply in relation to AY 2016-17 and subsequent assessment years.

Notes:

a. *The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*

b. *The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*

c. *Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*

d. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

e. *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

f. *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance (No. 2) Act 2014.*

This note has been prepared solely in connection with the proposed offering of Equity Shares by the Company through a qualified institutions placement ("QIP") under Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

LEGAL PROCEEDINGS

Except as described below, our Company is not involved in any material legal proceedings, and no proceedings are threatened, which may have, or have had, during the 12 months preceding the date of this Placement Document a material adverse effect on the business, properties, financial condition or operations of our Company.

A. *Material Litigation involving our Company*

Excise Tax

There is one excise tax matter involving our Company, before the Customs, Excise and Service Tax Appellate Tribunal, New Delhi alleging certain irregularities, where the amount involved aggregates to approximately ₹ 186.11 lacs.

Sales Tax/Value Added Tax

There are six sales and value added tax matters involving our Company, pending at various levels of adjudication, alleging certain procedural irregularities, where the amounts involved aggregate to approximately ₹ 464.48 lacs.

Seperately our Company has also have received a show cause notice under the West Bengal Value Added Tax Act, 2003 from the office of the Additional Commissioner, Commercial Tax, Kolkata, alleging short payment of tax, where the amount involved aggregates to approximately ₹ 13.95 lacs.

B. *Material Past Proceedings involving our Company*

There are no material past proceedings involving our Company.

C. *Material Litigation Involving the Directors of our Company*

There are no legal, regulatory or arbitral proceedings or penalties or other adverse judgments involving our Directors, which may have a material adverse impact on us.

E. *Material Litigation involving our Promoters*

There are no legal, regulatory or arbitral proceedings or penalties or other adverse judgments involving our Promoters, which may have a material adverse impact on us.

F. *Litigation or legal action against Promoters taken by any Ministry, Department of Government or any statutory authority*

There is no litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority.

G. *Material Fraud Committed against our Company*

No material fraud on our Company was reported during the years ended March 31, 2015, March 31, 2014 and March 31, 2013.

H. *Details of Default and Statutory Dues*

As on the date of this Placement Document, our Company has not defaulted in any deposits accepted and payment of interest or principal on any loan from any bank or financial institution. Our Company has not issued any debentures.

Other than as stated below, our Company has generally been regular in depositing undisputed dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to our Company.

Sr. No.	Details	Amount Involved (in ₹)	Duration of the Default (in days)*	Status as on March 31, 2015
Delay in payment of :				
1.	TDS for May 2014	4,663	33	Late Deposit
2.	TDS for September 2014	25,84,898	3	Late Deposit

* In cases of statutory dues not yet deposited, the duration of default has been calculated as on the date of this Placement Document.

I. *Details of Inquiries, Inspection or Investigation under the Companies Act 2013 or any Previous Companies Law*

There has been no inquiry, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous companies law in the last three years immediately preceding the date of this Placement Document against our Company. Further, there have been no prosecutions filed, fines imposed or compounding of offences in the last three years immediately preceding the date of this Placement Document involving our Company.

INDEPENDENT ACCOUNTANTS

Our Company's financial statements as of and for the years ended March 31, 2015, 2014 and 2013, included in this Placement Document, have been audited by Mohit Parekh & Co., Chartered Accountants, Delhi, our statutory auditors, and have consented to inclusion of their report in this Placement Document. See, "***Financial Statements***".

MOHIT PAREKH & CO.
CHARTERED ACCOUNTANTS
572, GANDHI CLOTH MARKET, 2ND FLOOR,
CHANDNI CHOWK, DELHI –110006
PHONES OFF: 23918093, 23958433 RES : 27014626
E-MAIL : - mohitparekhca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
INSECTICIDES (INDIA) LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of **Insecticides (India) Limited** ("the company"),which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs of the Company as at March 31, 2015; and its Profits and its Cash Flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,2015 (''the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

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

i. The Company is subject to Legal proceedings and claims, which has arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition. (Refer Note No-42)

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

iii The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year.

FOR MOHIT PAREKH & CO.
Chartered Accountants
Firm Reg. No. 0002067N

(Mohit Parekh)
Proprietor
Membership No. 081069
Place: Delhi
Dated: 27th May'2015

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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

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

    a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

    b. As explained to us, the Fixed Assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

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

    a. As explained to us, the inventories have been physically verified by the management at regular intervals during the year and in our opinion the frequency of verification is reasonable.

    b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

    c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. The Company has not granted any loans secured or unsecured to the Companies, Firm (s) or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) of the Companies (Auditor's Report) Order, 2015 (as amended) (the order) is not applicable to the company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not noticed any continuing failure to correct major weakness in such internal control system of the company.

5. According to the information and explanations given to us, the Company has not accepted any deposits from its members or from the public during the year under audit within the meaning of section 73 to section 76 or any other relevant provisions of the Companies Act, 2013 & the rules framed thereunder. Therefore the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 148(1) of the Companies Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. **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, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.

   b. According to the records of the Company, the disputed statutory dues aggregating to Rs.68032008/- 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 (Rs.)
1.	Central Excise Act,1944	Excise Duty	Sep'04 to Aug'07	Appellate Tribunal-New Delhi	18,610,607
2	VAT Act	Penalty	2010-11	Appellate Authority, VAT, West Bengal	570000
3.	VAT Act	Central Sales Tax	2009-10	VAT Tribunal, Jammu	1,442,154
4.	VAT Act	VAT	2010-11	Appellate Authority, VAT, West Bengal	1,222,353
5.	VAT Act	Central Sales Tax	2010-11	Appellate Authority, VAT, West Bengal	278,250
6.	VAT Act	Central sales tax	2012-13	Assisstant Commissioner, VAT, Indore	152441
7.	VAT Act	VAT	2014-15	Deputy Commissioner (Appeals), Jaipur	2113078

8.	VAT Act	Central Sales Tax	2010-11	Commissioner Appeal, Assessing Authority, Commercial Tax Circle G, Jammu	41576543

c. The amount was not required to be transferred to Investor Education & Protection Fund during the year and as such the clause is not applicable to the company during the year under consideration.

8. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash loss during the financial year covered by our audit or in the immediately preceding financial year.

9. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.

10. 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.

11. 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.

12. During the course of our examination of the books & records of company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year nor we have been informed of any such case by the management.

MOHIT PAREKH & CO.
CHARTERED ACCOUNTANTS

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

Place : Delhi
Dated: 27th May, 2015

INSECTICIDES (INDIA) LIMITED
Regd. & Coroporate Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi-110033

BALANCE SHEET AS AT 31ST MARCH, 2015

	PARTICULARS	NOTES	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
			AMOUNT (RS.)	AMOUNT (RS.)
A	**EQUITY AND LIABILITIES**			
	Shareholder's Funds			
	(a) Share Capital	3	12,68,29,660	12,68,29,660
	(b) Reserves & Surplus	4	2,78,72,85,399	2,33,87,29,009
			2,91,41,15,059	**2,46,55,58,669**
	Non-current liabilities			
	(a) Long-term borrowings	5	53,66,23,652	30,20,69,805
	(b) Deferred tax liabilities (net)		15,56,91,726	13,26,65,712
	(c) Other long-term liabilities	6	3,93,51,103	4,28,93,049
	(d) Long-term provisions	7	60,29,755	32,64,082
			73,76,96,236	**48,08,92,648**
	Current liabilities			
	(a) Short-term borrowings	8	2,40,94,53,171	2,12,42,90,027
	(b) Trade payables	9	2,09,82,74,610	2,03,60,41,018
	(c) Other current liabilities	10	78,09,75,219	64,52,51,499
	(d) Short-term provisions	11	26,71,25,194	16,17,00,843
			5,55,58,28,194	**4,96,72,83,387**
	TOTAL		**9,20,76,39,489**	**7,91,37,34,704**
B	**ASSETS**			
	Non-current assets			
	(a) Fixed assets	12		
	(i) Tangible assets		2,01,86,10,192	1,67,03,18,989
	(ii) Intangible assets		2,84,74,363	3,52,35,913
	(iii) Capital work-in-progress		37,64,68,599	53,71,90,449
			2,42,35,53,154	**2,24,27,45,351**
	(b) Non-Current Investments	13	11,08,54,042	11,08,54,042
	(c) Long-term loans and advances	14	5,92,42,720	4,74,46,566
	(d) Other non-current assets	15	2,18,55,563	6,27,20,770
			2,61,55,05,479	**2,46,37,66,729**
	Current assets			
	(a) Inventories	16	3,91,40,37,292	3,11,65,97,469
	(b) Trade receivables	17	1,66,80,81,573	1,27,87,43,356
	(c) Cash and cash equivalents	18	6,55,72,570	9,03,36,900
	(d) Short-term loans and advances	19	57,59,34,702	66,26,58,000
	(e) Other current assets	20	36,85,07,873	30,16,32,250
			6,59,21,34,010	**5,44,99,67,975**
	TOTAL		**9,20,76,39,489**	**7,91,37,34,704**
	Summary of Significant Accounting Policies	**1 to 2**	-	-
	Notes On Financial Statements	**3 to 51**		

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

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN
DIN 00577015

Auditor's Report
As per our separate report of even date annexed herewith
For MOHIT PAREKH & CO.
Chartered Accountants

RAJESH AGGARWAL
MANAGING DIRECTOR
DIN 00576872

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

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
DIN 06569091

Place : Delhi
Date: May 27th, 2015

SANDEEP AGGARWAL
CHIEF FINANCE OFFICER

PANKAJ GUPTA
COMPANY SECRETARY

INSECTICIDES (INDIA) LIMITED
Regd. & Coroporate Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi-110033

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH'2015

PARTICULARS	NOTES	FOR THE YEAR ENDED 31ST MARCH, 2015 (Rs.)	FOR THE YEAR ENDED 31ST MARCH, 2014 (Rs.)
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations (Gross)	21	10,31,33,46,256	9,22,53,54,574
Less: Excise Duty		67,14,31,146	58,45,38,189
Revenue from operations (net)		**9,64,19,15,110**	**8,64,08,16,385**
Other Income	22	43,53,328	45,37,395
Total revenue (I)		**9,64,62,68,438**	**8,64,53,53,780**
EXPENSES			
Cost of raw material and components consumed	23	6,79,63,68,465	5,50,28,86,987
Purchase of Traded Goods	24	49,62,28,466	1,01,84,18,073
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	25	(80,97,15,523)	(50,62,01,721)
Employee Benefits Expense	26	34,44,40,616	29,30,39,781
Depreciation and amortization Expense	27	14,16,81,792	6,65,55,200
Finance Costs	28	33,15,68,861	26,91,17,302
Other expenses	29	1,70,40,10,368	1,51,50,22,920
Total (II)		**9,00,45,83,045**	**8,15,88,38,542**
Profit/(loss) before tax (I-II)		**64,16,85,393**	**48,65,15,238**
Tax Expenses			
Current Tax		9,02,20,814	10,62,33,670
Mat Credit Entitlement		(2,00,00,000)	(5,00,00,000)
Deferred Tax		2,30,26,014	3,08,54,936
Total Tax Expenses		**9,32,46,828**	**8,70,88,606**
Profit/(loss) for the year		**54,84,38,565**	**39,94,26,632**
Earnings per equity share [nominal value of share Rs. 10] (31 March 2014: Rs. 10)			
Basic & Diluted		43.24	31.49

Summary of Significant Accounting Policies **1 to 2**
Notes On Financial Statements **3 to 51**

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

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN
DIN 00577015

RAJESH AGGARWAL
MANAGING DIRECTOR
DIN 00576872

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
DIN 06569091

SANDEEP AGGARWAL
CHIEF FINANCE OFFICER

PANKAJ GUPTA
COMPANY SECRETARY

Auditor's Report

As per our separate report of even date annexed herewith
For MOHIT PAREKH & CO.
Chartered Accountants

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

Place : Delhi
Date: May 27th, 2015

INSECTICIDES (INDIA) LIMITED

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	For the year 2014-15 (Rs.)		For the year 2013-14 (Rs.)
(A) Cash Flow From Operating Activities			
Net Profit Before Tax	**64,16,85,393**		**48,65,15,238**
Adjustment for			
- Depreciation	14,16,81,792		6,65,55,200
- (Profit)/ Loss on Sale of Assets	22,90,157		15,73,636
- Preliminary Expenses Written Off	-		1,97,346
- Interest Income	(35,70,672)		(21,46,990)
- Interest Expenses	24,02,05,966		15,86,79,844
Operating Profit Before Working Capital Changes	**1,02,22,92,636**		**71,13,74,274**
Adjustments for			
- (Increase)/Decrease in Trade Receivable	(38,93,38,216)		(11,36,84,177)
- (Increase)/Decrease in Inventories	(79,74,39,823)		(86,30,93,120)
- (Increase)/Decrease in Other Current Assets	(6,40,05,443)		(12,43,41,165)
- (Increase)/Decrease in Short Term Loans & Advances	17,78,99,780		36,42,170
- (Increase)/Decrease in Long Term Loans & Advances	(1,17,96,155)		85,76,548
- Increase/(Decrease) in Trade Payable	6,22,33,592		72,92,77,308
- Increase/(Decrease) in Long Term Liabilities	(35,41,946)		(54,60,301)
- Increase/(Decrease) in Other Current Liabilities	1,94,26,458		11,23,03,563
- Increase/(Decrease) in Provision for Expenses	72,47,484		17,75,369
	2,29,78,367		**46,03,70,469**
Less: Income Tax/ Wealth Tax	(7,13,87,045)		(8,37,79,771)
Less: Preliminary Expenses Incurred	**(89,33,125)**		**-**
Net Cash From Operating Activities (A)	**(5,73,41,803)**		**37,65,90,698**
(B) Cash Flow From Investing Activities			
- Addition to Fixed Assets	(33,47,56,849)		(46,18,93,234)
- Sale of Fixed Assets	33,97,934		31,85,339
- Interest Income	35,70,672		21,46,990
- (Addition) Disposal/Sales of Investments	-		(11,08,54,042)
Net Cash From Investing Activities (B)	**(32,77,88,243)**		**(56,74,14,947)**
(C) Cash Flow From Financing Activities			
- Proceeds from borrowing/loans	64,50,86,990		43,74,45,504
- Interest paid	(24,02,05,966)		(15,86,79,844)
- Dividend Paid	(3,80,48,898)		(3,80,48,898)
- Distribution Tax Paid	(64,66,410)		(64,66,410)
Net Cash From Finance Activities (c)	**36,03,65,716**		**23,42,50,352**
Net Cash Flow during the year (A+B+C)	**(2,47,64,330)**		**4,34,26,103**
Cash and Cash equivalents Opening Balance	9,03,36,900		4,69,10,797
Cash and Cash equivalents Closing Balance	**6,55,72,570**		**9,03,36,900**
	-		**-**

NOTES:-

1. The Cash Flow Statement has been prepared under the "Indirect method" as set out in the accounting standard 3 " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.

2. Previous year's figures have been re-classified to confirm with current year's presentation, wherever considered necessary.

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN
DIN 00577015

RAJESH AGGARWAL
MANAGING DIRECTOR
DIN 00576872

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
DIN 06569091

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFI(

PANKAJ GUPTA
COMPANY SECRETARY

Auditor's Report

As per our separate report of even date annexed herewith
For MOHIT PAREKH & CO.
Chartered Accountants

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

Place : Delhi
Date: May 27th, 2015

INSECTICIDES (INDIA) LIMITED
Notes on Financial Statements for the Year Ended March 31, 2015

1. CORPORATE INFORMATION

Insecticides (India) Limited (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has its primary listings on the BSE Limited and National Stock Exchange in India. The Company is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Company caters to both domestic and international markets.

2. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

These financial statements have been prepared to comply with Generally accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act,2013.

The Financial statements are prepared on accrual basis under the historical cost convention. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted Accounting Principles.

B. USE OF ESTIMATES

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

C. TANGIBLE FIXED ASSETS (OWNED)

Fixed Assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets.

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

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

D. INTANGIBLE ASSETS

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

E. LEASED ASSETS

The Company do not have any leased assets.

F. DEPRECIATION, AMORTISATION & DEPLETION

Depreciation on Fixed Assets has been provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of following assets, where useful life is different than those prescribed in Schedule II are used;

Particulars	Depreciation
Office/Godown Building (Useful Life : 60 years)	Over a period of 30 years as technically assessed
Plant & Machinery (Useful Life : 15 years)	Over a period of 20 years as technically assessed

Depreciation on assets acquired/disposed off during the year has been provided on pro-rata basis with reference to the date of use/addition/disposal.
Intangible Assets are amortized on Straight Line Method over their useful life.

Impact of change in Depreciation due to change in Companies Act, 2013

According to the new provisions of Schedule II of Companies Act, 2013 the depreciation on assets comes out to be Rs. 14,16,81,792/- as against the depreciation of Rs. 8,78,22,435/- as per Companies Act,1956.
The profits for the period were decreased by Rs. 5,38,59,357/- due to changes adopted pursuant to the Schedule II of Companies Act,2013.

G. INVESTMENTS

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

H. PURCHASES

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

I. REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sales of goods: Sale are recognized when substantial risks and rewards of ownership in the goods transferred to the buyer, usually on delivery of the goods. Turnover includes sales of goods & excise duty (net of sales returns, sales tax/ value added tax)

Other Income: Interest income is recognized on time proportion basis taking in to account the amount outstanding and the interest rate applicable.
Dividend Income is recognized when the right to receive payment is established.

Export Incentives: Export incentives are recognized in the statement of Profit & Loss when the right to receive incentives is established in respect of exports made

and when there is no significant uncertainty regarding the collection of the relevant export proceeds.

J. FOREIGN CURRENCY TRANSACTIONS

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

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

c) Non monetary foreign currency items are carried at cost.

d) Any Gain or Loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

K. RETIREMENT BENEFITS

a) Contribution to provident fund and family pension fund are accounted for on accrual basis.

b) The company provides for Leave Encashment Benefits. The expenses towards leave encashment are recognized in the Statement of Profit & Loss on the basis of an actuarial valuation based on projected unit credit method carried out at the year-end.

c) The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Company has Gratuity Fund covered by the scheme with LIC of India. The expenses towards gratuity are recognized in the Statement of Profit & Loss on the basis of an actuarial valuation based on projected unit credit method carried out at the year-end.

L. IMPAIRMENT OF ASSETS

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

M. EXCISE DUTY

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

N. INVENTORIES

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition including

excise duty wherever applicable. Fixed production overheads are based on normal capacity of production facilities. Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

O. BORROWING COSTS

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

All other borrowing costs are recognized as expense in the statement of profit & loss in the period in which they are incurred.

P. PROPOSED DIVIDEND

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

Q. RESEARCH & DEVELOPMENT

The expenditure on Research & Development for technical plants at Dahej & Chopanki is recognized as an expense in the Statement of Profit & Loss on an accrual basis. The fixed assets acquired for carrying out the research & development activities are capitalized and depreciation thereon is recognized as an expense in the Statement of Profit & Loss.

R. PROVISION FOR CURRENT & DEFERRED TAX

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

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

S. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

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

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

U. Interest on Late Payments by the customers & to the suppliers and differential interest to the bankers are accounted for on acceptance basis.

V. The bonus is accounted for on accrual basis.

W. The Company has already initiated the process and entitled for subsidy on account of certain revenue and capital nature of expenditures incurred at Samba & Udhampur Units in earlier years. The company's policy is to account for subsidy on cash/acceptance basis as under:

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

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

X. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

Y. MAT CREDIT ENTITLEMENTS

The Company is liable to pay income tax u/s 115JA & 115JB of the Income Tax Act during the year. In terms of the Guidance Note issued by the Council of the Institute of Chartered Accountants of India "on accounting for credit available in respect to MAT under the Income Tax act", the MAT Credit available is treated as an "Asset" if the MAT credit has expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability if the same arises during the specified period and accordingly the necessary provisions has been made by the company during the year.

INSECTICIDES (INDIA) LIMITED
Regd. & Coroporate Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi-110033

Notes to financial statements

3. Share capital	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Authorised Shares		
25000000 (Previous Year 15000000) Equity Shares of Rs. 10/- Each	25,00,00,000	15,00,00,000
Issued, Subscribed & fully Paid-up Shares		
12682966 (Previous Year 12682966) Equity Shares of Rs. 10/- Each	12,68,29,660	12,68,29,660
Total issued, subscribed and fully paid-up share capital	**12,68,29,660**	**12,68,29,660**

Note:- The company has declared Bonus Shares in the ratio of 2:1 during the year. However, the same has been issued in the month of May 15, i.e. in succeeding financial year.

3(a). Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31.03.2015		As at 31.03.2014	
	Number of shares	(Rs.)	Number of shares	(Rs.)
At the beginning of the period	12682966	12,68,29,660	12682966	12,68,29,660
Issued during the period	-	-	-	-
Outstanding at the end of the period	**1,26,82,966**	**12,68,29,660**	**1,26,82,966**	**12,68,29,660**

3 (b) Rights, preferences and restrictions attached to shares :

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

During the financial year ended on 31st, March 2015, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 2.50 (Previous Year Rs.3.00) including Bonus Shares.

3 (c) The details of Shareholders holding more than 5% shares:				
Name of the Shareholder	As At 31.03.2015		As At 31.03.2014	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	**35,28,600**	**27.82**	**35,28,600**	**27.82**
Pushpa Aggarwal	**14,34,600**	**11.31**	**14,34,600**	**11.31**
Rajesh Aggarwal (HUF)	**13,02,000**	**10.27**	**13,02,000**	**10.27**
Hari Chand Aggarwal (HUF)	**9,96,000**	**7.85**	**9,96,000**	**7.85**
Nikunj Aggarwal	**7,50,000**	**5.91**	**7,50,000**	**5.91**
Life Insurance Corporation of India	**6,75,000**	**5.32**	**6,75,000**	**5.32**

4. Reserves and surplus	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
(a) Securities premium account	**31,55,27,117**	**35,18,15,055**
(b) General Reserve		
Opening balance	21,42,64,531	16,56,13,007
Add: Transferred from surplus in Statement of P&L	6,41,68,539	4,86,51,524
Less: Retained Earnings (Fixed Assets)	(65,79,163)	-
Closing balance	**27,18,53,907**	**21,42,64,531**
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,81,14,25,595	1,50,51,65,796
Add: Profit / (Loss) for the year	54,84,38,565	39,94,26,631
Less: Appropriations		
Proposed final equity dividend {amount per share Rs.2.50 (31 March 2014: Rs.3.00)}	(4,75,61,123)	(3,80,48,898)
Tax on proposed equity dividend	(96,82,494)	(64,66,410)
Transfer to general reserve	(6,41,68,539)	(4,86,51,524)
Adjustment of pre-operative exp.	(60,62,945)	-
Closing balance	**2,23,23,89,059**	**1,81,14,25,595**
(d) Foreign Currency Translation Reserve	**(3,24,84,684)**	**(3,87,76,172)**
Total Reserves and Surplus	**2,78,72,85,399**	**2,33,87,29,009**

5. Long-term borrowings	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
	Non-current portion		Current maturities	
(a) Term loans				
Indian rupee loan from banks - Vehicle Loans (secured)	63,38,726	62,14,805	1,02,08,181	1,02,60,200
Indian rupee loan from banks - Term Loan (secured)	37,79,41,176	-	8,71,53,769	-
Foreign currency loan from banks (secured)	15,23,43,750	29,58,55,000	15,71,69,704	14,34,64,631
(b) Loans & Advances (Unsecured)				
- From Related Parties	-	-	-	-
- From Others	-	-	1,54,90,438	-
Total Amount	**53,66,23,652**	**30,20,69,805**	**27,00,22,092**	**15,37,24,831**

5 (a) Nature of Security and terms of repayment for secured borrowing :

(i) Term Loans from banks for vehicles have been secured by hypothecation of vehicles.Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 10.50% to 12.50% per annum .

(ii) The Foreign Currency outstanding loan amounting to Rs. 7,06,24,545 (Previous Year Rs.11,28,36,630) has been secured by the first charge over Plant and Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujarat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 6 quarterly instalments. The interest is to be paid on quarterly basis at Libor plus 2.5%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

(iii) The Foreign Currency outstanding loan amounting to Rs. 13,67,57,487 (Previous Year Rs.20,59,75,000) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 7 quarterly instalments . The interest is to be paid on quarterly basis at Libor plus 3.5%. Further, the company has entered into the derivative contract for hedging of interest rate swaps & 36% of currency swaps.

(iv) The Foreign Currency outstanding loan amounting to Rs. 10,21,31,423 (Previous Year Rs.12,05,08,001) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 13 quarterly instalments . The interest is to be paid on quarterly basis at Libor plus 3.00%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

(v) The Indian Rupees Term Loans outstanding amounts to Rs. 46,50,94,945 (17,50,00,000+29,00,94,945) (Previous Year -Nil) have been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These outstanding loans are repayable quarterly in 10 & 17 installments alongwith interest @ 12.50% & @ 11.95% respectively.

6. Other Long-term Liabilities	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
Trade / security deposits received from Customers	3,18,45,103	2,79,07,860
National Research Development Corporation (TDDP)	75,06,000	96,72,689
Due To GIDC, Gujarat	-	53,12,500
Total Amount	**3,93,51,103**	**4,28,93,049**

7. Long Term Provisions	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
(a) Provision for employee benefits:		
(i) Provision for gratuity	21,42,470	-
(ii) Provision for Leave Encashment	24,19,222	-
(b) Provision for Foreign Exchage Loss (M to M)	14,68,063	32,64,082
Total Amount	**60,29,755**	**32,64,082**

8. Short-term Borrowings	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
(a) Loans repayable on demand		
From banks (Secured)	1,34,46,16,798	1,08,32,50,000
(b)Cash credit from banks (Secured)	98,41,99,923	87,65,16,312
(c)Buyers Credit Loans (Secured)	8,06,36,450	16,45,23,715
Total Amount	**2,40,94,53,171**	**2,12,42,90,027**

Working Capital Loans (Demand Loan, Cash Credit & Buyers Credits) from banks are secured by first pari passu charge over present and future stock & book debts and moveable fixed assets of the company . These loans are additionally secured by equitable mortgage on pari passu basis over Lands & Buildings of the company and residential property of the director at Pitampura Delhi and negative lien on company's Samba Unit (J&K) Udhampur Unit (J&K) and office at Azad Pur (Delhi). Further, these loans have been guaranteed by the personal guarantee of the directors -Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. Further, the company has entered into the derivative contract for hedging of buyer's credit amounting to Rs. 3,88,15,122 during the year (P.Y. - 6,21,93,536).

9. Trade Payables	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
Trade payables (including acceptances)	2,09,82,74,610	2,03,60,41,018
Total Amount	**2,09,82,74,610**	**2,03,60,41,018**

10. Other Current Liabilities	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
Current maturities of long-term borrowings	27,00,22,092	15,37,24,831
Unpaid dividend	3,92,899	3,51,412
Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Prof. Tax, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	2,82,60,695	2,46,08,706
(ii) Advances from customers	27,03,27,691	26,63,39,755
(iii) Cheques sent for Collection	13,70,000	61,24,154
(iv) Debtors having Credit Balance	15,00,31,042	12,19,52,772
(v) Creditors for Capital Expenditure	88,32,495	2,60,46,974
(vii) Expenses Payable	5,17,38,305	4,61,02,895
Total Amount	**78,09,75,219**	**64,52,51,499**

11. Short-term Provisions	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
(a) Provision for employee benefits		
(i) Provision for bonus	1,45,17,314	1,19,52,785
(ii) Provision for Leave Encashment	1,21,263	-
(b) Provision - Others:		
(i)Provision for Income Tax	19,50,00,000	10,50,00,000
(ii)Provision for Wealth Tax	2,43,000	2,32,750
(iii)Proposed equity dividend	4,75,61,123	3,80,48,898
(iv)Provision for tax on proposed equity Dividend	96,82,494	64,66,410
Total Amount	**26,71,25,194**	**16,17,00,843**

Insecticides India Limited - All India

Fixed Assets & Depreciation allowable for the period ending on 31st March 2015

12- DEPRECIATION AS PER THE COMPANIES ACT

Assets Class	Description Of Assets	GROSS BLOCK				DEPRECIATION						NET BLOCK	
		opening Balance as on 01.04.2014	Addition	Sale/ Adjustment	Total as on 31.03.2015	opening Balance as on 01.04.2014	Depreciation for the year				Total as on 31.03.2015	As on 31.03.2015	As on 31.03.2014
							Depreciation	Amt trf to Retain Earning	Written Back	Net Depreciation for the year			
	(i) Tangible Assets												
IN1000	Freeholdland	6,99,35,407	-	-	6,99,35,407	-	-	-	-	-	-	6,99,35,407	6,99,35,407
IN1100	Leaseholds	13,67,85,804	-	-	13,67,85,804	-	-	-	-	-	-	13,67,85,804	13,67,85,804
IN1700	Office/godownbldg	73,06,578	-	-	73,06,578	8,45,698	2,66,676	-	-	2,66,676	11,12,374	61,94,204	64,60,880
IN1800	Factorybldg	45,11,25,471	17,26,28,772	-	62,37,54,243	3,74,57,660	1,76,17,892	-	-	1,76,17,892	5,50,75,552	56,86,78,691	41,36,67,811
IN2000	Plant&machinery	29,86,33,249	9,92,48,580	-	39,78,81,829	3,04,25,688	3,61,57,193	3,86,392	-	3,65,43,585	6,69,69,273	33,09,12,556	26,82,07,561
IN2100	Electricalinstaln	3,11,20,121	93,29,587	-	4,04,49,708	53,53,349	47,90,767	5,13,110	-	53,03,877	1,06,57,226	2,97,92,482	2,57,66,772
IN2200	Factoryequip	46,16,057	62,85,166	-	1,09,01,223	3,27,697	7,28,370	-	-	7,28,370	10,56,067	98,45,156	42,88,360
IN2300	Laboratoryequip	2,83,98,427	1,27,62,576	-	4,11,61,003	43,28,346	45,98,532	1,02,096	-	47,00,628	90,28,974	3,21,32,029	2,40,70,081
IN2400	**Road RCC**	13,43,00,074	2,75,19,370	-	16,18,19,444	12,289	1,33,95,602	-	-	1,33,95,602	1,34,07,891	14,84,11,553	13,42,87,785
IN2500	**Other Plant & Machinery**	53,06,71,699	12,59,79,839	-	65,66,51,538	6,08,36,645	3,77,78,035	4,53,177	-	3,82,31,212	9,90,67,857	55,75,83,681	46,98,35,054
IN2600	**Server**	22,27,125	58,47,338	-	80,74,463	9,89,960	6,83,999	99,903	-	7,83,902	17,73,862	63,00,601	12,37,165
IN2700	**Motor Cycle/ Scooter**	63,51,896	12,90,168	4,44,338	71,97,726	22,79,134	6,31,735	520	2,19,505	4,12,750	26,91,884	45,05,842	40,72,762
IN3500	Pollution control eq	61,71,790	40,11,096	-	1,01,82,886	20,02,415	5,49,197	-	-	5,49,197	25,51,612	76,31,274	41,69,375
IN3600	Generator	15,19,952	49,89,045	-	65,08,997	6,03,598	2,72,308	(25,046)	-	2,47,262	8,50,860	56,58,137	9,16,354
IN3700	Telephone & Mobiles	11,49,133	2,40,735	-	13,89,868	1,85,416	3,12,448	1,81,425	-	4,93,873	6,79,289	7,10,579	9,63,717
IN4000	Furniture&fixtures	1,01,38,616	63,51,637	-	1,64,90,253	24,89,850	13,21,900	1,51,189	-	14,73,089	39,62,939	1,25,27,314	76,48,766
IN4100	Electricalfittings	3,65,31,592	32,90,923	-	3,98,22,515	33,48,589	39,77,314	-	-	39,77,314	73,25,903	3,24,96,612	3,31,83,003
IN4200	Officeequip	80,00,831	13,97,285	-	93,98,116	21,79,476	12,73,849	29,29,560	-	42,03,409	63,82,885	30,15,231	58,21,355
IN5000	Computers&acc.	1,09,50,069	47,22,824	1,25,275	1,55,47,618	65,62,851	27,17,538	6,18,075	52,754	32,82,859	98,45,710	57,01,908	43,87,218
IN6000	Vehicles	6,31,35,798	1,43,62,689	87,94,650	6,87,03,837	1,50,23,792	86,43,576	1,34,459	34,03,913	53,74,122	2,03,97,914	4,83,05,923	4,81,12,006
IN6100	Commercial Vehicle	17,88,912	-	-	17,88,912	66,090	2,37,614	-	-	2,37,614	3,03,704	14,85,208	17,22,822
	Sub Total (A)	**1,84,08,58,601**	**50,02,57,630**	**93,64,263**	**2,33,17,51,968**	**17,53,18,543**	**13,59,54,545**	**55,44,860**	**36,76,172**	**13,78,23,233**	**31,31,41,776**	**2,01,86,10,192**	**1,66,55,40,058**
	(ii) Intangible Assets												
IN5100	Capitalizedsoftware	2,95,56,289	-	-	2,95,56,289	1,17,60,705	36,23,311	-	-	36,23,311	1,53,84,016	1,41,72,273	1,77,95,584
IN5200	Website	77,299	-	-	77,299	30,112	-	43,322	-	43,322	73,434	3,865	47,187
IN7600	Patent,tm&designs	2,09,35,000	-	-	2,09,35,000	35,41,858	21,03,936	9,90,981	-	30,94,917	66,36,775	1,42,98,225	1,73,93,142
	Sub Total (B)	**5,05,68,588**	**-**	**-**	**5,05,68,588**	**1,53,32,675**	**57,27,247**	**10,34,303**	**-**	**67,61,550**	**2,20,94,225**	**2,84,74,363**	**3,52,35,913**
	Total (A+B)	**1,89,14,27,189**	**50,02,57,630**	**93,64,263**	**2,38,23,20,556**	**19,06,51,218**	**14,16,81,792**	**65,79,163**	**36,76,172**	**14,45,84,783**	**33,52,36,001**	**2,04,70,84,555**	**1,70,07,75,971**
					-						-	-	-
C	**Capital Goods in Transit**											**3,22,781**	**47,78,931**
	Total (A+B+C)	**1,89,14,27,189**	**50,02,57,630**	**93,64,263**	**2,38,23,20,556**	**19,06,51,218**	**14,16,81,792**	**65,79,163**	**36,76,172**	**14,45,84,783**	**33,52,36,001**	**2,04,74,07,336**	**1,70,55,54,902**
	Previous Year Fig.	**1,53,01,13,349**	**37,33,91,631**	**72,98,860**	**1,89,62,06,120**	**12,66,35,903**	**6,65,55,200**	-	**25,39,885**	**6,40,15,315**	**19,06,51,218**	**1,70,55,54,902**	**1,40,34,77,446**
	Capital Work In Progress											**37,61,45,818**	**53,71,90,449**

Capitalized Borrowing Costs:-

The borrowing cost has duly been capitalised during the year. A sum of Rs. 10,05,39,642/- (Previous Year Rs. 9,66,38,776/-) has been capitalized on account of borrowing cost during the year . The detail thereof is as under :

PARTICULARS	31.03.2015	31.03.2014
Amount of interest trsd. From CWIP and Capitalised in respective Assets	11,87,26,773	3,47,14,181
Amount of interest Capitalised under the Captioned Head - CWIP	10,05,39,642	9,66,38,776
Balance Amount included under the captioned head CWIP at the year end	12,53,04,123	14,34,91,254

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13. Non Current Investments	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
(Long Term Investments)		
In Shares		
- Unquoted Fully paid-up-At Cost		
(In J.V.)		
(a) OAT & IIL India Lab.(P) Ltd.	7,95,00,000	7,95,00,000
(795000 Equity Shares @ Rs.100/- Each) (F.V-Rs.100/-)		
(P.Y - 795000 Equity Shares @ Rs.100/- Each)		
- Quoted Fully paid-up-At Cost (Listed at Tokyo Stock Exchange)		
(In Parent Co. of J.V.)		
(b) OAT Agrio Co.Ltd.	3,13,54,042	3,13,54,042
[18200 Shares @ Rs.1722.75 (F.V-Rs.1/-)]		
(P. Y. - 18200 Shares @ Rs.1722.75 (F.V-Rs.1/-))		
(Market Value of 1 share - 2210 Yen as on 31st March, 2015)		
(P. Y. - Unlisted)		
Total Amount	**11,08,54,042**	**11,08,54,042**

14. Loans and Advances (Non Current)	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
	Non-current	
Capital advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Security deposit		
Secured, considered good	1,47,72,363	1,48,57,121
Unsecured, considered good	-	-
Doubtful	-	-
	1,47,72,363	**1,48,57,121**
Advances recoverable in cash or kind		
Secured considered good	-	-
Unsecured considered good	-	-
Doubtful	-	-
	-	-
Other loans and advances		
Advance income-tax	-	-
Prepaid expenses	-	-
Loans & Travel Advances to employees	-	-
Balance with Central Excise, VAT Authorities, etc.	4,44,70,357	3,25,89,445
	4,44,70,357	**3,25,89,445**
Total	**5,92,42,720**	**4,74,46,566**

15. Other Non-current Assets	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Unamortised expenses		
Share issue expenses etc.	-	3,62,87,938
Unamortised (Gain)/Loss on Foreign Currency	2,18,55,563	2,64,32,832
Total Amount	**2,18,55,563**	**6,27,20,770**

16. Inventories	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
(a) Raw materials	1,11,09,53,115	1,11,37,26,498
(On Weighted Average Basis)		
Goods-in-transit	5,66,79,316	8,12,12,022
(b) Finished goods (Manufactured)	2,13,77,76,811	1,36,81,61,953
(At Cost)		
Goods-in-transit	21,02,290	1,32,89,270
(c) Stock-in-trade (Traded Goods)	16,19,67,478	21,67,82,963
(On Weighted Average Basis)		
(d) Packing materials	15,25,58,285	12,60,79,274
(On Weighted Average Basis)		
Goods-in-transit	12,29,048	33,79,535
(e) Semi - Finished goods	28,48,19,468	18,99,03,319
(On Weighted Average Basis)		
(f) Stores, Spares Parts & Fuel	52,19,377	40,62,635
(On Weighted Average Basis)		
Goods-in-transit	7,32,104	-
Total Amount	**3,91,40,37,292**	**3,11,65,97,469**

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17. Trade Receivables	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
Unsecured, considered good unless stated otherwise		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	4,32,88,976	5,56,21,019
Doubtful	27,05,359	27,05,360
	4,59,94,335	**5,83,26,379**
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,62,20,87,238	1,22,04,16,977
Doubtful	-	-
	1,62,20,87,238	**1,22,04,16,977**
Total Amount	**1,66,80,81,573**	**1,27,87,43,356**

18. Cash and Cash Equivalents	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
(a) Cash on hand	22,89,417	26,62,573
(b) Balances with banks		
(i) In current accounts	3,96,91,536	4,47,17,326
(ii) In earmarked accounts		
- Unpaid dividend accounts	3,92,899	3,51,412
(iii) Fixed Deposits with Bank	2,31,98,718	4,26,05,589
Including Interest Accrued of Rs.13,11,853/-		
Total Amount	**6,55,72,570**	**9,03,36,900**

19. Loans and Advances (Current)	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
	Current	
Capital advances		
Secured, considered good	-	-
Unsecured, considered good	1,80,08,849	2,15,32,480
Doubtful	-	-
	1,80,08,849	**2,15,32,480**
Security deposit		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	**-**
Advances recoverable in cash or kind		
Secured considered good	9,14,58,462	19,36,86,255
Unsecured considered good	-	-
Doubtful	-	-
	9,14,58,462	**19,36,86,255**
Other loans and advances		
Income-tax	15,15,40,209	8,03,63,728
Prepaid expenses	82,27,975	1,37,17,654
Loans & Travel Advances to employees	19,95,325	19,44,920
Balance with Central Excise, VAT Authorities, etc.	16,17,03,882	22,84,12,963
MAT Credit Entitlement	14,30,00,000	12,30,00,000
	46,64,67,391	**44,74,39,265**
Total	**57,59,34,702**	**66,26,58,000**

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20. Other Current Assets	**As at 31.03.2015 (Rs.)**	**As at 31.03.2014 (Rs.)**
Excise Duty Involved in Stocks lying with the various branches	32,91,07,329	28,10,57,636
Interest Recoverable	2,42,18,202	1,00,39,735
Insurance Claim Recoverable	1,15,57,112	60,24,474
Other Recoverable - Sales Tax Department	-	41,66,616
Prelimimary Exp. not written off or adjusted	28,70,180	-
Dividend Receivable	4,39,752	-
Export Incentive Recoverable	3,15,298	3,43,789
Total Amount	**36,85,07,873**	**30,16,32,250**

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Notes to financial statements for the year ended 31 March 2015

21. Revenue from operations	**For the year ended On 31.03.15 (Rs.)**	**For the year ended On 31.03.14 (Rs.)**
Sale of products		
Finished goods	9,49,52,48,741	7,98,76,22,074
Traded goods	81,80,97,515	1,23,76,94,000
Sale of Scrap	-	38,500
Revenue from operations (Gross)	**10,31,33,46,256**	**9,22,53,54,574**
Less: Excise duty	67,14,31,146	58,45,38,189
Revenue from operations (Net)	**9,64,19,15,110**	**8,64,08,16,385**

Details of products sold		**For the year ended**	**For the year ended**
Finished goods sold		**On 31.03.15 (Rs.)**	**On 31.03.14 (Rs.)**
Liquid		4,57,27,84,613	3,91,16,81,181
Powder		1,61,34,80,852	1,22,73,75,345
Granules		1,71,91,40,366	1,96,92,18,411
Technicals		1,58,98,42,910	87,93,47,137
	Total	**9,49,52,48,741**	**7,98,76,22,074**
Traded goods sold			
Liquid		63,41,55,337	68,67,50,358
Powder		2,55,56,255	12,50,31,755
Granules		8,27,62,752	10,16,05,643
Raw Materials & Packing Materials		7,56,23,171	32,43,06,244
	Total	**81,80,97,515**	**1,23,76,94,000**
Grand Total		**10,31,33,46,256**	**9,22,53,16,074**

22. Other Income	**For the year ended On 31.03.15 (Rs.)**	**For the year ended On 31.03.14 (Rs.)**
Interest income on		
Fixed deposits with Bank	30,90,998	17,31,954
[Tax Deducted At Source Rs 3,08,477/- (P.Y.- Rs.1,70,950/-)]		
Others	4,79,674	4,15,036
Total	35,70,672	21,46,990
Other non-operating income	7,82,656	23,90,405
Total Other Income	**43,53,328**	**45,37,395**

23. Cost of raw material and components consumed	**For the year ended On 31.03.15 (Rs.)**	**For the year ended On 31.03.14 (Rs.)**
Raw Material		
Inventory at the beginning of the year	1,19,49,38,520	83,96,02,802
Add: Purchases	6,12,27,05,237	5,21,36,45,813
	7,31,76,43,757	6,05,32,48,615
Less: inventory at the end of the year	1,16,76,32,431	1,19,49,38,520
Cost of raw material consumed	**6,15,00,11,326**	**4,85,83,10,095**
Packing Material		
Inventory at the beginning of the year	12,94,58,809	13,86,22,917
Add: Purchases	67,06,85,663	63,54,12,784
	80,01,44,472	77,40,35,701
Less: inventory at the end of the year	15,37,87,333	12,94,58,809
Cost of Packing material consumed	**64,63,57,139**	**64,45,76,892**
Total Cost of raw material and components consumed	**6,79,63,68,465**	**5,50,28,86,987**

24. Details of Purchase of traded goods	For the year ended On 31.03.15 (Rs.)	For the year ended On 31.03.14 (Rs.)
Liquid	36,90,38,858	53,14,33,220
Powder	46,91,597	11,16,18,969
Granules	5,26,46,254	5,83,33,265
Cost of Other Goods	6,98,51,757	31,70,32,619
Total	**49,62,28,466**	**1,01,84,18,073**

	25. (Increase)/Decrease in inventories	For the year ended On 31.03.15 (Rs.)	For the year ended On 31.03.14 (Rs.)
A.	**(Increase)/ Decrease in Traded Goods**		
	Closing Stocks	16,19,67,478	21,67,82,963
	Less: Opening Stocks	21,67,82,963	13,42,90,575
	(Increase)/Decrease in Closing Stock	**5,48,15,485**	**(8,24,92,388)**
B.	**(Increase)/Decrease in Finished Goods**		
	Closing Stocks	2,13,77,76,811	1,36,81,61,953
	Less: Opening Stocks	1,36,81,61,953	97,89,56,083
	(Increase)/Decrease in Closing Stock	**(76,96,14,858)**	**(38,92,05,870)**
C.	**(Increase)/Decrease in Semi Finished Goods**		
	Closing Stocks	28,48,19,469	18,99,03,319
	Less: Opening Stocks	18,99,03,319	15,53,99,856
	(Increase)/Decrease in Closing Stock	**(9,49,16,150)**	**(3,45,03,463)**
	TOTAL (A+B+C)	**(80,97,15,523)**	**(50,62,01,721)**

Details of inventory	For the year ended On 31.03.15 (Rs.)	For the year ended On 31.03.14 (Rs.)
Traded goods		
Liquid	14,42,44,202	19,03,75,034
Powder	49,30,396	1,77,57,377
Granules	1,27,92,880	86,50,552
Total	**16,19,67,478**	**21,67,82,963**
Finished goods		
Liquid	1,15,92,26,998	80,56,64,093
Powder	32,16,47,411	20,78,25,000
Granules	34,64,85,554	29,25,35,324
Technicals	31,04,16,848	6,21,37,536
Total	**2,13,77,76,811**	**1,36,81,61,953**

26. Employee benefit expense	For the year ended On 31.03.15 (Rs.)	For the year ended On 31.03.14 (Rs.)
Salaries wages and bonus	30,72,84,009	26,61,64,126
Contribution to provident and other funds	1,40,67,526	1,01,75,501
Gratuity expense	87,57,740	41,03,361
Staff welfare expenses	1,43,31,341	1,25,96,793
Total	**34,44,40,616**	**29,30,39,781**

27. Depreciation and amortization expense	For the year ended On 31.03.15 (Rs.)	For the year ended On 31.03.14 (Rs.)
Depreciation of tangible assets	13,59,54,544	6,31,21,570
Amortization of intangible assets	57,27,248	34,33,630
Total	**14,16,81,792**	**6,65,55,200**

28. Finance costs	**For the year ended On 31.03.15 (Rs.)**	**For the year ended On 31.03.14 (Rs.)**
Interest		
Interest on CC Limits & Buyer's Credit & Demand Loan	22,84,63,573	15,33,39,274
Interest (Others)	42,32,186	33,07,380
Interest on Term Loans	20,17,783	20,33,190
Interest on Unsecured Loans	54,92,424	-
Bank Charges	5,35,70,635	3,16,09,957
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	3,77,92,260	7,88,27,501
Total	**33,15,68,861**	**26,91,17,302**

29. Other expenses	**For the year ended On 31.03.15 (Rs.)**	**For the year ended On 31.03.14 (Rs.)**
Manufacturing Expenses :		
Consumption of stores and spares	2,28,90,531	3,24,87,455
Job Work Charges	11,27,750	-
Power and fuel Expenses	14,09,73,686	12,25,58,151
Freight Inward	1,70,42,436	2,10,02,577
Conveyance Expenses	79,04,740	67,80,131
Repairs and Maintenance (Machinery)	1,38,90,292	1,33,98,612
Repairs and Maintenance (Buildings)	31,66,144	16,54,144
Repairs and Maintenance (Others)	81,75,758	64,89,242
Pollution Control Expenses	70,45,958	69,01,828
Entry Tax /Toll Tax	61,94,491	61,53,757
Laboratory Expenses	45,40,547	44,34,259
	23,29,52,333	**22,18,60,156**
Selling & Distribution Expenses :		
Discounts & Rebates Allowed	71,90,10,213	63,24,30,868
Freight Outward	23,44,24,114	22,01,84,254
Business Promotion Expenses	17,18,83,646	16,01,63,538
Performance Incentive	2,00,98,563	2,18,27,465
Lekage/Demonstration/Testing / Tender Fees	26,86,987	27,32,922
Advertisement & Publicity Expenses	3,09,46,407	1,50,72,669
Royalty	2,22,18,282	2,17,51,911
Commission	6,65,91,711	6,24,76,557
Travelling and conveyance	7,58,10,711	6,29,34,291
	1,34,36,70,634	**1,19,95,74,475**
Administrative & General Expenses :		
Rent (Including Lease Rental)	1,57,62,259	1,33,36,691
Insurance	85,07,779	81,39,810
Telephone Expenses	32,45,372	34,29,200
Printing and Stationery	27,72,629	25,52,166
Legal and Professional Fees	1,43,30,285	1,55,47,701
Director Sitting Fees	9,71,914	6,91,014
Payment to Auditors (Refer Note No. 34)	24,71,920	20,22,480
Professional Tax	15,000	12,500
Electricity & Water Charges	90,43,785	48,15,786
Rates and taxes	10,65,448	11,67,678
Repairs and Maintenance (Others)	8,37,652	3,33,511
Conveyance Expenses	4,22,157	2,54,030
Postage & Telgramme Expenses	11,03,719	9,50,322
Filing Fees	12,51,325	32,095
Licence Fees	74,276	55,021
Office & Factory Maintenance Expenses	23,20,171	25,46,510
Membership & Subscription	4,53,412	6,75,034
Vehicle Running & Maintenance Expenses	33,86,585	31,42,742
Security Charges	73,80,180	60,18,658
Donation	24,83,716	24,47,603
TDS (Interest Paid)	61,987	6,706
Scooter Running & Maintenance Expenses	2,49,846	2,56,376
Fine & Penalties	11,11,272	3,20,893
Computer Running & Maintenance Expenses	67,86,034	53,46,615
Generator Repair & Maintenance Expenses	3,18,286	2,24,685
Books & Periodicals	83,929	36,848
Additional Sales Tax	8,36,116	4,38,844
ISO Expenses	1,99,500	1,58,698
Research & Development Expenses	3,08,64,986	1,01,17,365
Preliminary Expenses Written off	-	1,97,346
Petty balance Written off	(9,713)	1,35,662
Loss on Sale of Fixed Assets (net)	22,90,157	15,73,636
Miscellaneous Expenses	58,36,823	57,70,249
Prior Period Items (net)	8,58,594	8,33,814
	12,73,87,401	**9,35,88,289**
Total	**1,70,40,10,368**	**1,51,50,22,920**

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Payment to Auditors	**For the year ended On 31.03.15 (Rs.)**	**For the year ended On 31.03.14 (Rs.)**
Audit Fees	13,48,320	13,48,320
Tax Audit Fees	4,49,440	3,37,080
In Other Capacity (Taxation & Other Matters)	6,74,160	3,37,080
Total	**24,71,920**	**20,22,480**

30. EARNING PER SHARE (EPS)

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

Particular	**2014-15**	2013-14
Profit after Taxation	**'548438565**	₹ 399426631
Weighted Average Number of Equity Shares	**12682966**	12682966
Earning Per Share (Basic & Diluted)	**'43.24**	₹ 31.49
Face Value Per Share	**₹ 10**	₹ 10

31. EMPLOYEE BENEFITS

A. RETIREMENT BENEFITS

(a) Retirement benefits in the form of Provident Fund / Family Pension Fund, which are defined contribution plans, are accounted for on accrual basis and charged to the Statement of Profit & Loss of the year.

(b) Retirement benefits in the form of Leave Encashment, which is defined benefit plan, is accounted for on the basis of an actuarial valuation done by applying the Projected Unit Credit Method.

(c) Retirement benefits in the form of Gratuity, which is define benefit plan, is determined and accounted for on the basis of an actuarial valuation done by applying the Projected Unit Credit Method.

(d) The actuarial Gains / Losses arising during the year are recognized in the Statement of Profit & Loss of the year.

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

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GRATUITY LIABILITY

Particulars	For The Year Ended on March31,2015 (₹)	For The Year Ended on March31,2014 (₹)
I. Assumptions:		
Discount Rate	**8.03%**	**8.25%**
Rate of Return on Plan Assets	**8.03%**	**8.70%**
Salary Escalation	**5.00%**	**5.00%**
Attrition Rate	**2.00% Age Related**	**2.00% Age Related**
II. Change in the Present Value of Defined Benefit Obligation :		
Liability at the beginning of the year	**21536240**	**17063970**
Interest Cost	**2005024**	**1407778**
Current Service Cost	**2953761**	**2717533**
Benefit Paid	**(39268)**	**(1146856)**
Actuarial (gain)/loss on obligations	**5509332**	**1493815**
Liability at the end of the year	**31965089**	**21536240**
III. Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	**26751510**	**21157529**
Expected Return on Plan Assets	**2327381**	**1840705**
Contributions by Employer	**957302**	**4883118**
Benefit Paid	**(39268)**	**(1146856)**
Actuarial gain/(loss) on Plan Assets	**(174306)**	**17014**
Fair Value of Plan Assets at the end of the year	**29822619**	**26751510**
Total Actuarial Gain/(Loss) To be Recognized	**5683638**	**(1476801)**
IV. Actual Return on Plan Assets		
Expected Return on Plan Assets	**2327381**	**1840705**
Actuarial gain/(loss) on Plan Assets	**(174306)**	**17014**
Actual Return on Plan Assets	**2153075**	**1857719**
V. Amount Recognized in the Balance Sheet		
Liability at the end of the year	**(31965089)**	**26751510**
Fair Value of Plan Assets at the end of the year	**29822619**	**21536240**
Difference	**(2142470)**	**5215270**
Unrecognized Past Service Cost	**-**	**-**
Amount Recognized in the Balance Sheet	**(2142470)**	**5215270**
VI. Expenses Recognized in the Statement of Profit & Loss		
Current Service Cost	**2953761**	**2717533**
Interest Cost	**(322537)**	**1407778**
Expected Return on Plan Asset		**(1840705)**
Actuarial (Gain) or Loss	**(5683638)**	**1476801**
Expenses Recognized in the Statement of Profit & Loss	**8315042**	**3761407**
VII. Balance Sheet Reconciliation		
Opening Net (Liability)/Asset	**5215270**	**4093559**
Expense Recognized in the statement of Profit & Loss	**(8315042)**	**(3761407)**
Employers Contribution	**957302**	**4883118**
Net (Liability)/Asset Recognized in Balance Sheet	**(2142470)**	**5215270**
VIII. Category of Assets		
Insurer Managed Funds		**26751510**
Total		**26751510**

Investment Details of Plan Assets: 100% with Life Insurance Corporation of India

B. Short Term Employees Benefits are recognized as an expense in the Statement Profit & Loss of year in which the related service is rendered.

32. SEGMENT REPORTING

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

A. PRIMARY SEGMENT

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

i) The nature of the products.

ii) The related risks and returns.

iii) The internal financial reporting system.

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

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

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

INSECTICIDES (INDIA) LIMITED
Notes on Financial Statements for the Year Ended March 31, 2015

Primary Segment Information: **(₹ In Lacs)**

Description	Formulations		Technical's		Un- Allocated		Eliminations		Total	
	14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14
Segment Revenue (Sales/Income) :										
a) External Sales	**80401**	77172	**16018**	9236	**-**	-	**-**	-	**96419**	86408
b) Inter Segmental Sales	**-**		**17181**	12109	**-**	-	**17181**	12109	**-**	-
Sales	**80401**	77172	**33199**	21345	**-**	-	**17181**	12109	**96419**	86408
Segment Result :										
Operating Profit before Interest and Taxes	**-**	-	**-**	-	**8778.01**	6430.48	-	-	**8778.01**	6430.48
Less : Interest Expenses	**-**	-	**-**	-	**2402.06**	1586.80	-	-	**2402.06**	1586.80
Add : Profit on Sale of Investment	**-**	-	**-**	-	**-**	**-**	**-**	-	**-**	**-**
Add : Dividend Income	**-**	-	**-**	-	**5.19**	**-**	**-**	-	**5.19**	**-**
Add : Interest income	**-**	-	**-**	-	**35.71**	21.47	**-**	-	**35.71**	21.47
Profit Before Tax	**-**	-	**-**	-	**6416.85**	4865.15	**-**	-	**6416.85**	4865.15
Current Tax(Net Of MAT Credit)	**-**	-	**-**	-	**700.00**	550.00	**-**	-	**700.00**	550.00
Deferred Tax	**-**	-	**-**	-	**230.26**	308.55	**-**	-	**230.26**	308.55
Wealth Tax	**-**	-	**-**	-	**2.43**	2.33	**-**	-	**2.43**	2.33
Provision for Taxes of Earlier year	**-**	-	**-**	-	**(0.22)**	10.00	**-**	-	**(0.22)**	10.00
Profit After Tax	**-**	-	**-**	-	**5484.39**	3994.27	**-**	-	**5484.39**	3994.27
Other Information :										
Segment Assets	**-**	-	**-**	-	**92076.39**	79137.35	**-**	-	**92076.39**	79137.35
Segment Liabilities	**-**	-	**-**	-	**55443.79**	49672.83	**-**	-	**55443.79**	49672.83
Capital Expenditure	**1127.93**	2668.81	**1998.15**	1813.29	**221.49**	136.83	**-**	-	**3347.57**	4618.93
Depreciation	**490.48**	162.70	**773.62**	381.57	**152.72**	121.28	**-**	-	**1416.82**	665.55
Non-Cash Expenditure	**-**	1.59	**-**	0.38	**-**	-	**-**	-	**-**	1.97

B. SECONDARY SEGMENT

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

33. RELATED PARTY DISCLOSURES

In compliance to AS 18 issued by The Institute of Chartered Accountants of India, the Disclosure of transactions with Related Parties as defined in Accounting Standard are given herein below:

i) RELATED PARTIES

A. Key Management Personnel & their Relatives :

1. Sh. Hari Chand Aggarwal
2. Sh. Rajesh Aggarwal
3. Ms. Nikunj Aggarwal
4. Sh. Navneet Goel
5. Sh. Sandeep Aggarwal
6. Sh. Pankaj Gupta
7. Sh. Sanjeev Aggarwal
8. Sh. Vrijesh Kumar Gupta
9. Sh. Gopal Chandra Agarwal
10. Sh. Navin Shah
11. Sh. Anil Kumar Singh
12. Ms. Sonia Aggarwal
13. Ms. Anju Aggarwal

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

1.	Paras Agro Industries	Associate Firm
2.	ISEC Organics Ltd.	Associate Company
3.	Evergreen Mineral Industries	Associate Firm
4.	Valve Phneumaticals	Associate Firm
5.	Vinod Metal Industries	Associate Firm
6.	Oats & IIL India Laboratories Private Limited	Joint Venture

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

ii) Transactions during the year with related parties:-

Sl No.	Name of Related Parties	Relationship	Nature of Payment	2014-15 (Rs.)	2013-14 (Rs.)
1	Sh. Hari Chand Aggarwal	Chairman	Director's Renumeration & Perquisites	75,99,600.00	75,99,600.00
			Loan Taken	3,50,00,000	-
			Interest Paid	18,66,665	-
			Loan Repaid	3,50,00,000	-
2	Sh. Rajesh Aggarwal	Managing Director	Director's Renumeration & Perquisites	63,39,600.00	63,32,400.00
			Loan Taken	5,98,00,000	-
			Interest Paid	30,80,827	-
			Loan Repaid	5,98,00,000	-
3	Sh. Sanjeev Bansal	Whole-time Director	Director's Renumeration & Perquisites	-	2,23,077.00
4	Smt. Nikunj Aggarwal	Whole-time Director	Director's Renumeration & Perquisites	12,81,600.00	11,81,313.00
5	Sh. Vrijesh Kumar Gupta	Director	Sitting Fees	1,80,000.00	1,50,000.00
6	Sh. Navneet Goel	Director	Sitting Fees	1,65,000.00	1,35,000.00
7	Mr. Gopal Chandra Agarwal	Director	Sitting Fees	1,95,000.00	1,50,000.00
8	Mr. Navin Shah	Director	Sitting Fees	1,30,000.00	30,000.00

9	Mr. Anil Kumar Singh	Director	Sitting Fees	1,95,000.00	1,50,000.00
10	ISEC Organics Ltd	Associate Company	Rent	35,76,420.00	33,70,800.00
11	Paras Agro Industries	Associate Firm	Purchases	31,79,812.00	138,00,524.00
12	Evergreen Mineral Industries	Associate Firm	Purchases	82,65,688.00	261,53,779.84
13	Vinod Metal Industries	Associate Firm	Purchases	80,13,369.00	-
14	Valves & Pneumatics	Associate Firm	Purchases	4,21,035.00	-
15	OAT & IIL India Laboratories	Joint Venture	R & D Expense	1,27,47,984.00	NIL
16	Sonia Aggarwal	Relative of KMP	Consultancy	6,75,350.00	N.A.
17	Sanjeev Aggarwal	Relative of KMP	Salary & other benefits	14,37,239.00	N.A.
18	Anju Aggarwal	Relative of KMP	Salary & other benefits	7,20,065.00	N.A.
19	Sandeep Aggarwal	KMP(CFO)	Salary & other benefits	22,27,242.00	N.A.
20	Pankaj Gupta	KMP(Company Secretary)	Salary & other benefits	9,57,600.00	N.A.

iii) Balance outstanding with related parties:-

Sr. No.	Name of Related Parties	Relationship	Nature of O/S	As At 31-03-2015 (₹)	As At 31-03-2014 (₹)
1	Sh. Hari Chand Aggarwal	Chairman	Remuneration Payable	**424622**	387238
2	Sh. Rajesh Aggarwal	Managing Director	Remuneration Payable	**355242**	348345
3	Smt. Nikunj Aggarwal	Whole-time Director	Remuneration Payable	**83907**	83197
4	Paras Agro Industries	Associate Firm	Trade Payable	**79769**	NIL
5	Evergreen Mineral Industries	Associate Firm	Trade Payable	**133512**	NIL
6	ISEC Organics Ltd.	Associate Company	Rent Payable	**681207**	323600
7	Vinod Metal Industries	Associate Firm	Trade Payable	**553440**	1128294
8	Valves Pneumatics	Associate Firm	Trade Payable	**94465**	24740
9	Oats & IIL India Laborartories Private Limited	Joint venture		-	N.A.*
10	Sh. Sandeep Aggarwal	CFO	Remuneration Payable	**147408**	N.A.*
11	Sh. Pankaj Gupta	Company Secretary	Remuneration Payable	**77861.67**	N.A.*
12	Sh. Sanjeev Aggarwal	Relative Of KMP	Remuneration Payable	**104709**	N.A.*
13	Ms Sonia Aggarwal	Relative Of KMP	Consultancy Fees	**51750**	N.A.*
14	Ms Anju Aggarwal	Relative Of KMP	Remuneration Payable	**70348**	N.A.*

* Figures of KMP was not applicable in 2013-14 as per Company Act, 2013

34. DEFERRED TAX LIABILITIES

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

Particular	**As At 31.03.2015 (₹)**	As At 31.03.2014 (₹)
Deferred Tax Assets	**NIL**	NIL
Deferred Tax Liabilities (Related to Depreciation)	**155691726**	**132665712**
Deferred Tax Liabilities		
At The End of The Year	**155691726**	**132665712**
For The Year	**23026014**	**30854936**

35. PAYMENT TO AUDITORS : (Net Of Service Tax)

Particular	**2014-15 (₹)**	2013-14 (₹)
(a) Auditors		
Statutory Audit Fees	**1200000**	1200000
Tax Audit Fees	**400000**	300000
In Other Capacity		
Taxation & Other Matters	**600000**	300000
(b) Cost Audit Fee	**230000**	230000
TOTAL	**2430000**	2030000

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

37. COST OF IMPORTED MATERIALS CONSUMED

A. RAW MATERIAL CONSUMED

PARTICULARS	**2014-15**		2013-14	
	Amount(₹)	**Percentage**	Amount(₹)	Percentage
Imported	**2159243648**	**35.11**	1470428373	30.27
Indigenous	**3990767678**	**64.89**	3387881722	69.73
TOTAL	**6150011326**	**100.00**	4858310095	100.00

B. PACKING MATERIALS & COSUMABLE STORES CONSUMED

PARTICULARS	2014-15		2013-14	
	Amount(₹)	**Percentage**	Amount(₹)	Percentage
Imported	**-**	**-**	**-**	**-**
Indigenous	**669247670**	**100.00**	677064347	100.00
TOTAL	**669247670**	**100.00**	677064347	100.00

C. RAW MATERIAL,PACKING MATERIALS & COSUMABLE STORES CONSUMED

PARTICULARS	2014-15		2013-14	
	Amount(₹)	**Percentage**	Amount(₹)	Percentage
Imported	**2159243648**	**31.66**	1470428373	26.56
Indigenous	**4660015348**	**68.34**	4064946069	73.44
TOTAL	**6819258996**	**100.00**	5535374442	100.00

38. VALUE OF IMPORTS (ON CIF BASIS)

PARTICULARS	2014-15 (₹)	2013-14 (₹)
Raw Materials	**1997852122**	1581848088
Machinery	**17700676**	1746100

39. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The company's policy covers current as well as propsed CSR activities to be undertaken by the company and examining their alignment with Schedule VII of the Act.

The company proposes to implement its CSR activities in various sectors which includes promoting Education, green initiatives, facilities for senior citizens, vocational & entrepreneurship skills, medical aid & healthcare, old age homes & women hostels, art and culture, destitute care and rehabilitation, rural development projects and others.

40. EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	2014-15 (₹)	2013-14 (₹)
Tour & Travelling Expenses	**1663801**	643502
Royalty	**21676374**	21751911
Sales Promotion	**0**	193104
Professional Charges	**0**	286912
Interest	**32886189**	42978177

41. INCOME IN FOREIGN CURRENCY (FOB)

PARTICULARS	2014-15 (₹)	2013-14 (₹)
Export Sales	**8612302**	**23182203**
Dividend Income	**519280**	**0**

42. CONTINGENT LIABILITIES

S. No.	PARTICULARS	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
(a)	Letter of Credits (FLC & ILC)	**882598737**	1332662820
(b)	Bank Guarantee	**32693204**	42456864
(c)	Import Bills Accepted with Banks	**NIL**	56354760
(d)	Excise Matter with Appellate Authority, New Delhi (Period Covered – March, 2002 to October,2002)	**NIL**	7566743
(e)	Excise Matter with Appellate Authority, New Delhi (Period Covered – Sept.,2004 to August,2007)	**18610207**	18610607
(f)	Sales Tax Matters	**47354819**	46403962

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

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

43. Estimated amount of Contract remaining to be executed on capital accounts (net of advances) & not provided for **NIL** (Previous year ₹ 950 Lacs).

44. 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.

45. 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.

46. The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India.

47. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2015 is ₹ **1176.35 Lacs** (Previous Year- ₹ 1312.75 Lacs).

48. 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.

49. The Previous Year Figures have been reworked , regrouped , rearranged, reclassified and / or re-casted wherever deemed necessary to make them comparable with those of the current year's figures.

50. All the common expenses incurred during the year in respect of Formulation (Products) units at Chopanki, Samba, Udhampur and Dahej have been allocated at the year end in the proportion to sales (net) effected during the year. The Technical (Products) Units at Chopanki & Dahej are separate as well as independent units having no common activities if compared with above mentioned Formulation Units and as such, the expenses incurred by branches/ other units have not been allocated to the Technical unit except common expenses incurred by the Head office which are allocated in proportion to Sales (net) effected by all the units.

51. DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE

a) The nominal amount of derivative contracts entered into by the company and outstanding as on March 31, 2015 amounts to ₹ 2607.90 Lacs (Previous Year – ₹ 3074.96 Lacs). The Category wise break-up is given below:-

(₹ In Lacs)

S. No.	**PARTICULARS**	**As At 31.03.2015**	As At 31.03.2014
1	Interest Rate Swaps	**10.94**	**11.55**
2	Currency Swaps	**2104.77**	**2321.90**
3	Options	**492.19**	**741.51**

b) Foreign currency exposure that are not hedged by derivatives instruments as on March 31, 2015 amounts to ₹ **6722.36 Lacs** (Previous Year ₹ **15060.70** Lacs)

c) Mark to Market Losses provided by the company in earlier year, reversed during the year amounts to ₹ **17.96 Lacs** i.e. M to M as on March 31, 2015 stands at ₹ 14.68 Lacs (Previous Year- ₹ 32.64 Lacs)

INSECTICIDES (INDIA) LIMITED

Notes on Financial Statements for the Year Ended March 31, 2015

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

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

HARI CHAND AGGARWAL
CHAIRMAN
(DIN-00577015)

RAJESH AGGARWAL
MANAGING DIRECTOR
(DIN-00576872)

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

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
(DIN-06569091)

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

PANKAJ GUPTA
COMPANY SECRETARY

Place: Delhi
Dated: May 27, 2015

INDEPENDENT AUDITOR'S REPORT

To,

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

Report on the Financial Statements

We have audited the accompanying Financial Statements of **INSECTICIDES (INDIA) LIMITED ('the Company')**. Which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of Significant Accounting Policies and other Explanatory Information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of Internal Control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the **Balance Sheet**, of the State of Affairs of the Company as at March 31, 2014;

b) in the case of the Statement of **Profit and Loss**, of the Profit for the year ended on that date; and

c) in the case of the **Cash Flow Statement**, of the Cash Flows for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

   e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

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

Place : Delhi
Dated : May 28, 2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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

1. In respect of its Fixed Assets
   a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
   b. As explained to us, the Fixed Assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories
   a. As explained to us, the Inventories have been physically verified by the management at regular intervals during the year and in our opinion the frequency of verification is reasonable.
   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c. The Company has maintained proper records of Inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of the Loans, Secured or Unsecured, granted or taken by the Company to /from Companies, Firm(s) or other parties covered in the register maintained Under Section 301 of the Companies Act, 1956:
   a) The Company has not obtained Unsecured Loans from the Companies, Firm(s), or other parties covered in the register maintained Under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) (the order) are not applicable to the company and hence not commented upon.
   b) The Company has not granted any Loans Secured or Unsecured to the Companies, Firm (s) or other parties covered in the register maintained Under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) (the order) are not applicable to the company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are Adequate Internal Control Procedures commensurate with the size of the Company and the nature of its business for the purchase of Inventory, Fixed Assets and also for the sale of Goods and Services. During the course of our audit, we have not noticed any continuing failure to correct major weakness in such Internal Control System of the Company.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956
   a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained Under Section 301 of the Companies Act, 1956 have been so entered.
   b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 Lacs in respect of any party during the year have been made at prices which appear reasonable as per the information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit within the meaning of Section 58A and Section 58AA of the Companies Act, 1956. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. On the basis of Internal Audit Reports broadly reviewed by us, we are of the opinion that, coverage of Internal Audit Function carried out by a firm of chartered accountants appointed by the management as well as Company's Internal Audit Department is commensurate with the size of the company and nature of its business. .
8. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of Statutory Dues
   a. According to the records of the Company apart from certain instances of delay in depositing the undisputed statutory dues,

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

b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.

c. According to the records of the Company, the disputed statutory dues aggregating to ₹ 695.72 Lacs that have not been deposited on account of disputed matter pending before Appropriate Authorities are as under:

S. No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where Dispute is Pending	Amount (₹ In Lacs)
1.	Central Excise Act,1944	Excise Duty	Mar'02 to Oct'02	Appellate Tribunal-New Delhi	75.67
2.	Central Excise Act,1944	Excise Duty	Sep'04 to Aug'07	Appellate Tribunal-New Delhi	161.72
3.	Sales Tax Act	Central Sales Tax	2009-10	Sales Tax Tribunal, Jammu	14.42
4.	Sales Tax Act	Central Sales Tax	2008-09	Appellate Authority, Sales Tax, Nagpur	15.93
5.	Sales Tax Act	Central Sales Tax	2010-11	Dy. Commissioner of Sales Tax (Appeals) – Jammu	415.77
6.	West Bengal VAT Act	VAT	2010-11	Appellate Authority, Sales Tax,	12.22

10. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash loss during the financial year covered by our audit or in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institutions and Banks.

12. In our opinion and according to the explanations given to us and based on the information available, the Company has not granted loans and advances on the basis of security by way of pledge of Shares, Debentures and Other Securities.

13. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

14. In our opinion, the Company is not dealing or trading in Shares, Securities, Debentures and Other Investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions.

16. To the best of our knowledge and belief and according to the information and explanations given to us, the Term Loans availed by the Company were prima facie applied for the purposes for which they were raised.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for Long Term Investment.

18. During the year, the Company has not made any Preferential Allotment of Shares to Parties, Firm(s) and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any Debenture during the year.

20. The Company has not raised money by way of Public Issue during the year.

21. During the course of our examination of the books & records of Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year nor we have been informed of any such case by the Management.

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

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

Place : Delhi
Dated : May 28, 2014

BALANCE SHEET
AS AT MARCH 31, 2014

(₹ In Lacs)

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

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

FOR AND ON BEHALF OF THE BOARD

Auditor's Report

As per our separate report of even date annexed herewith
For **MOHIT PAREKH & CO.**
CHARTERED ACCOUNTANTS

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

Place : Delhi
Date : May 28, 2014

HARI CHAND AGGARWAL
CHAIRMAN
(DIN-00577015)

RAJESH AGGARWAL
MANAGING DIRECTOR
(DIN-00576872)

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
(DIN-06569091)

PANKAJ GUPTA
COMPANY SECRETARY

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED ON MARCH 31, 2014

(₹ In Lacs)

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

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

FOR AND ON BEHALF OF THE BOARD

Auditor's Report

As per our separate report of even date annexed herewith
For **MOHIT PAREKH & CO.**
CHARTERED ACCOUNTANTS

(MOHIT A PAREKH)
Proprietor
M.No.- 081069
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Date : May 28, 2014

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PANKAJ GUPTA
COMPANY SECRETARY

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2014

(₹ In Lacs)

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

NOTES:-

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

Auditor's Report

As per our separate report of even date annexed herewith
For **MOHIT PAREKH & CO.**
CHARTERED ACCOUNTANTS

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

Place : Delhi
Date : May 28, 2014

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN
(DIN-00577015)

RAJESH AGGARWAL
MANAGING DIRECTOR
(DIN-00576872)

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WHOLE TIME DIRECTOR
(DIN-06569091)

PANKAJ GUPTA
COMPANY SECRETARY

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED MARCH 31, 2014

1. CORPORATE INFORMATION

Insecticides (India) Limited (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges (i.e. Bombay Stock Exchange Limited and National Stock Exchange Limited) in India. The Company is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Company caters to both Domestic and International Markets.

2. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

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

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

B. USE OF ESTIMATES

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

C. TANGIBLE FIXED ASSETS (OWNED)

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

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

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

D. INTANGIBLE ASSETS

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

E. LEASED ASSETS

The Company do not have any Leased Assets.

F. DEPRECIATION, AMORTISATION & DEPLETION

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

G. INVESTMENTS

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

H. PURCHASES

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

I. REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sales of Goods: Sale are recognized when substantial risks and rewards of ownership in the goods transferred to the buyer, usually on delivery of the goods. Turnover includes Sales of Goods & Excise Duty (Net of Sales Returns, Sales Tax/ Value Added Tax)

Other Income: Interest income is recognized on time proportion basis taking in to account the amount outstanding and the rate applicable.

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

J. FOREIGN CURRENCY TRANSACTIONS

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

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

c. Non monetary foreign currency items are carried at cost.

d. Any Gain or Loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

K. RETIREMENT BENEFITS

a) Contribution to Provident Fund and Family Pension Fund are accounted for on accrual basis.

b) Leave Encashment Benefits are accounted for on cash basis.

c) The Company has Gratuity Fund covered by the scheme with LIC of India. The expenses towards gratuity are recognized in the Statement of Profit & Loss on the basis of an actuarial valuation based on projected unit credit method carried out at the year-end.

L. IMPAIRMENT OF ASSETS

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

M. EXCISE DUTY

Excise Duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in Branches/Factories.

N. INVENTORIES

The items of Inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of Inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

O. BORROWING COSTS

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

All other Borrowing Costs are recognized as expense in the period in which they are incurred.

P. PROPOSED DIVIDEND

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

Q. RESEARCH & DEVELOPMENT

The expenditure on Research & Development is recognized as an expense in the Statement of Profit & Loss on an accrual basis. The Fixed Assets acquired for carrying out the Research & Development Activities are capitalized and depreciation thereon is recognized as an expense in the Statement of Profit & Loss.

R. PROVISION FOR CURRENT & DEFERRED TAX

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

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

S. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

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

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

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

V. The Bonus is accounted for on accrual basis.

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

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

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

X. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS

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

Y. MAT CREDIT ENTILEMENTS

The Company is liable to pay income tax Under Section 115JA & 115JB of the Income Tax Act during the year. In terms of the Guidance Note issued by the Council of the Institute of Chartered Accountants of India "on accounting for credit available in respect to MAT under the Income Tax Act", the MAT Credit available is treated as an "Asset" if the MAT Credit has expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability if the same arises during the specified period and accordingly the necessary provisions has been made by the Company during the year.

3. SHARE CAPITAL

(₹ In Lacs)

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

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

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

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

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

During the financial year ended on March 31, 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.00 (Previous Year ₹ 3.00)

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

Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	3528600	27.82	3528600	27.82
Pushpa Aggarwal	1434600	11.31	1434600	11.31
Rajesh Aggarwal (HUF)	1302000	10.27	1302000	10.27
Hari Chand Aggarwal (HUF)	996000	7.85	996000	7.85
Nikunj Aggarwal	750000	5.91	750000	5.91
Ruanne, Cunniff & Goldfarb Inc A/c	-	-	697844	5.50
Life Insurance Corporation of India	675000	5.32	675000	5.32

4. RESERVES AND SURPLUS

(₹ In Lacs)

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

5. LONG TERM BORROWINGS

(₹ In Lacs)

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

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

(i) Term Loans from banks for vehicles have been secured by hypothecation of vehicles.Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 10.50% to 12% per annum.

(ii) The Foreign Currency outstanding loan amounting to ₹ 1128.37 Lacs (Previous Year - ₹1401.31 Lacs) has been secured by the first charge over Plant and Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujarat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 14 quarterly instalments. The interest is to paid on quarterly basis at Libor plus 2.5%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

(iii) The Foreign Currency outstanding loan amounting to ₹ 2059.75 Lacs (Previous Year - ₹ 2545.85 Lacs) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujarat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 15 quarterly instalments . The interest is to paid on quarterly basis at Libor plus 3.5%. Further, the company has entered into the derivative contract for hedging of interest rate swaps.

(iv) The Foreign Currency outstanding loan amounting to ₹ 1205.08 Lacs (Previous Year -NIL) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujarat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 16 quarterly instalments .The interest is to paid on quarterly basis at Libor plus 3.00%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

6. OTHER LONG TERM LIABILITIES

(₹ In Lacs)

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

7. LONG TERM PROVISIONS

(₹ In Lacs)

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

8. SHORT TERM BORROWINGS

(₹ In Lacs)

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

Working Capital Loans (Demand Loan,Cash Credit & Buyers Credits) from banks are secured by first pari passu charge over present and future stock & book debts and moveable fixed assets of the company . These loans are additionally secured by equitable mortgage on pari passu basis over Lands & Buildings of the company and residential property of the director at Pitampura Delhi and negative lien on company's Samba Unit (J&K) Udhampur Unit (J&K) and office at Azadpur (Delhi). Further, these loans have been guaranteed by the personal guarantee of the directors -Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. Further, the company has entered into the derivative contract for hedging of buyer's credit amounting to ₹621.94 Lacs during the year (P.Y. - ₹966.88 Lacs).

9. TRADE PAYBLE

(₹ In Lacs)

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

10. OTHER CURRENT LIABILITIES

(₹ In Lacs)

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

11. SHORT TERM PROVISIONS

(₹ In Lacs)

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

12. FIXED ASSETS

(₹ In Lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK	
	Opening Balance as on 01.04.2013	Addition	Sale/ Adjustment	Total as on March 31, 2014	Opening Balance as on April 01, 2013	For the Period	Written Back	Total as on March 31, 2014	As on March 31, 2014	As on March 31, 2013
(i) Tangible Assets										
Freehold Land	699.35	-	-	699.35	-	-	-	-	699.35	699.35
Lease Holds	1365.61	2.24	-	1367.85	-	-	-	-	1367.85	1365.61
Office/Godown Building	73.07	-	-	73.07	7.27	1.19	-	8.46	64.61	65.80
Factory Building	3449.59	2407.70	-	5857.29	259.08	115.61	-	374.69	5482.60	3190.51
Plant & Machinery	7288.79	1027.37	0.14	8316.02	560.03	352.66	0.08	912.61	7403.41	6728.76
Electrical Installation	311.21	-	-	311.21	38.76	14.78	-	53.54	257.67	272.45
Factory Equipments	27.63	18.54	-	46.17	1.46	1.83	-	3.29	42.88	26.17
Laboratory Equipments	256.97	27.02	-	283.99	30.38	12.90	-	43.28	240.71	226.59
Pollution Control Equipments	60.53	22.98	-	83.51	17.14	2.89	-	20.03	63.48	43.39
Generator	15.21	-	-	15.21	5.32	0.72	-	6.04	9.17	9.89
Telephone & Mobiles	9.08	2.51	0.10	11.49	1.35	0.51	0.00	1.86	9.63	7.73
Furniture & Fixtures	73.57	28.31	0.50	101.38	19.71	5.20	0.02	24.89	76.49	53.86
Electrical Fittings	364.23	1.08	-	365.31	16.15	17.33	-	33.48	331.83	348.08
Office Equipments	74.37	5.77	0.13	80.01	18.06	3.74	0.01	21.79	58.22	56.31
Computers & Accessories	132.12	13.62	2.39	143.35	89.71	38.14	0.71	127.14	16.21	42.41
Vehicles	636.92	127.67	69.73	694.86	134.39	63.21	24.58	173.02	521.84	502.53
Commercial Vehicle	11.81	6.07	-	17.88	0.17	0.50	-	0.67	17.21	11.64
Sub Total (A)	**14850.06**	**3690.88**	**72.99**	**18467.95**	**1198.98**	**631.21**	**25.40**	**1804.79**	**16663.16**	**13651.08**
(ii) Intangible Assets										
Capitalized Software	260.26	23.73		283.99	40.73	25.27		66.00	217.99	219.53
Website	0.77	-		0.77	0.26	0.04		0.30	0.47	0.51
Patent, TM & Designs	190.05	19.30		209.35	26.39	9.03		35.42	173.93	163.66
Sub Total (B)	**451.08**	**43.03**	**-**	**494.11**	**67.38**	**34.34**	**-**	**101.72**	**392.39**	**383.70**
Total (A+B)	**15301.14**	**3733.91**	**72.99**	**18962.06**	**1266.36**	**665.55**	**25.40**	**1906.51**	**17055.55**	**14034.78**
Previous Year Figure	**5839.43**	**9683.88**	**222.17**	**15301.13**	**713.69**	**576.46**	**23.79**	**1266.36**	**14034.77**	**5125.74**
Capital Work In Progress									**5371.90**	**4486.88**

Capitalized Borrowing Costs

The Borrowing Cost has duly been capitalised during the year. A sum of ₹966.39 Lacs {Previous Year (₹624.22 Lacs)} has been capitalized on account of borrowing cost during the year . The detail thereof is as under :

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Amount of interest trsd. From CWIP and Capitalised in respective Assets	347.14	426.69
Amount of interest Capitalised under the Captioned Head - CWIP	966.39	624.22
Balance Amount included under the Captioned head CWIP at the year end	1434.91	815.67

13. NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)

(₹ In Lacs)

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

14. LOANS AND ADVANCES (NON CURRENT)

(₹ In Lacs)

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

15. OTHER NON CURRENT ASSETS

(₹ In Lacs)

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

16. INVENTORIES

(₹ In Lacs)

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

17. TRADE RECEIVABLES

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, Considered Good unless stated otherwise		
Trade Receivables Outstanding for a Period Exceeding Six Months from the date they were due for payment		
Secured, Considered Good		-
Unsecured, Considered Good	556.21	741.54
Doubtful	27.05	5.66
	583.26	**747.20**
Other Trade Receivables		
Secured, Considered Good		-
Unsecured, Considered Good	12204.17	10903.39
Doubtful		-
	12204.17	**10903.39**
Total Amount	**12787.43**	**11650.59**

18. CASH AND CASH EQUIVALENTS

(₹ In Lacs)

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

19. LOANS AND ADVANCES (CURRENT)

(₹ In Lacs)

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

20. OTHER CURRENT ASSETS

(₹ In Lacs)

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

21. REVENUE FROM OPERATIONS

(₹ In Lacs)

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

DETAILS OF PRODUCTS SOLD

(₹ In Lacs)

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

22. OTHER INCOME

(₹ In Lacs)

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

23. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ In Lacs)

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

24. DETAILS OF PURCHASE OF TRADED GOODS

(₹ In Lacs)

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

25. (INCREASE)/DECREASE IN INVENTORIES

(₹ In Lacs)

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

DETAILS OF INVENTORY

(₹ In Lacs)

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

26. EMPLOYEE BENEFIT EXPENSE

(₹ In Lacs)

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

27. DEPRECIATION AND AMORTIZATION EXPENSE

(₹ In Lacs)

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

28. FINANCE COSTS

(₹ In Lacs)

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

29. OTHER EXPENSES

(₹ In Lacs)

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

PAYMENT TO AUDITORS

(₹ In Lacs)

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

30. EARNING PER SHARE (EPS)

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

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

31. EMPLOYEE BENEFITS

A. RETIREMENT BENEFITS

(a) Retirement Benefits in the form of Provident Fund / Family Pension Fund, which are defined contribution plans, are accounted for on accrual basis and charged to the Statement of Profit & Loss of the year.

(b) Retirement Benefits in the form of Leave Encashment, which is defined benefit plan, is accounted for on cash basis every year and charged to the Statement of Profit & Loss of the year.

(c) Retirement Benefits in the form of Gratuity, which is define benefit plan, is determined and accounted for on the basis of an Actuarial Valuation done by applying the Projected Unit Credit Method.

(d) The Actuarial Gains / Losses arising during the year are recognized in the Statement of Profit & Loss of the year.

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

GRATUITY LIABILITY

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
I. Assumptions		
Discount Rate	8.25%	8.25%
Rate of Return on Plan Assets	8.70%	8.70%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00% Age Related	2.00% Age Related
II. Change in the Present Value of Defined Benefit Obligation		
Liability at the beginning of the year	170.64	133.27
Interest Cost	14.08	11.33
Current Service Cost	27.17	22.30
Benefit Paid	(11.47)	(10.20)
Actuarial (Gain)/Loss on obligations	14.94	13.94
Liability at the end of the year	215.36	170.64

(₹ In Lacs)

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

Investment Details of Plan Assets: 100% with Life Insurance Corporation of India

B. Short Term Employees Benefits are recognized as an expense in the Statement Profit & Loss of year in which the related service is rendered.

32. SEGMENT REPORTING

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

A. PRIMARY SEGMENT

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

i) The Nature of the Products.

ii) The Related Risks and Returns.

iii) The Internal Financial Reporting System.

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

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

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

Primary Segment Information

(₹ In Lacs)

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

B. SECONDARY SEGMENT

The Company caters mainly to the need of the Indian Market. The Export Turnover during the year is less than 10% of the Total Turnover; as such there is no reportable Geographical Segment.

33. RELATED PARTY DISCLOSURES

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

(i) RELATED PARTIES

A. Key Management Personnel & Directors

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

B. Other Related Parties where common control exists and with whom the Company had transactions during the year

1. Paras Agro Industries	Associate Firm
2. ISEC Organics Ltd.	Associate Company
3. Evergreen Mineral Industries	Associate Firm

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

(ii) Transactions during the year with Related Parties

(₹ In Lacs)

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

(ii) Transactions during the year with Related Parties

(₹ In Lacs)

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

34. DEFERRED TAX LIABILITIES

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

(₹ In Lacs)

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

35. PAYMENT TO AUDITORS (Net of Service Tax)

(₹ In Lacs)

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

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

37. COST OF IMPORTED MATERIALS CONSUMED

A. RAW MATERIAL CONSUMED

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

B. PACKING MATERIALS & COSUMABLE STORES CONSUMED

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

C. RAW MATERIAL,PACKING MATERIALS & COSUMABLE STORES CONSUMED

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

38. VALUE OF IMPORTS (ON CIF BASIS)

(₹ In Lacs)

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

39. EXPENDITURE IN FOREIGN CURRENCY

(₹ In Lacs)

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

40. INCOME IN FOREIGN CURRENCY (FOB)

(₹ In Lacs)

Particulars	2013-14	2012-13
Export Sales	231.82	18.47

41. CONTINGENT LIABILITIES

(₹ In Lacs)

S. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Letter of Credits (FLC & ILC)	13326.63	5185.47
(b)	Bank Guarantee	424.57	209.75
(c)	Import Bills Accepted with Banks	563.55	294.25
(d)	Excise Matter with Appellate Authority, New Delhi (Period Covered – March, 2002 to October,2002)	75.67	75.67
(e)	Excise Matter with Appellate Authority, New Delhi (Period Covered – September 2004 to August,2007)	161.72	161.72
(f)	Sales Tax Matter with Appellate Authorities at Asansol (West Bengal)	5.70	5.70
(g)	Sales Tax Matter with Appellate Authorities at Nagpur	15.93	NIL
(h)	Sales Tax Matter with Sales Tax Tribunal, Jammu (J & K) (Period covered 2009-2010)	14.42	14.42
(i)	Sales Tax Matter with Dy. Comm. of Sales Tax, Jammu(J & K) (Period covered 2010-2011)	415.77	-
(J)	Sales Tax Matter with Appellate Authorities (West Bengal) (Period Covered 2010-11)	12.22	-

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

With respect to Contingent Liabilities reported at (d) to (j) above, the Management has taken an opinion from the Legal Advisors / Professionals engaged by them and is very much hopeful that the appeals will be decided in the favour of the Company and as such, no provision thereof has been made.

42. Estimated amount of contract remaining to be executed on capital accounts (net of advances) & not provided for ₹ 950 Lacs (Previous year ₹ NIL)

43. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have the value at least equal to the figures stated in the Balance Sheet on realization in the ordinary course of business and provision for all determinable/known liabilities have been made in the Accounts when reliable estimates can be made of the amount of obligation.

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

45. The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India.

46. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2014 is ₹ 1312.75 Lacs (Previous Year- ₹ 856.70 Lacs).

47. The Company has not received any confirmation from suppliers regarding their status of registration under the Micro, Small & Medium Enterprises Development Act, 2006 which came into effect from October 2, 2006 and hence disclosure required under the said act have not been given.

48. The Previous Year Figures have been reworked , regrouped , rearranged, reclassified and / or re-casted wherever deemed necessary to make them comparable with those of the current year's figures.

49. All the common expenses incurred during the year in respect of Formulation (Products) Units at Chopanki, Samba, Udhampur and Dahej have been allocated at the year end in the proportion to sales (net) effected during the year. The Technical (Products) Units at Chopanki & Dahej are separate as well as independent units having no common activities if compared with above mentioned Formulation Units and as such, the expenses incurred by Branches/ Other Units have not been allocated to the Technical Unit except common expenses incurred by the Head Office which are allocated in proportion to Sales (Net) effected by all the Units.

50. DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE

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

(₹ In Lacs)

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

(b) Foreign Currency Exposure that are not hedged by derivatives instruments as on March 31, 2014 amounts to ₹ 15060.70 Lacs (Previous Year ₹ 9474.54 Lacs)

(c) Mark to Market Losses provided by the Company in earlier year, reversed during the year amounts to ₹ 24.40 Lacs i.e. M to M as on March 31, 2014 stands at ₹ 32.64 Lacs (Previous Year- ₹ 57.04 Lacs)

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

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

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

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

Place : Delhi
Date : May 28, 2014

HARI CHAND AGGARWAL
CHAIRMAN
(DIN-00577015)

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
(DIN-06569091)

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

RAJESH AGGARWAL
MANAGING DIRECTOR
(DIN-00576872)

PANKAJ GUPTA
COMPANY SECRETARY

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the **Statement Profit and Loss**, of the profit for the year ended on that date; and

c) in the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date.

Report on other Legal & Regulatory Requirements

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

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

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

Place : Delhi
Dated : May 25, 2013

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

1. In respect of its Fixed Assets:
   a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
   b. As explained to us, the Fixed Assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c. In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its Inventories:
   a. As explained to us, the inventories have been physically verified by the management at regular intervals during the year and in our opinion the frequency of verification is reasonable.
   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
   c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the company to /from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956:
   (a) The Company has obtained unsecured loans from the Companies, Firm(s), or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions on which loans have been taken are prima facie not prejudicial to the interest of the company. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
   (b) The Company has not granted any loans secured or unsecured to the Companies, Firm (s) or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in internal controls system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
   a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
   b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ Five Lacs in respect of any party during the year have been made at prices which appear reasonable as per the information available with the company.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit within the meaning of Section 58A and Section 58AA of the Companies Act, 1956. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, coverage of internal audit function carried out by a firm of chartered accountants appointed by the management as well as company's internal audit department is commensurate with the size of the company and nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of Statutory Dues:
   a. According to the records of the company apart from certain instances of delay in depositing the undisputed statutory dues, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, the Investor Education & Protection Fund is not applicable to the company during the year under consideration.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.

c. According to the records of the Company, the disputed statutory dues aggregating to ₹ 254.80 Lacs that have not been deposited on account of disputed matter pending before Appropriate Authorities are as under:

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

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

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

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

Place : Delhi
Dated : May 25, 2013

BALANCE SHEET AS AT MARCH 31, 2013

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

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

FOR AND ON BEHALF OF THE BOARD

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

HARI CHAND AGGARWAL
CHAIRMAN

For MOHIT PAREKH & CO.
Chartered Accountants

RAJESH AGGARWAL
MANAGING DIRECTOR

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

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR

Place : Delhi
Date : May 25, 2013

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

PANKAJ GUPTA
COMPANY SECRETARY

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

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

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

FOR AND ON BEHALF OF THE BOARD

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

HARI CHAND AGGARWAL
CHAIRMAN

For MOHIT PAREKH & CO.
Chartered Accountants

RAJESH AGGARWAL
MANAGING DIRECTOR

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

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR

Place : Delhi
Date : May 25, 2013

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

PANKAJ GUPTA
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

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

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

NOTES:

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

FOR AND ON BEHALF OF THE BOARD

As per our separate report of even date annexed herewith

HARI CHAND AGGARWAL
CHAIRMAN

For MOHIT PAREKH & CO.
Chartered Accountants

RAJESH AGGARWAL
MANAGING DIRECTOR

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

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR

Place : Delhi
Date : May 25, 2013

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

PANKAJ GUPTA
COMPANY SECRETARY

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

1. CORPORATE INFORMATION

Insecticides (India) Limited (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two Stock Exchanges (i.e. Bombay Stock Exchange Limited and National Stock Exchange Limited) in India. The Company is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Company caters to both domestic and international markets.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Convention

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

B. Use of Estimates

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

C. Tangible Fixed Assets (Owned)

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

D. Intangible Assets

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

E. Leased Assets

The Company do not have any leased assets.

F. Depreciation & Amortisation

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

G. Investments

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

H. Purchases

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

I. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sales of Goods: Sale are recognized when substantial risks and rewards of ownership in the goods transferred to the buyer, usually on delivery of the goods. Turnover includes Sales of Goods & Excise Duty (Net of Sales Returns, Sales Tax/ Value Added Tax).

Other Income: Interest Income is recognized on time proportion basis taking in to account the amount outstanding and the rate applicable.

J. Foreign Currency Transactions

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

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

c. Non monetary foreign currency items are carried at cost.

d. Any Gain or Loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

K. Retirement Benefits

a) Contribution to provident fund and family pension fund are accounted for on accrual basis.

b) Leave Encashment Benefits are accounted for on cash basis.

c) The Company has Gratuity Fund covered by the scheme with LIC of India. The expenses towards gratuity are recognized in the Statement of Profit & Loss on the basis of an Actuarial Valuation based on projected unit credit method carried out at the year-end.

L. Impairment of Assets

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

M. Excise Duty

Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in Branches/Factories.

N. Inventories

The items of Inventories are measured at lower of cost and net realizable value after providing for obsolescene, if any. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

O. Borrowing Costs

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

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

P. Proposed Dividend

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

Q. Research & Development

The expenditure on Research & Development is recognized as an expense in the Statement of Profit & Loss on an accrual basis. The fixed assets acquired for carrying out the research & development activities are capitalized and depreciation thereon is recognized as an expense in the Statement of Profit & Loss.

R. Provision for Current & Deffered Tax

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

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

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

S. Financial Derivatives Hedging Transactions

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

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

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

V. The Bonus is accounted for on accrual basis.

W. The Company has already initiated the process and entitled for subsidy on account of certain revenue and capital nature of expenditures incurred at Samba, Udhampur & Dahej Units in earlier years as well as during the year. The same shall be accounted for on cash/acceptance basis as under:

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

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

X. Provisions, Contingent Liabilities, Contingent Assets

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

Y. MAT Credit Entitlements

The Company is liable to pay income tax u/s 115JA & 115JB of the Income Tax Act during the year. In terms of the Guidance Note issued by the Council of the Institute of Chartered Accountants of India "on accounting for credit available in respect to MAT under the Income Tax act", the MAT Credit available is treated as an "Asset" if the MAT credit has expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability if the same arises during the specified period and accordingly the necessary provisions has been made by the company during the year.

3. SHARE CAPITAL

PARTICULARS	As At March 31, 2013 (₹ in Lacs)	As At March 31, 2012 (₹ In Lacs)
Authorised Shares Capital		
15000000 (Previous Year 15000000) Equity Shares of ₹ 10/- Each	**1500.00**	1500.00
Issued, Subscribed & Paid-Up Shares Capital		
12682966 (Previous Year12682966) Equity Shares of ₹ 10/- Each	**1268.30**	1268.30
(Out of the above shares 1550500 Equity Shares are alloted as fully paidup Bonus Shares)		
TOTAL	**1268.30**	1268.30

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

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

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

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

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

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

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

4. RESERVES AND SURPLUS

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

5. LONG TERM BORROWINGS

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

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

(i) Term Loans from Banks for vehicles have been secured by hypothecation of vehicles. Further, Vehicles Loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 11 to 13% per annum.

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

(iii) The Foreign Currency Outstanding loan amounting to ₹ 2545.85 Lacs (Previous Year - ₹ 2569.73 Lacs) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej (Gujarat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.

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

(b) Terms of repayment for Unsecured Borrowing :

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

6. OTHER LONG TERM LIABILITIES

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

7. LONG TERM PROVISIONS

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

8. SHORT TERM BORROWINGS

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

Working Capital Loans (Demand Loan, Cash Credit & Buyers Credits) from Banks are secured by first pari passu charge over present and future stock & book debts and moveable fixed assets of the company. These loans are additionally secured by equitable mortgage on pari passu basis over Lands & Buildings situated at Chopanki Unit (Rajasthan), Samba Unit (J&K), Udhampur Unit (J&K) and residential property in the name of director at Pitampura (Delhi) and negative lien on company's office at Azadpur (Delhi). Further, these loans have been guaranteed by the personal guarantee of the directors - Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. Further, the Company has entered into the derivative contract for hedging of buyer's credit amounting to ₹ 966.88 Lacs during the year (Previous Year - NIL).

9. TRADE PAYABLES

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

10. OTHER CURRENT LIABILITIES

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

11. SHORT TERM PROVISIONS

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

12. FIXED ASSETS

(₹ In Lacs)

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

The Borrowing cost has duly been capitalised during the year. A sum of Rs. 624.22 lacs (Previous Year - Rs. 523.24 lacs) has been capitalised on account of borrowing cost during the year. The detail thereof is as under -

Particulars	As at March 31, 2013 (₹ in Lacs)	As at March 31,2012 (₹ in Lacs)
Amount of interest trfd from CWIP and capitalised in respective assets	**426.69**	59.50
Amount of interest capitalised under the captioned Head - CWIP	**624.22**	523.24
Balance amount included under the captioned head CWIP at the year end	**815.67**	618.14

13. LONG TERM LOANS & ADVANCES

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

14. OTHER NON CURRENT ASSETS

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

15. INVENTORIES

PARTICULARS	As At March 31, 2013 (₹ in Lacs)	As At March 31, 2012 (₹ in Lacs)
(a) Raw Materials	7759.49	6050.44
At cost or market price, whichever is lower (On Weighted Average Basis)		
Goods-in-transit	636.54	36.33
(b) Finished Goods (Manufactured)	9789.56	10152.60
(Cost of Production or Net Realizable Value whichever is lower)		
(c) Stock-in-Trade (Traded Goods)	1342.91	1177.62
At Cost (On Weighted Average Basis)		
(d) Packing Materials	1363.56	1266.80
At Cost (On Weighted Average Basis)		
Goods-in-Transit	22.67	2.77
(e) Semi- Finished Goods	1553.99	1548.55
(At Weighted Average Cost)		
(f) Stores, Spares Parts & Fuel	65.36	6.56
At Cost (On Weighted Average Basis)		
Goods-in-Transit	0.96	-
TOTAL	22535.04	20241.67

16. TRADE RECEIVABLES

PARTICULARS	As At March 31, 2013 (₹ in Lacs)	As At March 31, 2012 (₹ in Lacs)
Unsecured, Considered Good unless stated otherwise		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	741.54	226.26
Doubtful	5.66	5.71
	747.20	231.97
Other Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	10903.39	8689.46
Doubtful	-	-
	10903.39	8689.46
TOTAL	11650.59	8921.43

17. CASH AND CASH EQUIVALENTS

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

18. LOANS & ADVANCES (CURRENT)

PARTICULARS	As At March 31, 2013 (₹ in Lacs)	As At March 31, 2012 (₹ in Lacs)
Capital Advances		
Secured, considered good	-	
Unsecured, considered good	309.47	206.76
Doubtful	-	-
	309.47	206.76
Security Deposit		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Advances Recoverable in Cash or Kind		
Secured considered good	2633.20	572.22
Unsecured considered good	-	-
Doubtful	-	-
	2633.20	572.22
Other Loans and Advances		
Advance Income-Tax	-	-
Prepaid Expenses	142.59	238.64
Loans & Travel Advances to Employees	21.62	19.57
Balance with Central Excise, VAT Authorities, etc.	1522.48	1726.09
	1686.69	1984.30
TOTAL	4629.36	2763.28

19. OTHER CURRENT ASSETS

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

20. REVENUE FROM OPERATIONS

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

Details of Sold Products

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

21. OTHER INCOME

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

22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

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

23. PURCHASE OF TRADED GOODS

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

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

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

Details of Inventory

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

25. EMPLOYEES BENEFIT EXPENSE

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

26. DEPRECIATION AND AMORTIZATION EXPENSE

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

27. FINANCE COSTS

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

28. OTHER EXPENSES

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

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

29. EARNING PER SHARE (EPS)

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

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

30. EMPLOYEE BENEFITS

A. RETIREMENT BENEFITS :

(a) Retirement benefits in the form of Provident Fund / Family Pension Fund, which are defined contribution plans, are accounted for on accrual basis and charged to the Statement of Profit & Loss of the year.

(b) Retirement benefits in the form of Leave Encashment, which is defined benefit plan, is accounted for on cash basis every year and charged to the Statement of Profit & Loss of the year.

(c) Retirement benefits in the form of Gratuity, which is define benefit plan, is determined and accounted for on the basis an actuarial valuation done by applying the Projected Unit Credit Method.

(d) The Actuarial Gains / Losses arising during the year are recognized in the Statement of Profit & Loss of the year.

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

GRATUITY LIABILITY

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

Investment Details of Plan Assets: 100% with Life Insurance Corporation of India

B. Short Term Employees Benefits are recognized as an expense in the Statement Profit & Loss of year in which the related service is rendered.

31. SEGMENT REPORTING

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

A. PRIMARY SEGMENT

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

i) The nature of the products.

ii) The related risks and returns.

iii) The internal financial reporting system.

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

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

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

Primary Segment Information (₹In Lacs)

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

B. SECONDARY SEGMENT

The Company caters mainly to the need of the Indian Market. The Export Turnover during the year is less than 10 % of the Total Turnover; as such there is no reportable Geographical Segment.

32. RELATED PARTY DISCLOSURES

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

(I) RELATED PARTIES

A. Key Management Personnel & Directors :

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

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

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

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

(II) Transactions during the year with related parties:

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

(III) Balance outstanding with related parties:- (₹ in Lacs)

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

33. DEFERRED TAX LIABILITIES

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

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

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

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

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

36. COST OF IMPORTED MATERIALS CONSUMED

A. RAW MATERIAL CONSUMED

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

B. PACKING MATERIALS & COSUMABLE STORES CONSUMED

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

C. RAW MATERIAL, PACKING MATERIALS & COSUMABLE STORES CONSUMED

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

37. VALUE OF IMPORTS (ON CIF BASIS)

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

38. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

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

39. INCOME IN FOREIGN CURRENCY (FOB)

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

40. CONTINGENT LIABILITIES

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

(Except above no other Contingent Liabilities are outstanding as explained and Certified by the Management of the Company)

With respect to Contingent Liabilities reported at (d) to (i) above, the management has taken an opinion from the legal advisors / professionals engaged by them and is very much hopeful that the appeals will be decided in the favour of the company and as such, no provision thereof has been made.

41. Estimated amount of Contract remaining to be executed on Capital Accounts (Net of Advances) & not provided for ₹ Nil (Previous Year ₹ 57.03 Lacs).

42. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have the value at least equal to the figures stated in the Balance Sheet on realization in the ordinary course of business and provision for all determinable/known liabilities have been made in the accounts when reliable estimates can be made of the amount of obligation.

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

44. The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India except the taxes / duties recoverable has been included in the valuation of stocks as per the past practice.

45. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2013 is ₹ 856.70 Lacs (Previous Year- ₹ 1276.48 Lacs).

46. The Company has not received any confirmation from suppliers regarding their status of registration under the Micro, Small & Medium Enterprises Development Act, 2006 which came into effect from October 2, 2006 and hence disclosure required under the said act have not been given.

47. The Previous Year Figures have been reworked , regrouped , rearranged, reclassified and / or re-casted wherever deemed necessary to make them comparable with those of the current year's figures.

48. All the common expenses incurred during the year in respect of Formulation (Products) units at Chopanki, Samba, Udhampur and Dahej have been allocated at the year end in the proportion to Sales (Net) effected during the year. The Technical (Products) Units at Chopanki & Dahej are separate as well as independent units having no common activities if compared with above mentioned Formulation Units and as such, the expenses incurred by branches/ other units have not been allocated to the Technical Unit except common expenses incurred by the Head Office which are allocated in proportion to Sales (Net) effected by all the Units.

49. DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE

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

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

(b) Foreign currency exposure that are not hedged by derivatives instruments as on March 31, 2013 amount to ₹ 9474.54 Lacs (Previous Year ₹10779.98 Lacs).

(c) Mark to Market Losses provided for by the company during the year amount to ₹ 0.92 Lacs (Previous Year ₹ 56.12 Lacs).

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN

RAJESH AGGARWAL
MANAGING DIRECTOR

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR

For MOHIT PAREKH & CO.
Chartered Accountants

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

Place : Delhi
Date : May 25, 2013

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

PANKAJ GUPTA
COMPANY SECRETARY

GENERAL INFORMATION

1. Our Company was incorporated on December 18, 1996 under the Companies Act, 1956 as a private limited company, under the Companies Act, 1956 as 'Insecticides (India) Private Limited', and was subsequently converted into a public limited company under the name 'Insecticides (India) Limited' and a fresh certificate of incorporation was issued by the RoC on November 2, 2001. The registered and corporate office of our Company is located at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110 033, India. Our Corporate Identity Number is L65991DL1996PLC083909.

2. The authorized share capital of our Company is ₹ 2,500 lacs, divided into 2,50,00,000 Equity Shares of ₹ 10 each. Our issued, subscribed and paid up equity share capital is ₹ 19,02,44,490 divided into 1,90,24,449 Equity Shares of ₹ 10 each.

3. This Issue was authorized and approved by our Board of Directors on January 21, 2015 and approved by our shareholders through a postal ballot resolution dated March 20, 2015.

4. Our Company has received in-principle approvals under Clause 24(a) of the Listing Agreements to list the Equity Shares on the BSE and the NSE on August 10, 2015 and August 10, 2015, respectively.

5. Copies of the Memorandum of Association and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 1.00 P.M. (except public holidays) at our Registered and Corporate Office.

6. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

7. Except as disclosed in this Placement Document, there has been no material change in our financial condition since March 31, 2015, the date of the latest audited financial statements, prepared in accordance with Indian GAAP, included herein.

8. Except as disclosed in this Placement Document, there are no material legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which are or might be material in the context of the Issue.

9. Our Company's statutory auditor, Mohit Parekh & Co., Chartered Accountants, has audited our financial statements as of and for the years ended March 31, 2015, 2014 and 2013, and have consented to inclusion of their report in this Placement Document.

10. Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the Listing Agreements, SCRA and SCRR.

11. The Floor Price for the Issue is ₹ 536.52, calculated in accordance with Chapter VIII of the SEBI ICDR Regulations, as certified by the Auditors.

12. Our Company has offered a discount of not more than 5% of the Floor Price, in terms of Regulation 85 of the SEBI ICDR Regulations.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII read with Schedule XVIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, have been complied with. Further, all the relevant provisions of the Securities and Exchange Board of India Act, 1992, as amended (including all rules, regulations and guidelines issued thereunder), have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED BY THE COMMITTEE OF DIRECTORS:

Sd/- **Mr. Rajesh Aggarwal**	**Sd/-** **Mr. Hari Chand Aggarwal**

SIGNED BY THE CHIEF FINANCIAL OFFICER
Sd/- **Mr. Sandeep Agarwal**

Date: August 12, 2015
Place: New Delhi

DECLARATION

We, the Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

_____ _____

Mr. Rajesh Aggarwal, Director *Mr. Hari Chand Aggarwal, Director*

I am authorized by the Committee of Directors of the Company, by resolution dated August 10, 2015 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

_____

Pankaj Gupta, *Company Secretary and Compliance Officer*

Date: August 12, 2015
Place: New Delhi

INSECTICIDES (INDIA) LIMITED

Registered and Corporate Office

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Azadpur Commercial Complex
Delhi – 100 003, India
Website: www.insecticidesindia.com

Contact Person: Mr. Pankaj Gupta, Compliance Officer
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Maharashtra, India

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Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE ISSUE

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INTERNATIONAL LEGAL COUNSEL
TO THE BOOK RUNNING LEAD MANAGERS
(With respect to International Selling and Transfer Restrictions)

Squire Patton Boggs Singapore LLP

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AUDITORS TO THE COMPANY

Mohit Parekh & Co.
Chartered Accountants, Delhi

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Gandhi Cloth Market, Chandni Chowk
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