

# Ushering a New Era of Indian Agriculture



A N N U A L   R E P O R T  
2 0 0 6 - 0 7



**insecticides™**  
(INDIA) LIMITED



Striving to make mark that  
can't be surpassed

Report  Junction.com



## Chairman Sharing vision with Shareholders

Think of Indian farmers and the image that comes to the mind is that of a solitary, worn out figure toiling away endless hours on the fields.

ILL aims to change the image associated with the Indian farmer. Your company has been continuously striving towards a more prosperous future for the Indian farmer. We understand that Insecticides play a pivotal role in the Indian agricultural scenario. A couple of decades ago the Indian agro market was plagued with low productivity of food grains due to crop diseases and pest attacks among other reasons.

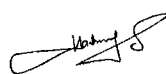
Today, circumstances have turned over a new leaf owing largely to the efforts of Agrochemical industry. Today India exports food grains to other countries. The reason for this golden yield can be attributed majorly to the judicious application of Insecticides. The economic benefits of Insecticides have positively affected even the small and marginal farmers whose financial condition has improved considerably. The wide acceptability of your company's Tractor brand products are an evidence of ILL's deep connection with the Indian farming community. In fact, your company is

the fastest growing Insecticides formulation company of the nation armed with world-class next generation products with advanced technology. ILL has entered into technical collaboration with global giants AMVAC, USA for THIMET, which is India's most popular generic insecticide. Thimet, the preferred brand of Indian farmers has further enhanced ILL's position in Indian agriculture. Our commitment has ensured that we are looked upon as India's leading agro-chemical and Insecticides manufacturer. The mission of bearing the welfare of Indian farmers topmost on our minds motivates us to extend our possibilities and work even harder towards the

realization of our dream for a prosperous India.

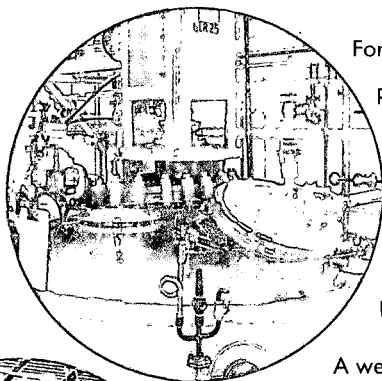
The new pesticides synthesis plant at Chopanki is an apt example of our vision to improve the plight of the farmers. This will help us in bringing out new products at more competitive prices. Our vision and efforts have ushered us in a new era of success and helped Insecticides (India) Limited to emerge as the formidable player in the Agro Chemicals market. The management of the Company is thankful to the public for the overwhelming response to initial public offer. I am glad to inform you that first phase of new technical plant of your company at Chopanki is nearly complete and going to start the trial run shortly, as the manufacturing licenses and other formalities are complete.

In the years to come, ILL will continue to help farmers with new products for the safety of their crops and contribute effectively to their welfare and happiness.

  
**H.C. Aggrawal**



## Augmenting Potential for Growth



For production of a wide range of agro-chemicals and insecticides, IIL has set production units at Rajasthan and J&K. These state-of-the-art production facilities offer an integrated environment to ensure optimum performance levels and facilitate production of high quality liquid, granule and powder formulations. The new technical plant at Chopanki is nearly complete, and ready to start the trial production shortly.

A well laid out QA plan for all products, effectively practiced stage QC checks; rigorous testing and inspection constitute inherent features of day-to-day working which is done as per ISO 9001:2000 specification.

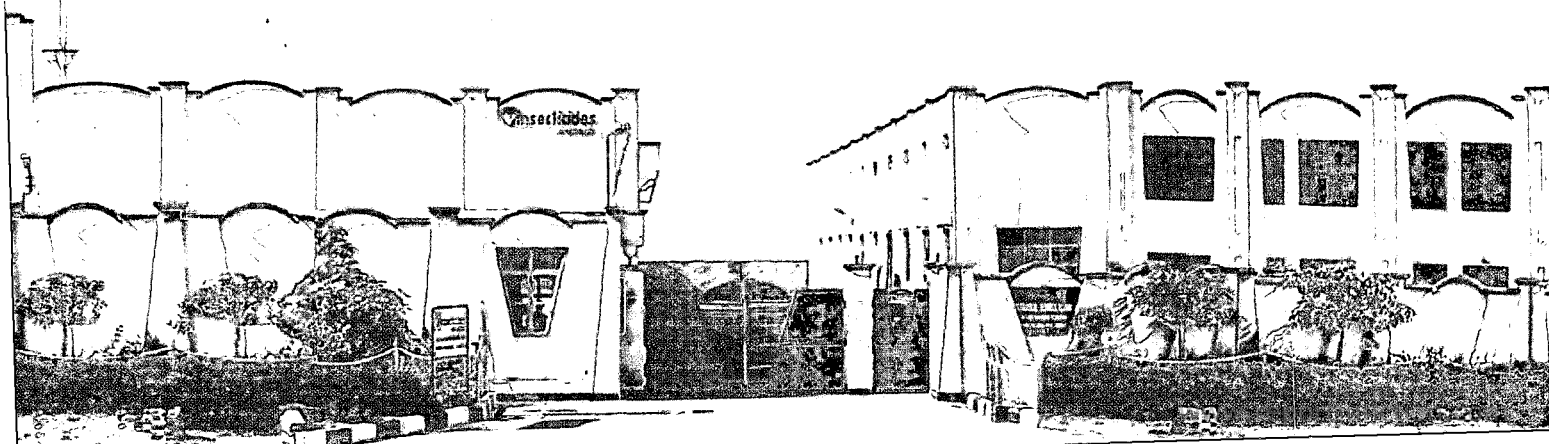
Not getting away from the responsibility towards the environment, your company has taken various measures for eco friendly production environment. This dedication to preserve the

environment and various actions taken as per international norms has enabled your company to get the prestigious ISO 14001:2004 certification.

Being health and safety of employees its one of the major concern, your company has a system for the Industrial health and safety of its employees, which is going to be ISO 18001 certified.



Quality policy - It is the policy of the company to function as customer's need driven organization and remain focused to enhance customer's satisfaction through technical and human excellence to provide quality products, services and solutions that meet or exceed their requirements and work in the best interest of the customers, employees and the community at large.



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**BOARD OF DIRECTORS**

Hari Chand Aggarwal	<i>Chairman</i>
Rajesh Aggarwal	<i>Managing Director</i>
Sanjeev Bansal	<i>Whole-time Director</i>
Navneet Goel	<i>Director</i>
Rajender Pershad Gupta	<i>Director</i>
Gaurav Barathi	<i>Director</i>

**COMPANY SECRETARY**

Pankaj Gupta

**AUDIT COMMITTEE**

Navneet Goel	<i>Chairperson</i>
Rajender Pershad Gupta	<i>Member</i>
Gaurav Barathi	<i>Member</i>
Pankaj Gupta	<i>Secretary</i>

**REMUNERATION COMMITTEE**

Navneet Goel	<i>Chairperson</i>
Rajender Pershad Gupta	<i>Member</i>
Gaurav Barathi	<i>Member</i>
Pankaj Gupta	<i>Secretary</i>

**SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

Navneet Goel	<i>Chairperson</i>
Gaurav Barathi	<i>Member</i>
Rajender Pershad Gupta	<i>Member</i>
Pankaj Gupta	<i>Secretary</i>

**AUDITORS**

**Mohit Parekh & Co.**  
Chartered Accountants

**BANKERS**

Punjab National Bank  
Citi Bank N.A

**REGISTERED OFFICE**

401-402, Lusa Tower,  
Azadpur Commercial Complex, Delhi - 110033

**FACTORIES**

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

SIDCO Industrial Growth,  
Centre, Samba (Jammu)

**REGISTRAR & TRANSFER AGENTS**

Alankit Assignment Ltd.  
Alankit House, 2E/ 21, Jhandewalan Exten.  
New Delhi - 110 055



## NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the members of INSECTICIDES (INDIA) LIMITED will be held on Saturday, the day of 29th September, 2007 at 9.30 A.M. at JD Farm House (RP Jain Charitable Institute), Alipur Narela Road, Holombi Kalan, Delhi - 110036, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report.
2. To appoint a Director in place of Mr. Hari Chand Aggarwal, who retires by rotation and being interested, offers himself for reappointment.
3. To appoint a Director in place of Mr. Rajender Pershad Gupta, who retires by rotation and being interested, offers himself for reappointment.
4. To appoint Statutory Auditors who shall hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 224 of the Companies Act, 1956, Messrs MOHIT PAREKH & CO., Chartered Accountants, Delhi be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS:

5. To consider and if thought fit to pass, the following resolution as an **Ordinary Resolution** of which due notice in writing under Section 257 of the Companies Act, 1956, has been received by the Company from a member:

**"RESOLVED THAT** Mr. Gaurav Barathi be and is hereby appointed a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit to pass, the following resolution as an **Ordinary Resolution** of which due notice in writing under Section 257 of the Companies Act, 1956, has been received by the Company from a member:

**"RESOLVED THAT** Mr. Navneet Goel be and is hereby appointed a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** subject to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("The Act") or any re-enactment thereof and subject to such approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Sanjeev Bansal as a Whole-time Director of the Company for a period of five years effective from 28th April, 2007 on the terms and conditions including remuneration as are set out in the draft agreement to be entered into between the Company and Mr. Sanjeev Bansal, a Copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, with a liberty to Board of Directors or Managing Director to alter and vary such terms and conditions including remuneration within, however, the maximum limit prescribed under Schedule XIII of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable."

By Order of the Board

Registered Office:  
401-402, Lusa Tower,  
Azadpur Commercial Complex,  
Delhi - 110033

(PANKAJ GUPTA)  
Company Secretary

Date: 29th August, 2007

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. An explanatory statement pursuant to section 173 (2) the Companies Act, 1956, relating to special business to be transacted at the meeting is annexed hereto.  
The relevant explanatory statement pursuant to Sections 173 of the Companies Act, 1956, in respect of Item No. 5 to Item No. 7 of the notice is also annexed hereto.
4. Members / Proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.
5. In case of Joint Holders attending the meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
6. The statutory registers and relevant documents referred to in accompanying Notice are open for inspection at the Registered Office of the company on all working days (except Saturdays, Sundays and Holidays) between 11:00 a.m. to 1:00 p.m up to the date of Annual General Meeting.
7. The register of members and share transfer books of the company shall remain close from **September 24, 2007 to September 29, 2007 (Both days inclusive)**.
8. Members are requested to contact the **Registrars and Share Transfer Agents of the Company** for recording any change of address or nominations and for redressal of complaints or contact the Company Secretary at the Registered Office or by email at [investor@insecticidesindia.com](mailto:investor@insecticidesindia.com)
9. Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, it is informed that Mr. Hari Chand Aggarwal and Mr. Rajender Pershad Gupta retire by rotation in accordance with the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The particulars of the Directors are given below:

**ITEM NO. 2:**

Mr. Hari Chand Aggarwal, aged 68 years, belongs to a business family of Delhi. He has more than 3 decades of experience in pesticides business. He had been awarded Udyog Bharti Award by Indian Achievers Forum, New Delhi. He has been the president of Northern India Pesticides Manufacturing Association (NIPMA) for more than 5 terms. He was also a director of Crop Care Federation of India (CCFI) and Indian Association of Plant Growth Products. He was also president of Giant Group of the Delhi (International). Mr. Hari Chand Aggarwal was appointed as Director of the Company with effect from October 12, 2001 and was appointed as Chairman and Managing Director on 23rd October, 2003. On 15th November, 2006 he resigned as Managing Director. He is holding 615600 shares of the company.

**ITEM NO. 3:**

Mr. Rajender Pershad Gupta, aged 57 years, belongs to a business family of Delhi. He started his business career in agriculture and chemical industries. Mr. Rajender Pershad Gupta has 35 years experience in Pesticides and Chemical industry. Mr. Rajender Pershad Gupta was appointed as Director of the Company, with effect from October 22, 2005. He is holding nil shares of the company.

**Members are requested to bring their copies of the Annual Report and Admission Slip to the Meeting.**

**Explanatory Statement pursuant to section 173 (2) of Companies Act, 1956, annexed to the notice convening the Annual General Meeting to be held on September 29, 2007.**

**ITEM NO.5**

Mr. Gaurav Barathi, age 28 years, is an advocate by qualification. He registered with bar council of India on 8th November 2002. He had worked with firms like Vaish Associates, Lal & Sethi Advocates. Presently, he is an advocacy practicioner. He is holding nil shares of the Company.

Mr. Gaurav Barathi was co-opted as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, with effect from 17th November, 2006. Mr. Gaurav Barathi, holds the office of director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with the required fees for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends that the resolution be passed.





None of directors, except Mr. Gaurav Barathi, are directly or indirectly concerned or interested in this resolution.

#### ITEM NO.6

Mr. Navneet Goel, age 46 years, is an Chartered Accountant and Cost Accountant by qualification. He is a Practicing Chartered Accountant and currently based in Delhi. He is a person of repute in his community and has the vast knowledge of Finance Sector. He has more than 19 years of experience.

He is holding nil shares of the Company.

Mr. Navneet Goel was co-opted as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, with effect from 26th July, 2007. Mr. Navneet Goel, holds the office of director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with the required fees for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends that the resolution be passed.

None of directors, except Mr. Navneet Goel, are directly or indirectly concerned or interested in this resolution.

#### ITEM NO. 7

Mr. Sanjeev Bansal, aged 41 years, after doing graduation entered into the field of marketing. He has an experience of more than 18 years in the field of marketing.

Mr. Sanjeev Bansal was appointed a Whole-time Director of the Company effective from May 1, 2002 . In recognition of his extensive exposure and experience, the Board of Directors of the Company ("the Board") has re-appointed him a Whole-time Director of the Company for a further period of five years from 28th April, 2007 subject to approval of the members. The Board is of the opinion that his re-appointment as a Whole-time Director of the Company would be in the best interest of the Company. The Board has no hesitation in commending his appointment.

The material terms of the agreement to be entered into between the Company and Mr. Sanjeev Bansal are given below:

The remuneration payable to Mr. Sanjeev Bansal shall be determined by the Board from time to time within, however, the maximum limit prescribed under Schedule XIII of the Companies Act, 1956.

#### Salary

Rs. 20,000 Per Month (Inclusive of Dearness Allowance and other Allowances)

#### Perquisites

- a. Medical Reimbursement Expenses incurred for self and family as per rules of the Company.
- b. Leave travel concession for self and family once in a year in accordance with the rules of the company.
- c. Club fee  
Fees of clubs subject to a maximum of two clubs provided that no life membership of admission would be allowed.
- d. Company's contribution towards pension/superannuation fund as per Rules of the Company for the time being in force provided that the same is not taxable under the Income Tax Act, 1961.
- e. Company's contribution towards P.F. as per rules of the Company for the time being in force.
- f. Gratuity not exceeding half months salary for each completed year of service.
- g. Free use of telephone facility at the residence.
- h. Free use of Company's car for the business of the Company.
- i. Earned/privilege Leave: As per rules of the Company

A copy of the draft agreement referred to in the resolution would be available for inspection by the Members at the Registered Office of the Company during business hours on any working day, excluding Saturday and Sunday, up to and including the day of this Meeting.

The above terms and conditions may also be treated as an abstract under Section 302 of the Companies Act, 1956.

The Board recommends that the resolution be passed.

None of Directors, except Mr. Sanjeev Bansal, are directly or indirectly concerned or interested in this resolution.

By Order of the Board

Registered Office:  
401-402, Lusa Tower,  
Azadpur Commercial Complex,  
Delhi - 110033

(PANKAJ GUPTA)  
Company Secretary

Date: 29th August, 2007



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the Tenth Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March, 2007.

#### 1. FINANCIAL RESULTS

	(Rs. in Lacs)	
	31st March, 2007	31st March, 2006
Turnover	18408.56	13344.70
Other Income	25.63	9.21
<b>Total Income</b>	<b>18434.19</b>	<b>13353.91</b>
<b>Earing before depreciation &amp; tax</b>	<b>1061.08</b>	<b>1185.28</b>
Less : Depreciation	49.60	43.27
Provision for Income Tax	115.00	97.00
Provision for Fringe Benefit Tax	28.00	14.42
Deferred Tax	11.01	12.60
<b>Net Profit</b>	<b>856.90</b>	<b>1018.00</b>
Amount available for appropriation	2252.27	1742.77
Interim/Final Dividend	—	124.04
Income Tax on the Interim/Final Dividend	—	17.40
General Reserve	50.00	50.09
Bonus shares	155.05	—
<b>Balance carried forward to Balance Sheet</b>	<b>2202.27</b>	<b>1395.38</b>

#### 2. REVIEW OF PERFORMANCE

During the year under review, the turnover of the Company rose to Rs. 18408.56 lacs as against Rs 13344.70 lacs reported last year, registering a growth of 37.95%. The company has earned a net profit Rs. 856.9 lacs, as against the net profit of Rs. 1018.00 lacs reported last year.

#### 3. FIXED DEPOSITS

Company continues to accept the deposits under Section 58-A of the Companies Act, 1956, and as on 31.03.2007 there was no overdue deposit with the Company. All deposits due for payment were either paid or renewed during the year.

#### 4. POLLUTION CONTROL

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

#### 5. INSURANCE

Company continues to carry adequate insurance cover for all properties.

#### 6. SUBSIDIARY COMPANY

Advance Crop Solutions Limited is a wholly owned subsidiary Company, which was incorporated during the year on 23rd November, 2006.

#### 7. MANAGING DIRECTOR

Mr. Hari Chand Aggarwal, Managing Director of the Company has resigned from the post of Managing Director w.e.f. 15th November, 2006. The Company hereby expresses its sincere thanks for their valued services and efforts in managing the affairs of the Company till date.

During the year under review Mr. Rajesh Aggarwal was appointed as Managing Director w.e.f. 15th November, 2006 and confirmed in the shareholders meeting on 22nd November, 2006.

#### 8. DIRECTORS

Mr. Hari Chand Aggarwal and Mr. Rajender Pershad Gupta, directors retire from the board by rotation and being eligible offer themselves for re-appointment.

Mr. Gaurav Barathi and Mr. Navneet Goel were appointed as an Additional Director on 17.11.2006 and 26.07.2007. They hold office up to the date of the ensuing Annual General Meeting and the Company has received notice along with the requisite fees deposits of Rs. 500/- (Rupees Five Hundred) each from the member under Section 257 of the Companies Act, 1956, to propose their name as director. The Board is of the opinion that their association with the Company will be beneficial to the Company and hence recommend the resolutions for your approval.

Mr. Mohinder Singh Narula, Mr. Harbhajan Singh and Mr. Tej Lal Bharti have resigned from the Board w.e.f. 03.10.2006,