FOCUSED MULTIFACETED GROWTH

26th Annual Report
2018-19

INDOFIL
INDOFIL INDUSTRIES LIMITED

2018-19 HIGHLIGHTS

Consolidated Income

₹2,280 crore

12% y-o-y ↑

Consolidated Profit After Tax

₹189 crore

(20%) y-o-y ↓

Consolidated Earnings Per Share

₹88

(21%) y-o-y ↓

THE YEAR IN REVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

At Indofil Industries Limited (Indofil), we constantly strive to create a greener future every day for those who feed the world. By means of our agrochemicals and through innovative solutions, we collaborate with our partners in their journey to increase productivity. With a long-term outlook, we aim to make our operations agile and efficient, by deploying the right blend of technology and innovation through R&D.

Our focus on innovation has led to the creation of a diversified and stable product portfolio and has driven revenue growth. We have been successful in finding fast-growing market niches, staying ahead of competition by identifying and developing products to address customer needs and creating differentiators in competitive markets.

2018-19 was a year of multifaceted expansion. We strengthened our business across multiple fronts and continued to build on to our long-term growth strategy. We entered into new partnerships and strategic alliances to foster the value proposition of the brand while expanding capacity, revamping the supply chain and developing capabilities in line with customer aspirations.

We, at Indofil, are well positioned to pursue opportunities and stand prepared for a strong future through focused multifaceted growth.

Introducing Indofil
Integrated Solutions Provider

Indofil Industries Limited (Indofil), part of the K. K. Modi Group of Companies, is a fully-integrated, multi-product chemicals company. Indofil's expertise lies in manufacturing, distributing and marketing agrochemicals and specialty chemicals.

Over the years, Indofil has provided best-in-class chemicals to domestic and international markets. The Company's products are certified with international quality standards such as ISO 9001 and ISO 14001.

R&D Investments

₹35 crore

No. of Product Brands

100+

Registration Applications Filed

108

VISION

To be a global leader in growth with customer success.

MISSION

Our mission is to achieve leadership in growth rate. We leverage our efficient R&D, registration, manufacturing and marketing competencies through our committed and proficient team. We will strive to make our customers successful by providing high quality products, services and solutions in domestic and global markets. To expedite growth, we will use collaborations, acquisitions and manufacturing proximity to the market in the segments of Crop Care, Speciality and Performance Chemicals.

ENDURING VALUES

Customer success

Believing that our success lies in the success of existing and potential customers. Based on this foundation, Indofil is doing all possible to understand, fulfill and exceed the customer's stated and unstated needs, thus enabling them to succeed on a continual basis.

Knowledge

Continuously upgrading skills and knowledge about technology, markets, products, customers, regulations and business processes. Encourage new ideas and their implementation across the Company for commercial benefits.

Prosperity

Winning, doing better than others through exploiting new opportunities and enhancing the interests of every employee, shareholder and stakeholder. To be recognised and perceived among the leaders in the segment of operation.

Teamwork

Employees and channel partners thinking and working together across functions, businesses and geographies, leveraging the available resources to achieve common goals.

Velocity

Responding to internal and external customers with a sense of urgency by consistent, focused and accelerated growth of the organisation with timely and optimal utilisation of all resources.

BUSINESS DOMAINS

Agrochemicals

Indofil promotes **'Crop Care Concept'** where the needs and problems of the crops are identified and appropriate solutions are suggested.

Revenue Share

87%

Product Offerings

- Fungicides
- Insecticides
- Herbicides
- Acaricides
- Plant Growth Regulators
- Surfactants
- Plant Nutrition

Innovative Solutions

The Innovative Solutions division endeavours to offer innovative and superior technology products to the market.

Revenue Share

13%

Product Offerings

Performance chemicals for industries such as:

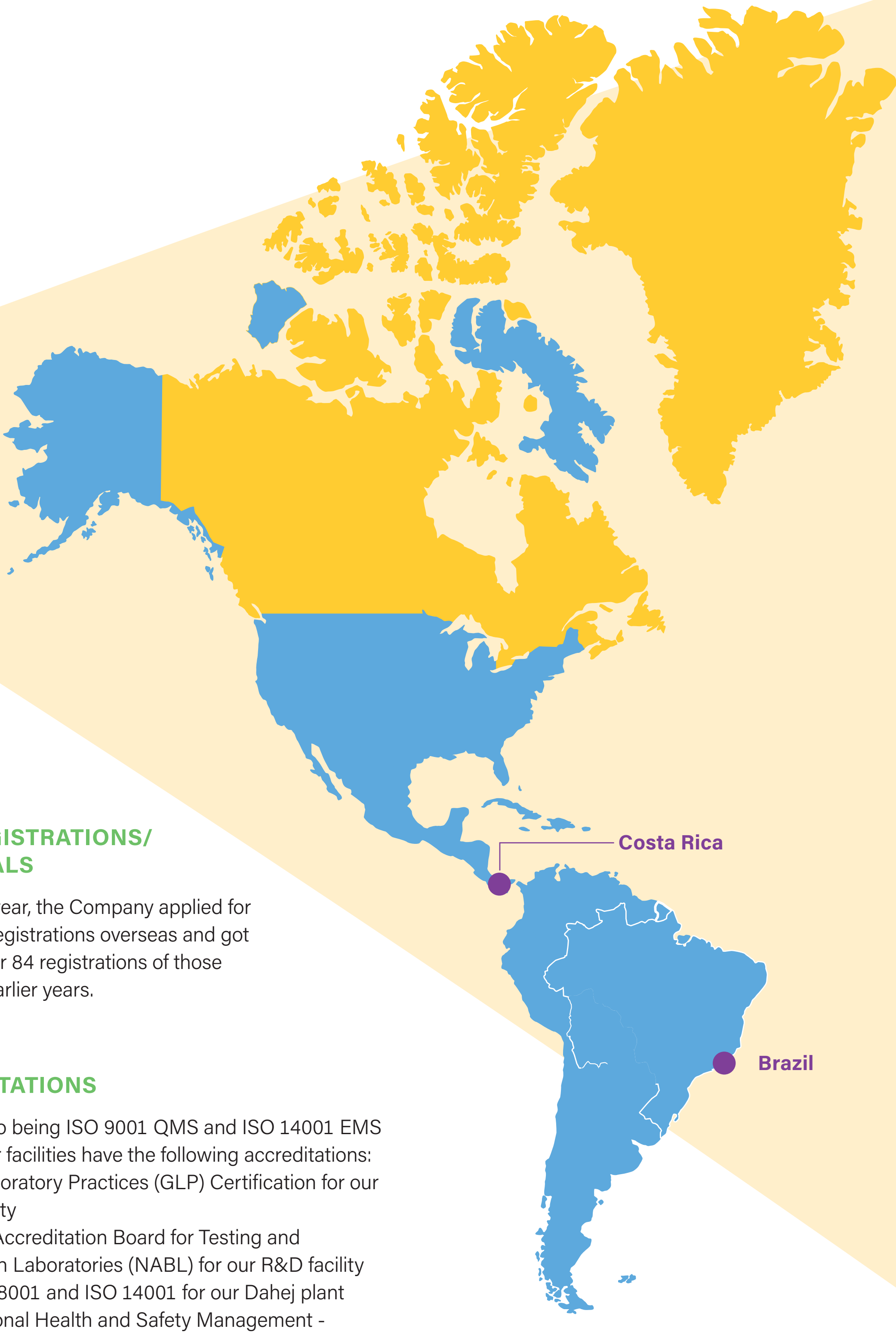
- Textile
- Plastic
- Coating
- Construction
- Leather

MANUFACTURING CAPACITIES (existing capacity in tonnes)

*20,000	32,000	4,000	35,000	35,000
Thane, Maharashtra	**Dahej SEZ, Gujarat (Unit 1)**	**Synthesis Plant, Dahej SEZ Gujarat (Unit 2)**	**Dahej GIDC, Gujarat (Unit 3)**	**Innovative Solutions Plant, Dahej, Gujarat (Unit 3)**

* The management team at Indofil has consciously decided to shift all its manufacturing operations to Dahej (Gujarat) from July 1, 2019. However, our facility at Thane (Mumbai) shall continue to stand strong as the R&D Centre.

Global Presence
Offering Our Expertise to the World



NEW REGISTRATIONS/ APPROVALS

During the year, the Company applied for about 100 registrations overseas and got approvals for 84 registrations of those applied in earlier years.

ACCREDITATIONS

In addition to being ISO 9001 QMS and ISO 14001 EMS certified, our facilities have the following accreditations:

- Good Laboratory Practices (GLP) Certification for our R&D facility
- National Accreditation Board for Testing and Calibration Laboratories (NABL) for our R&D facility
- OHSAS 18001 and ISO 14001 for our Dahej plant
- Occupational Health and Safety Management - ISO 45001:2018
- (AEO) – T2 certification
- Ecovadis certification

Presence in Countries

100+

Business Review
Our Wide Product Portfolio

Agrochemicals

The Agrochemicals business follows the 'Crop Care Concept', which ensures the safety and health of crops by identifying the problems affecting them and procuring the right solutions. A number of products categories such as Insecticides, Herbicides, Bactericides, Acaricides, Plant Growth Regulators and Surfactants are manufactured under the division's scope of offerings.

Indofil is committed to excellence in product quality and service. Our focus is to ensure the well-being of farmers by protecting their crops and facilitating better yields. The division is supported by talented agricultural graduates and doctorates and a strong marketing, technical, sales and logistics group. Our productivity improvement programme is designed to educate farmers through demonstrations for effective and economic ways of crop protection.

With the basic objective of improving the efficiency and agility of field development assistants and optimising demand generation activities, Indofil is ready to launch a unique in-house mobile application – *Ujjwal Kheti - this year*. The app will enhance farmer engagement and also prescribe methods for better crop yields.

Domestic

Sales Offices in India

9

Distributors across India

6,300+

Consolidated Total Income

₹1,003 crore

Revenue Share

44%

Revenue Growth

6%

KEY HIGHLIGHTS

- Launched eight new co-marketing products
- Implemented the microbattle concept for driving profitable growth
- Successfully entered the granual plant nutrition segment through Indolizer
- Participated in alternate business channels, namely government business, retail chain, contract farming and e-commerce

FUNGICIDES

Fungicides represent a class of agrochemicals made of chemical compounds and biological organisms. These are used to destroy or prevent the growth of fungi in crops, thus ensuring better quality and enhanced productivity.

Brands

Indofil M 45, Indofil Z 78, Moximate, Avtar, Merger, Sprint, Impression, Iglare, Indofil's Baan, Baan Gold, Matco, Boon, Companion, Noor, Debut, Dhan, Benfil, Sitara, Sitara Plus, Eurofil NT, Share, Sulfil, Décor, Captra, Ally, Trucop, Indokar, Rancho, Lobo, Plumage, Indo TPM Bactrinashak and Ream

ACARICIDES

Acaricides are used to destroy or prevent the spread of pests such as ticks and mites, which belong to the Acari group.

Brands

Mitex, Colonel-S and Raze

INSECTICIDES

Once crops are infected by insects, it becomes difficult to contain them naturally. They spread fast, causing considerable damage to crops. Insecticides offered by us destroy or prevent infestation of insects in crops. These also help to significantly increase farm yield.

Brands

Token, Rimon, Click, Lift, Volax, Atom, Atom Power, Agent Plus, Agent Capsule, Blaze, Indothrin, Beacon GR, Beacon SP, Flash, Gem, Stalker GR, Stalker SC, Bemiron, Bajao, Jango, Indothion, Asset, Oopiri, Nikhar, Aston, Indodiafen and Akhdir

HERBICIDES

Herbicides play a major role in ensuring proper growth of crops. These products comprise a class of agrochemicals, popularly known as weedicides, which destroy unwanted plants and weeds without harming crops.

Brands

Oxygold, Society, Killog, Zechor, Speed Extra, Pixo, Nami, Offset, Clean-UP, Tadka71, Passport, Munafa, Prakat, Speed, Gromate, Chase, Atrafil, Golf and Bigul

SURFACTANTS AND PLANT GROWTH REGULATORS

Surfactants are a kind of wetting agent used to reduce interfacial tension between two liquids to facilitate easier dispersion of sprayed material. Plant growth regulators are chemicals that can modify and accelerate the growth process of plants.'

Brands

Indtron AE, Filwet Premium, Ethephol, Superfix and Banole

PLANT NUTRITION

Indofil's plant nutrition portfolio includes patented technology products in collaboration with a US company. These products are amino acid-based bio simulants that can be used on any crop for productivity improvement.

Brands

Indolife Crop Energy, Indolife Fruit Energy, Indolife Green Energy, Indolife Vital Energy and Indolizer Granules

Business Review (continued)

International

Overseas Sales Offices

8

Overseas Distributors

400+

Consolidated Total Income - International

₹970 crore

Revenue Share

43%

Revenue Growth

17%

INTERNATIONAL OFFERINGS

Indofil's International Business covers offerings from Agrochemicals as well as Specialty Chemicals across 100+ countries.

Technicals

Mancozeb, Cymoxanil, Metalaxyl, Tricyclazole, Myclobutanil, Maneb, Zineb, Dodine, Propiconazole and Hexaconazole

Mixtures and Formulations

Mancozeb WP/WG/SC, Tricyclazole 75% WP, Mancozeb + Metalaxyl, Mancozeb + Cymoxanil, Mancozeb + Carbendazim, Dodine 65% WP, Mancozeb + Hexaconazole, Mancozeb + Tricyclazole and Myclobutanil WP/EC

KEY HIGHLIGHTS

The volume growth was quite strong, especially in Brazil, which saw volumes surging four times compared to the previous year. Besides, the business also saw some recovery in the African and Asian markets, which had seen a downturn in the earlier year. The European market remained fairly stable in line with the overall Agrochemical market in Europe. The global sanctioning of some of the Middle Eastern markets also affected our business revenues from these markets. Due to the overall demand-supply situation for Mancozeb, pricing pressures have been quite strong over the last two years. Even in case of our key markets such as Brazil, large-scale channel inventories had led to a price war and an overall reduction in pricing across the market. This phenomena is likely to continue in the current year as well.

Europe

Our European operations have been represented by Indofil Industries (Netherlands) B.V., which has been in operation since the last four years. During the year, Indofil invested extensively in developing the necessary infrastructure, go-to market strategy for direct operations, resource development, etc. France, Italy and Spain are the key focus regions of the Company, which it intends to capitalise during the initial 1-2 years. During the year, we also completed the acquisition of 80% stake in an Italian distribution company, namely Agrowin Biosciences S.R.L. This acquisition would act as our gateway to the B2C operations in Italy.

Brazil

Over the last 1-2 years, Brazil has emerged as one of the biggest Agrochemical markets. During the year under review, the volumes have grown by four times compared to the last year. The majority of these sales were done directly from India. Besides, the Brazil entity is closely working on its go-to market strategy for B2C business, which it intends to commence from 2019-20.

Bangladesh

Bangladesh has been one of the first export markets for Indofil and remains one of the most strategic ones due to its similarities with the Indian market. We have been present in Bangladesh for the past several years mainly focusing on developing our market, product acceptance, customer service and registration development. During the year under review, Indofil Bangladesh Industries Pvt. Ltd. commenced the construction of Indofil's first manufacturing facility (re-packing unit) outside India. The construction of the facility is expected to complete by Q3 of 2019-20 and commercial production would commence thereafter. The Company is already in the process of creating the necessary distribution infrastructure for its B2C operations.

Philippines

Philippines is the first overseas market where Indofil has commenced B2C operations. Indofil Philippines Inc. commenced commercial operations from May 2018 and achieved a positive surplus in the first year of its operations. Besides sourcing products from Indofil India, Indofil Philippines Inc. has also expanded its product portfolio through in-licensed products from several large agrochemical companies.

Business Review (continued)

Indofil Innovative Solutions Division

The Indofil Innovative Solutions (IIS) division caters to small, medium and large industrial manufacturers globally. Through a network of regional offices and stock points at major centres, and by leveraging our technical capability, we deliver the benefits of our chemicals to customers.

With our state-of-the-art technologies and strong brand equity, we emerged as the leading manufacturer and supplier in the industry. This, coupled with in-house product development and application know-how, delivered significant growth for dispersants, re-dispersible polymer powder and impact modifiers. We have enhanced our manufacturing capability with a new unit at Dahej. Along with a highly qualified and well-experienced sales team, our application technology teams are working closely with customers in the leather, coating, textile and plastics industries. During the year, we entered into a joint venture with Italy-based Reagens the world's leading Polyvinyl Chloride (PVC) heat stabilisers additives manufacturing company.

Offices

6

Distributors

71

Consolidated Total Income

₹297 crore

Revenue Share

13%

Revenue Growth

22%

LEATHER

- Preservatives
- Soaking and Wetting Agents
- Degreasing Agents
- Powder Syntans
- Acrylic Syntans
- Fatliquors
- WR Fats
- Resin and Binders
- Impegnation systems
- Compact Binders
- PU Binders
- Protein Binders
- Lacquer and Lacquer Emulsions
- Waxes and Fillers

TEXTILES

- Acrylic Binders
- PU Emulsions
- Silicone Emulsions
- Water Repellents
- Fixing Agents
- Pigment Emulsions
- Customised Compounds
- Thickeners

PLASTICS

- Impact Modifiers
- Plasticisers
- Processing Aids
- Heat Stabilisers
- Blowing Agents and Lubricants
- Stabiliser (through JV with Reagens)

COATINGS AND CONSTRUCTION

- Water-based Emulsions
- Dispersing Agents
- Thickeners
- Defoamers / Wetting Agents
- Re-dispersible Powders
- Cement Modifiers
- Waterproofing Chemicals
- Rheology Modifiers

Operational Highlights
Setting Us Apart

We made progress towards our key strategic initiatives around the globe. We are well-positioned to deliver significant progress on our earnings and cash flow in the year to come and beyond.

- The Gujarat Industrial Development Corporation (GIDC) plant for producing Mancozeb with an annual installed capacity of 35,000 MT commenced production from October 2018. The GIDC plant for specialty chemical products with an annual installed capacity of 35,000 MT commenced commercial production from July 2018.
- Construction of a new facility has started in Bangladesh and is expected to complete in Q3 2019-20.
- Indofil Philippines Inc. commenced commercial operations from May 2018 and achieved surplus in the first year of operations.
- We partnered with Grace Breeding Technologies Limited, an Israeli research firm engaged in the development of Nitrogen Fixation Technology.

We entered into a joint venture with Reagens, Italy – IndoReagens Polymer Additives Private Limited – for manufacturing and distributing stabilisers.

We launched eight new products in the agrochemicals domestic market.

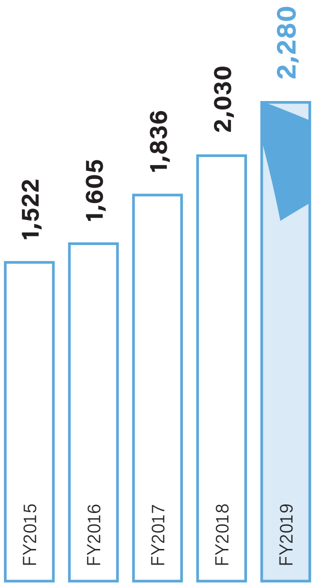
We completed the acquisition of 80% stake in an Italian distribution company, namely Agrowin Biosciences S.R.C., as a step-down subsidiary.

Financial Highlights
Our Performance Scorecard

PROFIT AND LOSS METRICS

Consolidated Income
(Net of Excise Duty)
(₹ in crore)

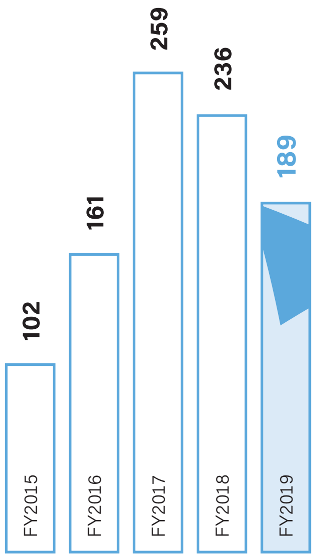
₹2,280 crore



5-year CAGR 10.67%

Consolidated Net Profit
(₹ in crore)

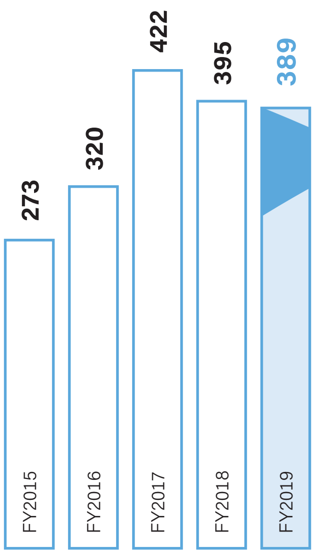
₹189 crore



5-year CAGR 14.48%

Consolidated EBITDA
(₹ in crore)

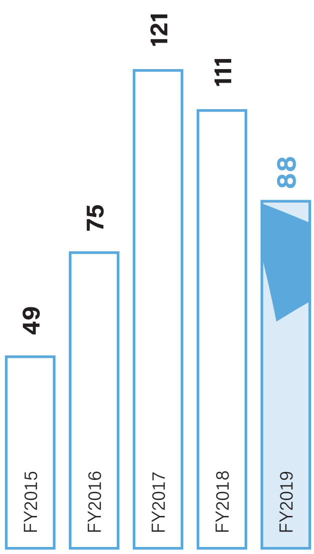
₹389 crore



5-year CAGR 9.51%

Consolidated EPS
(in ₹)

₹88

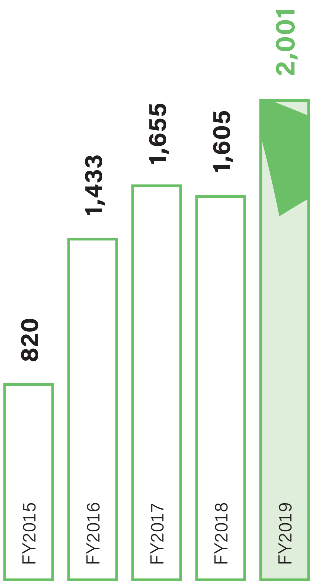


5-year CAGR 13.95%

BALANCE SHEET METRICS

Consolidated Net worth
(₹ in crore)

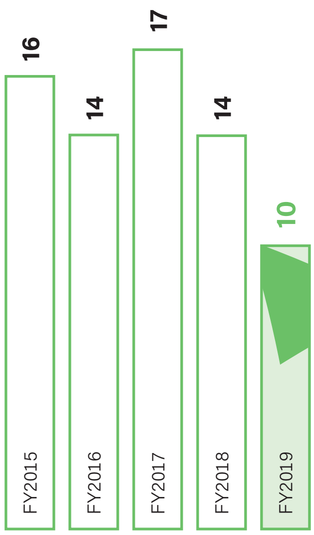
₹2,001 crore



5-year CAGR 34.25%

Return on Equity (ROE)
(As Per Consolidated Accounts)
(in %)

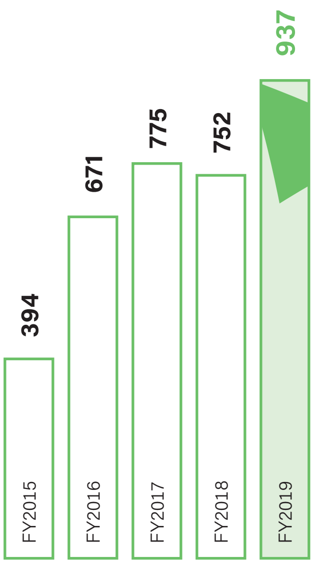
10%



5-year CAGR (13.00%)

Consolidated Book value per share
(As Per Consolidated Accounts)
(in ₹)

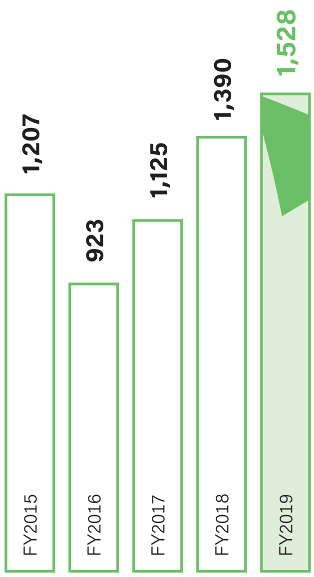
₹937



5-year CAGR 33.37%

Consolidated Gross Fixed Assets
(₹ in crore)

₹1,528 crore

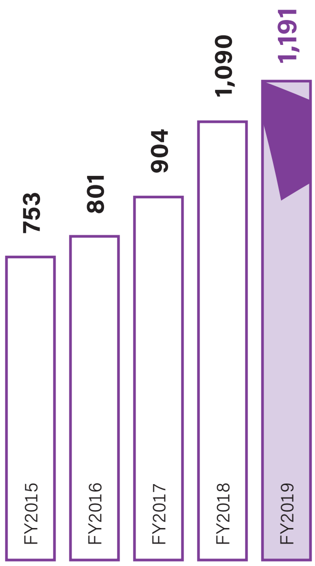


5-year CAGR 7.30%

OTHER OPERATING METRICS

Employee Engagement
(in nos)

1,191



5-year CAGR 9.52%

Chairman's Message
Geared for Growth

Dear Shareholders,

2018-19 started on a high note with a steady pace of growth. However, the growth slowed down towards the second half of 2018-19 due to macroeconomic factors. Though the Indian economy continues to be one of the world's fastest growing economies, the domestic routine activities in the country remained sluggish during the second half of the fiscal year. The economy was still recovering from the impact of demonetisation and the implementation of the Goods and Service Tax (GST). In addition, liquidity crisis negatively impacted the consumption demand and market sentiments. As a result, the economic growth rate took a hit.

Global factors will continue to impact the Indian economic landscape. However, it will be the domestic factors such as economic growth rate, consumption patterns, policy impetus, inflation and government revenue flow that are expected to play a vital role in projecting the country's future growth trajectory. While paying attention to the requirements of rural areas and agriculture, the government also announced appropriate measures for sectors such as infrastructure, healthcare and investments.

2018-19 has been a mixed year for the agriculture sector. While the overall rainfall was near the long-term average, the issue was uneven distribution and unpredictable timing. Poor rainfall during key cropping periods in both Kharif and Rabi seasons led to cropping pattern change and hence impacted demand. Another challenge for our industry was the tightened regulation on co-marketing of branded cotton seeds in certain states.

Agriculture sector has witnessed a number of transformations over the past few decades. These include the growing penetration of the organised sector; growth in contract farming; agriculture becoming more mechanised; easier access to finance; increase in exports; growing use of agrochemicals and high yielding seeds; and the increasing role of the private sector in processing, branding and marketing.

Our strategic focus

To meet the increasing domestic demand during peak agricultural seasons and to address export demands during off-peak seasons, most Indian companies in the agrochemical space are focusing on capacity expansion. Interest in new market access is resulting in overseas acquisitions. We are well positioned to capitalise on these demand drivers and are moving towards more focused and multifaceted growth.

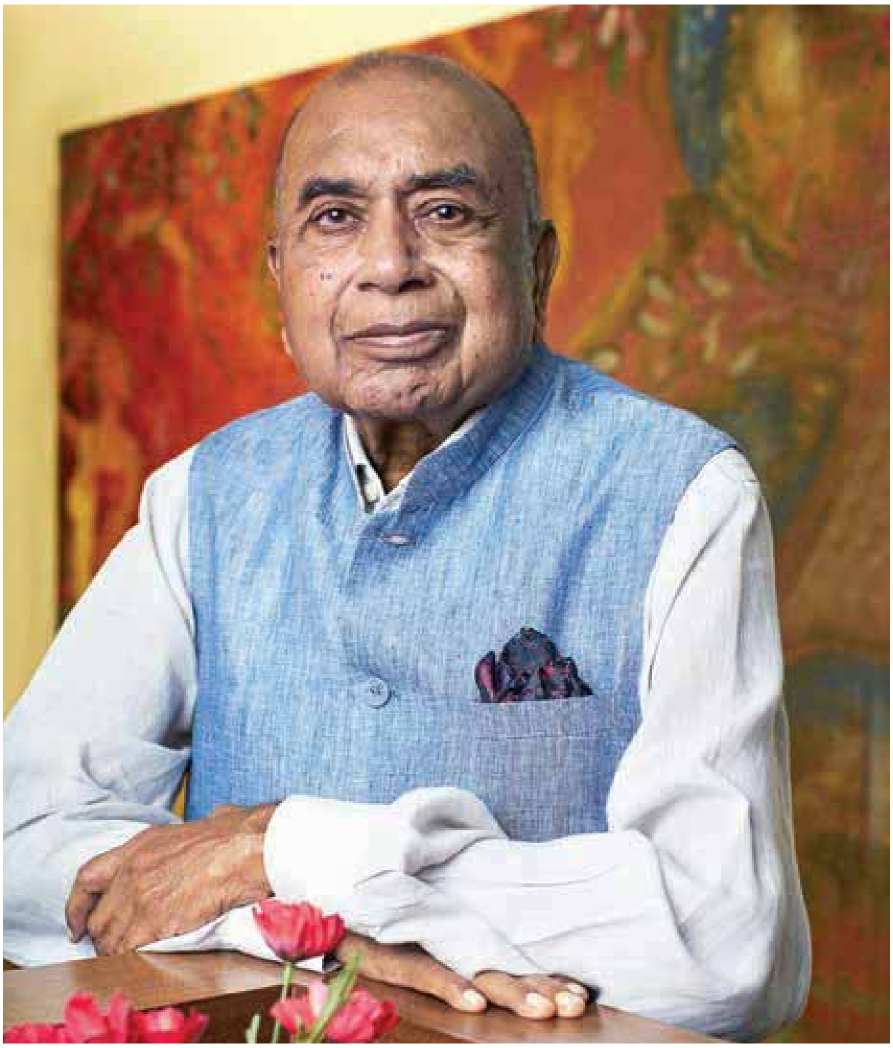
Our acquisition of Agrowin Biosciences S.R.L., a distribution company based in Italy, will help us identify, scale and create a range of customised products. Our most recent joint venture with the world's leading polymer additives manufacturing company, Italy-based Reagens, will become a new force in the supply of additives to the PVC and Chlorinated Polyvinyl Chloride (CPVC) sectors in India. The joint venture will also mean that Reagens will benefit by leveraging our distribution network and sales infrastructure to drive higher sales volumes. We are also focusing on technologies of the future. In line with this strategy, we have invested in Grace Breeding Technologies Limited, an Israeli research firm engaged in the development of Nitrogen Fixation Bacteria Technology.

At Indofil, R&D forms the foundation for our growth. We have continued to build our capabilities and competencies in research, product innovation, intellectual property and analytical references to provide integrated solutions to our customers around the globe. We have also initiated research in the field of plant nutrition to provide innovative eco-friendly solutions to the farming community in the field of crop nutrition and crop health to improve yield and quality of produce.

As we seek to accelerate growth, we will focus on building a sustainable, knowledge-driven organisation that is anchored in futuristic technologies. We are investing in them to scale product development keeping in mind our long-term sustainability focus. Digital technology is now at the heart of our business operations as we seek to simplify and speed up operations and serve customers better. We will continue to make headway towards responsible manufacturing to ensure zero harm to

AS WE SEEK TO ACCELERATE GROWTH, OUR FOCUS ON BUILDING A SUSTAINABLE, KNOWLEDGE DRIVEN ORGANISATION THAT IS ANCHORED IN FUTURISTIC TECHNOLOGIES WILL BE THE KEY. WE ARE INVESTING IN THEM TO SCALE PRODUCT DEVELOPMENT KEEPING IN MIND OUR LONG-TERM SUSTAINABILITY FOCUS.

THE OUTLOOK FOR THE BUSINESS CONTINUES TO BE POSITIVE, AS INDOFIL CONTINUES TO WORK ON DISTRIBUTION EXPANSION, BRAND BUILDING INITIATIVES AND STRENGTHENING OF SUPPLY CHAIN.



people, assets and environment across the business value chain.

Our people are our most valuable asset and their domain knowledge and experience provide us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. Our experienced professionals located overseas are powering our growth towards becoming a global leader.

The outlook for the business continues to be positive, as Indofil continues to work on distribution expansion, brand building initiatives and strengthening of supply chain. Indofil is aligned with the government's mission to provide food security and drive farm productivity, with the aim of empowering farmers and increasing their incomes. Its solution-led approach involves end-to-end-agro-solutions and value-added services across the crop cycle. It also includes agronomic advice and knowledge of best practices to enable the farmers to enhance the yield and their net incomes.

Outlook

Looking ahead, we would like to continue our growth journey by strengthening the quality of customer engagement, enhancing safety and sustainability efforts, and nurturing a progressive work culture that leads to happy and satisfied stakeholders.

Our vision is to focus on specific opportunities, drive growth and enhance value for our customers. Indofil has a highly skilled and successful sales team that believes in learning and working with the customers as partners, thus developing the products and services around core issues to meet their future needs.

I would like to extend my heartfelt gratitude to all our stakeholders for their untiring support that has helped us meet industry standards and set new benchmarks. I look forward to a brighter future in the years to come.

Your sincerely,

K. K. Modi
Chairman & Managing Director

Group CEO's Message
Focused Multifaceted Growth

Dear Shareholders,

I am delighted to connect with you at the end of what was a very satisfying financial year for Indofil Industries Limited. In my previous letter, I had informed you about our plans to explore inorganic opportunities to expand our presence in international markets by acquiring products, technology and distribution network in the agrochemical and innovative solutions segment.

I am proud to announce that we have been successful, though it is just the beginning. We ramped up our manufacturing facility, revamped our supply chain and spread our geographical footprint.

2019 – THE YEAR OF EXPANSION

We are now entering into a phase of 'Focused Multifaceted Growth'.

Green manufacturing

We built a new state-of-art technology plant in Gujarat Industrial Development Corporation in Dahej to offer agrochemicals and all green polymer additives to India's chemical and polymer processing industries. This was in line with our goal of transitioning to a solutions provider from a pure play formulations manufacturer. We now have an excellent manufacturing capability with investments of over ₹1,200 crore, with all units focusing on zero liquid discharge and sustainability.

Geographic expansion

We expanded our geographic footprint in 2018-19. We take pride in sharing that Indofil acquired a majority stake in Agrowin Biosciences S.R.L., an Italy-based distribution company, which would lead to strengthening our position in the B2C segment of the Italian markets. Our subsidiaries are operational in Philippines, Brazil, and in various parts of Europe. These subsidiaries generated significant revenues in the very first year of their operations. Given the complexities of the distribution business, we plan to set up a re-packing facility in Bangladesh to ensure timely availability of products in the country. We have leased a land parcel near Dhaka and have started construction. We expect to begin commercial production by Q3 of 2019-20.

Investment in future technology

We will be focusing on the technologies of the future. We tied up with Grace Breeding Technologies Limited, an Israeli research firm engaged in the development of Nitrogen Fixation Bacteria Technology. We are looking at more such investment opportunities in the future.

Joint ventures with technology companies

We have entered into a joint venture with the world's leading polymer additives manufacturing company, Italy-based Reagens. We believe this partnership will be a force to reckon with in the supply of additives to the PVC and CPVC sectors in India.

Continuous learning and application

The world around us is continuously changing with data analytics. This brings our focus back to increased transparency and improved collaboration with real-time information powered by data analytics. We are continuously working to enhance our technology capabilities by focusing on new chemistries and application development capabilities, technology platforms, product research and testing services.

Focus on quality, innovation and R&D

We adhere to quality standards and focus on customers' needs related to product, packaging, documentation and timely delivery with 'zero tolerance for deviations and defects'. We maintain a strong pipeline by investing in the research and development of innovative products. We continue to work towards enhancing our technology capabilities by focusing on new chemistries and application development, technology platforms, product research and testing services.

Financial performance

During the year, our consolidated total income increased by 12% to ₹2,280 crore as compared to ₹2,030 crore in 2017-18. The profit before tax stood at ₹229 crore, compared to ₹261 crore in 2017-18, which is 12% below previous year. This is mainly due to the new investments for future growth.

Moving towards a better tomorrow

Indofil is on a steady path towards a greener future. We always emphasise on the importance of responsible Environment, Health and Safety (EHS) management to achieve growth, profitability and long-term success and will continue to do so. As part of the EHS management, we undertake periodic reviews of our EHS performance and continuously improve the same as well as ensure the safety of our contractors, visitors and communities. Further, we have installed stringent safety measures across our value chain, including in our processes and facilities, to minimise

impact on people, property and the environment. We also strive to accomplish the objective of zero injuries and zero environmental non-compliance.

Road ahead

The Indian agriculture sector is undergoing a much required change by adopting and implementing modern technologies. To achieve sustainable agricultural growth, the government has rolled out several policies related to crop insurance, irrigation and proper nutrient balance in the soil. We are well-positioned to capitalise on the opportunities emerging from the government's thrust on doubling agricultural income by 2022.

We reiterate our commitment to pursue a value-oriented investment strategy that will lead to a diversified portfolio of solid businesses. We are confident of the long-term prospects of each of our businesses. We have put in place strong governance processes and high standards of ethical and responsible performance. We are an active contributor to societal development.

Indofil is growing the business sustainably so that the benefit reaches all our shareholders. We have earned their trust over a long period by returning capital in a consistent and transparent way. With the support of our internal and external stakeholders, we will continue to strive towards building a more sustainable business and enhancing shareholder value in the near and long term. On behalf of Indofil, I once again thank you for your relentless and continuous support.

Warm regards,

R. K. Malhotra
Group Chief Executive Officer

WE CONTINUE TO WORK TOWARDS ENHANCING OUR TECHNOLOGY CAPABILITIES BY FOCUSING ON NEW CHEMISTRIES AND APPLICATION DEVELOPMENT, TECHNOLOGY PLATFORMS, PRODUCT RESEARCH AND TESTING SERVICES.

Business Model
Value Creation Paradigm

We create long-term value for our stakeholders by effectively leveraging our integrated business model, focused approach, strong relationships with our customers and state-of-the art manufacturing facilities. Our long-standing partnerships have been built over the years on the strong foundation of trust, integrity and IP protection.

INPUT

Integrated Business Model
Our end-to-end capabilities across R&D, manufacturing and formulation, product development, brand building, marketing and distribution, and strong customer connect based on partnerships differentiates us. This gives us control over the complete value chain and helps produce uniform product excellence delivered on time across geographies.

Long-standing Relationships
We have built a reputation of trust and reliability with global innovators over the past several decades. We have nurtured strong relationships with farmers by providing quality products and customised solutions.

Focused Approach
We develop products and solutions for major food grains, fruits and vegetables tailored to the needs of the geographies we serve. We expanded our distribution network to reach key markets and deepened penetration within these markets.

World-class Infrastructure
Our research facilities, QC laboratories and manufacturing units are equipped with all modern machinery, equipment, technology and processes and bear best-in-class certifications and accreditation.

DELIVERING VALUE

Agriculture Chemicals
Fungicides, Insecticides, Herbicides, Acaricides, Plant Growth Regulators, Surfactants and Plant Nutrition

Innovative Solutions
Textile, Plastic, Coating and Leather Chemicals

OUTPUT

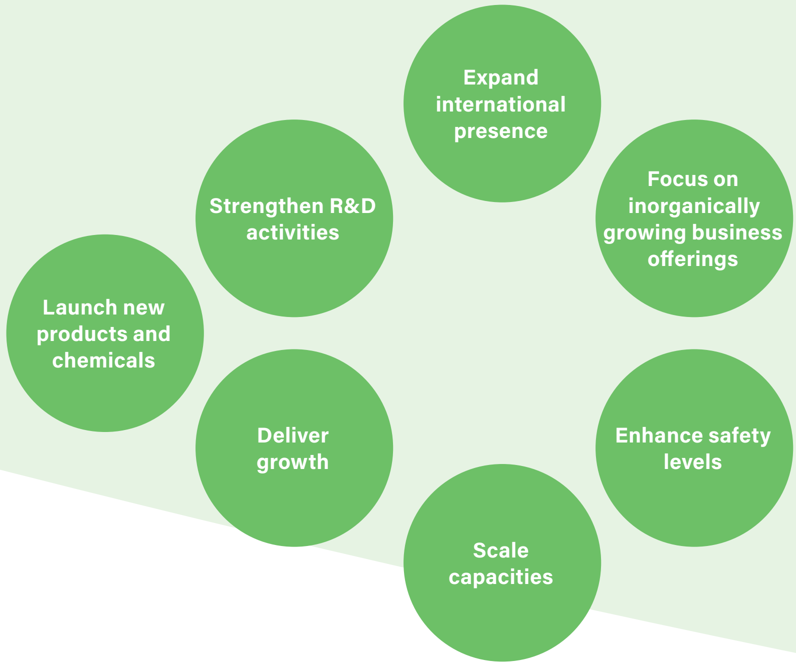
Investors
Stable returns through share price appreciation and dividend payout

Customers
Value to customers by providing high-quality solutions

Employees
A safe, rewarding and inspiring place for employees to work and develop their careers

Supply Chain
Partnership opportunities for suppliers and subcontractors to contribute to, and share in, our success

Community
Improving the quality of life and fulfilling our commitment to social and environmental sustainability



STRATEGIC PRIORITIES

Launch new products and chemicals

Indofil is launching new products and chemicals every year. To expand our market share further and tap new markets, we will continue to focus on introducing new brands in the coming years.

Strengthen R&D activities

Indofil is among the few companies in the agrochemicals industry to have been accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). We will sharpen our focus on R&D initiatives to accelerate product development.

Deliver growth

We build strong relationships with our customers to target niche, rapidly growing markets where our innovative and focused approach is valued. At the same time, we work together as one team to respond quickly to the changing needs of our customers.

Expand international presence

Experts have warned that global warming will affect agricultural production across the world, with increased incidence of droughts, floods and other extreme weather events. This is likely to drive global demand for agrochemicals. Indofil, through its rapidly expanding international business along with value-added distribution and collaboration, is well positioned to capitalise on the opportunity.

Scale capacities

To service the growing global demand for crop protection chemicals, we plan to vigorously expand capacities. Indofil has drawn up strategies to modernise its production facility particularly for the IIS.

Focus on inorganically growing business offerings

We will evaluate inorganic growth opportunities, in line with our strategy to grow and develop market share or add new product categories. We may consider opportunities for inorganic growth, such as through Mergers and Acquisitions (M&As), if, among other things, we consolidate market position in existing business verticals or achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits. We will also look at opportunities to strengthen and expand our product portfolio and increase our sales and distribution network.

Enhance safety levels

We have set a stringent safety policy at every workspace we occupy, across our operations, from the R&D centres to sales offices. We are investing in structured capability building across all levels to keep pace with technological enhancements. We also plan to invest heavily in compliance processes, with additional efforts in creating awareness; hiring skilled personnel, and upgrading our equipment, facilities and processes.

Operating Environment
Key Trends Transforming the Industry Landscape

We believe our ability to create value is directly linked to our ability to effectively address a number of current and emerging issues. We must be responsive to the operating environment and its risks and opportunities to derisk our business and continue creating value for our stakeholders.

Increasing demand

Our crop inputs, services and agricultural solutions are facing growing demand. The world's population is expected to reach 10 billion by 2050 and growers will face mounting pressure to produce more and better-quality food on limited arable land, while minimising impacts on the environment.

Customer engagement

We operate in a dynamic environment and are improving our interactions with customers. Through advanced analytics, using real-time data, leading chemical companies can address unique customer needs by differentiating their service offering capabilities into multiple, value-chain-specific segments.

Digitalisation

With digital disruption taking over the economy, most stakeholders now understand that growth in agriculture can only be achieved through digital innovation. 2019-20 is likely to see changes in policies, infrastructure development, supply chain management and technology enablement in areas such as quality, traceability, logistics, distribution, digital lending and other areas of the value chain.

M&As

M&As have played a critical role in shaping the Indian chemicals industry landscape in the past. A large number of foreign players have been increasingly interested either in establishing direct sales and marketing presence in India or acquiring a low-cost manufacturing base, resulting in significant inbound M&A activity. The Indian chemicals sector is expected to witness heightened levels of M&A interest by players across the spectrum. The increased globalisation of the sector, sustained market opportunities and the emergence of quality companies are expected to create an exciting period for chemicals in India.

OUR RESPONSE

We have a unique opportunity to benefit from the agriculture market and generate superior returns through the cycle. The scale of our production and distribution footprint provides the opportunity to generate significant cost savings across our supply chain. We have the resources and share long-standing relationships with the growers to best develop innovative products and solutions. Fostering our purpose-driven culture will create a long-term competitive advantage.

We are leveraging digital technology not only for internal processes, but also to provide high-quality products to our customers and farmers so that progress is assured, faster and sustainable for all. We are also exploring inorganic opportunities to augment our presence in international markets by acquiring products, technology or distribution network in the Agrochemicals and Specialty Chemicals segments.

Green Manufacturing

Indofil's core competence lies in its ability to leverage in-house research and development capabilities. We own a number of patents, which is a testimony to our continued focus on innovation. We have built a solid platform that is not only committed to delivering the highest standards, but also to enhance customer delight through higher yield/hectare, lower crop damage, enhanced plant adaptability and, in turn, a better life and livelihood.

All Indofil manufacturing plants are designed for zero liquid discharge and sustainability.

During the year, we commenced the commercial production of the first ever in-house manufacturing facility for production of 35,000 MT of emulsions and powder in July 2018. We also commenced operations of the GIDC Plant for producing Mancozeb with an annual capacity of 35,000 MT in October 2018.

COMMENCED OPERATIONS FOR GIDC PLANT FOR PRODUCING MANCOZEB AND FIRST IN-HOUSE MANUFACTURING FACILITY FOR EMULSIONS AND POWDER WITH AN ANNUAL INSTALLED CAPACITY OF 35,000 MT RESPECTIVELY

2018-19 HIGHLIGHTS

- **Improved the quality and process efficiency of five key agro technical products by introducing a robust and environment-friendly process.**
- **Cost-effective process of four new technical products related to various chemistries.**

- **Value addition to a couple of existing branded fungicide formulations through process improvement up to pilot scale, which are ready for commercialisation 2019-20 onwards.**
- **Two new proprietary formulated ready mixtures containing insecticides were optimised and are ready for commercialisation in 2019-20.**

- **Many unique mixtures and formulations were developed for the overseas and Indian markets for screening at the field level.**

- **The polymer team reduced the cost of 8 existing products to increase profitability in the Leather, Textile, Plastic and Coatings verticals. The team is developing novel products in Coatings to be launched by 2020. Indofil aims at developing products using environment-friendly (bring together) monomers/chemicals adhering to GOTS/ REACH/GREEN SEAL requirements.**

Collaboration with Technology Companies

We have a clear and differentiated strategy to deliver growth across our sectors and geographies. Indofil has been successful in finding fast-growing market niches, staying ahead of competition by identifying and developing products to address unmet customer needs and creating new differentiators in competitive markets. In line with this strategy, we entered into a joint venture with Italy-based Reagens during the year.

INDO-REAGENS POLYMER ADDITIVES

The stabiliser market is moving towards the design, manufacture and use of efficient, effective, safe and environmentally benign chemical products and processes. Indofil entered into a joint venture with Reagens to become a new force in the supply of such additives to the PVC and CPVC sectors in India. Indofil and Indo Reagens will now be able to offer 80-85% of PVC additives products.

The joint venture, Indo Reagens Polymer Additives Private Limited (Indo-Reagens), will start manufacturing the Green Stabiliser range from its Ankaleshwar unit. Indo-Reagens has currently started offering specialty additives from Reagens' Europe units from April 1, 2019. The joint venture will set up a new state-of-the-art technology plant in GIDC, Dahej in 2020-21 to offer all-green polymer additives to the Indian polymer processing industry. Indo-Reagens will offer technical support and services from its regional application laboratories based in Thane and Delhi, complemented by existing Reagens capabilities.

Both the companies have complementary strengths that can be leveraged to develop innovative solutions and products used in PVC and CPVC polymers. Indofil and Reagens will bring together unique assets, deep technical expertise, as well as the ability to identify, scale and customise solutions. Indo-Reagens will bring to the market a complete product range including heat stabilisers, acrylic-based impact modifiers and processing aids, lubricants, functional fillers and various specialty additives.

WE ARE MOVING TOWARDS FOCUSED, MULTIFACETED GROWTH AND PARTNERS LIKE REAGENS PROVIDE SYNERGY BENEFITS.

SYNERGY

- Unique assets
- Deep technical expertise
- Ability to identify, scale and customise solutions

Expanding Global Reach

We look at business sustainability as a long-standing mantra, broadening our business to mitigate possible risks and create long-term stakeholder value. Our constant knowledge accretion and determination play an important role in driving our organisation ahead.

We have subsidiaries operational in Bangladesh, Philippines, Europe and Brazil with some of the best talents from the industry.

DURING THE YEAR, INDOFIL PHILIPPINES INC. COMMENCED OPERATIONS AND BECAME PROFITABLE IN THE FIRST YEAR.

Besides sourcing products from Indofil India, the Company expanded its product portfolio through several in-licensed products from several large agrochemical companies.

Indofil also invested in strengthening our Europe operations. France, Italy and Spain are the key focus regions for the next 1-2 years. Our acquisition of Agrowin Biosciences will allow us to strengthen our B2C foothold in Italy. In Brazil, we are working on strengthening our go-to market through a B2C strategy.

PACKAGING UNIT IN BANGLADESH

Bangladesh has been one of the first export markets for Indofil and remains one of the most strategic markets due to its similarities with the Indian market.

During the year, Indofil Bangladesh Industries Private Limited commenced the construction of our first manufacturing facility (re-packing unit) outside India. The facility is likely to be operational in Q3 of 2019-20. We are already in the process of creating the necessary distribution infrastructure for B2C operations.

Going forward, we will focus on realising the optimal potential of these markets. With our successful track record in entering and expanding into new markets, we will continue to explore newer geographies and forge new relationships while strengthening our existing base.

AGROWIN BIOSCIENCES

Indofil acquired a majority stake in Agrowin Biosciences, a distribution company in Italy. Agrowin's strong presence in the European agribusiness market of Italy strengthens Indofil's presence in European markets.

We are moving towards focused, multifaceted growth and partners such as Reagens and Agrowin provide synergy benefits.

Continuous Learning and Application

Digital technologies and data analytics are playing an increasingly important role in transforming agriculture, making a farm's field operations more insight-driven and efficient. The sophistication of today's sensors, internet-enabled devices, software applications and cloud storage facilities allow huge swathes of data to be captured, stored and fed into decision-support tools that enable informed business decisions. Digital technology-based farm services are helping improve financial performance and boost yields.

AT INDOFIL, IT IS OUR CONSTANT ENDEAVOUR TO PROVIDE THE BEST POSSIBLE CUSTOMER-COMPANY INTERACTIONS.

Indofil's systems have been running on best-in-class SAP ERP for the past seven years. During 2018-19, we upgraded to the latest version of SAP S/4 HANA. To provide service to our customers in real time, we are planning to deploy the Customer Relationship Management (CRM) software in the next few months.

At Indofil, it is our constant endeavour to provide the best possible customer-company interactions. We have set up a call centre to communicate with our customers on outstanding deliverables and for delivery verification.

As an employee collaboration tool, we will deploy an intranet portal accessible to all 'Indofilians'.

Ujjwal Kheti application

With the aim of improving the productivity of our Field Development Assistants (FDA) and improving generation activities, Indofil is planning to launch an in-house mobile app – Ujjwal Kheti. The main focus of the app is:

- To increase FDA efficiency in developmental activity planning and implementation
- To ensure proper and uniform communication on dosage/protocols for demonstrations, capture customer feedback and set activity reminders
- To capture large-scale data on farmers, retailers, demonstration results, field promotional activities, testimonials, etc.
- Enable FDA access to crop and product information
- Provide value additions such as real-time weather reports and forecasts, mandi prices, etc., thereby enhancing farmer engagement

Technology will help us gain a competitive edge and create robust processes and systems for internal controls. We are thus helping farmers improve productivity, increase resource efficacy and generate higher income. Our training and support enable them to add value to communities while improving food security for millions.

Increasing supply chain efficiency

At Indofil, as part of our key strategic plan, we have developed a decentralised supply chain for seed production, processing, packaging and quality assurance. Our supply chain proficiencies are achieved through well-organised logistic scheduling by making just-in-time supplies.

During the year, we set up the following processes:

Demand planning process setup

The plan is reviewed with the help of analytics to assess or anticipate any constraints in demand based on capacity, capabilities and in demand and supply of raw materials.

Sales and operations planning process

The team confirms whether the demand will be met in time or not and states the reason in cases where there is a delay. The supply side assures the demand side that they will be meeting the demand of the market. It is a regular process and helps fulfil customer requirements. It also helps in optimising costs, working capital and cash flow. It also increases collaboration between sales and supply chain teams.

Procurement

A full-fledged procurement strategy has been put in place. Packaging is looked after in terms of cost structure with the help of cross-functional teams. Authority matrix, risk analysis and vendor evaluation are part of the strategy.

Distribution

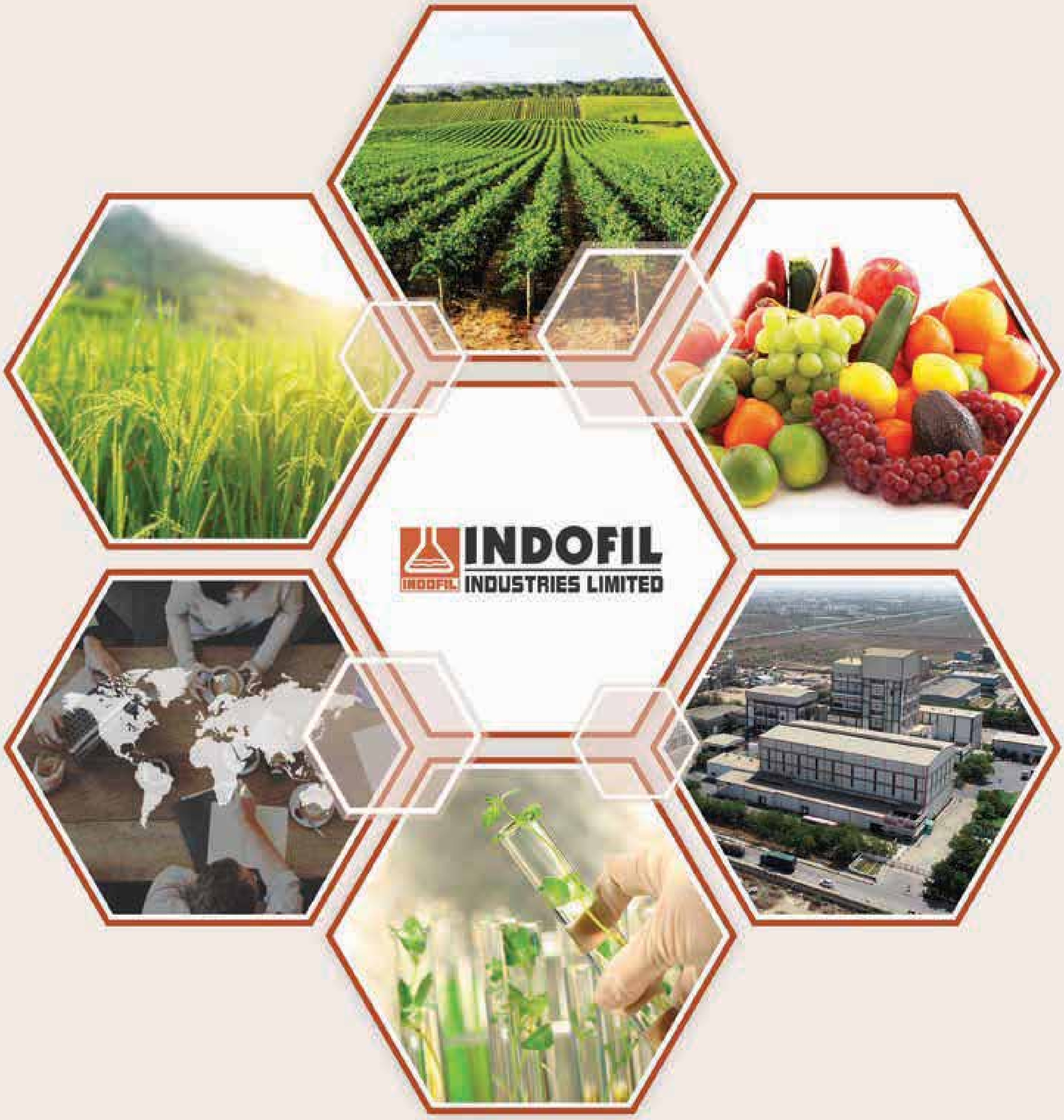
Distribution depends on getting the right contracts. We are strongly focusing on delivery and other details. The aim is to enhance our distribution network by bringing supply chain and demand chain efficiencies while maintaining the quality of services.

Investment in Future Technologies

At Indofil, we believe a well-developed holistic and technologically advanced infrastructure is key to success. We use technology to fuel innovation, remain agile, stay well connected, drive efficiency and align with the present as well as future customer needs. We continue to optimally leverage the benefits of SMAC (Social, Mobile, Analytics and Cloud) to bridge the digital divide with our stakeholders, gain market leadership and engage with our collaborators, customers and consumers.

Our new-age technology infrastructure enables us to provide them a unique, nuanced and individualistic experience. We continuously work to enhance our capabilities in new chemistries and application development, technology platforms, product research and testing services.

WE PICKED UP A 15% STAKE IN GRACE BREEDING TECHNOLOGIES LIMITED, AN ISRAELI RESEARCH-BASED START-UP COMPANY ENGAGED IN THE DEVELOPMENT OF NITROGEN FIXATION TECHNOLOGY.


INDOFIL
INDUSTRIES LIMITED

Governance Framework
Growing through Good Governance

The Board remains committed to the highest standards of corporate governance and integrity. Our governance framework, which reinforces our ability to deliver our strategy and create long-term value for our shareholders, cascades from the Board across the Group.

The Board has decisive responsibility for the overall leadership of the Group. In this role, it oversees the development of a strong Group strategy, monitors operational and financial performance against approved goals and objectives, and ensures that appropriate controls and systems exist to manage risks.

Risk Management

The main objective of Indofil's risk management framework is to identify events that may adversely affect the Company and manage risks to provide rational assurance for achieving the Company's objectives.

Strategic risk
Strategic plans for the Company's businesses take into account likely risks in the industrial environment from competition, changing customer needs, obsolescence and technological changes. Annual plans that are drawn up consider the risks that are likely to impact the Company's objectives in that year and the countermeasures put in place.

Operational risk
Indofil has a combination of well-documented centrally issued policies and divisionally evolved procedures to manage operational risks. The Company has a well-defined delegation of power and relies on a system of control points, comprehensive budgetary controls and review systems to monitor its operations. In addition, internal audits verify compliance to defined policies and procedures.

Financial risk
With a diverse business portfolio, Indofil is exposed to numerous financial risks. The Company's exports form an important part of the total revenues and therefore, fluctuations in foreign currency may impact its overall margins. The Company actively monitors the movements of foreign currency and takes significant steps to counter the foreign currency risk.

IT risk
The Company has set up suitable redundancy at the hardware and software levels in the mission-critical information systems such as the ERP to keep business going in the event of any interruption. As an additional precaution, regular backup of data is taken to prevent any data loss in these critical applications.

Regulatory risk
The Company has a robust and comprehensive framework of Compliance Manager (CM), which continuously verifies and monitors the Company's compliances with respect to various applicable laws.

Board of Directors
Led by an Illustrious Management

The Board remains committed to the highest standards of corporate governance and integrity. Our governance framework, which reinforces our ability to deliver our strategy and create long-term value for our shareholders, cascades from the Board across the Group.

MR. K. K. MODI

Chairman and Managing Director: Indofil Industries Ltd.

President and Managing Director: Godfrey Philips India Ltd.

Chairman: Modi Enterprises

Mr. K. K. Modi's Vision

Emerge as a growth leader by enabling the success of customers.

Mr. K. K. Modi guides Indofil Industries Limited in its strategic business decisions, which has elevated the Company to new heights of success. His revolutionary vision introduces a global perspective that drives Indofil to continue and increase its markets, both domestically and abroad. He has partnered with several international companies in his various businesses, bringing a global vision and the best of international technology to India.

Mr. Modi has contributed significantly to India's industrial development. He has occupied numerous prestigious positions in various industry, trade, education, sport and charitable organisations, including:

- President – CACCI (2002-2004, 2004-2006)
- President - Federation of Indian Chamber of Commerce and Industry (FICCI) (1997-98)
- President – PHD Chamber of Commerce and Industry (1983–84)
- Member of the Board of Governors – Indian Institute of Management, Lucknow
- Life Member – All India Heart Foundation, Delhi

As the President of FICCI, Mr. Modi put his efforts to initiate Government investments in infrastructure and privatisation in various sectors. He has also contributed in restructuring and redesigning Indian enterprises to make them globally competitive. Besides, he is actively involved in various social issues, including supporting a number of educational institutions, healthcare and hospital services, spiritual and religious centres, and charitable trusts.

MS. CHARU MODI

Executive Director: Indofil Industries Limited

Vice Chairperson and CEO: Modi Academic International Institute

Founder and Promoter: Modi Healthcare Placement

Ms. Charu Modi, daughter of Mr. K.K. Modi, is an eminent educationist, who has played an instrumental role in the field of education in India. Educated at Lady Shriram College, New Delhi and Thunderbird - The American Graduate School of International Management in the US, Ms. Modi continues to pursue higher academic specialisation in her area of expertise. Her deep knowledge and interest in academics gives her the ability to envision a future that provides deserving Indian students easy access to the finest global education. She has already established institutions in India in collaboration with the world's leading academic bodies.

Her expertise continuously introduces new avenues in her field of interest and she concentrates her efforts towards achieving the Group's overall vision of becoming a global leader.

MR. SAMIR KUMAR MODI

Non-executive and Non-independent Director: Indofil Industries Limited

Executive Director: Godfrey Philips India Limited

Mr. Samir Modi, son of Mr. K. K. Modi, has been instrumental in conceptualising, strategising, establishing and running new businesses of the Group. A graduate from the Hindu College, Delhi University, and an alumnus of the famed Harvard Business School, US, Mr. Samir Modi's strength lies in his extensive leadership and management experience, coupled with excellent analytical and interpersonal skills. His new philosophy of management, innovative strategy and lateral thinking help him catalyse new ground-breaking ideas for successful profit-making ventures.

He was instrumental in starting the first Indian network marketing company - MODICARE - which markets consumer products. He is also the brain behind India's first-of-its-kind convenience store – Twenty Four Seven Retail Stores – which are open 24 hours, 7 days a week throughout the year. He has been a part of the following institutions:

- Member – Executive Committee of Federation of Indian Chamber of Commerce and Industry
- Prominent Member – Retailers' Association of India
- Chairman – CSR Committee of PHD Chamber of Commerce & Industry
- Life Member – All India Management Association (AIMA)

Board of Directors (continued)

He also actively campaigns for the cause of HIV/AIDS and has established the Modicare Foundation to prevent the spread of AIDS, enhance awareness, and dispel myths and misconceptions.

MS. ALIYA MODI

Non-executive and Non-independent Director: Indofil Industries Limited

Ms. Aliya Modi graduated from Brandeis University in Waltham, Massachusetts, US. She holds a Bachelor of Arts degree with a major in Art History, Criticism and Conservation. Given her international qualification, experience and credentials, the Board is confident that it will help Indofil increase its international market. She joined the Board on March 18, 2016.

MR. M. N. THAKKAR

Non-executive and Independent Director: Indofil Industries Limited

Mr. M. N. Thakkar is a practicing Chartered Accountant since 1967 and was the Senior Partner of M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai. He has a wealth of experience in handling accounting, auditing and management consultancy matters of large corporate clients in diversified sectors. He occupies the following positions:

- Director – Samkrg Pistons & Rings Limited
- Proprietor – MNT & Co. Chartered Accountants.

MR. SUNIL K. ALAGH

Non-executive and Independent Director: Indofil Industries Limited

Mr. Sunil K. Alagh, a graduate from St. Xavier's College (Kolkata) and a postgraduate in Marketing from IIM Calcutta, has a rich experience in marketing and brand-building strategies. During his tenure as Managing Director of Britannia Industries Limited, the company figured three times in the Forbes List of the 300 Best Companies in the World in 1999, 2000 and 2002. It also became the most trusted food brand in India in 2002. Mr. Alagh received the Kashalkar Memorial Award – 2000 (for outstanding contribution to the food processing industry in India) and is a finalist of Ernst & Young Entrepreneur of the Year Award 2002.

Mr. Alagh has occupied the following positions in the industry:

- Director – United Breweries Limited (joint venture of Heineken and Mallya Group)
- Non-executive Director – Gati Limited
- Director – SKA Advisors Private Limited
- Director – Prasar Bharati
- Non-executive Director – Gati Import Export Trading Limited
- Member of Board of Governors – IIM Bangalore
- Member of Governing Board of the Indian Music Group – St. Xavier's College, Mumbai
- Member of Round Table on Higher Education – Ministry of HRD, Government of India
- Member of Advisory Board – Jawaharlal Darda Institute of Engineering and Technology, Yavatmal
- Member of Advisory Board – Setco Automotive Limited
- Former Managing Director and CEO – Britannia Industries Limited
- Former President – The Federation of Biscuit Manufacturers of India
- Former President – The Bangalore Chamber of Commerce & Industry
- Former President – AIMA Delhi
- Former Member of the Board of Governors – IIM Indore
- Former Member of the Governing Council – National Institute of Design, Ahmedabad
- Former Member of the Board of IL&FS Investsmart Limited
- Former Member of the Indian Advisory Board of Schindler Management Limited, Switzerland

MR. SANJAY BUCH

Non-executive and Independent Director: Indofil Industries Limited

Mr. Sanjay Buch is Senior Advocate and Solicitor and is also a partner of M/s. Crawford Bayley & Co., practicing in Mumbai for the past 25 years since the advent of the New Industrial Policy and SEBI in the year 1992.

He is practicing in the areas of Business & Corporate Laws, Mergers and Acquisitions and Corporate Laws, which include Indian Company Law and SEBI Laws and Regulations. SEBI Law and Regulations include Takeover Laws, Insider Trading, Limited Liability Partnerships, Foreign Exchange Management Laws, Competition Laws, Property Laws, Arbitration and Corporate Litigation in commercial matters and the likes. For the past 25 years, he has been advising many Indian and multinational companies on a wide variety of legal issues. He is known for his business acumen and practical approach in solving complex legal issues and resolving family and business disputes.

Mr. Buch is also associated with National Stock Exchange's Steering Committee on Security Laws, Associated Chambers of Commerce and Industry, CII Bombay Chamber of Commerce, Indo-German Chamber of Commerce, Indo-American Chamber, Indo-Italian Chamber, Chamber of Tax Consultants, Forum of Free Enterprises and other such prestigious institutions. He is also a Trustee in Fermenta ESOP Trust.

Apart from Indofil, he also occupies the position of an Independent Director in:

- DIL Limited, a publicly listed company
- Fermenta Bio-tech Limited
- Convergence Chemicals Private Limited
- JM Foundation for Excellence in Journalism
- Indo Baijin Chemical Private Limited
- Sulphur Mills Limited

MR. S. LAKSHMINARAYANAN, IAS (RETD.)

Non-executive and Independent Director: Indofil Industries Limited

Mr. S. Lakshminarayanan, a retired IAS officer, holds a master's degree in Chemistry and postgraduate diploma from the University of Manchester (UK) in Advanced Social and Economic Studies. He has served for more than 36 years in the Indian Government in senior positions with the Ministry of Home Affairs, Ministry of Communications and Information Technology, and Ministry of Information and Broadcasting and in the Department of Tourism, Culture and Public Relations; Department of Mines, Mineral Resources, Revenue and Relief; and Rehabilitation of the Government of Madhya Pradesh. His last assignment with the government was that of Secretary in the Union Ministry of Home Affairs. During his tenure with the Government of India, he travelled extensively all over the world. He has served as the Vice Chairman in UNESCO's Communication Development Programme in Paris for five years. He was also awarded the Honorary Doctorate Degree by Foro De Federaciones, Mexico, in March 2008.

At present, Mr. Lakshminarayanan holds the following positions:

- Chairman – Shriram Transport Finance Co. Ltd.
- Director – Shriram Life Insurance Co. Ltd.
- Chairman – Shriram Automall India Ltd.
- Member – Board of Trustees of Lilavati Hospital and Research Centre, Mumbai
- Member – Advisory Board of Hughes Communication India Ltd.
- Member – Advisory Board of NXP Semiconductors Pvt. Ltd.
- Director – ELCOM Systems Pvt. Ltd.
- Additional Director – Innovative Oncology Network Private Ltd.

DR. ATCHUTUNI L. RAO

Whole-time Director – Manufacturing, Operations and Safety: Indofil Industries Limited

Dr. Atchutuni L. Rao, Whole-time Director designated as Director – Manufacturing, Operations and Safety, joined Indofil in February 2012. Prior to joining Indofil, he worked with Clariant Chemicals India Limited and Clariant International for 19 years in various capacities as Technical Manager, General Manager Production, and Vice President and Head of the Roha plant.

Dr. Rao holds a Bachelor's degree in Chemical Technology from UDCT, Mumbai, an MTech degree from IIT, Delhi, and a PhD in Chemistry from South Gujarat University. He attended the Advanced Management Program at the Harvard Business School. He joined the Board on March 18, 2016.

UPSIDC Nominee Directors

Mr. Rajesh Kumar Singh, IAS, B.Tech and Masters in Thermal Engineering from IIT, Delhi, was nominated by Uttar Pradesh State Industrial Development Authority as the Nominee Director on the Board of the Company.

Subsequently, Mr. Sanjay Prasad (IAS) took over from Mr. Rajesh Kumar Singh (IAS) as Managing Director of UPSIDC and w.e.f. May 1, 2019, he was nominated on the Board of the Company in place of Mr. Rajesh Kumar Singh. Mr. Sanjay Prasad has rich and varied experience in diverse areas, which will be useful for the Company and its business.

Environment, Health and Safety
Driving Positive Change

We, at Indofil, understand the importance of responsible Environment, Health and Safety (EHS) management to achieve long-term growth and profitability. We continuously makes efforts to protect the environment and ecosystem around our facilities. We encourage our employees to participate in activities for improving EHS aspects. We adopt the best practices in our operations, resource conservation and waste and carbon footprint reduction.

We have formed an EHS Steering Committee at the organisation level. The Committee includes EHS – Director, all Unit Heads, EVP – People Strategy, Head – QA, Head – Toll Manufacturing and EHS Expert – external. The EHS Steering Committee focuses on emerging risks to business and manufacturing sites, and proactively takes steps to mitigate those risks.

We have been reporting our EHS performance by taking part in various state-and national-level competitions and making carbon disclosure as per ISO 14064. Taking a step ahead in sustainability reporting, we have formed a sustainability cell with representatives from different departments.

The sustainability cell at Indofil comprises an Advisory Board, a Steering Committee and a Core Working Committee. The Advisory Board gives direction to the Steering Committee and reviews the progress on a quarterly basis. The Steering Committee meets once in two months to review:

- The progress of GRI indicators
- Set direction for sustainability
- Approve resource
- Communicate/review with the Advisory Board

The Steering Committee coordinates with the Core Working Committee to ensure that the initiatives are on track to target completion dates. The Core Working Committee reviews the progress once a month. Individual committee members ensure that the GRI indicators of the respective areas are understood and systems are put in place to monitor progress across locations.

HEALTH AND SAFETY

We make our people aware of the potential safety risks that may arise while working at our facilities and train them to identify and manage such risks. This includes adherence to clear standards, work permitting processes, education, training, auditing and follow-up to reinforce accountability.

The collaborative efforts of our employees and management helped improve our safety performance in terms of near-miss reporting. Zero accident was achieved at the Thane unit, and Dahej Unit 1 and Unit 2. We spent 21,922 man-hours (up 56% from 2017-18) during the year under review for training on safety for permanent as well as contractual employees. The Company also remains committed to the safety of communities adjacent to its operations and played a key role in conducting offsite emergency mock drills at Thane and Dahej with the help of local administration and industries.

'RECOGNITIONS'

- Dahej Unit 1 was awarded The Apex India Environmental Excellence Award – 2017 under the Platinum category.
- Dahej Unit 1 was awarded FAME Excellence Award – 2018 under the Platinum category for Environment Protection by FAME India Foundation.
- Dahej Unit 1 was awarded Gold Award – QCFI state-level competition at Vadodara for MEE Plant case study for water saving and quality of by-product.
- The Thane plant was awarded The Apex India Environmental Excellence Award – 2017 under the Platinum category.
- Thane plant was awarded a Certificate of Merit from NSC-MC for accident-free year 2017.

SAFETY PERFORMANCE – 2018-19

Fatality and disability

Zero

Lost Time Injury (LTI)

Zero

Safety training man-hours

21,922

Human Resources
A Culture of Performance and Appreciation

The success of our business depends, to a large extent, on our people and talent. It is their passion that helps maintain the Company's strong track record of delivery and the best customer experience. At Indofil, we are committed to creating an inclusive work environment. By reflecting the societies and cultures in which we operate, we strive to strengthen our teams by providing opportunities to people from different walks of life.

EMPLOYEE ENGAGEMENT

We use a variety of leadership communication channels to engage employees in our business strategy. We invest deeply in the recruitment and interview process to ensure that a candidate's aspirations, values and talents are in line with the Company's goals, values and needs.

Our internal programmes focus on developing proactive talent and nurturing a well-balanced workforce of talented professionals. The programmes offer a challenging and inspiring learning environment. We encourage our employees to explore and experience new ways of thinking and working. The programmes comprise a blend of digital tools, self-reflection, coaching, classroom sessions and virtual teamwork, providing a safe environment for employees to apply and test their learnings with a strong focus on transferring knowledge back to the work environment.

DIGITAL LEARNING

As part of our wider commitment to digitalisation, we have taken several steps to ensure a more engaging learning experience for our employees. We have started an E-learn programme and an I-learn programme. The I-learn programme imparts training on digital platforms through videos that are 3-4 minutes long. I-contest is held every month to encourage I-learning. We are now looking to expand accessibility and viewership and are exploring new communication channels. The Company is also focusing on employee branding to increase brand visibility.

We see leadership development as part of our business strategy. We, therefore, offer our senior executives the opportunity to attend the Advanced Management Program at Harvard, the three-tier leadership programme at IIM, Ahmedabad, and the programme linking HR strategy to business strategy at ISB, Hyderabad, among others.

Total employee strength

1,191

As on March 31, 2019

Average age of employees

36years

Corporate Social Responsibility
Community Engagement

The Company's Corporate Social Responsibility (CSR) policy focuses on providing platforms for the underprivileged by promoting inclusive growth for ensuring holistic and sustainable development, thereby enabling them to emerge as significant contributors in India's growth story. Scalability and sustainability of our social initiatives intervention form the crux of our social development plan. The underlying theme of our CSR philosophy is to create equity in society through our actions.

CSR SPEND IN 2018-19

Education

₹5.02 crore

Public Welfare

₹0.32 crore

Others

₹0.06 crore

The K. K. Modi Group has continued to follow its corporate credo and has been supporting philanthropic education for over six decades. The Group supports several educational institutes, schools, colleges and training centres, among others. These organisations have imparted education to over half a million students.

The Modi Innovative Education Society (MIES), Chhattisgarh, is a registered society, engaged in educational activities. It is establishing a private University, K. K. Modi University in Village Mahmara, District Durg, Chhattisgarh.

Promoting education is the thrust area of the Company's CSR initiatives. In this line, contributions have been made to MIES. For this purpose, Samaj Kalyan Parishad, Ghaziabad, Uttar Pradesh, which has significant experience in educational initiatives, has been appointed as an Implementing Agency to conduct CSR initiatives, along with MIES, and to play a supervisory role for completing the said project. The said project is in accordance with Schedule VII of the Companies Act, 2013.

Awards and Recognitions

Achievements that Speak of Our Success

EHS – Platinum award for excellence in environment protection

Certificate of appreciation from FICCI for good practices in quality system – 2018

National Award for excellence in cost management for manufacturing in the Private Medium category

6S Certificate by TUV SUD South Asia Pvt. Ltd. for Dahej Unit 1

Dahej Unit 1 has been awarded 'FAME Excellence Award – 2018' in the Platinum category for environment protection by FAME India Foundation in July 2018

Management System Certificate on Occupational Health and Safety Management System ISO 45001:2018 by DNV GL

In recognition and appreciation of our commitment to secure the international supply chain and in compliance with the World Customs Organisation (WCO) SAFE Framework of Standards, Indian Customs recognised us with Authorised Economic Operator (AEO) – T2 certificate

Ecovadis recognised Indofil Industries Limited (Group) with CSR performance rating in the Silver category in 2018

Best Company in Agricultural Plant Protection Input Business – Navbharat Times, Agri-Tech Summit 2018

Notice

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of Indofil Industries Limited will be held on Friday, September 13, 2019 at 11.00 a.m. at Emerald Hall, 1st Floor Hotel Kohinoor International Andheri-Kurla Road, Andheri (East), Mumbai-400059 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

(a) The Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon and

(b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions**:

(a) "**RESOLVED THAT** the Audited Financial Statement of the Company for the Financial Year ended March 31, 2019 and the Report of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted".

(b) "**RESOLVED THAT** the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon laid before this meeting, be and are hereby considered and adopted".

2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2019 and in this regard, pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** a Dividend on Equity Shares of the Company at the rate of ₹8/ -(Rupees Eight Only) per Equity Share of ₹10/- (Ten Rupees) each Fully Paid-Up and ₹2.40 per Equity Share of ₹3/- (Three Rupees) (Partly Paid-Up), be and is hereby declared for the Financial Year ended March 31, 2019 and the same be paid as recommended by the Board of Directors, out of the profits of the Company for the Financial Year ended March 31, 2019".

3. To appoint Dr. Atchutuni Rao, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Dr. Atchutuni Rao, (DIN: 07467414), who retires by rotation at the conclusion of this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

4. To appoint Mr. Samir Kumar Modi, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Samir Kumar Modi, (DIN: 00029554), who retires by rotation at the conclusion of this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

5. To appoint Auditors and fix their remuneration and in this regard, pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modifications(s) or re-enactment(s) thereof, for the time being in force), M/s Bansi S. Mehta & Co., Chartered Accountants (Firm Registration No.100991W), be and are hereby appointed as Auditors of the Company to hold office to conduct statutory audit upto F.Y. 2020-21 and shall hold their office till conclusion of 28th Annual General Meeting for that purpose."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Schedule IV of the Companies Act, 2013 and other applicable laws and regulations, (including any statutory modification(s) or re-enactment(s) thereof, for the time in force, Mr. Sunil Kumar Alagh (DIN: 00103320), who was appointed at 21st Annual General Meeting of the Company held on Monday, September 22, 2014 as an Independent Director for a term of 5 years up to September 21, 2014 and is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Sunil Kumar Alagh as a candidate for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of five years with effect from September 22, 2019 up to September 21, 2024 and whose office shall not be liable to retire by rotation".

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Schedule IV of the Companies Act, 2013 and other applicable laws and regulations, (including any statutory modification(s) or re-enactment(s) thereof, for the time in force, Mr. Sanjay Buch (DIN: 391436), who was appointed at 21st Annual General Meeting of the Company held on Monday, September 22, 2014 as an Independent Director for a term of 5 years up to September 21, 2014 and is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Sanjay Buch as a candidate for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of five years with effect from September 22, 2019 up to September 21, 2024 and whose office shall not be liable to retire by rotation".

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Schedule IV of the Companies Act, 2013 and other applicable laws and regulations, (including any statutory modification(s) or re-enactment(s) thereof, for the time in force, Mr. M.N. Thakkar (DIN: 00268818), who was appointed at 21st Annual General Meeting of the Company held on Monday, September 22, 2014 as an Independent Director for a term of 5 years up to September 21, 2014 and is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. M.N. Thakkar as a candidate for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of five years with effect from September 22, 2019 up to September 21, 2024 and whose office shall not be liable to retire by rotation".

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Schedule IV of the Companies Act, 2013 and other applicable laws and regulations, (including any statutory modification(s) or re-enactment(s) thereof, for the time in force, Mr. S. Lakshminarayanan (DIN: 02808698), who was appointed at 21st Annual General Meeting of the Company held on Monday, September 22, 2014 as an Independent Director for a term of 5 years up to September 21, 2014 and is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. S. Lakshminarayanan as a candidate for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of five years with effect from September 22, 2019 up to September 21, 2024 and whose office shall not be liable to retire by rotation".

10. To approve the payment of remuneration to non-executive directors and in this regard to consider and if though fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e directors other than the Managing Director and/ or the Whole-Time Director and/ or Executive Director) be paid, remuneration (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine), @ ₹25 Lakhs (Rupees Twenty Five Lakhs Only) per Non-Executive Director subject to and in compliance with provisions of Section 197, 198 and other application provisions and regulations of Companies Act, 2013 for the Financial Year 2018-19.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorized to do all acts and take all such steps as may be the Board of Directors."

11. To appoint Mr. Sanjay Prasad (Nominee UPSIDC) as Director of the Company and to pass following resolution as Ordinary Resolution:

"**RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sanjay Prasad, nominee of UPSIDC be and is hereby appointed as Director of the Company, not liable to retire by rotation."

12. To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s S. N. Addagatla & Co., Cost Accountants, (Membership Number: 103855) appointed as the Cost Auditors by the Board of Directors of the Company at their meeting held on May 28, 2019 to conduct the audit of the Cost Records of the Company for the Financial Year ending March 31, 2020 be and is hereby fixed at ₹ 2.50 Lakhs (exclusive of all taxes).

RESOLVED FURTHER THAT the Board of Directors of the Company, (which term includes the Audit Committee), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

13. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and subject to approval of the Registrar of Companies, Mumbai, Maharashtra, ("ROC"), and such other approvals as may be necessary or required, the Object Clause III (A) 1 of Memorandum of Association be and is hereby altered to read as under:

"To carry on business of manufacturing, packing, buying, selling, importing, exporting and generally dealing in any and all kinds of chemicals, organic and inorganic and chemical preparations including but not limited to pharmaceutical, medicinal, industrial and agricultural formulations, industrial, chemical and other preparations, compounds and articles and all kinds of products and by-products arising there from or in connection therewith, materials and things incidental to, or useful in connection with, any such business, and to carry any other business (whether manufacturing or otherwise) which may be conveniently conducted in conjunction with any of the businesses aforesaid. The above business among others also include insecticides, pesticides, herbicides, weedicides, fungicides, acaricides, rodenticides, bio pesticides, plant growth promoters and regulators, etc. and all other agricultural and non-agricultural chemicals, formulations, compounds, etc. that are governed under Insecticides Act and Rules made thereunder as may be amended from time to time or any re-enactment thereof and also to carry on business of manufacturing, buying, selling, importing, exporting and generally dealing in manures, plant nutrition products, biostimulants and fertilizers both organic and inorganic and such other products related to or connected with products stated above."

RESOLVED FURTHER THAT all the other clauses contained in the Main Object Clause do remain unaltered and that the Board of Directors (including any Committee thereof) of the Company be and are authorised in this regard to do all acts and take all such steps as may be necessary, proper or expedient."

By Order of the Board,
For Indofil Industries Limited

Place: Mumbai
Date: May 28, 2019

CS Devang Mehta
Head - Company Secretary and Legal

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and to vote instead of himself. The Proxy need not be a member of the Company. A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company. The Proxy Form duly completed and signed should be deposited at the Company's Registered Office at Mumbai, not later than 48 hours before the time fixed for the meeting.
2. Members/Proxies should bring duly filled Attendance Slip sent herewith and a valid Identity Proof for attending the meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item nos 6, 7, 8, 9, 10, 11, 12 and 13 which sets out details relating to Special Business at the meeting, is annexed hereto.
4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except on Saturdays between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
5. Members holding shares in Physical Form are requested to notify change of address or bank mandates, under their signatures to M/s. MAS Services Limited, the Registrars and Transfer Agents (RTA) of the Company, located at T-34, 2nd Floor, Okhla Industrieal Area, Phase II, New Delhi-110020, quoting their Folio Numbers. Members

holding Equity Shares in Electronic Form may update such details with their respective Depository Participants (DPs). All correspondence regarding Electronic Form / Transfer / Consolidation / Split of shares etc. should be directly addressed to them for expeditious disposal.

Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

6. Members are requested to note that as per Circular/ Notification issued by Ministry of Company Affairs on September 10, 2018, the Company's Equity Shares can be transferred only in Demat made. Therefore any application for transfer of Equity Shares held in Physical mode shall not be entertained.

7. The Register of Members and Shares Transfer Books will remain closed from Saturday, September 7, 2019 to Friday, September 13, 2019 (both days inclusive) for the purpose of payment of dividend to those Members who hold shares in Physical Form and whose names stand on the Register of Members as on September 13, 2019.

   The dividend in respect of shares held in Electronic Form will be payable to the beneficial owners of the shares as at the close of business hours on Friday, the September 6, 2019 as per details furnished by the depositories for this purpose.

8. To avoid loss of Dividend Warrants in transit, undue delay and incidence of fraudulent encashment of the Dividend Warrants, the Company has provided a facility to the members for remittance of dividend through the National Electronic Clearing System (NECS). The NECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in Physical Form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents. In case of members holding shares in Demat Mode, they should furnish details in the prescribed format of their Depository Participants (DPs).

9. Instructions for E-Voting:

   (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as may be amended from time to time, the Company is pleased to offer e-voting facility to members to exercise their right to vote on resolutions proposed to be considered at the ensuing AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

   (ii) The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.

   (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

   (iv) The remote e-voting period commences on Tuesday, September 10, 2019 (9:00 am) and ends on Thursday, September 12, 2019 (5:00 pm). During this period members of the Company, holding shares either in Physical Form or in Dematerialised Form, as on the cut-off date Friday, September 6, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

   (v) The process and manner for remote e-voting are as under:

   Members are requested to refer the Notice of Annual General Meeting (AGM) and Attendance Slip.

   a. Initial Password is provided, as follows:

      EVEN (Electronic Voting Event Number) User ID Password/ PIN

      Provided in the Electronic Voting Particulars Portion of the Attendance Slip.

   b. Launch internet browser by typing the following; URL: https://www.evoting.nsdl.com/

   c. Click on Shareholder - Login

   d. Insert User ID and Initial Password as noted in step (a) above and click 'Login'

   e. Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.

   f. Home page of remote e-voting will open. Click on remote e-voting - Active Voting Cycles.

   g. Select 'EVEN' (E-voting Event Number) of Indofil Industries Limited.

h. Now you are ready for remote e-voting as 'Cast Vote' page opens.

i. Cast your vote by selecting appropriate option and click on 'Submit'. Click and on 'Confirm' when prompted.

j. Upon confirmation, the message 'Vote cast successfully' will be displayed.

k. Once you have voted on the resolution, you will not be allowed to modify your vote. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, etc. together with attested Specimen Signature of the person(s) who are authorised to vote, to the Scrutiniser through e-mail to scrutiniserindofil@modi.com with a copy marked to evoting@nsdl.co.in.

10. General Instructions:

A. In case of any queries, please refer to the Frequently Asked Questions (FAQs) and the e-voting user manual for members available in the 'Downloads' section of http://www.evoting.nsdl.com. You can also contact NSDL via email at evoting@nsdl.co.in

B. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.

C. The voting rights of Members shall be in proportion to their share in the paid-up Equity Share Capital of the Company as on the cut-off date of September 6, 2019.

D. Member(s) can opt for only one mode of voting i.e. either physical voting through ballot or e-voting. In case a member has used both means then vote cast by e-voting will alone be treated as valid.

E. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on cut-off date i.e. September 6, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or our Registrar and Transfer Agent, MAS Services Limited at info@masserv.com.

However, if he/she is already registered with NSDL for remote e-voting then he/she can use their existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www-evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

F. Mr. Mukesh Siroya, proprietor, M/s. Mukesh Siroya & Co., Company Secretaries, (Regn No. 4157), having address at A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (East), Mumbai - 400 066, has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

G. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by use of "Ballot Paper" for those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

H. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

I. The Results declared along with the report of the Scrutinisers shall be placed on the website of the Company www.indofilcc.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item Nos. 6, 7, 8 and 9

The members of the Company at the 21st Annual General Meeting held on September 22, 2014 had approved appointments of Mr. Sunil Kumar Alagh, Mr. Sanjay Buch, Mr. M.N. Thakkar and Mr. S. Lakshminarayanan as an Independent Directors for a period of 5 years up to September 21, 2019. The above named Independent Directors unless re-appointed are due for retirement on September 21, 2019 as per Section 152 of Companies Act, 2013.

Shareholders are requested to note that, Mr. Sunil Kumar Alagh, postgraduate in Marketing from IIM Calcutta, has rich experience in marketing and brand-building strategies. He is recipient of the Kashalkar Memorial Award – 2000.

Mr. Sanjay Buch is a Senior Advocate and a Solicitor and Partner of M/s. Crawford Bayley & Co. He is practicing in Mumbai since past 25 years and has been advising Corporates of repute on diverse legal matters.

Mr. M. N. Thakkar is a practicing Chartered Accountant. He was Senior Partner of M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai. He has wealth of experience in handling accounting and auditing and has been rendering management consultancy to large corporates engaged in diverse sectors.

Mr. S. Lakshminarayanan holds Master's Degree in Chemistry and did his Postgraduate Diploma from the University of Manchester (UK) in Advanced Social and Economic Studies. Mr. Lakshminarayanan was a member of the IAS (retired) and has held several senior positions in Indian Government for about 36 years. During his tenure, he was Secretary in the Union Ministry of Home Affairs and has also served as the Vice Chairman in UNESCO's Communication Development Programme in Paris. He was awarded the Honorary Doctorate Degree by Foro De Federaciones, Mexico, in March, 2008.

Under the guidance of above named Independent Directors, the Company has made significant progress, domestically and internationally. The Board has therefore recommended to re-appoint the above named distinguished personalities as Independent Directors for a second term of 5 years period w.e.f. September 22 2019 to September 21, 2024. Each of the resolutions contained in Item no's. 6, 7, 8 and 9 are recommended by Board for passing as Special Resolutions in terms of Sections 149, 152 and other applicable provisions of Companies Act, 2013. Please note that Independent Directors are not liable to retire by rotation. Mr. Sunil Kumar Alagh, Mr. Sanjay Buch, Mr. M.N. Thakkar and Mr. S. Lakshminarayanan may be considered as interested as regards the resolutions for their respective re-appointments.

Item No. 10

In view of Sections 197, 198 and other relevant provisions of the Companies Act, 2013 read with rules made there under, the Company has been paying to the Directors other than Managing Director, Whole-time Director and Executive Director for each of the Financial Year of the Company, compensation by way of commission in terms of resolution passed at 21st Annual General Meeting of Company and in accordance with Sections 197, 198 and other applicable provisions of the Companies Act, 2013. It is suggested that in respect of the Financial Year 2018-19, the aforesaid compensation be paid a sum of ₹25 Lakhs per Non-Executive Director in addition to re-imbursement of expenses incurred on behalf of Company and fees payable to the Non-Executive Directors for attending the meetings of the Board or Committees as per provisions of aforesaid Sections. The aggregate commission payable to seven Non-Executive Directors for the Financial Year 2018-19 shall be ₹1.75 crores which would be within the limit of 1% (One Percent) of the total Net Profit of the Company computed in accordance with the provisions of the Companies Act, 2013. The resolution is proposed as a Special Resolution.

The Board members and/ or their relatives on Board may be deemed to be concerned or interested in the resolution set out at Item No. 11 to the extent of the remuneration as may be received by them.

Item 11

Mr. Sanjay Prasad has been nominated by UPSIDC as their nominee on the Board of the Company, wide the letter dated 1st May, 2019.

Mr. Sanjay Prasad (IAS) is new Managing Director of UPSIDC. Mr. Sanjay Prasad has consented to act as Director of the Company. The Board of Directors of Company has recommended the resolution of Item No. 11 for passing as on Ordinary Resolution.

None of the Directors of the Company except Mr. Sanjay Prasad are interested in the proposed resolution to appoint Mr. Sanjay Prasad as Director of Company not liable to retire by rotation.

Item No. 12

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("The Act") and the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audits) Amendment Rules, 2014 ("the Rules") the Company is required to appoint a Cost Auditor to audit the Cost Records of the Company. On recommendation of the Audit Committee, the Board of Directors have approved the appointment of M/s S.N. Addagatla & Co., Cost Accountant, (Membership No. 103855) as the Cost Auditors to conduct audit of Cost Records maintained by the Company for the Financial Year 2019-20, at a remuneration of ₹2.50 Lakhs (exclusive of applicable taxes.

Item No. 13

The Company has been carrying on business of manufacturing, packing, buying, selling, importing, exporting and generally dealing in any and all kinds of chemicals, organic and inorganic and chemical preparations including but not limited to pharmaceutical, medicinal, industrial and agricultural formulations, industrial, chemical and other preparations, compounds and articles and in products and by-products arising there from or in connection therewith, materials and in things incidental to or useful in connection with (whether manufacturing or otherwise) which may be conveniently conducted in conjunction with any of the business aforesaid.

The products dealt by Company many a times are required to be registered with registering authorities. To facilitate the registration process and as required by registration authorities, it is proposed to add following line in the present Object Clause No. III (A) 1, in order to comply with the specific requirements of the concerned statutory authorities.

"The above business among others also include insecticides, pesticides, herbicides, weedicides, fungicides, acaricides, rodenticides, bio pesticides, plant growth promoters and regulators, etc. and all other agricultural and non-agricultural chemicals, formulations, compounds, etc. that are governed under Insecticides Act and Rules made thereunder as may be amended from time to time or any re-enactment thereof and also to carry on business of manufacturing, buying, selling, importing, exporting and generally dealing in manures, plant nutrition products, biostimulants and fertilizers both organic and inorganic and such other products related to or connected with products stated above."

The resolution is proposed as a Special Resolution and the Board of Directors have recommended the same for passing. None of the Directors of the Company are interested in the aforementioned resolution.

By Order of the Board,
For Indofil Industries Limited

Place: Mumbai
Date: May 28, 2019

CS Devang Mehta
Head- Company Secretary and Legal

Management Discussion and Analysis

Management Discussion and Analysis

1. ABOUT INDOFIL INDUSTRIES LIMITED

Indofil Industries Limited (Indofil), a K. K. Modi group flagship company, has been a renowned name in agricultural chemicals as well as specialty and performance chemicals for over five decades. Focused on improving farm economics in India and globally, the Company aims "To become a Global Leader in Growth with Customer Success".

Indofil is a fully integrated agrochemicals manufacturer providing best-in-class products to domestic as well as international customers. The Company has significantly expanded its presence in international markets with an objective of being the most preferred supplier of Mancozeb. Indofil aims to build strong partnerships in manufacturing, marketing and R&D globally.

2018-19 highlights

- Entered into joint venture with world's leading polymer additives manufacturing company, Reagens S.p.a, Italy
- Acquired majority stake in Agrowin Biosciences, a crop protection and plant nutrients company based in Milan, Italy
- Expanded capacity, revamped supply chain and developed capabilities of Indofil in line with customer aspirations
- Subsidiaries in Brazil, Europe and Philippines became operational
- Commencement of set up of packaging unit in Bangladesh a first for Indofil outside India.

2. ECONOMIC REVIEW

2.1 Global Economy

The global economic growth momentum weakened to 3.6% in 2018 in the backdrop of weak Financial Market sentiments, a sluggish Eurozone economy, heightened trade tensions between the US and China and reciprocal Trade Tariff impositions, and volatile crude prices, among others.

The Eurozone economic growth slowed significantly to 1.8% from 2.4% a year earlier due to the lingering uncertainty over Brexit, disruptions in the German auto sector, and a technical recession in Italy, the currency bloc's third largest economy. The UK economy grew by 1.4%, versus 1.8% in the year earlier, as Brexit jitters seemed spreading from companies to consumers.

China's economic growth dropped to 6.6% in 2018 from 6.8% in 2017, as the world's second largest economy battled several issues at home, including reining in its shadow banking sector, and abroad. The US economy, however, bucked the trend, growing at 2.9%, versus 2.2% in 2017, driven by fiscal policy stimulus that included tax cuts and increase in government spendings.

Outlook

Global economic growth is likely to moderate further to 3.3% in 2019, before stabilising at around 3.6% in 2020, as Central Banks of major economies are likely to adopt accommodative policy stance to subsidise trade tensions. However, there exist significant downside risks to forecasts from potential escalation of US-China trade tensions, increased protectionism, unwinding of fiscal stimulus in the US, weakening financial market sentiment and continued uncertainty over the Brexit outcome.

Global Growth Projections

(%)

Particulars	Actual	Projections	
	2018	2019	2020
World Output	3.6	**3.3**	3.6
Advanced Economies	2.2	**1.8**	1.7
US	2.9	**2.3**	1.9
Eurozone	1.8	**1.3**	1.5
Japan	0.8	**1.0**	0.5
UK	1.4	**1.2**	1.4
Other Advanced Economies	2.6	**2.2**	2.5
Emerging Markets and Developing Economies	4.5	**4.4**	4.8
China	6.6	**6.3**	6.1

Source: International Monetary Fund (IMF)

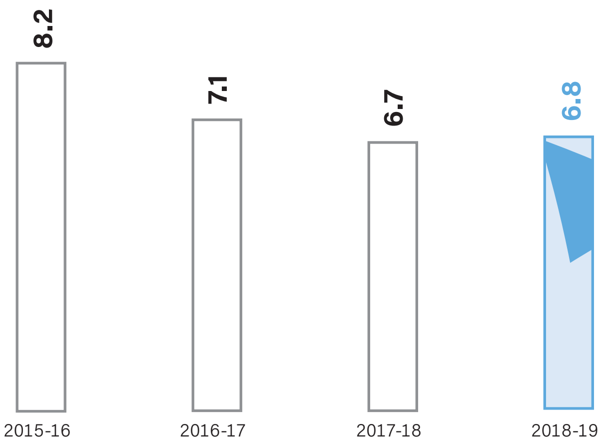
2.2 Indian Economy

The Indian economy grew by 6.8% (Source: CSO) in 2018-19, despite a challenging global environment and retained its position as the fastest growing major economy in the world. The economy's strong fundamentals, along with the government's continued policy reforms, focus on formalisation and financial inclusion, thrust on infrastructure development and income support to farmers, kept the economy largely insulated from the global turmoil. India's ranking in the World Bank's Ease of Doing Business Index improved 23 places in 2018 to 77.

Outlook

The RBI expects the Indian economy to grow at 7% in 2019-20. With inflation staying within control range, the RBI maintained its accommodative policy by the cutting the repo rate thrice in a row to 5.75%, which is likely to fuel credit growth and private consumption. Investment growth is likely to remain robust as the economy realises the benefits of the reforms carried out in the past 3-4 years. To realise however the ambition of becoming a $5 trillion economy by 2024-25, as outlined in the Economic Survey 2018-19, India will need to grow 8% p.a. in the foreseeable future.

Annual GDP Growth Rate (%)



Source: Central Statistics Office (CSO)

3. AGRICULTURE INDUSTRY

3.1 Global

The global food and agriculture industry has undergone a structural transformation in the past decade. Agriculture is receiving increasing attention as government and non-government authorities globally emphasise the need to significantly improve agricultural productivity to ensure food security. Population growth will be the main driver of consumption growth for most commodities. The world has the resources and technology to eliminate starvation and ensure long-term food security for all. What is required is the political to build global consensus on key decisions related to investments and policies to eradicate starvation.

According to the Food and Agriculture Organisation of United Nations (FAO), global cereal production is set to increase 1.5% in 2019-20 to 2,722 million tonnes, led by wheat, maize and barley at 5.0%, 2.3% and 5.4%, respectively. Wheat production is likely to grow by 1.3% to 757 million tonnes. Rice production is estimated at 516.8 million tonnes (milled basis) in 2019-20, unchanged from its 2017-18 peak.

3.2 India

Agriculture contributes 17% to India's Gross Domestic Product (GDP), though the livelihood of nearly 60% of rural households depend on agriculture and allied activities. New-age approaches of agriculture management, coupled with technology applications, have enhanced agricultural productivity, though there exist significant scope for improvement. India stands at threshold of emerging as leading agri output nation. The demand is driven by higher disposable incomes across the socioeconomic classes (SECs) and momentous technological upgradation in farm practices.

Food grain production in India is projected at 281.37 million tonnes in 2018-19, as per the second advance estimates, slightly below the 2017-18 production level (as per the fourth advance estimate for 2017-18). Low Kharif and Rabi season production was a drag on for overall agriculture Gross Value Added (GVA) numbers. According to the second advance estimates for 2018-19, growth in agriculture and allied activities was estimated at 2.7%, versus 5% for 2017-18.

Crop Estimates

million tonnes

Crops	2nd Advance estimate 2017-18	4th Advance estimate 2017-18	2nd Advance Estimate 2018-19
Rice	111.01	112.91	**115.60**
Wheat	97.11	99.70	**99.12**
Pulses	23.95	25.23	**24.02**
Maize	27.14	28.72	**27.80**
Coarse cereals	45.42	46.99	**42.64**
Oilseeds	29.89	31.31	**31.50**
Sugarcane	353.2	376.90	**380.80**
Cotton*	33.92	34.89	**30.09**
Total food grains	277.49	284.83	**281.37**

**million bales of 170 kg each*
Source: Agriculture Ministry

Key promising factors

1. Current global position	- India is the largest producer of spices, pulses, milk, tea, cashew and jute. It is also the second largest producer of wheat, rice, fruits & vegetables, sugarcane, cotton and oilseed
	- India is currently the world's fourth largest producer of agrochemicals
	- India has the largest livestock population of around 512 million in world
2. Increasing consumption	- Consumer spending in India is likely to reach $3.6 trillion by 2020
	- Private final consumption expenditure (at constant prices) increased by 6.1% in 2017–18 and 8.6% in the April–June quarter of 2018–19

3.	**Conducive atmosphere**	- India has the 10th largest arable land resources in the world. With 20 agri-climatic regions, 15 major agri climate regions of the world are in India
		- Strategic geographic location and proximity to food importing nations favour India in terms of exporting processed foods
4.	**Farm mechanisation**	- India is one of the largest manufacturers of farm equipment such as tractors, harvesters and tillers. India accounts for nearly one-third of the overall tractor production globally
		- Tractor sales in the country are expected to increase by 11–13% in 2018-19
5.	**Improvement in infrastructure**	- Improvement in transportation facilities, agro products storage capacity increase, availability of more number of cold storage facilities, availability of continuous electricity and warehousing facilities is expected to reduce contamination of grains, vegetables, fruits, milk, milk produce etc

Source: Ministry of Agriculture & Farmers' Welfare, Government of India, MOSPI, GoI, and industry estimates, PwC analysis

Emerging drivers

1

Rise in demand for food and processed commodities - Demand for food and processed commodities is increasing due to growing population and rising per capita income. Demand for food grains is estimated to increase from 192 million tonnes in 2000 to 345 million tonnes in 2030, requiring production to increase by 5.5 million tonnes annually.

2

Demand pull factors - Increasing population is a key demand driver for agricultural produce in the country. India, the second-most populated country in the world, has to meet the food, feed and fibre consumption needs of over 1,280 million people. In addition, growth in per capita income is likely to result in higher demand for agri produce. India's GDP per capita is expected to reach $2,762 in 2021 from $2,135 in 2018.

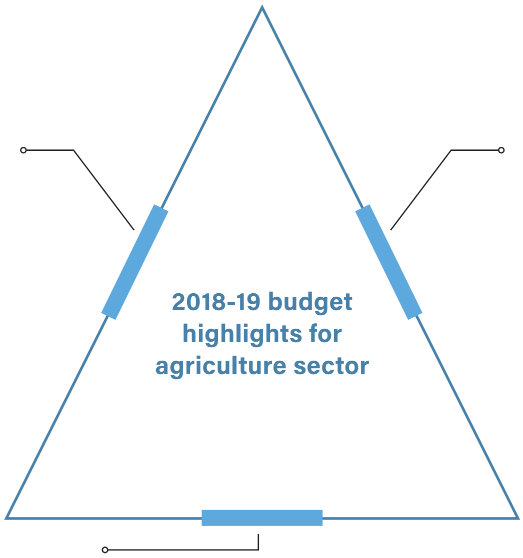
3

Increased usage of farm inputs - Farm inputs comprise of seeds, fertilisers, crop protection chemicals, crop stimulus, farm machinery, advisory/extension and credit services. Quality seeds, swift farm mechanisation, growing area under irrigation and easy availability of institutional credit are the key supply side drivers. The increased usage of scientific inputs as certified by recognised authorities points to improved adoption of technology among farmers and others connected with agriculture sector.

4

Policy support – The Indian government aims to double farmers' income by 2022. To achieve this target, the government has rolled out several initiatives such as higher Minimum Support Prices (MSPs), implementation of the National Agriculture Market (eNAM), amending provisions of the Animal Produce and Livestock Marketing – Promotion and Facilitation (APLM) Act, thrust on food processing infrastructure and other enabling infrastructure development. The Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the Pradhan Mantri Krishi Sinchai Yojana (PMKSY), the promotion of Farmer Producer Organisations (FPOs) and grant of tax incentives to provide substantial impetus to overall sectoral growth.

Interest subvention of 2% was announced for farmers affected by natural calamities. An additional 3% support will be given to farmers afor timely repayment of loans. This scheme has also been extended to farmers engaged in animal husbandry and fishery-related activities for those who avail loans through Kisan Credit Cards



The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme provides a guaranteed income of ₹ 6,000 per year to small and marginal farmers. This will involve an annual outlay of ₹ 75,000 crore, accounting for 0.36% of GDP (2019-20 budget estimate).

Total allocation for agriculture increased 73% over 2018-19 (revised estimate)

Implications

The above stated financial support schemes are likely to provide relief to farmers. Interest subvention schemes will improve credit offtake and address farmers' loan repayment related stress. To sum up these initiatives are likely to help boost rural demand.

Outlook

The Indian agriculture sector remains a key constituent of the economy. The sector has been undergoing through some legacy challenges and the government is rolling out several initiatives to address those challenges and improve farm productivity, to achieve its target of doubling farmers' income by 2022. In addition to the sector-specific schemes aimed at overcoming the ongoing challenges, the Government has significantly increased its budgetary allocation towards comprehensive rural welfare schemes, which is likely to lead to increased investments in India's agricultural infrastructure. The above developments in agriculture sector shall directly bear a positive impact on agrochemicals industry.

4. AGROCHEMICALS INDUSTRY

4.1 Global

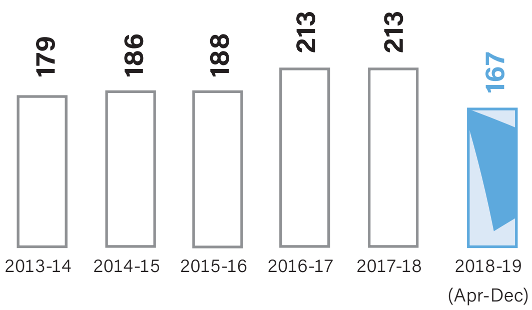
Agrochemicals funds several applications in agriculture sector to improve crop yields, protect agro products, to enrich crop ecosystem, protect the soil fertility etc. The global agrochemicals market size was valued at $233.71 billion in 2018. The market is expected to record a 3.1% CAGR over 2019 to 2026, primarily because of constantly increasing demand for crop protection chemicals such as fungicides, insecticides and herbicides, crop stimulus and fertilizers to enhance productivity. Technological advancements are expected to boost farm productivity further, with government of various countries focusing on increasing crop yields.

4.2 India

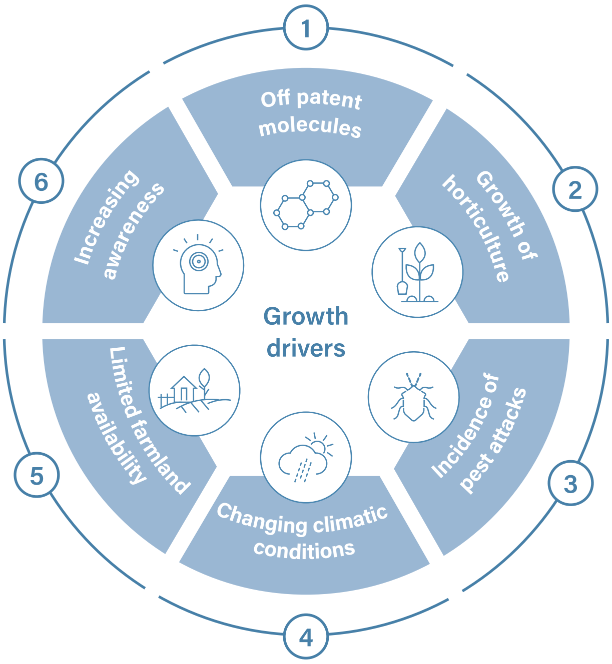
Currently, India is the world's fourth largest producer of agrochemicals, after the US, Japan and China and is the thirteenth largest exporter of pesticides globally.

According to CARE Ratings, production of agrochemicals grew at a CAGR of 4.3% during 2014-18. In the current Financial Year, the agrochemical production has grown by 2.9%. Food grain production grew at a CAGR of 1.8% and horticulture production grew at a CAGR of 3% during 2014-18. The increased use of herbicides and fungicides has provided significant impetus to growth of agrochemicals business during the recent past.

Production of Agrochemicals (000's)



Source: Centre for Monitoring Indian Economy (CMIE)



1

The share of post-patent products as compared to patent products and proprietary off-patent products has been increasing over the years. Agrochemicals worth $4.1 billion are expected to go off-patent by 2020. This provides significant export opportunities for Indian companies which have expertise in the generics segment.

2

Fruits and vegetables account for nearly 90% of horticulture production in the country. Growth in horticulture and floriculture industries will result in increased demand for agrochemicals, especially fungicides. As India's diverse climate facilitates production of all varieties of fruits and vegetables, horticulture has been growing at the cost of food grains production.

3

One of the major challenges to improving crop yields is incidence of pests. On an average, agro-pests are estimated to cause 15%–20% yield losses in major food and cash crops. Due to the hot humid climatic conditions prevalent in India, the number of pest attacks has been increasing. The use of agrochemicals can help mitigate the pest problem and increase crop output by 25%-50%.

4

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

5

Rapid urbanisation has had an unfavourable impact on land availability. The key is therefore to increase yield per hectare, which can be achieved through increased usage of farm productivity-enhancing inputs such as agrochemicals.

6

Educating the farmers about the advantages of agrochemicals and its safe use will lead to increase in demand. Companies are increasingly training farmers regarding the right use of agrochemicals in terms of quantity, application method and suitable chemicals.

Outlook

India offers significant opportunity due to its vast population and high dependence on agriculture. The Indian agrochemicals market offers high growth potential for domestic consumption as well as exports. With the government's focus on increasing farm productivity, the business environment is extremely favourable for agrochemicals companies to set up operations in India and bring, new safer chemicals to the domestic market.

5. SPECIALITY CHEMICALS INDUSTRY

5.1 Global

The global specialty chemical market is expected to grow at a CAGR of 5.30% during 2019 to 2027, driven by the increasing acceptance of eco-friendly products, strong economic growth in the APAC region, growing focus on sustainability and a surge in research & development expenditure on specialty chemicals. The increasing awareness regarding environmental concerns across the world is also aiding to a shift in consumer preference towards environment-friendly products.

The key factors driving growth are:

- Asia Pacific is the largest market for specialty chemicals
- Surge in Research & Development expenditure of specialty chemicals resulting in better products rolling out each year
- Usage of specialty chemicals increased globally due to increased awareness
- Growth of chemicals industry in general in recent years

According to the American Chemistry Council (ACC), total chemical production volume (excluding pharmaceuticals) rose by 3.1% in 2018 and is expected to grow by 3.6% in 2019 before easing to 3.1% by 2020 and to 2.2% in 2021. Basic chemicals production grew by 2.1% in 2018 and is expected to increase by 4.8% in 2019 and 4.3% in 2020.

Rising demand for high-performance paints and coating in various end-use industries such as automotive, aerospace, and construction is expected to drive growth of the specialty chemicals market going forward. In addition, growing awareness among consumers for eco-friendly products, along with their aesthetic properties, is another important factor. Increasing demand for these chemicals in the paper and pulp industry, coupled with growing demand for biodegradable packaging paper, is expected to boost growth further.

The Asia Pacific region, which includes China, Japan, India, Australia and South Korea, is likely to account for the largest market share by 2025 with increased demand for specialty chemicals like construction chemicals, plastic additives, and pharmaceutical ingredients and for agrochemicals.

5.2 India

The chemical industry is one of the key components of India's industrial and agricultural development. According to the India ChemStrategy Report made by Tata Strategic group and brought out in association with FICCI, India's chemicals industry is expected to grow at around 9% p.a. to $304 billion by 2025 from $163 billion in 2018, driven by continuously rising demand from end-use segments for specialty chemicals and petrochemicals intermediates.

Ind-Ra expects 2019 to be a strong year for domestic specialty chemical industry in backdrop of buoyant demand from end-user industries and constrained global supply due to stringent environmental norms in China. The government's focus on affordable housing, agriculture and increased expenditure on infrastructure will further drive the demand for chemicals finding direct and indirect applications in these areas. To support the industry, the government has allowed 100% Foreign Direct Investment (FDI) in the specialty chemical sector to encourage India's technological advancement in the sector.

Consumption driven demand

India's per capita consumption of chemicals is one-tenth of the world average and is lower even when compared with developing countries, which indicates significant headroom for growth. With better supply chain and improved infrastructure, the industry is expected to witness sustained growth.

Improving infrastructure

India plans to spend $300 billion annually in the next five years on improvement of infrastructure which will significantly support industrial growth. These investments are planned across the sub-sectors like highways (Bharatmala and NHDP), railways, ports, warehousing and waterways (Sagarmala), airports, industrial corridors and smart cities. To support and develop downstream industries, government is working towards the implementation of 4 designated Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). PCPIRs are expected to operate in cluster mode and are designed to reduce overall capital expenditure of industrial players as government undertakes to build common infrastructural utilities, pipelines and ETPs.

Outlook

The chemicals sector, which is knowledge-based and capital-intensive, provides important building blocks for downstream industries such as textiles, papers, paints, soaps, detergents, and pharmaceuticals, among others. Competitive manufacturing costs, availability of skilled manpower, stringent intellectual property protection laws and favourable government policies will be the major growth drivers for the Indian Specialty Chemicals industry. The production cut in China due to the implementation of stricter environmental norms offer significant opportunities for Indian companies to scale up and increase their share in the global market in chemical industry.

6. BUSINESS REVIEW

Our Businesses

- Agrochemicals segment which includes fungicides, insecticides, herbicides, acaricides, plant growth regulators, surfactants, plant nutrition, plant stimulus etc
- Specialty and Performance Chemicals aims to provide customised solution to our clients. We manufacture and market textile, plastics, coatings, leather chemicals and other auxiliaries and additives for the PVC industry and chemicals for the construction industry
- One of our recently started super speciality division 'IndoLife Super Specialities' to help farmers increase their return on investment by providing innovative solutions

SWOT Analysis

Strengths	Weakness
- Robust distribution network - Strong and diversified product portfolio - Experienced and professional management - Increased international presence - Modernised production facilities - Strong applied R&D capabilities	- Time consuming product registration process - Low level of process awareness among farmers in respect of availability and use of advanced agrochemical products

Opportunities	Threats
- Agriculture reforms targeted at doubling farmer income over next five years - Government's support to improve consumption of agri inputs for improving crop yields - Higher disposable income on account of improved Minimum Support Price (MSP) and augmented MGNREGA allocation - Technology dissemination in rural India through JAM (Jan Dhan, Aadhar enablement and Mobile penetration) to improve farmer's connectivity and improve marketing opportunities - Good growth in used industries	- Unpredictable weather conditions - Competition from national and international companies - Lower commodity prices

Strategy

Our core strategy constantly aims to:

- Increase investments in Research and Development to provide new products and cutting-edge technology
- Increase market share by developing new products that respond to changing market needs
- Improve distribution network and systems to expand our reach and upgrade our customer service to grow our business
- Pursue growth through acquisitions and strategic initiatives in India and other countries
- Build an organisation based on a culture of performance, integrity and values
- Strengthen the processes and systems to ensure accountability, speed of execution and consumer focus
- Drive business in a sustainable and environment-friendly manner

7. FINANCIAL REVIEW

Snapshot

(₹ in crore)

Particulars	2018-19	2017-18	Growth%
Consolidated Total Income	2,280	2,030	12%
Consolidated EBIDTA	389	395	(2%)
Consolidated PBT	229	261	(12%)
Consolidated PAT	189	236	(20%)

8. RESEARCH AND DEVELOPMENT

At Indofil, research and development is one of our key strengths and is integral to our growth. We continue to build on our capabilities and competencies in the field of chemistry. Our in-depth expertise in process research, process development and analytical references enables us to provide integrated solutions to our global customers. Our R&D facilities are led by strong and experienced team of scientists and chemists who specialise in complex chemistry. Our R&D infrastructure includes advanced research and development labs, kilo plants and pilot plants with NABL certification.

9. HUMAN RESOURCE

Indofil continues to put people strategy, capability and well-being in the forefront as a key enabler to achieve its organisational goals. All HR initiatives are specifically designed to realise the Company's vision and focus on the areas that are critical for achieving the strategic plan.

The Company possesses a rich complement of competencies. We believe the domain knowledge and experience of our closely-knit management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. The Company hires qualified professionals and key personnel for efficient management of business operations.

10. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company believes that the Internal Control System is one of its main pillar. It covers its financial and operating functions with the size and nature of the operations. The Company's internal control system ensures timely recording of important transactions, maintenance and optimal utilisation of the Company's assets. The internal control system helps to manage and ensure that all the internal audits are conducted on time.

The control system also ensures that the effective controls and measures are taken in all operational areas. It also assures that the information is complete and accurate and its financial statements are reliable and is also complied with the laws and regulations.

11. CAUTIONARY STATEMENT

Certain statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and other factors, such as litigation and industrial relations.

Directors' Report

Your Directors are pleased to present the 26th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended on March 31, 2019.

FINANCIAL RESULTS

(₹ in crores)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	2208	2280	*1,977	*2,030
Profit before Interest, and Depreciation, Extraordinary Items & Tax	355	389	353	395
Less: Interest and Finance Charges	64	69	55	63
Less: Depreciation	76	91	56	71
Profit Before Tax	215	229	242	261
Less: Provision for Taxation	37	43	28	36
Net Profit After Tax	178	186	214	225
Share of Profit / (Loss) of Joint Ventures	-	3	-	11
Profit For The Year	178	189	214	236

*(Net of excise duty)

DIVIDEND

Your Directors have recommended for approval of the Company's Shareholders at the ensuing Annual General Meeting (AGM), a final Dividend of 80% for the year ended March 31, 2019, i.e. ₹ 8 for each fully paid up Equity Shares of ₹ 10 each and ₹ 2.40 for each partly paid up Equity Shares of ₹ 3 each.

OPERATIONS

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

During the year under review, the Company's Consolidated Income was up from ₹ 2,030 crores to ₹ 2,280 crores, an increase of 12%. Consolidated Profit Before Tax for the year stood at ₹ 229 crores for the year under review as against ₹ 261 crores for the Previous Year, registering an decrease of 12%.

The Company's standalone total income stood at ₹ 2,208 crores an increase of 12% over last year. Standalone Profit before tax for the year stood at ₹ 215 Crores for the year under review as against ₹ 242 crores for the Previous Years registering a decrease of 11% compared to last year, mainly on account of rationalization of input costs which were exceptionally low in the earlier years, depreciation impact of new plants (GIDC & Innovative Solutions) which were operational for part of the year but at a lower capacity utilization considering its first year of operations and corresponding Finance Cost on these plants which was erstwhile capitalized during its construction phase.

The year under review was filled with challenges across all business units. On the domestic front, uneven distribution of rainfall across the country and deficient rainfall in certain key paddy producing areas was a major challenge for the business. There were also some slacks in the secondary movement of the goods which resulted in higher inventory position at both distribution level and manufacturer level. Besides, it also affected the collection resulting in delayed payments and rise in past due receivables for the market as a whole. Despite these challenges, the Agro Domestic Business has achieved a fairly stable growth in revenues. Strategic placement and pricing of the product also ensure that margins were fairly stable.

On the International front, the volume growth was quite strong, especially in Brazil which saw our volumes surging 4 times compared to earlier years. Besides, the business also saw some recovery in African and Asian market which had seen a downturn in the earlier year. Europe market remained fairly stable in line with the overall Agrochemical market in Europe which remained largely stagnant. The global sanctioning of some of the middle eastern markets also affected our business revenues from these markets. Due to overall demand-supply situation for Mancozeb, pricing pressures have been quite strong over the last 2 years. Even in case of our key markets like Brazil, large scale channel inventories had led to a price competition and an overall reduction in the pricing across the market. This phenomena is likely to continue in the current year as well.

The Innovative Solutions division over the last 2 years have shifted gears from a value driven business to application / technology driven business strategy. The Company has been actively partnering with customers and technology experts in developing innovative solutions for customers. The results of these initiatives are evident from the volume growth that the business has achieved. Its first ever in-house manufacturing facility for production of 35,000 MT of Emulsions and Powder commenced commercial production from July 1, 2018 onwards. During the year under review, the facility did face some teething issues with the production process, which are being addressed. However, due to a lower capacity utilization, the overall product cost dynamics were unfavourable for the business which resulted in reduction in margins, besides, rise in cost of raw materials (most of which are imported) due to adverse foreign exchange fluctuation.

The GIDC Plant for producing Mancozeb with an annual capacity of 35,000 MT commenced commercial production from Oct-2018 onwards. During the year, the capacity utilization of this plant was lower resulting in rise in the cost of production. However, the forecast for the coming year is quite favourable from Domestic as well International markets, which would help in rationalizing the cost of production at this facility.

The Company had at the start of the year embarked upon a Supply Chain Transformation initiative across its divisions with the objective of achieving sustainable improvements in Processes and Capabilities, unlocking value efficiencies and ultimately achieving customer delight. This initiative has been successfully completed with benefits from the supply chain optimization starting to accrue by the last quarter of the year.

The efforts of the Company in becoming a global leader has been well recognized by external stakeholders and the Company has been bestowed with several prestigious recognition during the year which include "Best Company in Agricultural Plant Protection Input Business", Navbharat Times, Agritech Summit 2018, Silver Category Recognition by Ecovadis, Authorized Economic Operator – Tier 2 by Central Board of Indirect Tax and Customs and many more.

These recognition would go a long way in achieving the Company's ambitious aspirations.

Over the years, the vicinity of our current factory situated in Thane has been impacted by rapid urbanization and accordingly, there has been an influx of several residential, educational and commercial establishments. As you are aware, some of the chemicals we use in our manufacturing process can be hazardous in nature and potentially pose enormous risks to human lives in case of any accident. In view of this, we reckon that it is our moral duty to conform to environmental and human safety norms.

Accordingly, your Company has now taken a well-considered decision to shift our Thane Factory Operations to Unit-3, Dahej, w.e.f 1st July, 2019. Please note that this shifting does not apply to R&D, Indofil Innovative Solutions, which are located in the same site, and the decision applies to only manufacturing operations of Thane Plant.

This decision has been difficult but is pertinent in view of our societal duties. We are extending full support and stand in solidarity with all the employees who decide to shift with our operations.

SUBSIDIARIES AND ASSOCIATES OPERATIONS

A large portion of the Company's future growth is expected to be driven by the Company's International business. The Company already has a sales presence in more than 95+ countries through its distributors, commissioning agents, etc.

In the last 2-3 years, the Company has extensively invested in its key international markets like Europe, Brazil and some Asia-Pacific markets with an objective to:

- Come closer to some of its key markets and customer
- Provide better client servicing to its customer
- Engaging in Value Added Distribution (VAD) activities by replicating its successful domestic distribution model in these countries.
- Expanding its registration portfolio which requires local presence in these markets

Europe

Europe remains the biggest market for Indofil outside India. Our European operations have been represented by Indofil Industries (Netherlands) B.V. which has been in operations since the last 4 years. During the year, the Company has done some extensive investments in developing the necessary infrastructure, go-to market strategy for B2C operations, resource development, etc. France, Italy, Spain are the key focus regions of the Company which it intends to capitalize during the first 1-2 years. During the year, we also completed an acquisition of 80% stake in an Italian distribution company namely, Agrowin Biosciences S.R.L. This acquisition would act as our gateway to the B2C operations in Italy.

During the year under review, Indofil Industries (Netherlands) B.V. achieved a Net Sales of Euro 27 million equivalent to ₹ 220 crores compared to Euro 28 million (₹ 211 crores) in FY 18. It achieved a Net Profit before tax of Euro 2.6 million equivalent to ₹ 21 crores compared to Euro 2.3 million (₹ 17 crores) in last year.

Brazil

Over the last 1-2 years, Brazil has replaced Europe as the biggest Agrochemical Market. For Indofil also, Brazil is fast displacing Europe as the biggest market outside India. During the year under review, the volumes have grown by 2-3 times compared to last year. During the year, majority of these sales were done directly from India. Besides, the Brazil entity is closely working on its go to market strategy for B2C business which it intends to commence from FY 2019-20. During the year under review Indofil Industries DO Brasil LTDA has achieved a Revenue of BRL 1.1 million (₹ 2 crores). Its Net loss stood at BRL 6 million (₹ 11 crores).

Philippines

Philippines is the first overseas market, where Indofil has commenced B2C operations. Indofil Philippines Inc. had commenced commercial operations from May-2018 and has achieved a positive surplus in the first year of its operations. Besides, sourcing products from Indofil India, Indofil Philippines Inc. has also expanded its product portfolio through several in-licensed products from several large agrochemical companies. During the year under review, Indofil Philippines Inc. has achieved a Net Revenue of Php 163 Million equivalent to ₹ 21 crores. Its Net Profit stood at Php 11 million (₹ 1.5 crore) compared to a loss of Php 7.3 million (₹ 1 crore) in last year.

Bangladesh

Bangladesh has been one of the first export market for Indofil and remains one of the most strategic market due to its similarities with the Indian market. We have been present in Bangladesh for last several years mainly focusing on developing our market, product acceptance, customer service and registration development. During the year under review, Indofil Bangladesh Industries Pvt. Ltd. has now commenced the construction of Indofil's first manufacturing facility (Re-packing unit) outside

India. The construction of the facility is expected to complete by the Q3 of FY 2019-20 and commercial production would commence thereafter. The Company is already in the process of creating the necessary distribution infrastructure for its B2C operations.

During the year under review, all sales to Bangladesh were carried out from India. The net loss of Indofil Bangladesh Industries Pvt. Ltd. stood at BDT 1.4 crores (₹ 1.2 crores)

Indonesia

Considering the potential market in Indonesia and its relative ease of doing business and obtaining product registrations, the Company has set up a wholly owned step down subsidiary in Indonesia namely P.T. Indofil Industries Indonesia.

In accordance with Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and all its subsidiaries, which forms part of the Annual Report. Further, a statement containing Salient Features of the Financial Statement of our subsidiaries in the prescribed format is given under the Notes to Accounts which forms part of the Annual Report. The statement also provides the details of the performance and financial position of each of the subsidiaries.

JOINT VENTURE OPERATIONS

The Company had entered into a Joint Venture with Shanghai Baijin Group, China for the manufacture of Carbon – di – Sulphide (CS_2) as a part of its backward integration strategy for key raw materials. The Joint Venture has ensured uninterrupted supply of this important raw material to Company, thus eliminating the need for import of CS_2 and saving on foreign exchange outflow. It has also optimized the cost of inputs. The Joint Venture has been successfully catering to the entire requirement of Indofil and is also actively catering to other customers in market.

During the year under review, the Joint Venture has generated Profits Before Tax of ₹ 8.3 crores against ₹ 26 crores during the Previous Year despite an overall increase in the revenues. The reduction in margins is mainly on account of increase in the cost of inputs, mainly Natural Gas which is linked to global crude price increase.

During the year under review, the Company has also tied up with Reagens, Italy to enter into a Joint Venture namely, IndoReagens Polymer Additives Pvt. Ltd. for manufacture and distribution of Stabilizers. PVC Additives is the biggest market under Plastic Vertical of Innovative Solutions Business. Stabilizers form the biggest product segment under the PVC Additives market followed by Impact Modifiers. Indofil has already been catering to the Modifiers segment over the last several years, but lacked the portfolio in the Stabilizers segment. This JV would address the portfolio gaps in our Plastic vertical and pave way for strong future growth in this business.

Besides, Indofil has also tied up with Grace Breeding Technologies Limited, an Israeli research firm engaged in the development of Nitrogen Fixation Bacteria Technology. Grace Breeding Technologies Limited is currently working on a patented technology which would eliminate the need to artificially induce Nitrogen in crops. The Company has picked up a 15% stake in Grace Breeding which would give it the first right of refusal for the commercial exploitation of this technology with a possibility of setting up a JV in India for the manufacturing of the products.

Presently, the Company has following Subsidiaries/JV/Associates.

1. Good Investment (India) Ltd.
2. Quick Investment (India) Ltd.
3. Finkotech Pvt. Ltd.
4. Indo Baijin Chemicals Pvt. Ltd.
5. Indofil Bangladesh Industries Pvt. Ltd.
6. Indofil Industries (International) B.V
7. Indofil Industries (Netherlands) B.V.
8. Indofil Industries do Brasil Ltda.
9. Indofil Costa Rica S.A
10. Indofil Philippines Inc.
11. PT Industries, Indonesia
12. Agrowin Bioscience S.r.l
13. Indo-Reagens Polymer Additives Pvt. Ltd. (JV-Associate)

SHARE CAPITAL

The Share Capital of the Company during the year remained unchanged. The Share Capital of the Company stands at ₹ 21.35 Crores comprising of 2,06,62,400 fully paid up Equity Shares of ₹ 10 each and 22,95,822 Equity Shares of ₹ 10 each, Partly Called and Paid up to the extent of ₹ 3 each.

ACQUISITION OF EQUITY INTEREST IN AGROWIN

During the Financial Year 2018-19 Indofil in order to strengthen it's presence in Europe has through it's subsidiary Indofil Industries (International) B.V. Netherlands, has acquired 80% Equity Stake in an Italian Company, Agrowin Bio-Science s.r.l. This will help Company to strengthen its presence in the European Market.

DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Sections 73 of the Companies Act, 2013 (The Act) read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for the furnishing of details of Deposits which are not in compliance with the Chapter V of the Act is not applicable.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review is presented in a separate Section forming part of the Annual Report.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION

Except as disclosed elsewhere in this Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the Financial Year of the Company and date of this Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sunil Alagh, Mr. M. N. Thakkar, Mr. Lakshminarayanan, Mr. Sanjay Buch and Mr. Sanjay Prasad (IAS) Directors of the Company, qualify to be Independent Directors within the meaning of Section 149 of the Companies Act, 2013. The Company has received necessary declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. The above named directors were appointed as Independent Directors for a period of 5 years at the 21st Annual General Meeting of the Company held on September 22, 2014 up to September 21, 2019 and as such they will retire unless re-appointed. They have consented continue to act as Independent Directors of the Company, if re-appointed. The board has recommended their re-appointments for a further period of 5 years from September 21, 2019 to September 21, 2024.

As per provisions of Sections 152 of the Companies Act, 2013, Mr. Samir Modi and Dr. Atchutuni Rao shall retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board has recommended their re-appointment as Directors.

Uttar Pradesh State Industrial Development Corporation (UPSIDC) withdrew nomination of Mr. Rajesh Kumar Singh as their nominee wide their letter dated May 1, 2019 and in his place, Mr. Sanjay Prasad, (IAS) has been nominated by UPSIDC on Board of the Company.

There was no change in Key Managerial Persons during F.Y 2018-19.

BOARD MEETINGS

The Board of Directors met 4 times during the Financial Year ended March 31, 2019, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gaps between meetings were within the period prescribed by the Companies Act, 2013 and Rules made thereunder.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

Pursuant to the provisions of the Companies Act, 2013, the Independent Directors had a separate meeting on March 8, 2019 in which they discussed and evaluated the performance of the Chairman, Executive Directors, Committees, KMPs and the Board as a whole and noted its satisfaction on the performance of Chairman, Executive Directors, Committees, KMPs and the Board.

NOMINATION AND REMUNERATION COMMITTEE

In accordance with the requirements of Section 178 of the Companies Act, 2013 and Rule made thereunder (including any Statutory enactments thereof), the Board has constituted Nomination and Remuneration Committee which comprises of Mr. S. Lakshminarayan as Chairman and Mr. M.N. Thakkar and Mr.Sunil Alagh as members of the Committee.

The Board has formulated Nomination and Remuneration Policy setting out the criteria for determining qualifications, positive attributes, independence of Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The said policy duly approved and adopted by the Board is appended as Annexure I to this Report.

AUDIT COMMITTEE

The Audit Committee was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder. The Committee is chaired by Mr. M N Thakkar, an Independent Director on the Board of the Company and ex-Senior Partner of N M Raiji and Company, a renowned firm of Chartered Accountants. Mr. Sunil Alagh and Mr. Sanjay Buch are other Committee members. All the members of the Committee are financially literate. The composition, scope, and terms of reference of the Audit Committee as amended in accordance with the Act are detailed in the Corporate Governance Report.

During the year under review, the Board of Directors of the Company have accepted all the recommendations of the Committee.

WHISTLE-BLOWER POLICY FOR DIRECTORS & EMPLOYEES

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed Whistle Blower Policy / Vigil Mechanism for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of Financial Statements and Reports.

The employees of the Company have the right to Report their concern / grievance to the Chairman of the Audit Committee. No personnel has been denied access to the Audit Committee during the Financial Year ended March, 31, 2019.

RISK MANAGEMENT POLICY

The Risk Management Committee comprises of three Directors viz. Mr. Sanjay Buch and Mr. M.N. Thakkar being Independent Directors and Dr. Atchutuni Rao, Whole Time Director of the Company. The Risk Management Committee is assisted by an Operational Committee which comprises of Business and Functional Heads.

The Risk Management Committee has been framed for assessing various risks affecting Company and it's Business. The Board of Directors of the Company has defined a structured approach to manage uncertainties and to factor such uncertainties in their decision making pertaining to all Business Division and Corporate Functions. Key business risks and measures to mitigate such potential risks are considered in their periodic meetings and accordingly actions are initiate to minimise risk and it's impact on Business of Company.

CORPORATE SOCIAL RESPONSIBILITY POLICY

As per the provisions of Sections 135 of the Act read with the Companies (Corporate Social Responsibility policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Board of Directors of the Company has adopted and approved CSR Policy based on the recommendations of the CSR Committee. The Company has been implementing its CSR activities initiated in accordance with the said policy. The details of such initiatives are prescribed in the CSR Report appended as Annexure II to this Report. The Report also contains the composition of the CSR Committee as per Section 135(2) of the Companies Act, 2013.

REVISION OF FINANCIAL STATEMENTS

There was no revision of the Financial Statements for the year under review.

DISCLOSURE OF ORDER PASSED BY REGULATORS/ COURTS/ TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concerns status and the Company's operations in future.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS, AND SECURITIES

Particulars of loans, guarantees, investments and securities provided during the Financial Year under review along with the purposes for which such loans, guarantees, and securities are proposed to be utilized by the recipients thereof is given in notes to Accounts, which forms part of the Annual Report.

INTERNAL CONTROL SYSTEMS

Adequate Internal Control Systems commensurate with the nature of the Company's business and the size and complexity of its operations are in place and have been operating satisfactorily. Internal Control Systems comprising of policies and procedures are designed to ensure the reliability of Financial Reporting, timely feedback on the achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations and efficient utilisation of assets and resources.

Further, the Internal Financial Controls with reference to Financial Statements as designed and implemented by the Company are adequate.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Sections 134(5) of the Companies Act, 2013, in relation to the Audited Financial Statements of the Company for the year ended March 31, 2019, the Board of Directors hereby confirms that:

a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.

b. Such Accounting Policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the Profit / Loss of the Company for that year.

c. Proper and sufficient care was taken for the maintenance of adequate Accounting Records and detecting fraud and other irregularities.

d. The Annual Accounts of the Company have been prepared on a going concern basis.

e. Internal Financial Controls have been laid down and to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.

f. Proper systems have been devised ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL AUDIT

In terms of the provisions of Sections 204 read with Section 134(3) of the Companies Act, 2013 and the Rules made thereunder (including any statutory enactments thereof), the Board had appointed M/s. Ragini Chokshi Co., Company Secretaries in Practice (Membership No. 2390), to conduct the Secretarial Audit of the Company for the Financial Year 2018-19. Secretarial Audit Report issued by M/s. Ragini Chokshi & Co. in Form MR-3 for the Financial Year 2018-19 is appended as Annexure III to this Report. The said Report does not contain any qualification requiring explanation or comments from the Board under Sections 134 (3) of the Companies Act, 2013. The Board has re-appointed M/s. Ragini Choksi & Co. as the Secretarial Auditors for the Financial Year 2019-20.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Bansi S. Mehta and Company (Firm Regn. No. 100991W) Chartered Accountants have been appointed as Statutory Auditors by members of the Company at their AGM held on 26th September, 2018 to hold office up to the 28th Annual General Meeting. The resolution contained in the notice for Twenty Sixth AGM, clarifies that the said Statutory Auditors shall hold their office to conduct statutory audit upto F.Y. 2020-21 and shall hold office till conclusion of 28th AGM for that purpose as per aforesaid provision of Companies Act, 2013.

The Auditors have confirmed their continued eligibility as per the provisions of the Companies Act, 2013 and their willingness to act as Statutory Auditors of the Company.

AUDITOR'S REPORT

The Auditor's Report with the relevant notes given in the Notes to Accounts for the year ended March 31, 2019 are detailed and self explanatory and do not require any further explanation.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) (A & B) of Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are attached in Annexure IV.

FOREIGN EXCHANGE OUTGO & EARNINGS

The particulars regarding Foreign Exchange expenditure and earnings are contained in the Notes to Accounts forming part of the Financial Statements for the year ended March 31, 2019.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Sections 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the Financial Year ended March 31, 2019 made under the provisions of Sections 92(3) of the Act is appended as Annexure V to this Report.

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company under Sections 188 of the Companies Act, 2013, with promoters, Key Managerial Personnel or other designated persons which may be potential conflict with interest of the Company at large. Consequently there are no details as prescribed in Form AOC- 2. However, AOC- 2 Form for the purpose of records is annexed hereto as Annexure VII.

The details of transactions / contracts / arrangements entered by the Company with related party(ies) during the Financial Year under review, is given under the Notes to Accounts, which forms part of the Annual Report.

CORPORATE GOVERNANCE REPORT

The Company is committed to uphold the highest Standards of Corporate Governance. A detailed Report on the Corporate Governance is appended as Annexure VIII to this Report.

CAUTIONARY STATEMENT

Statements in this Report, more particularly contained in the Management Discussion & Analysis and the Corporate Governance Reports describing the Company's objectives, estimates and expectations may constitute "forward looking statements". Actual results might differ materially from such statements.

ACKNOWLEDGEMENT

The Board of Directors place on record their appreciation for the assistance, guidance and support extended by all the regulatory authorities including, Ministry of Corporate Affairs, Registrar of Companies, Reserve Bank of India, the Depositories, Bankers and Financial Institutions, the government at the Centre and States, as well as their respective departments and development authorities in India and abroad connected with the business of the Company for their co-operation and continued support. The Company expresses its gratitude to the customers for their trust and confidence in the Company.

Your Directors also place on record their sincere appreciation of the commitment and hard work put in by the Registrar & Share transfer agents, all the suppliers, sub-contractors, consultants, clients and employees of the Company.

On behalf of the Board
For Indofil Industries Limited

Place: Mumbai
Date: May 28, 2019

K.K. Modi
Chairman & Managing Director
DIN: 00029407

Regd. Office
Kalpataru Square, 4th Floor, Kondivita Road,
Off. Andheri Kurla Road, Andheri (E) Mumbai 400059,
Tel: +91 (22) 66637373, Fax: + 91 (22) 28322276.

Annexure "I"

NOMINATION AND REMUNERATION POLICY

1. Preface

The Company and its management endeavour to recruit and retain employees who achieve operational excellence and create value for Shareholders. The Company understands the importance of attracting and retaining talented individuals at all levels of the organization. The Company believes that a transparent, fair and reasonable process is vital for determining the appropriate remuneration at all levels of the Organization and is committed to ensure that all the Stakeholders remain confident in the management of the Company. The Board has constituted the Nomination and Remuneration Committee (the "Committee") to assist the Board in discharging its responsibilities relating to compensation of the Company's Directors and other senior level employees.

2. Objectives

The objective and purpose of this policy are:

- To devise a policy on Board diversity.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Independent, Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To determine criteria for remuneration of the Directors and Key Managerial Personnel based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies,
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary Report to the Board for further evaluation by the Board.
- To provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations and growth.
- To lay down policies to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. Definitions

'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

'Board' means Board of Directors of the Company.

'**Committee**' means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.

'Company' or 'the Company' means Indofil Industries Limited.

'Director(s)' mean Director(s) of the Company.

'Independent Director' means a Independent Director of the Company appointed pursuant to the provisions of Section 149(6) of the Companies Act, 2013.

'Key Managerial Personnel' means a Key Managerial Personnel (KMP) as defined under the Companies Act, 2013 and includes:

(i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;

(ii) Company Secretary; and

(iii) Chief Financial Officer

(iv) 'Senior Management' means Senior Management personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

This Policy is divided in two Sections Part A and Part B.

Part - A covers the appointment and nomination related policies.

Part - B covers remuneration related policies.

4.1. Part A - Appointment and Nomination

4.1.1 Criteria for Board Membership

The Committee shall take into account following points for appointment of a person as Director, KMP or at Senior Management level and recommend to the Board his / her appointment accordingly, viz.

- The candidate shall possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

- The candidates shall possess the highest personal and professional ethics, integrity, values and moral reputation and be eligible to hold the office under the provisions of the Companies Act, 2013 and policies of the Company.

4.1.2 Additional Criteria for Independent Directors

In addition to the criteria mentioned above, a person proposed to be appointed as an Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder.

4.1.3 Term /Tenure

The Term / Tenure of the Directors shall be in accordance with the provisions of the Companies Act, 2013 and Rules made there under applicable and as amended from time to time.

4.1.4 Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, Rules made thereunder or under any other applicable Act, Rules and regulations or the applicable policies of the Company, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and regulations.

4.1.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. In terms of applicable provisions and depending on requirement of the Company, the Committee may recommend re-appointment of retiring Directors, KMP or Senior Management Personnel. The Board shall have the discretion to retain a Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age for the benefit of the Company.

4.1.6 Policy on Board diversity

The Company believes that a diverse Board would be necessary for effectively managing the affairs of the Company. Diversity in terms of the skills, regional and industry experience, background, gender and other diversities between Directors is essential to enable the Board, as a whole, to achieve the desired results for the Company. These distinctions shall be considered in determining the optimum composition of the Board and when possible shall be balanced appropriately. All Board appointments shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

4.2 Part B - Remuneration and Perquisites

4.2.1 Recommendation for Remuneration

The Committee shall recommend to the Board for their approvals, the remuneration to be paid to the Managing Director, Executive Director, Whole - Time Directors, KMP and Senior Management personnel. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration / compel / commission etc. shall as per applicable laws be subject to the approval of the shareholders of the Company and Central Government, wherever required.

4.2.2 Managing Director/whole-time Director/ Executive Director

Besides the above criteria, the remuneration / compensation / commission etc. to be paid to Managing Director / whole-time Director / Executive Director etc. shall be governed as per provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force.

4.2.3 Non executive Independent Directors

The Non-Executive Independent Directors may receive remuneration by way of Sitting Fees for attending meetings of Board or Committee thereof and compensation by way of commission as may be approved by the Board and shareholders, subject to such limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

4.2.4 KMPs / Senior Management Personnel etc

The remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any, prescribed under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

5. Review

The Board shall periodically review this Policy to determine its appropriateness to the needs of the Company. The Board shall have the authority to amend the Policy, if required.

K.K. Modi
Chairman
DIN: 00029407

Place: Mumbai
Date: June 13, 2018

Annexure "II"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES.

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

   CSR Policy is stated herein below and is also available on the Weblink: https://indofilicc.com/profile/corporate-social-responsibility.

   The CSR initiatives on which the Company has incurred CSR spent is stated in the table produced at point no. 5 below.

2. Composition of the CSR Committee:

   Mr. K.K. Modi, Chairman

   Mr. Sunil Kumar Alagh, Independent Director and

   Mr. Sanjay Prasad, Nominee Director (UPSIDC)

3. Average Net Profit of the Company for last three Financial Years:

   Average Net Profit: ₹ 264.41 Crores

4. Prescribed CSR Expenditure (two percent of the amount of Item No. 3 above):

   The Company was required to spend ₹ 5.29 Crores towards CSR activities during F.Y. 2018-19.

5. Details of CSR spend for the Financial Year:

   a. Total amount spent during the Financial Year on CSR initiatives ₹ 5.40 Crores

   b. Amount unspent, if any: Nil

   c. Manner in which the amount spent during the Financial Year is detailed below:

Sr. No.	Project Activities	Sector Locations	Locations District (State)	**Amount spent on project programs** *[In Rupees]* **In FY 2018-19**	Amount spent on project programs *[In Rupees]* In FY 2017-18
1	Promoting Education: Establishing K.K. Modi University*	Education	Village Mahmara District: Durg Chhattisgarh	5.02 Crore	4.26 Crore
2	Public Welfare: Ballygunge Society for Environment & Development	Public Welfare	Village Gopinathpur Dist: Hooghly, West Bengal	0.32 Crore	0.06 Crore
3	Others	Education/ Public Welfare	Dahej Gujarat	0.06 Crore	0.02 Crore

**Implementing Agency: Samaj Kalyan Parishad, Modi Nagar, Uttar Pradesh, in coordination with Modi Innovative Education Society, Chhattisgarh. The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.*

For CSR Committee

Place: Mumbai
Date: May 28, 2019

K. K. Modi
Chairman
DIN: 00029407

Corporate Social Responsibility Policy

A. Policy Objective

Indofil Industries Limited ('Indofil') is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

B. Policy Details

Core Values

The CSR activities of the Company will be implemented in accordance with the following core values:

Protecting Stakeholder's Interests

- Pro-actively engage with relevant stakeholders, understand their concerns and be responsive to their needs
- Use & promote systematic processes to engage with the stakeholders and address their issues in a just, fair and equitable manner.

Pro-active Engagement with the Local Communities

- Respecting cultural ethnicity and dignity of individuals and foster positive relationship with the people in the project areas where the Company operates.
- Providing development opportunities to local communities in a culturally appropriate manner, in consultation & cooperation with local government authorities and other stakeholders, as may be appropriate.

Inclusive Development

- Channelizing resources & efforts towards making positive and sustainable contribution in social and economic development.
- Aligning CSR practices & programs to complement and support the developmental priorities at local, state and national levels.
- Inclusive approach towards stakeholders and promote diversity through affirmative action.

CSR Activities

The CSR activities will be focused on the four broad themes with goals to improve overall socio-economic indicators of Company's area of operation:

- Promoting and supporting education programs
- Ensuring sustainable environment
- Support programs for farmers
- Philanthropic and charitable activities

The CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act, 2013. These programs will be executed by Indofil and where appropriate in partnership with local government, various NGO partners, service providers and others.

The surplus, if any, arising out of CSR initiatives of the Company shall not form part of its business profits.

Monitoring Mechanism

Monitoring of the CSR activities would be done, which may include:

- Periodic assessments of key programs
- Baseline and impact assessments with key indicators in our areas of operations every two years and
- Regular review by the CSR Committee and reporting to the Board on:
  - amount spent on each activities and
  - achievement against milestones and objectives

Responsibility

The responsibility for compliance with this policy lies with the CSR Committee, the Directors, Group Chief Executive Officer, Senior Managers and all employees and consultants working for Indofil.

Review of Policy

The CSR Policy will be reviewed as may be recommended by the CSR Committee of the Company.

K. K. Modi
Chairman
DIN: 00029407

Place: Mumbai
Date: September 22, 2014

Annexure 'III'

FORM NO. MR – 3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
INDOFIL INDUSTRIES LIMITED
4th Floor, Kalpataru Square,
Off. Andheri Kurla Road,
Andheri (East), Mumbai – 400059

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by **INDOFIL INDUSTRIES LIMITED (CIN: U24110MH1993PLC070713)** (hereinafter called "the Company") for the year ended on March 31, 2019. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts / Statutory Compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2019 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (Not applicable to the Company during the Audit Period);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the Rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the Audit Period);

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the Audit Period);

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

d. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998; (Not applicable to the Company during the Audit Period);

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. The Insecticides Act, 1968 and Rules 1971
2. Poison Act, 1919
3. Factories Act, 1948
4. Legal Metrology Act, 2009
5. Industrial Disputes Act, 1947
6. Environment Protection Act, 1986
7. Employees State Insurance Act, 1948
8. Minimum Wages Act, 1948
9. Water (Prevention and Control of pollution) Act, 1981
10. Air (Prevention and Control of pollution) Act, 1974

11. Negotiable Instruments Act, 1881

12. Hazardous Waste (Management and handling) Rules, 1989

13. The Trade Marks Act 1999

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.

2. The Securities and Exchange Board of India (Listing obligations and Disclosure Requirement) Regulation 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except there was delay in filing few Statutory Forms with concerned Authorities.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period, the Company had following specific events or actions which might have a bearing on the Company's affairs in pursuance of the above referred laws, Rules, regulations, guidelines, standards, etc.

1. Appointment of Mr. Rajesh Kumar Singh as a Nominee Director representing U. P. State Industrial Development Corporation Limited (UPSIDCL) in place of Mr. Ranvir Prasad vide letter dated August 7, 2018 issued by UPSIDCL and Circular Resolution passed by the Board dated August 10, 2018.

2. Incorporation of Finkotech Pvt. Ltd. as a wholly owned subsidiary of the Company vide Certificate of Incorporation dated April 11, 2018.

3. Allotment of 1500 9.87% Secured Non-Convertible, Non-Cumulative, Redeemable Debentures Series A to D of face value of ₹ 10,00,000/- each aggregating to ₹ 150 Crore on Private Placement Basis on September 26, 2018 and the Company has obtained listing and trading approval for the same from BSE Ltd. with effect from October 11, 2018.

4. Incorporation of Indo Reagens Polymer Additives Private Limited as a wholly owned subsidiary of the Company vide Certificate of Incorporation dated December 21, 2018 in connection with Joint venture with Reagens SPA, Italy.

For Ragini Chokshi & Co.
(Company Secretaries)

Ragini Chokshi
(Partner)
C.P. NO. 1436
FCS NO. 2390

Place: Mumbai
Date: May 21, 2019

Annexure "IV"

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

[Section 134(3)(m) of The Companies Act, 2013 read with Rule (8) of The Companies (Accounts) Rules, 2014.]

A) CONSERVATION OF ENERGY

a. 30000kl of water was recycled in our Mancozeb plant through the use of Multiple Effect Evaporation.

b. The Company has received full bonus subsidy by achieving the power factor.

c. Improved the manufacturing process for Agro Technical Products, especially in new Synthesis plant at Dahej.

B) TECHNOLOGY ABSORPTION

i. R&D and technology absorption

1. During the year under review:

   a) Natural Gas consumption was reduced in by modifying the airpreheater of spray Drying Units in our Thane Dahej plants.

   b) To control suspended particle matters in air, Electro Static Precipitators were installed in all our units Thane and Dahej.

   c) A new cavitation process Technology was introduced in our Synthesis plant to treat the effluents to reduce the COD and BOD.

2. The focus continued on developing user friendly products, new chemistry and diversified application for products of Indofil Innovative Solution (IIS) verticals of textile, coating, plastic and leather.

3. Enhanced the focus on newer technologies for agro-chemicals which satisfy the quality and cost expectations besides meeting the requirement of zero Liquid Discharge.

4. The R&D is accredited with NABL, GLP certification that speaks volumes of the capability of the department in terms of its ability to quantify with confidence and accuracy the composition of products, actives and their purity. The GLP accreditation endows the power of this department to generate data for five batch analysis that is mandatory for product registrations worldwide.

5. R&D is also certified with ISO 9001 and ISO14000 requirements that allow maintaining discipline, order and clarity of all business activities and decisions taken.

ii. Benefits from R&D

Improved manufacturing process resulting in reduction in raw material consumption, solvent load and water load (effluent)

IIS division has developed several new products reaching out to the popular segments in textile and leather verticals

iii. Future plan

Continued efforts for development of new products for Specialty and Performance Chemicals business groups

Ongoing research on development of combination of existing and new fungicides.

iv. Expenditure on R&D

(₹ in crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital including Capital Work in Progress	22.07	30.74
Recurring	12.96	11.71
TOTAL	**35.03**	**42.45**
R&D Expenditure as a percentage of Revenue from Operation	1.6%	2.1%

C) FOREIGN EARNING AND OUTGOING

Particulars		As at March 31, 2019	As at March 31, 2018
i)	Foreign Exchange Earned	926.23	805.64
ii)	Foreign Exchange expensed	439.97	392.70

Annexure "V"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31.3.2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U24110MH1993PLC070713
ii)	Registration Date	09.02.1993
iii)	Name of the Company	INDOFIL INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	Kalpataru Square, 4th Floor, Off Andheri Kurla Road, Andheri (East) Mumbai - 400059 Tel.No. 022-66637373
vi)	Whether listed company	Equity Shares issued by Company are not listed. Non Convertible Redeemable Debentures issued by Company are listed with Sale Debt Segment at BSE.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAS Services Ltd, T-34, 2nd Floor, Okhla Indl Area, Phase-II, New Delhi – 110 020 Telephone No. 011-26387281 - 83 Fax No 011-263873843 E-Mail id: info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Agro Chemicals	20,211	85.89%
2	Specialty & Performance chemicals	20,297	14.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Good Investment (India) Ltd., Omaxe Square, Plot No- 14, 5th Floor, Jasola District Centre, Jasola, New Delhi- 110 025	U65993DL1979PLC010060	Subsidiary	100%	2(87)
2	Quick Investment (India) Ltd., Omaxe Square, Plot No- 14, 5th Floor, Jasola District Centre, Jasola, New Delhi- 110 025	U65993DL1979PLC010018	Subsidiary	100%	2(87)
3	Finkotech Pvt. Ltd.	U24299MH2018PTC307863	Subsidiary	100%	2(87)
4	Indobaijin Chemicals Pvt. Ltd., Plot No. Z-7/1, SEZ Area, Dahej SEZ Ltd, Taluka Vagra, Disrict Bharuch, Gujarat 392130	U24233GJ2011PTC065293	Subsidiary	51%	2(87)
5	Indofil Bangladesh Industries Pvt. Ltd., 87, New Eskaton Road, Home Town Apartment Complex, 16th Floor, Ramna, Dhaka	Foreign Company	Subsidiary	100%	2(87)
6	Indofil Costa Rica S.A., Sanjose, Barrio Los Yoses, 10th Avenue, 37th Street, Bufete Quiros Abogados, Central Law, Costa Rica	Foreign Company	Subsidiary	100%	2(87)
7	Indofil Industries (Netherlands) B.V., Piet Heinkade 55, 1019 GM, Amsterdam, Netherlands.	Foreign Company	Subsidiary	100%	2(87)

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
8	Indofil Industries (Internationl) BV Piet Heinkade 55, 1019 GM- Amsterdam,Netherlands	Foreign Company	Subsidiary	100%	2(87)
9	Indofil Industries do Brasil LTDA Alameda Rio Negro 503, Room 2510, Alphaviile, Barueri, Sao Paulo State, Brazil	Foreign Company	Subsidiary	100%	2(87)
10	Indofil Philippines Inc. Unit 3201, Robinson Equitable Tower, ADB Avenue Corner, P. Poveda Street, Ortigas Centre, Pasig City - 1605, Metro Manila, Philippines	Foreign Company	Subsidiary	100%	2(87)
11	Agrowin Bioscience s.r.l. Bergamo, Via Monte Grappa n.7, Italy	Foreign Company	Subsidiary	80%	2(87)
12	PT Industries Indonesia	Foreign Company	Subsidiary	100%	2(87)
13	IndoReagens Polymer Additives Pvt. Ltd.	U243D4MH2018PTC318641	Associate	49.9%	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	4,98,550	4,98,550	2.172	-	4,98,550	4,98,550	2.172	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,29,18,170	-	1,29,18,170	56.268	1,29,18,170	-	1,29,18,170	56.268	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other. (Trusts)	1,45,722	7,01,033	8,46,755	3.688	1,45,722	7,01,033	8,46,755	3.688	-
Sub-total (A) (1):-	**1,30,63,892**	**11,99,583**	**1,42,63,475**	**62.128**	**1,30,63,892**	**11,99,583**	**1,42,63,475**	**62.128**	**-**
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1,30,63,892**	**11,99,583**	**1,42,63,475**	**62.128**	**1,30,63,892**	**11,99,583**	**1,42,63,475**	**62.128**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	450	1050	1500	0.007	450	-	450	0.003	(0.004)
b) Banks/FI	225	562	787	0.004	336	562	898	0.004	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	2169956	-	2169956	9.452	2169956	-	2169956	9.452	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	296482	-	296482	1.291	296482	-	296482	1.291	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**24,67,113**	**1,612**	**24,68,725**	**10.754**	**24,67,224**	**562**	**24,67,786**	**10.750**	**(0.004)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	**6,09,520**	**11,61,559**	**17,71,079**	**7.714**	**4,96,023**	**11,27,718**	**16,23,741**	7.073	**(0.641)**
ii) Overseas	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**

Category of Shareholders			No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b)	Individuals										
	i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	9,90,846	4,33,639	14,24,485	6.205	11,22,722	3,11,989	14,34,711	6.249	0.044
	ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,05,810	2,03,341	7,09,151	3.089	6,16,079	139,219	7,55,298	3.290	0.201
c)	Others (specify)										
	i)	NRI/OCB	22,62,130	75	22,62,327	9.854	22,64,948	75	22,65,023	9.866	0.012
	ii)	Clearing Member	18,940	-	18,940	0.083	19,679	-	19,679	0.086	0.003
	iii)	Trust	83	-	83	-	83	-	83	-	-
	iv)	Directors & their relatives	39,957	-	39,957	0.174	39,957	-	39,957	-	0.174
	V)	Investor Education and Protection Fund	-	-	-	-	88,469	-	88,469	0.385	0.385
	Sub-total (B)(2):-		**44,27,408**	**17,98,614**	**62,26,022**	**27.119**	**46,47,960**	**15,79,001**	**62,26,961**	**27.123**	**0.004**
Total Public Shareholding (B) = (B)(1) + (B)(2)			68,94,521	18,00,226	86,94,747	37.872	71,15,184	15,83,563	86,94,747	37.872	-
C.	Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)			**1,99,58,413**	**29,99,809**	**2,29,58,222**	**100.00**	**2,01,79,076**	**27,79,146**	**2,29,58,222**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	K.K.Modi Investment & Financial. Services Private Limited	1,02,73,073	44,747	-	1,02,73,073	44.747	-	-
2	Rajputana Developers Limited	19,16,666	8.348	-	19,16,666	8.348	-	-
3	Premium Merchants Limited	4,64,760	2.024	-	4,64,760	2.024	-	-
4	Kaushambi Industries Private Limited	3,671	0.016	-	3,671	0.016	-	-
5	Super Investment (India) Ltd.	1,25,000	0.544	-	1,25,000	0.544	-	-
6	HMA Udyog Pvt. Ltd	1,35,000	0.588	-	1,35,000	0.588	-	-
7	Mr. K. K. Modi	2,33,850	1.019	-	2,33,850	1.019	-	-
8	Mrs. Bina Modi	2,18,607	0.952	-	2,18,607	0.952	-	-
9	Mr. Lalit K. Modi	10,455	0.046	-	10,455	0.046	-	-
10	Mr. Ruchir Modi	9,873	0.043	-	9,873	0.043	-	-
11	Mr. Samir K.Modi	25,765	0.112	-	25,765	0.112	-	-
12	Indofil Senior Executives (O) Benefit Trust	9,877	0.042	-	9,877	0.042	-	-
13	Indofil Senior Executives (O) Welfare Trust	2,39,144	1.042	-	2,39,144	1.042	-	-
14	Indofil Senior Executives (F) Welfare Trust	1,42,698	0.622	-	1,42,698	0.622	-	-
15	Indofil Junior Employees (O) Welfare Trust	1,42,698	0.622	-	1,42,698	0.622	-	-
16	Indofil Junior. Employees (F) Welfare Trust	1,75,805	0.766	-	1,75,805	0.766	-	-
17	Indofil Senior Executives(F) Benefit Trust	65,127	0.284	-	65,127	0.284	-	-
18	Indofil Junior Employees (O) Benefit Trust	25,914	0.113	-	25,914	0.113	-	-
19	Indofil Junior Employees (F) Benefit Trust	45,492	0.198	-	45,492	0.198	-	-
	Total	**1,42,63,475**	**62.,128**	**-**	**1,42,63,475**	**62.128**	**-**	**-**

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	142,63,475	62.128	1,42,63,475	62.128
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)				
3.	At the End of the year	1,42,63,475	62.128	1,42,63,475	62.128

There is no change in promoters Shareholding during F.Y. 2018-19.

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

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the Company	No. of shares.	% of total shares of the Company
1	**UPSIDC LIMITED**				
	At the beginning of the year	21,69,956	9.452		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			21,69,956	9.452
2	**APMS Investment Fund Ltd**				
	At the beginning of the year	16,35,822	7.125		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			16,35,822	7.125
3	**Modi Industries Limited**				
	At the beginning of the year	10,50,000	4.574		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			10,50,000	4.574
4	**Cresta Funds limited**				
	At the beginning of the year	5,00,000	2.178		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			5,00,000	2.178
5	**Status Mark Finvest Ltd**				
	At the beginning of the year	3,02,766	1.319		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	20-APRIL-2018	(10,000)	(0.044)	2,92,766	1.275
	27-APRIL-2018	(7,500)	(0.033)	2,85,266	1.242
	11-MAY-2018	(10,000)	(0.044)	2,75,266	1.198
	08-JUNE-2018	(5,000)	(0.022)	2,70,266	1.176
	03-AUGUST-2018	(10,000)	(0.043)	2,60,266	1.133
	31-AUGUST-2018	(5,000)	(0.022)	2,55,266	1.111
	05-OCTOBER-2018	(5,000)	(0.022)	2,50,266	1.089
	12-OCTOBER-2018	(5,000)	(0.022)	2,45,266	1.067
	30-NOVEMBER-2018	(9,000)	(0.039)	2,36,266	1.028
	21-DECEMBER-2018	(15,500)	(0.067)	2,20,766	0.961
	28-DECEMBER-2018	(15,000)	(0.065)	2,05,766	0.896
	18-JANUARY-2019	(3,000)	(0.013)	2,02,766	0.883
	25-JANUARY-2019	(5,000)	(0.022)	197,766	0.861
	22-FEBRUARY-2019	(5,000)	(0.022)	1,92,766	0.839

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the Company	No. of shares.	% of total shares of the Company
	08-MARCH-2019	(20,000)	(0.087)	1,72,766	0.752
	15-MARCH-2019	(5,000)	(0.022)	1,67,766	0.730
	22-MARCH-2019	(2,000)	(0.008)	1,65766	0.722
	29-MARCH-2019	(1,000)	(0.004)	1,64,766	0.718
	At the End of the year			1,64,766	0.718
6	**Life Insurance Corporation of India**				
	At the beginning of the year	2,96,482	1.291		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			2,96,482	1.291
7	**Umesh Kumar Modi**				
	At the beginning of the year	1,11,678	0.486		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			1,11,678	0.486
8	**Govind Swaroop**				
	At the beginning of the year	90,000	0.392		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			90,000	0.392
9	**Laoleen Investments Pvt. Ltd**				
	At the beginning of the year	62,394	0.272		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			62,394	0.272
10	**Jaideep Narendra Sampat**	55,611	0.242		
	At the beginning of the year				
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			55,611	0.242

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	Name of Directors and KMP's	No. of Shares	% of total shares of the Company	No. of shares.	% of total shares of the Company
1	**Mr.K.K.Modi**				
	At the beginning of the year	2,33,850	1.019		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			2,33,850	1.019
2	**Ms Charu Modi**	0	0		
	At the beginning of the year				
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
3	**Ms Aliya Modi**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
4	**Mr. Samir Kumar Modi**				
	At the beginning of the year	25,765	0.112		

Sr. No.	Name of Directors and KMP's	No. of Shares	% of total shares of the Company	No. of shares.	% of total shares of the Company
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			25,765	0.112
5	**Mr. M.N.Thakkar**				
	At the beginning of the year	11,417	0.050		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			11,417	0.050
6	**Mr. Sunil K. Alagh**				
	At the beginning of the year	28,540	0.124		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			28,540	0.124
7	**Mr. Sanjay Buch**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
8	**Mr. S. Lakshminarayanan**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
9	**Mr. Amit Kumar Ghosh**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
10	**Dr. Atchutuni Rao**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
	Key Managerial Personel:				
11	**Mr. R.K.Malhotra**				
	At the beginning of the year	22,933	0.010		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			22,933	0.010
12	**Mr Devang R Mehta**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
13	**Mr. Rajib Mukhopadhyay**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0

V. INDEBTEDNESS

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

₹ in Crs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	1031.73	Nil	Nil	1031.73
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	1.91	Nil	Nil	1.91
Total (i+ii+iii)	**1033.64**	**Nil**	**Nil**	**1033.64**
Change in Indebtedness during the Financial Year				
i) Addition	248.15	Nil	Nil	248.15
ii) Reduction	(51.39)	Nil	Nil	(51.39)
Net Change (i-ii)	**196.76**	**Nil**	**Nil**	**196.76**
Indebtedness at the end of the Financial Year				
i) Principal Amount	1228.78	Nil	Nil	1228.78
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	1.62	Nil	Nil	1.62
Total (i+ii+iii)	**1230.40**	**Nil**	**Nil**	**1230.40**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Crs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. K.K. Modi Chairman & Managing Director	Ms. Charu Modi Executive Director	Dr. Atchutuni Rao Whole-Time Director	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	7.20	5.41	0.95	13.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.64	0.60	0.01	2.25
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission				
	- as % of profit	3.94	6.15	0	10.09
	- others, specify...				
5.	Others, please specify				
	Total	**12.78**	**12.16**	**0.96**	**25.90**

B. Remuneration to other directors:

₹ in Crs

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Sunil K. Alagh	Mr. M.N. Thakkar	Mr. Sanjay Buch	Mr. S. Lakshminarayanan	
1.	Independent Directors					
	▪ Fee for attending board committee meetings	0.12	0.10	0.10	0.6	0.38
	▪ Commission	0.25	0.25	0.25	0.25	1.00
	▪ Others, please specify	-	-	-	-	
	Total (1)	**0.37**	**0.35**	**0.35**	**0.31**	**1.38**
2.	Other Non-Executive Directors	Mr. Samir Modi	Ms. Aliya Modi	Mr. Ranvir Prasad		
	▪ Fee for attending board committee meetings	0.01	0.02	0.02		0.05
	▪ Commission	0.25	0.25	0.25		0.75
	▪ Others, please specify					
	Total (2)	**0.26**	**0.27**	**0.27**		**0.80**

Annexure "VI"

FORM NO. AOC- I

Part "A": Subsidiaries

(₹ in crores)

	1	2	3	4	5	6	7	8	9	12
Name of the Subsidiary	Good Investment (India) Ltd	Quick Investments (India) Ltd	Indo Baijin Chemicals Pvt Ltd	Indofil Bangladesh Industries Pvt Ltd	Indofil Industries (Netherlands) BV	Indofil Industries (International) BV	Indofil Costa Rica SA	Indofil Industries DO Brasil LTDA	Indofil Philippines, Inc.	Agrowin Bioscience S.r.l (80%)
Reporting period for the Subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reporting currency and exchange rate as on last date of the relevant Financial Year in the case of foreign subsidiaries	NA	NA	NA	BDT INR 0.82/BDT	EUR - INR 77.70/ EUR	EUR - INR 77.70/EUR	Costa Rica Colon - INR 0.12/ Colon	BRL - INR 17.62/BRL	PHP - INR 1.31/ PHP	EUR - INR 77.70/EUR
Share capital	0.77	0.13	85.61	5.24	0.77	3.89	0.00	14.6	3.58	0.93
Reserves & surplus	58.38	22.42	26.83	-4.54	136.49	13.94	Nil	-13.39	0.38	0.61
Total Assets	59.1	22.64	303.32	0.81	350.25	33.05	0.00	6.78	15.07	38.45
Total Liabilities	0.02	0.097	190.87	0.11	212.98	15.23	Nil	5.57	11.1	36.91
Investments	53.06	20.67	Nil	Nil	0.12	0.12	Nil	0.1	Nil	1.29
Turnover (Total Revenue)	3.91	1.97	227.47	Nil	220.01	Nil	Nil	1.93	21.54	3.65
Profit / (Loss) before Taxation	5.87	1.96	10.91	-1.17	21.18	-0.89	Nil	-10.98	1.5	-0.52
Provision for taxation	0.05	0.01	2.35	0	5.22	Nil	Nil	0	0.43	0
Profit / (Loss) after taxation	5.83	1.95	8.56	-1.17	15.96	-0.89	Nil	-10.98	1.07	-0.52
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
% of shareholding	100%	100%	51%	100%	100%	100%	100%	100%	100%	80%

1. Names of the subsidiaries which are yet to commence operations:

a) Finkotech Pvt. Ltd.

b) PT Indofil Industries Indonesia

c) Indofil Costa Rica SA

2. Names of subsidiaries which have been liquidated or sold during the year:

Nil

Part "B": Associates and Joint Ventures

Name of Associates/ Joint Ventures		Indo Reagens Polymer Additives Pvt. Ltd.
1.	Latest audited Balance Sheet Date	31-03-2019
2.	Shares of associate/ Joint Venture held by Company on the year end	
	▪ No of shares	4,99,000
	▪ Amount of investment in Associate / Joint Venture (INR in Crore)	0.499
	▪ Extend of holding in %	49.90%
3.	Description of how there is significant influence	By virtue of Shareholding
4.	Reason why associate/ joint venture is not consolidated	NA
5.	Networth attributable to shareholding as per latest audited Balance Sheet (INR in Crore)	0.34
6.	Profit/ Loss for the year	
	▪ Considered in consolidation (INR in Crore)	-0.16
	▪ Not considered in consolidation (INR in crore)	N.A

Notes:

1. Names of associates or joint ventures which are yet to commence operations:
   Indo Reagens Polymer Additives Pvt Ltd: (49.9%)
2. Names of associates or joint ventures which have been liquidated or sold during the year:
   Hifil Chemicals Pvt. Ltd entire (49%) stake held by Company is sold during the year 2018-19.

Annexure "VII"

FORM NO. AOC - II

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

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

1. **Details of contracts or arrangements or transactions not at Arm's length basis:**
   a. Name(s) of the related party and nature of relationship – Nil
   b. Nature of contracts / arrangements / transactions – Nil
   c. Duration of the contracts / arrangements / transactions – Not Applicable
   d. Salient terms of the contracts or arrangements or transactions including the value, if any – Nil
   e. Justification for entering into such contracts or arrangements or transactions – Nil
   f. Date(s) of approval by the Board – Not Applicable
   g. Amount paid as advances, if any – Nil
   h. Date on which the Special Resolution was passed in General Meeting as required under first proviso to Section 188 – Nil.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**
   a. Name(s) of the related party and nature of relationship: Nil
   b. Nature of contracts / arrangements / transactions: Nil
   c. Duration of the contracts / arrangements / transactions – Not Applicable
   d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   e. Date(s) of approval by the Board, if any: Not Applicable
   f. Amount paid as advances, if any: Nil

K.K. Modi
Chairman & Managing Director
DIN: 00029407

Place: Mumbai
Date: May 28, 2019

Annexure "VIII"

Corporate Governance Report

MANAGEMENT'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Management is committed to good Corporate Governance and as a part of its growth strategy, it places the highest importance on strengthening and further developing Corporate Governance initiatives.

The Board believes that governance is a continuously evolving idea to continue doing business in a disciplined, legal and ethical way and it places its governance practices under continuous review and benchmarking it to the best practices around the globe. The management's philosophy on Corporate Governance is directed at conducting business in an ethical and professional manner and to enhance confidence of all stakeholders, viz.; shareholders and investors, customers and clients, employees, regulatory bodies, all those who deal with the Company and public in general, since we believe that adhering to the standards of best Corporate Governance practice is essential to achieve long term corporate goals and enhance shareholders value in global business environment. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. The Company's philosophy on Corporate Governance oversees business strategies and ensures accountability, ethical corporate behaviour and fairness to all stakeholders and the society at large.

BOARD OF DIRECTORS

The Board has an Executive Chairman. As on March 31, 2019 the Company's Board comprise of three Executive Directors, four Independent Directors and one Director nominated by Uttar Pradesh State Industrial Development Corporation (UPSIDC). Executive and Non-Executive Directors includes Independent Professionals from diverse background relevant to the Company's business requirements. The Directors have long standing experience and expertise in their respective fields. None of the Directors are disqualified to be appointed as a Director as per the declarations received under Section 164 (2) of the Companies Act, 2013. The Independent Directors of the Company are in compliance with the provisions of Companies Act 2013, and necessary disclosures have been made by the Directors regarding their Chairmanships / Membership of the Committees of the Board and that the same are within the permissible limits as stipulated under applicable status.

Board Composition and Attendance

The composition of Board and other relevant details relating to Directors are given below.

Name of the Directors	Nature of Directorship / Designation	DIN	No. of other Directorship	Membership and Chairmanship of Committees of the Board of other Companies	
				Chairmanship	Memberships
Promoters Directors					
Mr. K.K. Modi	Chairman &Managing Director	00029407	2	NIL	1
Ms. Charu Modi	Executive Director	00029625	2	NIL	2
Ms. Aliya Modi	Promoter Director	07472942	Nil	NIL	NIL
Mr. Samir Modi	Promoter Director	00029554	4	NIL	NIL
Non Promoter Whole Time Director					
Dr. Atchutuni Rao	Whole-Time Director	07467414	Nil	NIL	NIL
Independent Directors					
Mr. Sunil Alagh	Independent	00103320	3	NIL	NIL
Mr. M.N.Thakkar	Independent	00268818	1	NIL	NIL
Mr. Lakshminarayanan	Independent	02808698	1	2	3
Mr. Sanjay Buch	Independent	00391436	3	NIL	NIL
Mr. Sanjay Prasad	Independent (Nominee of UPSIDC)	01577730	1	NIL	NIL

Directorship held by the Directors mentioned above does not include Directorships held by them in the Company, Foreign Companies, Private Limited Companies and Companies under Section 8 of the Companies Act, 2013 but include Directorships in Private Limited Companies, which are considered as Public Limited Companies in terms of Section 2(71) of the Companies Act, 2013.

Appointment / Re-appointment of Directors

In terms of Section 149 (13) of the Companies Act, 2013, the provisions of Section 152 (6) and (7) of the said Act, clauses pertaining to retirement of Directors by rotation shall not be applicable to Independent Directors and Nominee Director.

Pursuant of Section 152 of the Companies Act, 2013, Dr. Atchutuni Rao and Mr. Samir Modi are liable to retire by rotation at the ensuing Annual General Meeting. Dr. Atchutuni Rao has excellent technical experience, critical for Company where as Mr. Samir Modi is renowned industrialist and promoter having proven track record in administering Corporates, developing and establishing business through winninng strategies. Mr. Sanjay Buch, Mr. M.N. Thakkar, Mr. S. Lakshminarayanan and Mr. Sunil Kumar Alagh, Independent Directors on Board shall complete 5 years of their appointment on September 21, 2019. Considering their rich experience and excellent growth made by Company under their guidance, it is proposed that they be re-appointed as Directors for a second term of 5 years from September 22, 2019 to September 21, 2024 in terms of Section 152 of Companies Act, 2013. Resolutions for their re-appointments as Directors are incorporated in the Notice of the ensuing General Meeting.

ANNUAL GENERAL AND BOARD MEETINGS

The previous Annual General Meetings of the Company was held on September 26, 2018.

During the Financial Year 2018-2019, four meetings of the Board of Directors were held. The necessary quorum was present for all the meetings. For operational reasons, the Board also approves important and urgent items of business through Resolution by Circulation, which items could not be deferred till the next Board Meeting in compliance with applicable laws and as per high standards of governance.

Details of attendance of Directors in Board Meetings held during the Financial Year 2018-2019 and in the previous Annual General Meeting are as follows.

Name of the Director	Number of Board Meetings attended (Total held)	Attendance at last Annual General Meeting
Mr. K. K. Modi	4(4)	Yes
Ms. Charu Modi	4(4)	No
Ms. Aliya Modi	2(4)	No
Mr. Samir Modi	2(4)	Yes
Dr. Achutani Rao	4(4)	Yes
Mr. Sunil Alagh	4(4)	Yes
Mr. M.N. Thakkar	4(4)	Yes
Mr. Lakshminarayanan	4(4)	Yes
Mr. Sanjay Buch	4(4)	Yes
Mr. Rajesh Kumar Singh	1(4)	No

Separate meetings of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 read with the Rules made thereunder, Independent Directors of the Company held their meeting on March 2, 2019, without presence of any of the Non-Independent Directors and members of management. During their meeting, they:

i. Reviewed the performance of Non - Independent Directors and the Boards as a whole.

ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and

iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

They expressed their satisfaction over the performance of the Company and its management under leadership of Mr. K.K. Modi, the Governance Standards adhered to by the Company and over an functioning of the Chairman and the Board.

Information available to the Board of Directors

The Board has complete access to all the relevant information of the Company and to that of all employees. The information / data / updates shared with the Board among others include:

i. Minutes of meetings of the Board and Board Committees, Resolutions passed by Circulations and Board Minutes.

ii. Annual Operating Plans, Budgets and updates thereto.

iii. Quarterly, Half Yearly and Annual Results of the Company and its Operating Divisions and Business Segments.

iv. Capital Budgets and updates thereto.

v. Details of any Joint Venture / Collaboration Agreements.

vi. Sale of material nature of investments, subsidiaries, assets which is not in normal course of business.

vii. Quarterly, Half Yearly and Annual details of Foreign Exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material

viii. Non-compliance of any Regulatory or Statutory requirements and Shareholders Service including non-payment of Dividend, legal matter inter se shareholders as may be known to management.

ix. Show Cause, demand and penalty notices if any received and which are materially important.

x. Commencing or shifting of operations and matters and issues related thereto and its impact.

xi. Significant labour issues and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wages Agreement, implementation of voluntary retirement scheme etc.

xii. Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems if any.

xiii. The information on Recruitment and Remuneration of Senior Executives just below the Board level, including appointments and cessations of Chief Financial Officer and the Company Secretary.

xiv. Material default if any, in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.

xv. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed structures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

xvi. Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property (IP).

BOARD AND COMMITTEE MEETING PROCEDURES

The Company conducts Board and Committee Meetings as per provisions of law and in professional manner. Directors attend meetings in personal and occasionally on Video Conferencing (V.C.). The Meetings are always governed by structured agenda. The agenda along with comprehensive notes and background material are circulated well in advance before each of the meetings to Directors for facilitating effective discussion and decision making. The Board and Committee members may bring up any matter for consideration of the Board / Committee, in consultation with the respective Chairman. Presentations are made by the management on the Company's Business Operations, Business Plans and other matters from time to time. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes and the draft minutes are circulated to the Board / Committees for perusal. The important decisions taking at the Board / Committee meetings are communicated to the concerned departments / divisions promptly.

INDUCTION AND FAMILIARISATION PROGRAMME FOR DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013 the Company has an induction and familiarization process for Directors that among others include providing and explaining background material, nature of the Industry in which the Company operates, Business Model of the Company, Director's expected Roles, Rights and Responsibilities. The background material referred above includes all the relevant Documents, Broachers, Reports and Internal Policies and Procedures to enable them to understand the working of the Company. They are also given periodic presentation in the Board and Committee Meetings so as to enable them to have an insight on the business and performance updates, Company's strategy and operating plans, key issues on Corporate Governance Report, code of business conduct, risk management issues etc. which in turn enables them to provide to Company and its management, the valuable guidance on varied issues brought before the Board / Committees.

BOARD COMMITTEES

The Company has formulated

I Audit Committee

II Nomination and Remuneration Committee

III Share Transfer and Stakeholders Relationship Committee

IV Corporate Social Responsibility Committee

V Risk Management Committee

The Board Committees comprise of a mixture of promoters, Whole time and Independent Directors, in compliance with applicable regulations. Business leaders and eminent Professionals are invited based upon needs of the Company from time to time for arriving at appropriate decisions/ conclusion on various issues and for implementation of decisions. The details of each of the Committees are as under:

I. Audit Committees

Constitution

The Company has a legally compliant Audit Committee consisting of qualified Board members. As on March 31, 2019, the Committee comprised of one Executive and two Independent Non-Executive Directors. All the members of the Audit Committee have the financial knowledge. Mr. M.N. Thakkar, Independent Director is the Chairman of the Committee. He is ex-Senior Partner of N.M. Raiji & Company, Chartered Accountant and has expertise in Accounting, Auditing, Taxation and Financial Management domain. The Company Secretary of the Company acts as the Secretary of the Committee.

Composition and Attendance

During the Financial Year 2018-19, three Audit Committee Meetings were held. The composition of the Audit Committee and the number of meetings attended by each of the Committee Members are as follows:

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. M.N. Thakkar	Independent Director & Chairman of Committee	3(3)
Mr. Sunil Alagh	Independent Director	3(3)
Mr. Sanjay Buch	Independent Director	3(3)

Attendance

The Audit Committee invites such executives of the Company as it considers appropriate to be present at its meetings but on certain occasions it also meets without the presence of some executives of the Company. The Chief Financial Officer and the Company Secretary also remain present at the meetings. Besides, Internal Auditor and the Statutory Auditor are also invited from time to time for discussion on matters pertaining to Audit Committee.

II. Nomination and Remuneration Committee

Constitution

The Company's Board has constituted a Nomination and Remuneration Committee consisting of qualified members. As on March 31, 2019, the Committee comprises of non- executive Independent Directors. Mr. S. Lakshminarayanan is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee.

Composition and Attendance

During the Financial Year 2018-2019, one meeting of the Nomination and Remuneration Committee was held. The composition of the Nomination and Remuneration Committee and the number of meetings attended by each member is as follows.

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. S. Lakshminarayanan	Independent Director and Chairman of Committee	1(1)
Mr.Sunil Alagh	Independent Director	1(1)
Mr. M.N. Thakkar	Independent Director	1(1)

Nomination and Remuneration Policy

The Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company has formulated NRC policy adhered to by the Company which is appended as Annexure I in the Director's Report for determining qualifications, positive attributes and independence of a Director and other related matters provided under Section 178(3) of the Companies Act, 2013.

The Company hereby affirms that the remuneration paid to the Directors is as per the term laid in the duly approved and adopted Nomination and Remuneration Policy of the Company.

Compensation to Directors during FY 2018-2019

Non-Executive Directors

Non-Executive Directors are eligible for Sitting Fees which cannot exceed the limit prescribed in the Companies Act, 2013. The remuneration payable to Non - Executive Directors is recommended by Nomination and Remuneration Committee of the Board of Directors subject to the Board obtaining approval of members of the Company.

Details of the Sitting Fees and commission paid to Non-Executive Directors during the year 2018-2019 are as under.

(in Lakhs)

Name of the Director	Sitting Fees paid	Commission Paid
Mr. Sunil Alagh	12.25	25
Mr. M.N. Thakkar	10.75	25
Mr. Lakshminarayanan	5.50	25
Mr. Sanjay Buch	10.00	25
UPSIDC LIMITED	1.75	25

Executive Directors

The appointment of the Executive Directors is governed by resolutions passed by the Board of Directors and Shareholders of the Company, which cover the terms of such appointment and are implemented in conjunction with the Service Rules of the Company. The Remuneration paid to the Executive Directors, recommended by the Nomination and Remuneration Committee and approved by the Board and Shareholders is stated in Director's Report to Shareholders.

III. Share Transfer and Stakeholders Relationship Committee

Constitution

The Share Transfer and Stakeholders Relationship Committee of the Company has been constituted for redressal and satisfaction of Investor's grievances and approval of requests for Transfer and Transmission of Shares, Transposition and Deletion of name in the Register of Members, addressing to the complaints for non-receipt of declared Dividends, re- validation of Dividend Warrants, approval of request for Change of Address, Consolidation and Split of Shares etc. The Committee meets as often as required.

The Share Transfer and Stakeholder's Relationship Committee comprises of three Directors viz. Mr. M.N. Thakkar as Chairman and Mr. Sunil Alagh and Mr. Sanjay Buch as Independent Directors. The Company Secretary acts as the Secretary to the Committee. The number of meetings attended by the Committee members is as under.

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. M.N. Thakkar	Independent Director and Chairman of Committee	4(4)
Mr. Sunil Alagh	Independent Director	4(4)
Mr. Sanjay Buch	Independent Director	4(4)

Compliance Officer

Mr. Devang Mehta, Company Secretary acts as the Company's Compliance Officer and is responsible for complying with the requirements of Companies Act, 2013.

Investor Complaints

During the year 2018-19 the Company has resolved all complaints from Shareholders / Investors.

IV. Corporate Social Responsibility Committee

Constitution

In accordance with Section 135 of the Companies Act, 2013 the Board of Directors of the Company have formed a Corporate Social Responsibility Committee. The Committee has framed a Corporate Social Responsibility Policy, the purpose of which is to articulate what CSR means to the Company, kind of projects to be undertaken, identifying broad areas for CSR initiatives, approach to be adopted to achieve the CSR goals and monitoring mechanism. The framework enables to put in place, the CSR Policy and practice in line with the policy. The CSR Committee as on the date of this Report comprises of three Directors viz. Mr. K.K. Modi, Chairman, Mr. Sanjay Prasad, Nominee- UPSIDC and Mr. Sunil Kumar Alagh, Independent Directors. The Company Secretary of the Company acts as the Secretary to the Committee. CSR Report contained above and forming part of Director' Report details CSR activities of Company.

Composition and Attendance

During the Financial Year 2018-2019, two meetings of Corporate Social Responsibility Committee were held. The present composition of the Corporate Social Responsibility

Committee and the number of meetings attended by the Committee members are as under.

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. K. K. Modi	Chairman and Managing Director	2(2)
Mr. Sanjay Prasad	Independent Director	1(2)
Mr. Sunil Alagh	Independent Director	2(2)

V. Risk Management Committee

The committee comprises of Mr. Sanjay Buch and Mr. M.N. Thakkar, Independent Directors and Dr. Atchutuni Rao, Whole Time Director. The committee meets and evaluates various risks affecting Company, its business and business environment. The committee offers effective solutions and takes such steps as may be required to mitigate / reduce risks and its impacts on Company and it's business. Besides the Risk Management Committee constituted of Directors named above, the Company has a Management Committee comprising of Heads of Business and Functions which regularly meets and evaluates various risks affecting business and provides / seeks suggestions from the Board's Risk Management Committee and implements steps to reduce and mitigate risks to Company's business.

COMPANY POLICIES

The Committees stated above are guided by the following respective policies approved by the Board. The policies are reviewed from time to time and are kept relevant under changing business environment.

I. Indofil Policy on Related Party Transactions

In compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company has adopted policy and procedures to comply with provisions of Section 188 and other applicable provisions of Companies Act, 2013 and Accounting Standards prescribed by Institute of Chartered Accountants of India on Related Party Transactions. Apart from compliances, the policy aims at ensuring transparency and fairness of such transactions. The policy is designed in the best interest of the Company and its stakeholders to achieve proper approval and reporting of transactions as applicable between the Company and any of its related party (ies).

II. Indofil Nomination and Remuneration Policy

The Company understands the importance of attracting and retaining pool of talented resources at all levels of the organization. The Company and its management endeavor to recruit and retain employees with proven record of achieving excellence in their respective functions and who have potential to create value for Shareholders. The Company believes that a transparent, fair and reasonable process is vital for determining the appropriate remuneration at all levels of the Organization and is committed to ensure that all the Stakeholders remain informed and confident in the management of the Company. The Board has constituted the Nomination and Remuneration Committee (the "Committee") to assist the Board in discharging its responsibilities relating to compensation of the Company's Directors and other senior level employees.

III. Indofil's Corporate Social Responsibility Policy

Indofil Industries Limited ('Indofil') is committed to conduct its business in a socially responsible, ethical and environment friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. The CSR activities of the Company will be implemented pro-actively. The Company will continuously engage with relevant stakeholders, understand their perspectives and be responsive to their needs. The Company in doing so as a responsible citizen uses and promotes systematic processes to engage with the society and address their concerns in a just, fair and equitable manner.

IV. Indofil's Environment Health and Safety Policy

The Company is committed to protecting the environment, preserving the health and safety of our employees, contractors, workmen and all stakeholders. Our continual aim is ensuring the safety of operations of our systems and people. For Indofil, economic considerations do not take priority over Ecology and Society. Company believes in an interdependent culture where safety is considered a core value and employees are encouraged to demonstrate behavior that never compromises on safety. The Company is committed to providing a healthy and safe workplace. It believes that safe work procedures are more productive and are an incentive to better performance. The Company therefore encourages Environment, Health and Safety awareness among all its employees and contractors through training, demonstrations, dissemination of information and effective communication. The Company also assists it's customers to process its products safely and in an environment friendly manner in line with its principle of Product Stewardship. The Company functions in a manner that products produced by it is stored, transported, used and disposed off ensuring minimal impact on Ecology and Society in conformity with the principles of Sustainable Development. The Company is committed to meeting all statutory obligations with regards to Environment, Health and Safety. Necessary steps for continuous improvement are taken even where no regulations exist.

V. Indofil's Risk Management Policy

This policy establishes the Company philosophy towards risk identification, analysis & prioritization of risks, development of risk mitigation plans & reporting on the risk environment of the respective business segments in the Company. The policy is applicable to all functions within the Company. The objective of this policy is to manage the risks associated with business verticals and various functions of the Company. This policy is intended to assist in decision making processes that will minimize potential adversities, improve the management of uncertainties and enable Company to tap business opportunities in rational and prudent manner.

VI. Indofil's Policy on Whistle Blower / Vigil Mechanism

The Vigil Mechanism policy or the Whistle Blower Policy in line with Section 177 (9) (10) and Rules made thereunder is framed and implemented with a view to provide a mechanism for employees and Directors of the Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any Financial Statements and Reports etc. and instance of unethical behaviour, actual or suspected violation of the Company's policies and applicable regulations.

The Whistleblower Policy allows the employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their superior. The policy ensures that the employees are protected against victimization / any adverse action and / or discrimination as a result of such a Reporting, provided it is justified and made in good faith. As per the policy, the Whistle Blower is provided direct access to the Chairman of the Audit Committee and to report his / her concerns at highest levels.

GENERAL BODY MEETINGS

I. Annual General Meeting

i) Location, time and date of the last three Annual General Meetings are given below:

Financial Year	Date	Time	Location of the Meeting
2017-18	26.09.2018	11:00 AM	Emerald Hall, 1st Floor, Hotel Kohinoor Continental, Andheri Kurla Road, J.B. Nagar, Andheri (E), Mumbai-400059
2016-17	15.09.2017	11.00 am	Rama & Sundari Watumull Auditorium, K.C. College. Dinshaw Vachha Road, Churchgate, Mumbai -20
2015-16	23.08.2016	11.00 am	Hall of Culture, Nehru Centre, Dr. A.B. Road, Worli, Mumbai - 18

ii) Special Resolutions passed at Annual General Meetings held in respect of the previous three Financial Years are as under:

Financial Years	Particulars of special Resolutions Passed
2017-18	(i) For obtaining approval u/s 180(1)(c) for borrowings upto INR 2000 crore
	(ii) For obtaining approval u/s 180(1) (a) for creation of charges, mortgages upto INR 2000 crore
	(iii) For obtaining approval u/s 42, 71 for issuance of Non-convertible Debentures upto INR 150 crore on Private Placement Basis.
2016-17	To appoint Mr. K.K. Modi (DIN: 00029407) as Chairman and Managing Director.
2015-16	-

II. Extra Ordinary General Meeting

During the year under review, no Extra – Ordinary General Meeting was held:

Share Transfer System

Shares held in the Dematerialized Mode are electronically traded. The Registrars and Share Transfer Agent of the Company periodically receive from the Depository, the beneficiary holdings so as to enable them to update their records for sending all Corporate Communications, Dividend warrants etc. As per MCA notification, Physical transfer of shares are now not permitted.

Dematerialization of Shares

The International Security Identification Number (ISIN) Allotted to the Company's Equity Shares are as under:

Sr. No	Face Value of Equity Shares	Paid Up Value of Equity Shares	Demat INE Number
1	₹10	₹10	INE 07II01016
2	₹10	₹3	INE 907II01014

The Company has not issued any GDRs / ADRs.

There were no outstanding Convertible Warrants as on March 31, 2019.

Status of Dividend Declared in the last five years

Status of the Dividend Declared by the Company for the last five years is as under

Financial Year	Rate of Dividend	Total pay-out (inclu DDT)	Amount paid to the shareholders (incl DDT)	Unclaimed amount as on March 31, 2019
2013-14	40%	₹9.67 Crs	₹9.58 Crs	₹0.09 Crs
2014-15	50%	₹12.55 Crs	₹12.43 Crs	₹0.12 Crs
2015-16	60%	₹15.49 Crs	₹15.34 Crs	₹0.15 Crs
2016-17	80%	₹20.65 Crs	₹20.45 Crs	₹0.20 Crs
2017-18	80%	₹20.65 Crs.	₹20.53 Crs	₹0.12 Crs

COMMUNICATION ADDRESS

To contact RTA for all matters relating to Equity Shares, i.e. demat, remat, consolidation, transfer, transmission, issue of duplicate share certificate, change of address etc.	MAS Services Ltd. T-34, 2nd floor, Okhla Industrial Area, Phase –II, New Delhi – 110020 Tel. No.: (011) – 26387281-82-83 / (011) – 26387384 E Mail: info@masserv.com
For any other matters or in case of any query on Annual Report	Indofil Industries Ltd. CIN: U24110MH1993PLC070713 Regd. Office: Kalpataru Square, 4th Floor, Kondivita Road,Off Andheri Kurla Road, Andheri (East), Mumbai – 400 059 Tel. No.: (022) - 66637373 / (022) - 28322272 Investor-icc@modi.com

Place: Mumbai
Date: May 28, 2019

K.K. Modi
Chairman & Managing Director
DIN: 00029407

Independent Auditor's Report

To,
The Members of
Indofil Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The Key Audit Matter	How was the matter addressed in our audit
Revenue Recognition	
Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns. Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter.	Our audit procedures included the following: Considered the appropriateness of the Company's accounting policies regarding revenue recognition Testing controls, automated and manual, around dispatches/deliveries/shipments inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures. Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue Recognition".
Sales return estimation	Our audit procedures included the following:
Revenue is recognised net of sales returns.	Considered the appropriateness of the Company's accounting policies regarding revenue recognition as they relate to accounting for rebates, discounts and incentives as also estimated sales return.
Estimation of sales returns involves significant judgement and estimates due to its dependency on various internal and external factors.	Obtained an understanding from the management regarding the process and the basis followed for the purpose of identifying and determining the amount of provision of sales returns.
Estimation of sales return amount together with the level of judgement involved makes it key audit matter.	Checking of completeness and arithmetical accuracy of the data used by the management and also the assumptions and judgements used for the purpose of calculation of the provision for sales returns.
	Analysed past trends by comparing actuals with the estimates of earlier periods to compare between the estimates of provision for sales return required to be created with subsequent actual sales return.
	Analysed of the nature of any deviations to corroborate the effectiveness of the management estimation process.

Rebates, Discounts and Incentives	Our audit procedures included the following:
The Company sells its products through various channels such as dealers and commission agents (customers) and provide various rebates, discounts and incentives payable to them under various marketing schemes. Revenue is recognised net of rebates, discounts, incentives and estimated sales returns owed to the customers based on the arrangement with customers. Rebates, discounts and incentives to dealers / customers are administered through various schemes including incentives. Amounts involved for such rebates, etc. are material items voluminous and complex, and also involves significant judgement and estimates. The value of rebates, discounts and incentives together with the level of judgement involved make its accounting treatment a key audit matter. [Refer Note 2.15 to the standalone financial statements.]	Assessed the design and implementation of controls from the management relating to recording of rebates, discounts and incentives based on estimation of revenue and tested the operating effectiveness of such controls. Tested the inputs used in the estimation of revenue in context of incentives and selecting samples of revenue transactions and circulars to re-check that rebates, discounts and schemes incentives were calculated in accordance with the eligibility criteria mentioned in the scheme circular Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. Review of inputs used in calculating the amount and in some cases, re-performed the calculation. Verification of appropriate authorisation Analysed past trends by comparing actuals with the estimates of earlier periods.
Recognition of MAT Credit Entitlement	
The Company has recognised MAT Credit Entitlement in the current year and as also in earlier years and reflect the same as DTA. The recognition of MAT Credit ("tax credits") as DTA is on the basis that it is probable that future taxable profit will be available against which such tax credits can be utilised. Such recognition of DTA is a key audit matter as the determination that it is probable that future taxable will be available, that is, the recoverability of such tax credits within the allowed time frame, involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company. [Refer Note 7 to standalone financial statements]	Our audit procedures included the following: Considered the Company's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 on "Income Taxes". Evaluated the Company's tax positions by comparing it with prior years and past precedents. Evaluated the estimates of profitability made by the management on the basis of which it is considered probable that the Company will have sufficient taxable income against which the tax credits will be utilised. Discussed with the management the future business plans and financial projections on which the estimate of profitability is made. Assessed the management's long-term financial projections and the key assumptions used in the projections by comparing it to the approved business plan and projections used for impairment assessment where applicable. Assessed the disclosures in accordance with the requirements of Ind AS 12 on "Income Taxes".
Uncertain tax positions Indirect Taxes	
The Company has material uncertain tax matters which are under dispute litigations pending under various indirect tax laws. The litigation involves significant judgement to determine the possible outcome based on which accounting treatment is given to the disputed amount. These matters are considered to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome. [Refer Note 36 to the standalone financial statements.]	Our audit procedures include the following: Obtained the details of uncertain tax position and gained understanding thereof. Read and analysed relevant communication with the authorities and legal consultants. Considered the legal advice obtained by the management on possible outcome of the litigation. Discussed with senior management and evaluated management's assumptions regarding provisions made. Assessed the disclosures in accordance with the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's Financial Reporting Process.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 it appears from our examination of those books;

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

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015, as amended;

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

    f) With respect to internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" to this report; and

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

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

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements;

        ii. The Company has long-term contracts including derivative contracts. However, no provision is required to be made for any foreseeable loss in respect thereof. Accordingly, no such provision is reflected in the standalone financial statements;

        iii. There were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Company on March 31, 2019.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we enclose in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: May 28, 2019

Annexure A to The Independent Auditor's Report

Referred to in paragraph 1 (f) under the heading of 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date to the members of **Indofil Industries Limited ("the Company")** on the Standalone Financial Statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls with reference to standalone financial statements of **INDOFIL INDUSTRIES LIMITED** as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's Internal Financial Controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls with reference to financial statements includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note.

For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: May 28, 2019

Annexure B to The Independent Auditor's Report

Referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report of even date to the Members of Indofil Industries Limited ("the Company") on the Standalone Financial Statements for the year ended March 31, 2019.

Report on the Companies (Auditor's Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Indofil Industries Limited ("the Company"):

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE").

   b) PPE have been physically verified by the management according to a phased programme designed to cover all the PPE over a period of three years, which in our opinion, provides for physical verification of all the items of PPE at reasonable intervals. Pursuant to the programme, a material portion of the items of PPE have been verified by the management during the year, and no material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as included in Note 3 to the standalone financial statements, are held in the name of the Company.

ii. Inventories other than stocks-in-transit and the stocks lying with third parties have been physically verified by the management during the year. For stocks-in-transit and the stocks lying with third parties at the year-end, the necessary documentary evidences have been obtained. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, reporting requirements as per the provisions of Clause 3(iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3 (v) of the Order to comment on whether the Company has complied with the directives

   Issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government for maintenance of cost records under Section 148(1) of the Act. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities. There are no arrears of outstanding statutory dues on the last day of the financial year, for a period of more than six months from the date they become payable.

   b. According to the information and explanations given to us and on the basis of the books and records of the Company examined by us, as may be applicable, given herein below are the details of dues of Income-tax, Sales-tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the Statute	Nature of dues	Financial years to which the matter pertains	Forum where matter is pending	Gross Liability ₹ in crores	Payment made * ₹ in crores	Net Liability ₹ in crores
Madhya Pradesh VAT Act, 2002	VAT	2012-13	Additional Commissioner	1.90	0.19	1.71
Maharashtra VAT Act	MVAT	2013-14	Additional Commissioner	0.02	-	0.02
Madhya Pradesh Entry Tax Act Entry Tax	Entry Tax	2012-13	Additional Commissioner	0.46	0.12	0.35
Central Excise Act,1944	Excise	2005-06/ 2012-13	Assistant Commissioner	0.39	0.03	0.36
Finance Act	Service Tax	2008-09	CESTAT	0.72	-	0.72
WBVAT Act, 2003	VAT	2013-14	Joint Commissioner	0.01	-	0.01
Central Sales Tax Act, 1956	Sales Tax	2000-01/ 2006-07/ 2007-08/ 2012-13/ 2013-14/ 2014-15/ 2015-16/ 2016-17/ 2017-18	Joint Commissioner /Deputy Commissioner/ Additional Commissioner	6.73	0.57	6.16

* indicates amount deposited or paid under protest.

viii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks.

ix. According to the information and explanations given to us and on the basis of the books and records examined by us, money raised by way of term loans were applied for the purposes for which those are raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration during the financial year 2018-19 in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.

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

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: May 28, 2019

Balance Sheet

as at March 31, 2019

₹ in crores

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	719.76	427.80
Capital Work-in-Progress	3	14.90	253.60
Other Intangible Assets	3	134.76	79.48
Intangible Assets under Development	3	52.68	101.37
Financial Assets			
Investments	4	193.57	169.67
Loans	5	0.55	0.71
Other Financial Assets	6	18.42	20.50
Deferred Tax Assets	7	78.31	77.55
Income Tax Assets	8	14.47	7.70
Other Non-Current Assets	9	42.16	51.59
Total Non-Current Assets		**1,269.58**	**1,189.97**
Current Assets			
Inventories	10	618.24	376.66
Financial Assets			
Trade Receivables	11	863.31	844.80
Cash and Cash Equivalents	12	134.04	126.84
Other Bank Balances	13	1.93	2.59
Other Financial Assets	14	3.76	5.80
Other Current Assets	15	124.10	92.34
Total Current Assets		**1,745.38**	**1,449.03**
TOTAL ASSETS		**3,014.96**	**2,639.00**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	21.35	21.35
Other Equity	17	1,246.53	1,077.80
Total Equity		**1,267.88**	**1,099.15**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18	483.92	436.23
Other Financial Liabilities	19	20.56	17.60
Provisions	20	9.47	6.49
Total Non-Current Liabilities		**513.95**	**460.32**
Current Liabilities			
Financial Liabilities			
Borrowings	21	587.87	595.51
Trade Payables	22	344.87	248.68
Other Financial Liabilities	23	281.22	209.67
Other Current Liabilities	24	6.92	14.71
Provisions	25	12.25	10.96
Total Current Liabilities		**1,233.13**	**1,079.53**
Total Liabilities		**1,747.08**	**1,539.85**
TOTAL EQUITY AND LIABILITIES		**3,014.96**	**2,639.00**
CORPORATE INFORMATION	**1**		
SIGNIFICANT ACCOUNTING POLICIES	**2**		
NOTES ON ACCOUNTS	**3-49**		

The accompanying notes are integral part of the financial statements.

As per our report attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

Paresh H. Clerk
Partner
Membership No. 036148

For and on behalf of the Board of Directors

K. K. Modi
Chairman and Managing Director

Charu Modi
Executive Director

R. K. Malhotra
Group CEO

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Mr. Samir Kumar Modi
Ms. Aliya Modi
Mr. M. N. Thakkar
Mr. Sunil K. Alagh
Director

Mr. Sanjay Buch
Mr. S. Lakshminarayanan
Mr. Sanjay Prasad
Dr. Atchutuni Rao
Director

Mumbai, May 28, 2019

Mumbai, May 28, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

₹ in crores

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from Operations	26	2,192.65	1,993.26
Other Income	27	15.77	16.32
Total Income		**2,208.42**	**2,009.58**
Expenses			
Cost of Materials Consumed	28	1,186.00	869.55
Excise Duty Expenses		-	32.25
Purchase of Stock-in-trade	29	183.46	225.38
Changes in Inventories of Finished Goods/Stock-in-trade	30	(224.09)	(57.48)
Employee Benefits Expense	31	196.49	176.33
Finance Costs	32	63.62	55.34
Depreciation and Amortisation	3	76.49	55.65
Other Expenses	33	511.58	410.24
Total Expenses		**1,993.55**	**1,767.26**
Profit Before Tax and Exceptional Items		**214.87**	**242.32**
Exceptional Items		-	-
Profit Before Tax		**214.87**	**242.32**
Tax Expenses			
Current Tax		44.06	49.00
Short / (Excess) provision of Earlier Years		0.14	3.77
Deferred Tax – Others		9.48	(8.64)
Deferred Tax – MAT Credit Entitlement		(16.52)	(15.77)
Total Tax Expenses		**37.16**	**28.36**
Profit After Tax		**177.71**	**213.96**
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss in subsequent years			
Re-measurement of Gains / (Loss) on Defined Benefit Plans		(1.06)	(16.39)
Net Gain / (Loss) on Fair Value of Equity Instruments		(0.67)	(0.14)
Income Tax on above items		0.37	5.82
Total (A)		**(1.36)**	**(10.71)**
B Items that will be reclassified to profit or loss in subsequent years			
The effective portion of gains / (loss) on hedging instruments	35	19.06	(41.42)
Income Tax on above item		(6.66)	14.47
Total (B)		**12.40**	**(26.95)**
Total Other Comprehensive Income / (loss) for the year (A+B)		**11.04**	**(37.66)**
Total Comprehensive Income for the year		**188.75**	**176.30**
Earnings Per Share – Basic and Diluted (₹)	39	83.23	100.19
CORPORATE INFORMATION	**1**		
SIGNIFICANT ACCOUNTING POLICIES	**2**		
NOTES ON ACCOUNTS	**3-49**		

The accompanying notes are integral part of the financial statements.

As per our report attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Reg. No. 100991W

Paresh H. Clerk
Partner
Membership No. 036148

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

K. K. Modi
Chairman and Managing Director

Charu Modi
Executive Director

R. K. Malhotra
Group CEO

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Mr. Samir Kumar Modi
Ms. Aliya Modi
Mr. M. N. Thakkar
Mr. Sunil K. Alagh
Director

Mr. Sanjay Buch
Mr. S. Lakshminarayanan
Mr. Sanjay Prasad
Dr. Atchutuni Rao
Director

Mumbai, May 28, 2019

Statement of Cash Flow

for the year ended March 31, 2019

₹ in crores

	Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit / (Loss) Before Tax		214.87		242.27
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
	Depreciation and Amortisation	76.49		55.65	
	Finance Costs	63.62		55.35	
	Interest Income	(1.05)		(3.84)	
	Dividend Income	(4.37)		-	
	Rent Income	(0.07)		(0.07)	
	Profit on Sale of Investments	(0.96)		(0.94)	
	Guarantee Commission	(2.02)		(4.56)	
	Sundry Balances Written Back	(6.15)		(2.59)	
	(Profit) / Loss on Sale of Assets	(0.04)		(0.07)	
	(Gain) / Loss on Fair Valuation of Investments	(0.04)		(0.03)	
	Bad Debts	-		1.27	
	Cash Flow Hedging reserve recycled through Profit and Loss	17.43		-	
	Provision for Doubtful Debts	10.05		8.00	
	Foreign Exchange Loss / (Gain)	(19.61)	133.28	8.45	116.62
	Operating Profit Before Changes in Working Capital		**348.15**		**358.89**
	Adjustment for Changes in Working Capital				
	(Increase) / Decrease in Trade Receivables	(28.57)		(249.72)	
	(Increase) / Decrease in Inventories	(241.58)		(99.50)	
	(Increase) / Decrease in Other Financial Assets	4.30		(15.14)	
	(Increase) / Decrease in Other Non-Financial Assets	(22.34)		(77.92)	
	Increase / (Decrease) in Trade Payables	102.28		58.17	
	Increase / (Decrease) in Other Financial Liabilities	(23.54)		(5.76)	
	Increase / (Decrease) in Provisions	4.27		0.27	
	Increase / (Decrease) in Other Non-Financial Liabilities	(8.86)	(214.04)	(42.34)	(431.94)
	Cash Generated from Operations		**134.11**		**(73.05)**
	Less: Taxes Paid (Net of refund received)		(50.97)		(52.23)
	NET CASH FLOW FROM OPERATING ACTIVITY (A)		**83.14**		**(125.28)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment and Intangible Assets	(124.92)		(265.40)	
	Investments made during the year	(24.53)		38.71	
	Proceeds from Sale of Investments	0.96		-	
	Financial Assets – Loans (Given) /Repaid	0.16		13.95	
	Interest Income	0.87		4.17	
	Deposits	0.83		3.95	
	Rent Income	0.07		0.07	
	Dividend Income	4.37		-	
	Guarantee Commission	2.02		4.56	
	NET CASH FLOW FROM INVESTING ACTIVITY (B)		**(140.17)**		**(199.99)**
C	**CASH FLOW FROM FINANCING ACTIVITY**				
	Receipt of Long-term borrowings	210.42		147.17	
	Repayment of Long-term borrowings	(51.39)		(125.08)	
	Increase / (Decrease) in Short-term borrowings	0.17		301.79	
	Margin Money and unpaid dividend	(0.17)		(0.39)	
	Interest paid	(75.27)		(54.09)	
	Corporate Dividend (incl. Dividend Distribution Tax)	(19.53)		(20.57)	
	NET CASH FLOW FROM FINANCING ACTIVITY (C)		**64.23**		**248.83**
	NET CASH FLOW FOR THE YEAR (A + B + C)		**7.20**		**(76.44)**
	Add: Opening Balance of Cash and Cash Equivalents		126.84		203.28
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		**134.04**		**126.84**

Statement of Cash Flow

for the year ended March 31, 2019

CHANGE IN LIABILITY ARISING FROM FINANCING ACTIVITIES

₹ in crores

Particulars	As at April 1, 2018	Cash Flow	Foreign Exchange Movement	As at March 31, 2019
Borrowings – Non-Current (Refer Notes 18 and 23)	495.32	157.22	(11.62)	640.92
Borrowings – Current (Refer Note 21)	595.52	(0.17)	(7.82)	587.86
TOTAL	**1,090.84**	**157.05**	**(19.44)**	**1,228.78**

CORPORATE INFORMATION	**1**
SIGNIFICANT ACCOUNTING POLICIES	**2**
NOTES ON ACCOUNTS	**3-49**

The accompanying notes are integral part of the financial statements.

As per our report attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Reg. No. 100991W

Paresh H. Clerk
Partner
Membership No. 036148

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

K. K. Modi
Chairman and Managing Director

Charu Modi
Executive Director

R. K. Malhotra
Group CEO

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Chief Financial Officer

Devang Mehta
Company Secretary

Mr. Samir Kumar Modi
Ms. Aliya Modi
Mr. M. N. Thakkar
Mr. Sunil K. Alagh
Director

Mr. Sanjay Buch
Mr. S. Lakshminarayanan
Mr. Sanjay Prasad
Dr. Atchutuni Rao
Director

Mumbai, May 28, 2019

Statement of Changes in Equity
for the year ended March 31, 2019

A. Equity Share Capital

Particulars	₹ in crores
Balance as on April 1, 2018	21.35
Add: Changes in Equity Capital during the year	-
Balance as on March 31, 2019	**21.35**

B. Other Equity

₹ in crores

Particulars	Capital Redemption Reserve	Securities Premium	Debenture Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Remeasurements gains / (loss) on defined benefit plans	The effective portion of gains and loss on hedging instruments	Total
Balance as on April 1, 2018	5.08	108.04	-	0.01	49.73	955.64	1.26	(15.06)	(26.95)	1,077.75
Profit for the period year	-	-	-	-	-	177.71	-	-	-	177.71
Appropriation of profits	-	-	37.50	-	-	(37.50)	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- Remeasurements gains / (loss) on defined benefit plans	-	-	-	-	-	-	-	(0.69)		(0.69)
- Fair value loss on financial asset through Other comprehension income	-	-	-	-	-	-	(0.67)	-	-	(0.67)
- Loss on effective portion of cash flow hedge	-	-	-	-	-	-	-	-	12.40	12.40
- Guarantee commission adjusted Indobaijin	-	-	-	-	-	(0.28)	-	-	-	(0.28)
Dividends on Shares paid during the year	-	-	-	-	-	(17.08)	-	-	-	(17.08)
Dividend Distribution Tax paid during the year	-	-	-	-	-	(2.61)	-	-	-	(2.61)
As at March 31, 2019	**5.08**	**108.04**	**37.50**	**0.01**	**49.73**	**1,075.88**	**0.59**	**(15.75)**	**(14.55)**	**1,246.53**

Nature and Purpose of the Reserves

Capital Redemption Reserve
Capital redemption reserve is created due to redemption of preference share capital in earlier years as per the requirement of the Companies Act.

Securities Premium
Security premium account is created when shares are issue at premium. A company may utilise the security premium reserve account as per the requirements of Companies Act.

Debenture Redemption Reserve
Debenture redemption reserve is created for repayment of non-convertible debenture.

Capital Reserve
Capital reserve is created on account of forfeiture of share capital in earlier years.

General Reserve
The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 201

Retained Earnings
Retained Earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves, etc., amount distributed as dividends and adjustments on account of transition to Ind AS.

Equity Instruments through Other Comprehensive Income
The Company has elected to recognised changes in the fair value of investments in equity instruments in other comprehensive income (FVTOCI) and it is the cumulative gains and losses arising on the fair value change of equity instruments is reflected herein. The net of amount is reclassified to retained earnings on disposal of such investments.

The effective portion of gains and loss on hedging instruments
The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction is settled.

CORPORATE INFORMATION	**1**
SIGNIFICANT ACCOUNTING POLICIES	**2**
NOTES ON ACCOUNTS	**3-49**

As per our report attached
For **BANSI S. MEHTA & CO.**
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Paresh H. Clerk
Partner
Membership No. 036148

Mumbai, May 28, 2019

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Dr. Atchutuni Rao
Director

Mumbai, May 28, 2019

Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 1: CORPORATE INFORMATION

Indofil Industries Limited ('the Company') is a research led, fully integrated multi-product chemical company engaged in manufacturing and distribution of Agrochemicals and Specialty and Performance Chemicals.

The Company is a public limited company incorporated in India with its registered office at Kalpataru Square, 4th Floor, Kondivita Road, Off Andheri-Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 28, 2019.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act

The Financial Statements for the year ended March 31, 2019 have been prepared in accordance with the Ind AS issued and effective as at the reporting date.

2.2 Basis of preparation

These financial statements have been prepared and presented on the basis of going concern, under historical cost convention, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

These financial statements are presented in Indian Rupees (INR) and all amounts are rounded off to nearest crores (INR '00,00,000) up to two decimals, except when otherwise indicated.

2.3 Use of Estimates and Judgements

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively.

Information about critical Judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the carrying amounts of assets and liabilities within the next financial year are included in the following Notes:

Measurement of Defined Benefit Obligation – Note No. 43

Measurement and likelihood of occurrence of provisions and contingencies – Note Nos. 20, 25 and 36

Recognition of Deferred Tax Assets / (Liabilities) – Note No. 7

Key Assumptions used in Fair Valuation Methods of Financial Assets – Note No. 42

Impairment of Financial Assets (Trade Receivables) – Note No. 9

2.4 Classification of Assets and Liabilities

Assets and Liabilities are classified as Current or Non – current, *inter-alia* considering the normal operating cycle of the Company's operations being 8 months and the expected realisation/settlement thereof within 12 months after the Balance Sheet date.

2.5 Property, Plant and Equipment

Property, Plant and Equipment is recognised when it is probable that future economic benefits associated with the item will flow, and the cost of the item can be measured reliably.

Property, Plant and Equipment are stated at cost of acquisition or construction including attributable borrowing cost till such assets are ready for intended use, less accumulated depreciation, impairment losses and credits received, if any.

Cost of acquisition for the aforesaid purpose comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, net of trade discounts, rebates and credits received, if any.

In case of new projects and substantial expansion of existing capacity, expenditure incurred including trial production expenses, net of revenue earned and attributable interest and financing costs, prior to commencement of commercial production are capitalised.

Freehold land is carried at historical cost less impairment loss, if any.

Depreciation is provided on a pro-rata basis as per useful lives prescribed by Schedule II of the Act on Straight-Line Method on Plant and Machinery and on Written Down Value Method for others.

Items of Plant Property and Equipment which has cost of ₹ 5,000 or less are depreciated fully in the year of purchase/ capitalisation.

Notes forming part of Financial Statements

for the year ended March 31, 2019

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

2.6 Capital Work-in-Progress

Items of Property, Plant and Equipment which are not ready for intended use on the date of Balance Sheet are disclosed as Capital Work-in-progress. It is carried at cost, less accumulated impairment loss, if any. The items classified under Capital Work-in-progress are capitalised to the respective items of Property, Plant and Equipment on their completion and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

2.7 Other Intangible Assets

Other Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow and the cost of the item can be measured reliably. Other Intangible Assets acquired separately are measured on initial recognition at cost. Subsequently, Intangible Assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite – life Intangible Assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite – life Intangible assets are as follows

- 10 years in case of Patents and Know-How comprised in the Dithane Fungicide Business in certain countries in the European continent acquired under a Business Purchase Agreement;
- 7 years in case of Other Intangible Assets.

2.8 Research and Development Cost

Revenue expenditure on Research and Development is charged off as expense in the year in which it is incurred under the respective natural heads of account. Expenditure resulting in creation of Capital Assets (Including Intangibles) is capitalised and depreciated / amortised accordingly.

2.9 Investments

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

2.10 Inventories

- Raw Material and Packaging Materials – at weighted average cost or net realisable value whichever is lower.
- Finished Goods and Goods-in-process – at lower of cost or net realisable value on First In - First out basis. Goods-in-process are classified as Raw Materials or Finished Goods considering the stage of completion.
- Stores and Spares – at weighted average cost or net realisable value whichever is lower.
- Goods-in-transit – at cost.

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

- Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value. In case of Financial Assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the Statement of Profit and Loss, while in other cases, the transaction costs are attributed to the acquisition value of the financial asset.

- Subsequent Measurement

Financial Assets are subsequently classified as measured at
- Amortised cost
- Fair Value through Profit and Loss (FVTPL)
- Fair Value through Other Comprehensive Income (FVOCI)

Financial Assets are not reclassified subsequent to their recognition, except in the period when the Company changes its business model for managing financial assets.

Financial assets at amortised cost

Financial Assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income

Financial Assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present in Other Comprehensive Income, subsequent changes in the fair value of equity investments not held for trading.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Financial Assets at Fair Value through Profit and Loss

Financial Assets are measured at fair value through Profit and Loss unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income on initial recognition.

Cash and cash equivalents

Cash and Cash Equivalent comprises of Balances with Bank and in hand as well as short-term and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

- Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual right to receive the cash flows from the asset.

- Impairment

The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial asset is impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Financial liabilities

- Initial recognition and measurement

On initial recognition, all financial liabilities are recognised at fair value and in case of loans and borrowings, net of directly attributable transaction costs.

- Subsequent measurement

Financial Liabilities are subsequently classified as measured at

- Amortised cost
- Fair Value through Profit and Loss (FVTPL)

Financial Liabilities are measured at amortised cost using the Effective Interest Rate (EIR) method. Financial Liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

- Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Hedge Accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values of cash flows of hedged items.

The effective portion of changes in the fair value of hedging instrument that are designated and qualify as cash flow hedges is recognised in the Other Comprehensive Income (OCI) in Cash Flow Hedge Reserve within Equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The profit or loss relating to the ineffective portion is recognised immediately in profit or loss.

The Company uses its Foreign Currency Borrowings and Buyer's Credit as hedging instrument of its exposure to foreign exchange risk on its highly probable forecasted sales. Amounts recognised in OCI will be transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.

2.13 Impairment of Non-Financial Assets

If internal/external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset/cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset/cash generating unit is reduced to the said recoverable amount.

The recoverable amount is measured as the higher of the fair value less cost of disposal and value in use of such

Notes forming part of Financial Statements

for the year ended March 31, 2019

assets/cash generating unit, which is determined by the present value of the estimated future cash flows.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment, a reversal of an impairment loss for an asset is recognised in the Statement of Profit and Loss.

2.14 Provisions and Contingent Liabilities / Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A present obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets are not recognised and are disclosed when inflow of economic benefits is probable

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.15 Revenue from Contracts with Customers:

Revenue from contracts with customers for sale of goods is recognised when the Company satisfies performance obligation by transferring promised goods to the customer at an amount that reflects the consideration which the Company is expected to be entitled to in exchange for those goods. In case of the Company, performance obligations are satisfied at a point in time, i.e. when the customer obtains control of the asset.

Revenue is measured at the amount of transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and applicable Good and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales rebates, discounts and incentives. The rebates, discounts incentives and right of return are estimated and provided for, based on past experience. A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

Export Incentives

Income from Export Benefit Entitlement under the Duty Drawback Scheme / Merchandise Exports from India Scheme (MEIS) of the Government of India is recognised in the year in which the Revenue from related Export Sales is accounted for. Advance Licence Benefits on Exports are recognised in the year of utilisation of licence.

Insurance claims

Insurance claims are accounted upon acceptance of claims.

Interest and Dividend income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend Income is recognised when the right to receive the payment is established. Incomes from investments are accounted on an accrual basis.

Liability for sales return

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

2.16 Foreign Currencies

The Financial Statements of the Company are presented in Indian Rupee (INR), which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency, using the exchange rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from restatement of monetary assets and liabilities at the reporting date are recognised in the Statement of Profit and Loss / Cash flow hedge reserve.

Non – monetary foreign currency items are carried at cost translated at an exchange rate prevailing on the date of transaction.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Exchange difference arising on settlement or restatement of foreign currency denominated liabilities existing as on / incurred on or after 01.04.2011 but before 31.03.2016 relating to acquisition of depreciable capital assets, have been added to/deducted from the cost of the respective asset and depreciated over the balance life of the asset.

2.17 Employee Benefits

Defined Contribution Plans

Company's contributions paid/payable during the year to Employees' Provident Fund, Family Pension Fund, ESIC, Labour Welfare Fund, Superannuation Fund are recognised in the Statement of Profit and Loss.

Defined Benefit Plans

Company's accrued liabilities towards Gratuity and Leave Encashment are determined on actuarial basis using the projected unit credit method for the period of service to build up the final obligation.

Service Cost (Both Current and Past) and Net Interest Expenses or Income is recognised as expenses in the Statement of Profit and Loss.

Any difference between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised immediately in Other Comprehensive Income and subsequently not reclassified to the Statement of Profit and Loss.

Gratuity and Superannuation Scheme are administered by Life Insurance Corporation of India to which contributions are made.

The Retirement Benefit Obligation recognised in the Balance Sheet represents the present value of the Defined Benefit Obligation reduced by the Fair Value of the Plan Assets.

2.18 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such assets are ready for their intended use.

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

All other borrowing costs are recognised as expense in the Statement of Profit and Loss in the period in which they are incurred.

2.19 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

2.20 Taxes

Income Tax expenses comprise of Current Tax and Deferred Tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognised directly in Equity or in Other Comprehensive Income, in which case, the same are recognised therein.

Current Income Tax

Provision for Current Tax is made on the basis of taxable income for the current year in accordance with the provisions of Income Tax Act, 1961 ("the IT Act"). Credit for Minimum Alternate Tax (MAT) is recognised in respect of liability under MAT provisions, based on expected tax liability under normal provisions of the IT Act during the period specified thereunder.

Deferred Tax

Deferred Tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A Deferred Tax Liability is recognised based on the expected realisation settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted, by the end of the reporting period. Deferred Tax Asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred Tax Assets and Deferred Tax Liabilities are reviewed at each reporting date.

2.21 Earnings Per Share

Basic earnings per share is computed by dividing the net profits for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.22 Ind AS issued but not effective

Ministry of corporate affairs ("MCA") through the Companies (Indian Accounting Standard) Amendment Rules, 2019 has notifies the new amendment to Ind AS:

Notes forming part of Financial Statements

for the year ended March 31, 2019

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to

(a) amortisation charge for the right-to-use asset, and

(b) interest accrued on lease liability

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short-term lease. In all other cases, the sublease shall be classified as a finance lease.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes – Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 3: PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

₹ in crores

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at April 1, 2018	Additions / Transfers	Deductions	As at March 31, 2019	As at April 1, 2018	For the Year	Adjustments	On Deductions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
(A) TANGIBLE ASSETS [1 2 3]											
Land – Freehold	1.77	-	-	1.77	-	-	-	-	-	1.77	1.77
Factory Buildings	111.61	93.51	-	205.12	33.92	12.45	-	-	46.37	158.75	77.69
Non-Factory Buildings	106.28	26.35	-	132.63	29.94	5.24	-	-	35.18	97.45	76.34
Culverts	0.20	0.39	-	0.59	0.03	0.03	-	-	0.06	0.53	0.17
Plant and Machinery	285.65	131.21	0.63	416.23	68.19	16.24	-	0.28	84.15	332.08	217.46
Other Plant Equipment	44.14	54.37	-	98.51	16.06	10.73	-	-	26.79	71.72	28.08
Electrical Installation and Equipment	11.58	31.42	-	43.00	3.20	6.02	-	-	9.22	33.78	8.38
Furniture and Fixture	7.21	0.56	0.34	7.43	5.49	0.52	-	0.29	5.72	1.71	1.72
Vehicles	20.28	1.12	2.89	18.51	15.64	1.34	-	2.64	14.34	4.17	4.64
Office Equipments	11.74	2.04	0.03	13.75	9.49	1.37	-	0.02	10.84	2.91	2.26
Roads	4.37	6.90	-	11.27	2.32	1.83	-	-	4.15	7.12	2.05
Computers	8.59	1.95	0.02	10.52	7.13	1.31	-	0.02	8.42	2.10	1.47
Capital Expenditure on Research and Development											
Buildings	4.27	-	-	4.27	2.05	0.23	-	-	2.28	1.99	2.21
Plant and Machinery	9.73	0.79	-	10.52	6.22	0.66	-	-	6.88	3.64	3.51
Furniture and Fixture	0.24	-	-	0.24	0.20	0.01	-	-	0.21	0.03	0.03
Other Equipments	0.07	-	-	0.07	0.05	0.01	-	-	0.06	0.01	0.02
Total - Tangible Assets	**627.73**	**350.61**	**3.91**	**974.43**	**199.93**	**57.99**	**-**	**3.25**	**254.67**	**719.76**	**427.80**
(B) INTANGIBLE ASSETS											
Licence, Registration, etc. in Respect of Acquired Business	16.79	-	-	16.79	8.53	1.68	-	-	10.21	6.58	8.25
Scinetific Research Expenditure for Product Development	123.09	70.76	-	193.85	54.18	16.27	-	-	70.45	123.40	68.89
Software Licences	2.99	2.97	-	5.96	0.63	0.55	-	-	1.18	4.78	2.34
Total - Intangible Assets	**142.87**	**73.73**	**-**	**216.60**	**63.34**	**18.50**	**-**	**-**	**81.84**	**134.76**	**79.48**
(C) CAPITAL WORK-IN-PROGRESS	253.60	101.41	340.11	14.90						14.90	253.60
(D) INTANGIBLES UNDER DEVELOPMENT											
Scinetific Research Expenditure for Product Under Development	101.37	22.07	70.76	52.68	-	-	-	-	-	52.68	101.37
(E) INVESTMENT PROPERTY [4]	-	-	-	-	-	-	-	-	-	-	-
TOTAL(A)+(B)+(C)+(D)+(E)	**1,125.57**	**547.82**	**414.78**	**1,258.61**	**263.27**	**76.49**	**-**	**3.25**	**336.51**	**922.10**	**862.25**
Previous Year's Total	**862.22**	**326.18**	**62.83**	**1,125.56**	**209.78**	**55.65**	**-**	**2.13**	**263.30**	**862.26**	**-**

[1] Non-Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-.

[2] Includes Borrowing Cost of ₹ 11.35 crores (March 31, 2018: ₹ 6.37 crores) capitalised during the year in terms of Para 8 of the "Indian Accounting Standard 23- Borrowing Costs" and Employee Cost of ₹ 7.52 crores (March 31, 2018: ₹ 3.76 crores). The Effective Interest Rate (EIR) used to determine the amount of borrowing cost eligible for capitalisation is the EIR of the specific borrowing".

[3] Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquistion of Fixed Assets ₹ 1.81 crores (March 31, 2018: ₹ 2.82 crores) capitalised during the year in terms of Para 7AA of "Indian Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates". Unamortised Amount as at the year end was ₹ 7.82 crores (March 31, 2018: ₹ 6.31 crores).

[4] Property at Sameer Vihar, Modi Nagar yielding rental income to the Company is not recognised as Investment Property due to non-availability of reliable measurement of cost.

The Fair Value of the said Investment Property based on the Management Estimate is ₹ 32.62 crores as at the year end.

[5] For Property, plant and equipment given as security refer Note Nos. 18 and 21.

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 4: FINANCIAL ASSETS – INVESTMENTS (NON-CURRENT)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Investment at cost				
Unquoted				
Investments in Equity Instruments				
(i) **Subsidiary**				
Indofil Industries (Netherlands) B.V.	100,000	85.84	100,000	85.84
(Face Value – Euro 1/- each)				
Indofil Industries (International) B.V.	500,000	18.89	500,000	7.31
(Face Value – Euro 1/- each)				
Indofil Bangladesh Industries Pvt. Ltd.	639,532	5.32	319,993	3.57
(Face Value – BDT 100/- each)				
Indofil Costa Rica, S.A.	10	0.00	10	0.00
(Face Value – Costa Rican Colon 1000/- each)				
Quick Investment (India) Ltd.	12,515	3.42	12,515	3.42
(Face Value – ₹ 100/- each)				
Good Investment (India) Ltd.	70,105	21.73	70,105	21.73
(Face Value – ₹ 100/- each)				
(ii) **Joint Ventures**				
Indobaijin Chemicals Pvt. Ltd.	4,366,096	43.66	4,366,096	43.66
(Face Value – ₹ 100/- each)				
Hifil Chemicals Pvt. Ltd.	-	-	4,900	0.00
(Face Value – ₹ 10/- each)				
Indo Reagens Polymer Additives Private Limited	499,000	0.50	-	-
(Face Value – ₹ 10/- each)				
Investment at Fair Value through profit and loss				
Unquoted				
Investment in Mutual Funds				
Union Balanced Advantage Regular Fund	377,200	0.40	249,990	0.38
(Face Value – ₹ 10/- each)				
Union Large cap Fund Regular Growth	249,990	0.27	249,990	0.25
(Face Value – ₹ 10/- each)				
Investment at Fair value Through Other Comprehensive Income				
Quoted				
Investment in Equity Instruments				
Modi Rubber Ltd.	214,211	0.99	214,211	1.80
(Face Value – ₹ 10/- each)				
Unquoted				
Investment in Equity Instruments				
The Cosmos Co-op. Bank Ltd.	14,250	0.77	14,250	0.68
(Face Value – ₹ 100/- each)				
KKM Management Centre Pvt. Ltd.	338,100	1.10	338,100	1.03
(Face Value – ₹ 10/- each)				
Grace Breeding Nitrogen Fixation Technologies Ltd.	10,848	10.68	-	-
(Face Value – NIS 0.01/- each)				
TOTAL		**193.57**		**169.67**
Aggregate Amount of Quoted Investments and Market Value thereof		0.99		1.80
Aggregate amount of Unquoted Investments		192.58		167.87
Aggregate amount of Impairment in value of Investments		-		-

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 5: FINANCIAL ASSETS - LOANS (NON-CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Loans to Employees	0.55	0.71
TOTAL	**0.55**	**0.71**

NOTE 6: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Security and Other Deposits	8.72	9.02
Forward Contract Receivable *	0.28	2.30
Fixed Deposits maturing after 12 months from reporting date	9.42	9.18
TOTAL	**18.42**	**20.50**

* The Company entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss (FVTPL). Derivative instruments at fair value through profit or loss (FVTPL) reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduced the level of foreign currency risk for respected sales and purchases.

NOTE 7: DEFERRED TAX ASSETS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Other items giving rise to temporary differences	**33.53**	**35.94**
MAT Credit Entitlement	**96.07**	**79.55**
	129.60	**115.49**
Deferred Tax Liabilities		
Accelerated depreciation for tax purposes	**(51.29)**	**(37.93)**
	(51.29)	(37.93)
NET DEFERRED TAX ASSETS	**78.31**	**77.56**

Reconciliation of Deferred Tax Assets / (Liability) for the year

₹ in crores

Particulars	Deferred Tax Assets		Deferred Tax Liabilities
	MAT Credit Entitlement	Items giving rise to temporary differences	Accelerated Depreciation for Tax Purpose
Balance as on April 1, 2018	**79.55**	**35.94**	**(37.93)**
MAT Credit Entitlement / (Utilisation) during FY 2018-19	16.52	-	-
(DTL) / DTA on Items giving rise to temporary differences	-	(2.41)	-
(DTL) / DTA on Accelerated Depreciation for tax purpose	-	-	(13.36)
Balance as on March 31, 2019	96.07	33.53	(51.29)

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 8: INCOME TAX ASSETS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current Tax Asset / (Liabilities) [Net]	14.47	7.70
	14.47	**7.70**

Reconciliation of Effective Tax Rates

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before tax	215	242
Statutory tax rate	34.94%	34.61%
Expected income tax expense at statutory tax rate	75.08	83.86
Tax effect of temporary/ timing difference	(6.95)	(0.93)
Tax effect of expenses not deductible	1.06	1.13
Tax effect of Exempt Income	(1.73)	(0.47)
Tax effect of allowable item	(0.37)	(5.67)
Tax effect of differential tax rate	(0.11)	-
Tax effect of Income tax incentive	(26.86)	(37.44)
Tax effect of Earlier year's short/excess provision	(2.97)	(12.11)
Tax expense	37.16	28.37
Effective tax rate	**17.29%**	**11.71%**

NOTE 9: OTHER NON-CURRENT ASSETS

₹ in crores

Particulars	As at March 31, 2019		As at March 31, 2018	
Long-term Trade Receivables	**38.40**		**28.35**	
Less: Provision for Impairment	**(38.40)**	**-**	**(28.35)**	**-**
Capital Advances		0.80		12.22
Prepaid Leases		36.51		35.09
Balances with Govt. Authorities under litigation		4.85		4.28
TOTAL		**42.16**		**51.59**

NOTE 10: INVENTORIES

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
At Lower of Cost and Net Realisable Value		
Raw Materials	112.74	99.40
Raw Materials-in-transit	58.06	53.03
Finished Goods	377.41	160.72
Finished Goods-in-transit	3.08	3.28
Stock-in-trade	58.48	54.17
Stores and Spares	8.47	6.06
TOTAL	**618.24**	**376.66**

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in crores

Particulars	As at March 31, 2019		As at March 31, 2018	
Trade Receivables at Amortised Cost				
Debts due for more than six months				
Secured – Considered Good	2.15		1.99	
Unsecured – Considered Good	66.89	**69.04**	77.69	**79.68**
Others				
Secured – Considered Good	**0.14**		**4.45**	
Unsecured – Considered Good	**794.13**	794.27	**760.67**	765.12
TOTAL		**863.31**		**844.80**

NOTE 12: FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks	131.42	126.52
Cash on hand	0.17	0.15
Fixed Deposits with original maturing of 3 months	2.45	0.17
TOTAL	**134.04**	**126.84**

NOTE 13: FINANCIAL ASSETS - OTHER BANK BALANCES

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid Dividend Account	0.84	0.67
Margin Money Pledged with Banks	0.33	0.33
Fixed Deposits with original maturity between 3 to 12 months	0.76	1.59
TOTAL	**1.93**	**2.59**

NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Advances recoverable from Related Parties	2.21	5.17
Interest Receivable	0.28	0.10
Forward Contract Receivable*	1.27	0.53
TOTAL	**3.76**	**5.80**

* The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss (FVTPL). Derivative instruments at fair value through profit or loss (FVTPL) reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduced the level of foreign currency risk for respected sales and purchases.

Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 15: OTHER CURRENT ASSETS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Export Incentive Receivable	20.26	6.60
Prepaid Expenses	9.88	8.93
Other Advances	1.81	1.20
Balances with Indirect Tax Authorities	91.41	74.88
Prepaid Lease	0.74	0.73
TOTAL	**124.10**	**92.34**

NOTE 16: EQUITY SHARE CAPITAL

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
4,40,00,000 (4,40,00,000) Equity shares of ₹ 10/- par value	44.00	44.00
6,00,000 (6,00,000) 6% Non-Cumulative Redeemable Preference Shares of ₹ 100/- par value	6.00	6.00
TOTAL AUTHORISED SHARE CAPITAL	**50.00**	**50.00**
Issued, Subscribed and Paid-up		
2,06,62,400 (2,06,62,400) Equity Shares ₹ 10/- par value fully paid - up	20.66	20.66
22,95,822 (22,95,822) Equity Shares of ₹ 10/- par value, ₹ 3/- called up	0.69	0.69
TOTAL ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	**21.35**	**21.35**

a) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Shares at the beginning	**22,958,222**	21.35	**22,958,222**	21.35
Changes during the year	-	-	-	-
Shares at the end	**22,958,222**	**21.35**	**22,958,222**	**21.35**

b) Terms and rights attached to equity shares:

i. Equity shares have a par value of ₹ 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held after distribution of all preferential amounts.

ii. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

c) Shareholders holding more than 5% shares each:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
K. K. Modi Investment and Financial Services Pvt. Ltd.	**10,273,073**	44.75%	**10,273,073**	44.75%
APMS Investment Fund Ltd. (FII)	**1,635,822**	7.13%	**1,635,822**	7.13%
U.P. State Indl. Dev. Corp. Ltd.	**2,169,956**	9.45%	**2,169,956**	9.45%
Rajputana Fertilizers Ltd.	**1,916,666**	8.35%	**1,916,666**	8.35%

Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 17: OTHER EQUITY

₹ in crores

Particulars		As at March 31, 2019		As at March 31, 2018
Capital Redemption Reserve				
Opening Balance		5.08		5.08
Add/Less: Changes during the year		-		-
Closing Balance		**5.08**		**5.08**
Securities Premium				
Opening Balance		108.04		108.04
Add/Less: Changes during the year		-		-
Closing Balance		**108.04**		**108.04**
Debenture Redemption Reserve				
Opening Balance		-		
Add/Less: Changes during the year		37.50		
Closing Balance		**37.50**		**-**
Capital Reserve				
Opening Balance		0.01		0.01
Add/Less: Changes during the year		-		-
Closing Balance		**0.01**		**0.01**
General Reserve				
Opening Balance		49.73		49.73
Add/Less: Changes during the year		-		-
Closing Balance		**49.73**		**49.73**
Retained Earnings				
Opening Balance		955.64		764.23
Profit for the period	**177.71**		**213.92**	
Appropriation of profits	**(37.50)**		**-**	
Guarantee commission adjsuted Indobaijin	**(0.28)**		**(1.86)**	
Dividends on Shares paid during the year	**(17.08)**		**(17.08)**	
Dividend Distribution Tax paid during the year	**(2.61)**	120.24	**(3.57)**	191.41
Closing Balance		**1,075.88**		**955.64**
Equity Instruments through OCI				
Opening Balance		1.26		1.40
Other comprehensive income		-		(0.14)
Fair value loss on financial asset		(0.67)		-
Closing Balance		**0.59**		**1.26**
Remeasurements gains / (loss) on defined benefit plans				
Opening Balance		(15.06)		(4.49)
Other comprehensive income		-		(10.57)
Remeasurements gains / (loss) on defined benefit plans		(0.69)		-
Closing Balance		**(15.75)**		**(15.06)**
The effective portion of gains and loss on hedging instruments				
Opening Balance		(26.95)		-
Other comprehensive income		-		(26.95)
Loss on effective portion of cash flow hedge		12.40		-
Closing Balance		**(14.55)**		**(26.95)**
TOTAL OTHER EQUITY		**1,246.53**		**1,077.75**

Dividends

On May 28, 2019, in respect of financial year 2018-19, the directors proposed a final dividend of ₹ 8.00 (80%) per fully paid equity share to be paid to shareholders.

Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 18: FINANCIAL LIABILITIES (NON-CURRENT BORROWINGS)

₹ in crores

Particulars	As at March 31, 2019		As at March 31, 2018	
Debentures	112.50		-	-
Unamortised upfront fees	(0.39)	112.11	-	-
Rupee Term Loan		7.73		20.72
Foreign Currency Term Loan		364.08		415.51
TOTAL		**483.92**		**436.23**

A. Non-Convertible Debentures:

Series A – 375 Non-Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.67% p.a. repayable in March 2020.

Series B – 375 Non-Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.67% p.a. repayable in September 2020.

Series C – 375 Non-Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.67% p.a. repayable in March 2021.

Series D – 375 Non-Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.67% p.a. repayable in September 2021.

B. Rupee Term Loans:

1. Term Loan amounting to ₹ 10 crores (₹ 20 crores as on March 31, 2018) carries interest at the rate of 11.75% p.a. (11.75% p.a. as on March 31, 2018) as at year end and is repayable in 4 Equal quarterly installments of ₹ 2.50 crores each. This loan will be repaid in FY 2019-20.

2. Term loan amounting to ₹ 10.72 crores (₹ 13.72 crores as on March 31, 2018) carries interest at the rate of 11.00% p.a. (11.00% p.a as on March 31, 2018) as at year end and is repayable in 14 equal quarterly installments of ₹ 0.75 crores each and 15^{th} Installment of ₹ 0.22 crores .

3. Vehicle Loan amounting to ₹ 1.03 crores (₹ 1.39 crores) is repayable over 25 monthly installments of ₹ 0.4 crores (including interest) each.

C. Foreign Currency Term Loans:

1. All term loans carry interest rate between of 3.00% p.a. to 5.00% p.a. (3.00% p.a. to 5.00% p.a. as on March 31, 2018).

2. Term loan amounting to ₹ 29.42 crores (₹ 41.14 crores as on March 31, 2018) is repayable over 3 installments of ₹ 2.60 crores each and 1 installment of ₹ 21.64 crores .

3. Term loan amounting to ₹ 39.98 crores (₹ 43.62 crores as on March 31, 2018) is repayable over 7 quarterly installments of ₹ 1.58 crores each and 10 quarterly installments of ₹ 2.89 crores each.

4. Term loan amounting to ₹ 18.88 crores (₹ 24.72 crores as on March 31, 2018) is repayable over 15 quarterly installments of ₹ 1.26 crores each.

5. Term loans amounting to ₹ 235.36 crores (₹ 211.16 crores as on March 31, 2018) is repayable over 11 quarterly installments of ₹ 7.06 crores each and 16 quarterly installments of ₹ 9.41 crores each and one installment of ₹ 7.06 crores starting from June 30, 2019.

6. Term Loan amounting to ₹ 46.50 crores (₹ 58.18 crores as on March 31, 2018) is repayable over 19 quarterly installments of ₹2.45 crores each.

7. Term Loan amounting to ₹ 28.46 crores (₹ 37.25 crores as on March 31, 2018) is repayable over 15 quarterly installments of ₹1.90 crores each.

8. Term Loan amounting to ₹ 46.17 crores (₹ 40.38 crores as on March 31, 2018) is repayable over 13 quarterly installments of ₹ 3.46 crores each and 1 installment of ₹ 1.25 crores .

9. Term Loan amounting to ₹ 24.79 crores (Nil) is repayable over 8 semi-annually paid installments of ₹ 3.10 crores each.

D. Security / Charges

All the above term loans and debentures, except loans amounting to ₹ 29.42 crores (₹ 42.54 crores as on March 31, 2018) are secured by first *pari passu* charge on the present and future fixed assets of the Company (except those assets which have been specifically financed) and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.

Term Loan amounting to ₹ 29.42 crores (₹ 41.14 crores as on March 31, 2018) are secured by specific assets financed by them.

An amount of ₹ 8.99 crores (₹ 8.99 crores as on March 31, 2018) has been held as Debt Service Reserve Account with Bank. (Refer Note No. 6, Note No. 12 and Note No. 13).

Notes forming part of Financial Statements
for the year ended March 31, 2019

E. Current Maturity

Amounts falling due within one year in respect of all the above loans up to March 31, 2019 have been grouped under "Current maturities of Long-Term Debts " under Note No. 23

NOTE 19: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit Received from Customers	16.22	14.77
Financial Guarantee Obligations	2.15	2.07
Forward Contracts Payable *	1.42	-
Others	0.77	0.76
TOTAL	**20.56**	**17.60**

* The Company entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss (FVTPL). Derivative instruments at fair value through profit or loss (FVTPL) reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduced the level of foreign currency risk for respected sales and purchases.

NOTE 20: PROVISIONS (NON-CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits	9.47	6.49
TOTAL	**9.47**	**6.49**

* Provision for Leave encashment arised during the year ₹ 9.31 crores (previous year ₹ 3.16 crores) and utilised during the year ₹ 6.33 crores (previous year ₹ 6.91 crores)

NOTE 21: FINANCIAL LIABILITIES - SHORT-TERM BORROWINGS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
At Amortized Cost (Secured)		
Working Capital Loans from Banks	587.87	595.52
(Secured by first *pari passu* charge, by way of hypothecation of Company's current assets and other movable assets and second *pari passu* charge on the fixed assets both present and future, *inter se* the Term Lenders)		
TOTAL	**587.87**	**595.52**

NOTE 22: FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
At Amortized Cost		
Sundry Creditors for Goods and services	344.87	248.68
Sundry Creditors for Micro, Small and Medium Enterprise	-	-
TOTAL	**344.87**	**248.68**

Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at March 31, 2019 have been identified as relating to Micro and Small Enterprises referred to in the Micro, Small and Medium Enterprise Development Act, 2006 ("the Act").

Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 23: FINANCIAL LIABILITIES – OTHERS (CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long-term debts	156.99	59.06
Interest Accrued on borrowings	1.62	1.91
Financial Guarantee Obligations	0.30	0.49
Forward Contracts Payable*	1.32	0.05
Unclaimed Dividend**	0.84	0.67
Other Payables	120.14	147.49
TOTAL	**281.21**	**209.67**

* The Company entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss (FVTPL). Derivative instruments at fair value through profit or loss (FVTPL) reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduced the level of foreign currency risk for respected sales and purchases.

** There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 24: OTHER CURRENT LIABILITIES

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Other Payables	6.92	14.71
TOTAL	**6.92**	**14.71**

NOTE 25: PROVISIONS (CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits	12.25	10.96
TOTAL	**12.25**	**10.96**

Provision for Leave encashment arised during the year ₹ 1.59 crores (previous year ₹ 5.35 crores) and utilised during the year ₹ 0.30 crores (previous year ₹ 1.20 crores)

NOTE 26: REVENUE FROM OPERATIONS

₹ in crores

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Sale of Products				
Agrochemical	1,864.42		1,729.47	
Specialty and Performance Chemicals	306.21	2,170.63	250.01	1,979.48
Other Operating Revenue:				
Export Incentives and Entitlements		21.01		11.94
Scrap Sales		1.01		1.04
Miscellaneous Income		0.00		0.80
TOTAL		**2,192.65**		**1,993.26**

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 27: OTHER INCOME

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	1.05	3.84
Dividend Income	4.37	-
Profit on Sale of Investments	0.96	0.94
Other Non-Operating Income:		
Profit on Sale of property, Plant and Equipment	0.04	0.07
Guarantee Commission	2.02	3.19
Rent	0.07	0.07
Insurance Claims	0.01	4.45
Sundry Balance Written Back	6.15	2.59
Gain on FVTPL Investments	0.04	0.03
Others	1.06	1.14
TOTAL	**15.77**	**16.32**

NOTE 28: COST OF MATERIALS CONSUMED

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material Consumed	1,094.19	790.41
Packing Material Consumed	91.81	79.14
TOTAL	**1,186.00**	**869.55**

NOTE 29: PURCHASE OF STOCK-IN-TRADE

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Stock-in-trade	183.46	225.38
TOTAL	**183.46**	**225.38**

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stocks:		
Finished Goods	160.72	128.80
Stock-in-trade	54.16	28.60
Less: Closing Stocks:		
Finished Goods	380.49	160.72
Stock-in-trade	58.48	54.16
NET CHANGE IN INVENTORIES	**(224.09)**	**(57.48)**

Opening stock of previous year includes excise duty.

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 31: EMPLOYEE BENEFITS EXPENSE

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	167.04	149.95
Contribution to Provident and Other Funds	12.63	11.60
Gratuity	2.64	1.35
Staff Welfare Expenses	14.18	13.43
TOTAL	**196.49**	**176.33**

NOTE 32: FINANCE COSTS

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses	56.73	45.54
Other Borrowing Costs	6.89	9.80
TOTAL	**63.62**	**55.34**

NOTE 33: OTHER EXPENSES

₹ in crores

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Consumption of Stores and Spares		15.49		7.41
Power, Fuel and Utilities		73.53		42.00
Processing Charges		50.15		43.26
Lease Rent / Hire Charges		8.96		7.76
Repairs to Building		1.37		1.73
Repairs to Plant and Machinery		16.96		11.86
Other Repairs		3.46		3.94
Insurance		11.17		7.30
Rates and Taxes		1.78		2.09
Pollution Control Expenses		10.71		6.53
Legal and Professional Fees		62.00		38.68
General Office Expenses		28.54		25.80
Foreign Exchange Fluctuation (Net)		1.88		1.18
Advertisement, Publicity and Sales Promotion		89.06		100.52
Outward Freight Charges		72.71		52.84
Loading and Unloading Charges		2.41		2.25
Provision for Doubtful Debts		10.05		8.00
Travelling and Conveyance		44.94		38.76
Payment to Auditors				
- Audit Fees	0.30		0.25	
- Transfer Pricing Audit Fees	0.05		0.05	
- Taxation and Other Advisory Matters	0.12		0.16	
- Certification Charges and Others	0.05		0.05	
- Reimbursement of Expenses	0.01	0.53	0.01	0.52
Corporate Social Responsibility		5.40		4.34
Donations		0.48		2.20
Bad Debts		-		1.27
TOTAL		**511.58**		**410.24**

Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 34: IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

With the effect from April 1, 2018 the Company has adopted Ind AS 115 on "Revenue from Contracts with Customers" and has opted to apply the modified retrospective approach and accordingly, it is applied retrospective only to contracts that are not completed at the date of initial application, that is as on April 1, 2018 and the comparative information are not restated. The adoption of Ind AS 115 does not have material effect on the on its financials.

Revenue from operations for the year ended March 31, 2018 include excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Service Tax (GST) in India. In accordance with Ind AS 115 on "Revenue from Contracts with Customers", since GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in Equity, sales for the year ended March 31, 2019, are presented net of GST. Accordingly, sales for the year ended March 31, 2019 and March 31, 2018, to that extent, are not comparable.

Disclosures

Disaggregation of Revenue from Contracts with Customers

₹ in crores

	Year ended March 31, 2019			Year ended March 31, 2018		
	Agro	Innovative Solutions	Total	Agro	Innovative Solutions	Total
Sale of Products						
India	981.58	283.82	1,265.41	961.19	224.59	1,185.78
Europe	261.04	-	261.04	283.49	-	283.49
South America	220.01	0.40	220.41	90.26	0.58	90.84
Others	401.79	21.98	423.77	394.53	24.84	419.36
Total (A)	**1,864.42**	**306.21**	**2,170.63**	**1,729.47**	**250.01**	**1,979.48**
Other Operating Revenue						
Export Incentives and Entitlements	21.01	-	21.01	11.94	-	11.94
Scrap Sales	1.01	-	1.01	1.04	-	1.04
Others	0.00	-	0.00	0.80	-	0.80
Total (B)	**22.02**	**-**	**22.02**	**13.78**	**-**	**13.78**
Revenue from Operations (A+B)	**1,886.44**	**306.21**	**2,192.65**	**1,743.25**	**250.01**	**1,993.26**

Sales by performance obligations

Performance obligations is satisfied at a point in time when the customer obtains control the asset and accordingly, in most cases revenue is recognised on shipment or dispatch of products.

Reconciliation of Revenue from Contract with Customer

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue as per Contract Price	2,431.56	2,201.15
Adjustments made to contract price:		
a) For Discounts/ Rebates/ Incentives	85.37	90.19
b) Sales Returns	175.56	131.48
Revenue from contract with customer	**2,170.63**	**1,979.48**
Other Operating Revenue	**22.02**	**13.78**
Revenue from Operations	**2,192.65**	**1,993.26**

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 35: HEDGING ACTIVITIES AND DERIVATIVES

Foreign Currency Risk

The Company has adopted hedge accounting from April 1, 2017. Non-derivative financial liabilities (i.e. borrowings) are designated as hedging instruments in cash flow hedges of forecast sales in US dollar and Euro. These forecast transactions are highly probable.

Carrying value and maturity of foreign currency borrowings designated as hedging instrument are stated in below table:

Hedging Instrument	As at March 31, 2019			Maturity Date
	Amount outstanding in foreign currency EUR in crore	Amount outstanding in foreign currency USD in crore	Amount outstanding in local currency ₹ in crore	
Buyer's Credit	-	1.01	69.64	April 2019 to October 2019
Foreign Currency Term Loans	5.34	-	414.57	April 2019 to June 2026
Total			**484.21**	

The terms of the hedging instrument match the terms of the expected highly probable forecast transactions. Cash flow hedge reserves recycled during FY 2018-19 is amounting to ₹ 1.14 crores on account of Buyer's Credit and ₹ 2.85 crores on account of Term loan.

The cash flow hedges of the expected future sales during the year ended March 31, 2019 were assessed to be highly effective and a net unrealised gain of ₹ 19.06 crores, with a deferred tax asset of ₹ 6.66 crores relating to the hedging instruments, is included in OCI.

Cash flow hedge balance as on March 31, 2018 was ₹ 41.42 crores. The amounts retained in OCI at March 31, 2019 are expected to mature and affect the statement of profit and loss of future years as follows:

Financial Year	₹ in crores
2019-2020	2.55
2020-2021	2.65
2021-2022	2.87
2022-2023	3.91
2023-2024	3.80
2024-2025	3.39
2025-2026	3.18
Total	**22.35**

NOTE 36: CONTINGENT LIABILITIES

1. Consequent to termination of the contract by the Indofil Chemicals Company (erstwhile Modipon Ltd.), a toll manufacturer (Polson Ltd.) filed a Civil suit bearing No.378/1997 before District Judge, Kolhapur, now transferred to Commercial Court, Kolhapur numbered as Spl. C.S.No. 1/2016, against the Company claiming ₹ 3.15 crores allegedly on account of items purchased and loss of profits. However, the Company had refuted the claim and made a counterclaim of ₹ 4.76 crores against the said toll manufacturer in respect of the cost of machinery, cost of raw materials, yield losses, loss of market etc. Considering the merits of the matter, the Management is of the view that the Claim of the toll manufacturer could be rejected as against the Company's counterclaim and will be adjusted/accounted for in the year of final settlement/receipt.

2. Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2019

₹ in crores

Statute	As at March 31, 2019	As at March 31, 2018
Sales tax matters	7.90	2.00
Excise matters	0.36	0.56
Service tax matters	0.72	1.10
Other matters	0.35	0.60
TOTAL	**9.33**	**4.26**

Notes forming part of Financial Statements
for the year ended March 31, 2019

3. Guarantees Executed in favour of Corporate

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Guarantees Executed in Favour of Corporate	301.75	360.94
Less: Counter Guarantees Received	(91.58)	(98.02)
Net Guarantees Executed in favour of Corporate	**210.17**	**262.92**

NOTE 37: CAPITAL COMMITMENTS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated Amount of Capital Commitments remaining to be executed	27.02	38.59
Less: Advances Paid	(0.80)	(12.22)
Net Capital Commitments	**26.22**	**26.37**

On evaluation of individual cases, the Management is of the view that no provision in respect of the above is called for.

NOTE 38: CORPORATE SOCIAL RESPONSIBILITY

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Paid		
Construction of Asset*	5.02	4.26
for other purposes	0.38	0.08
Total Paid	**5.40**	**4.34**

* Represents contribution of ₹ 5.02 crores (Previous Year: ₹ 4.26 crores) made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

NOTE 39: EARNINGS PER SHARE

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year as per Statement of Profit and Loss (₹ in crores)	177.71	213.96
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	21,351,147	21,351,147
Earnings Per Share – Basic and Diluted	**83.23**	**100.19**

NOTE 40: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long-term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 41: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company's activities exposes it to a variety of financial risks: market risks, credit risks and liquidity risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company has an established Risk Management Policy towards risk identification, analysis and prioritisation of risks, development of risk mitigation plans and reporting on the risk environment of the respective business segments in the Company. A Risk Management Committee (RMC) is formed which comprises of the Executive Management which reports to the Audit Committee of the Directors.

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

(a) Management of Market Risks

The Company's size and operation results in it being exposed to the following market risks that arise from its use of financial instruments

Currency Risk

Interest Rate Risk

Price Risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below:

	Potential Impact of Risk	Management Policy	Sensitivity to Risk
1.	**Currency Risk**		
	The Company is subject to risk that changes in foreign currency values impact the Company's export revenue and imports of raw material and Property, Plant and Equipments primarily with respect to USD and Euro	The Company manages currency exposures through use of Forward Exchange Contracts and effecting netting and matching of Foreign Currency Inflows and Outflows. The aim of the Company's approach to management of Currency Risk is to leave the Company with minimal residual risk.	A 5% strengthening of INR against key currencies to which the Company is exposed (Net) would have led to approximately an additional ₹ 11.76 crores gain in the Statement of Profit and Loss (2017-18 ₹ 25.37 crores). A 5% weakening of INR against key currencies would have led to an equal but opposite effect.
	As at March 31, 2019, the net unhedged exposure to the Company on holding Financial Assets (Trade Receivables and Other Advances) and Financial Liabilities (Trade Payables and Other Payables) other than in functional currency amounted to USD 2.10 crores receivable and Euro 4.91 crores payable [₹ 235.20 crores net payable] (USD 0.18 crores payable and Euro 6.25 crores payable [₹ 512.32 crores net payable] as on March 31, 2018)		
2.	**Interest Rate Risk**		
	The Company is mainly exposed to Interest Rate risk due to its Long-Term and Short-Term Borrowings. The interest rate risk arises due to uncertainties about prevailing base rates in future.	The group manages its Interest Rate Risk by having a balanced portfolio of floating rate loans based on Euribor, Libor and INR Base Rate.	A 0.25% decrease in interest rate would have led to approximately an additional ₹ 2.93 crores gain in the Statement of Profit and Loss (2017-18 ₹ 2.58 crores). A 0.25% increase in interest rates would have led to an equal but opposite effect.

Notes forming part of Financial Statements

for the year ended March 31, 2019

	Potential Impact of Risk	Management Policy	Sensitivity to Risk
	As at March 31, 2019 the exposure to the Company on account of borrowings is ₹ 1,173.94 crores (₹ 1,031.82 as on March 31, 2018)		
3.	**Price Risk**		
	The Company has investments in listed units of Mutual Funds reflecting its temporary surplus of funds. As at March 31, 2019 the next exposure to the Company on account of these investments is Nil (Nil as on March 31, 2018)	The Company manages the Equity Price Risk of such investments through diversification and by placing limits on individual investments	A 5% increase in prices would have led to approximately and additional Nil gain in the Statement of Profit and Loss. A 5% decrease in prices would have led to an equal but opposite effect.
	However, a substantial part of the Company's investments are in Equity Instruments of Subsidiaries, Joint Ventures, Group Companies and other investments mandated by lenders to the Company. These being strategic investments, the Company does not evaluate the equity price risk of such investments.		

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or a counter party fails to meet its contractual obligation.

Trade Receivables and Other Financial Assets

Concentration of Credit Risk with respect to Trade Receivables are limited, due to Company's customer base being large and diverse. All Trade Receivables and other Financial Assets are reviewed and assessed for default on monthly basis. Our historical experience of collecting all receivables is that their Credit Risk is low.

The Company's maximum exposure to Credit Risk as at March 31, 2019, March 31, 2018 is the carrying value of each class of Financial Asset.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company regularly monitors the rolling forecast to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required) and any excess is invested in any highly marketable equity instruments to optimise cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date.

₹ in crores

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long-term borrowings	156.99	483.92	59.06	-
Security Deposits	-	16.22	-	14.77
Working Capital Loans from Banks	587.87	-	595.52	-
Trade Payables	344.87	-	248.68	-
Other Financial Liabilities	124.22	4.35	150.59	439.07
	1,213.95	**504.49**	**1,053.85**	**453.84**

(d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 18 and Refer Note No. 21 for the detailed terms and conditions of the collaterals pledged.

Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 42: FINANCIAL INSTRUMENTS – CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Fair Value through Profit and Loss		
Investments (Other than in subsidiary and joint ventures)	0.67	0.62
Fair Value through Other Comprehensive Income		
Investments (Other than in Subsidiary and joint ventures)	13.53	3.52
Derivative Instruments not in Hedging Relationship		
Forward Contracts Receivable	0.28	2.83
Amortised Cost		
Loans	0.55	0.71
Trade Receivables	863.31	844.80
Cash and Cash Equivalents	134.04	126.85
Other Bank Balances	1.93	2.60
Other Financial Assets	21.90	23.46
Total	**1,036.21**	**1,005.39**
Financial Liabilities		
Fair Value through Profit and Loss		
Financial Guarantee Obligations	2.45	2.56
Derivative Instruments not in Hedging Relationship		
Forward Contracts Payable	2.75	0.05
Derivative Instruments in Hedging Relationship		
Term Loan	414.57	391.85
Buyer's Credit	69.64	94.58
Amortised Cost		
Borrowings	1,071.79	1,031.74
Trade Payable	-	-
Other Financial Liabilities	296.58	224.66
Total	**1,857.78**	**1,745.44**

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2019 and March 31, 2018 approximate the fair value because of the short-term nature.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 – Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

Notes forming part of Financial Statements

for the year ended March 31, 2019

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Fair Value of Investment in Unquoted Equity Shares/ Preference Shares/ Debentures is determined based on the Net Asset Value of the Investee Company as on the Balance Sheet Date.

Fair Value of the Financial Guarantee Obligation is determined through a Discounted Cash Flow Model using weighted average borrowing rate as the discount rate.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarised below:

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Level 1		
Investment in Quoted Equity Shares	0.99	1.80
Mutual Fund Units	0.67	37.80
Level 2		
Derivative Financial Assets	1.55	0.53
Level 3		
Investment in Unquoted Equity Shares	12.55	1.71
Total	**15.76**	**41.84**
Financial Liability		
Level 2		
Derivative Financial Liability	2.75	0.05
Level 3		
Financial Guarantee Obligations	2.45	2.56
Total	**5.20**	**2.61**

Description of Significant Unobservable Input used in Fair Value measurement categorised within Level 3 of Fair Value Hierarchy

Particulars	Significant Unobservable Input	Sensitivity of Input to Fair Value Measurement
Investment in Unquoted Equity Shares	Fair Value of Net Assets	5% increase in forecasted fair value will increase the value of investment by ₹ 0.63 crores (₹ 0.85 crores as on March 31, 2018) and 5% decrease will have an equal but opposite effect.
Financial Guarantee Obligations	Discount Rate 5.51%	1 % increase in Discount Rate will have Loss of ₹ 0.69 crores (₹ 0.79 crores as on March 31, 2018) and 1% decrease in Discount Rate will have an equal but opposite effect.

(c) Reconciliation of Level 3 Fair Value Measurement

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance of Level 3 Financial Assets / (Liability)	(0.85)	(0.24)
Add / (Less): Changes during the year		
Guarantee Commission recognised	0.30	(0.50)
New Investment	10.68	-
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through OCI	0.15	0.04
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	(0.19)	(0.15)
Closing Balance of Level 3 Financial Assets / (Liability)	10.09	(0.85)

Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 43: EMPLOYEE BENEFITS

(a) Defined contribution plans

Retirement benefit in the form of provident fund, Employee State Insurance Corporation (ESIC), Pension, SANN Fund and MLWF are defined contribution schemes. The Company has no obligation, other than the contribution payable to these funds/ schemes. The Company recognises contribution payable to such schemes as an expense, when an employee renders the related service.

Amount recognised and included in Note No.31, "Employee Benefits Expenses" of Statement of Profit and Loss ₹ 12.63 crores (₹ 11.60 crores).

(b) Defined benefit plans

Gratuity is administered under the GGCA scheme of Life Insurance Corporation of India to which the contributions are made.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

₹ in crores

Sr. No.	Particulars	FY 2018-19 (Funded)	FY 2017-18 (Funded)
I	**Change in present value of defined benefit obligation during the year**		
1.	Present Value of defined benefit obligation at the beginning of the year	45.03	28.39
2.	Interest cost	3.53	2.04
3.	Current service cost	1.42	1.22
4.	Past Service Cost – Non-Vested Benefit Incurred During the Period	-	-
5.	Past Service Cost – Vested Benefit Incurred During the Period	-	-
6.	Liability Transferred In/ Acquisitions	-	-
7.	Liability Transferred out / Divestment	-	-
8.	(Gains)/ Losses on Curtailment	-	-
9.	Liabilities Extinguished on Settlement	-	-
10.	Benefits paid directly by the employer	-	-
11.	Benefits paid from the fund	(2.55)	(2.96)
12.	The Effect Of Changes in Foreign Exchange Rates	-	-
13.	Actuarial changes arising from changes in demographic assumptions	-	-
14.	Actuarial changes arising from changes in financial assumptions	0.04	(0.68)
15.	Actuarial changes arising from changes in experience adjustments	0.79	17.01
16.	Present Value of defined benefit obligation at the end of the year	48.26	45.03
II	**Change in fair value of plan assets during the year**		
1.	Fair value of plan assets at the beginning of the year	27.18	25.10
2.	Interest Income	2.13	1.81
3.	Contributions paid by the employer	1.50	3.29
4.	Expected Contributions by the Employees	-	-
5.	Assets Transferred In/ Acquisitions	-	-
6.	Assets transferred out / divestments	-	-
7.	Benefits paid from the fund	(2.55)	(2.96)
8.	Assets Distributed on Settlements	-	-
9.	Effects of Asset Ceiling	-	-
10.	The Effect of Changes In Foreign Exchange Rates	-	-
11.	Return on plan assets excluding interest income	(0.23)	(0.06)
12.	Fair value of plan assets at the end of the year	28.03	27.18

Notes forming part of Financial Statements
for the year ended March 31, 2019

₹ in crores

Sr. No.	Particulars	FY 2018-19 (Funded)	FY 2017-18 (Funded)
III	**Net asset / (liability) recognised in the balance sheet**		
1.	Present Value of defined benefit obligation at the end of the year	(48.26)	(45.03)
2.	Fair value of plan assets at the end of the year	28.03	27.18
3.	Funded Status (Surplus/ (Deficit))	(20.23)	(17.85)
4.	Net (Liability)/Asset Recognized in the Balance Sheet	(20.23)	(17.85)
IV	**Net Interest Cost for Current Period**		
1.	Present Value of Benefit Obligation at the Beginning of the Period	45.03	28.39
2.	Fair Value of Plan Assets at the Beginning of the Period	(27.18)	(25.10)
3.	Net Liability/(Asset) at the Beginning	17.85	3.29
4.	Interest Cost	3.53	2.04
5.	Interest Income	(2.13)	(1.81)
6.	Net Interest Cost for Current Period	1.40	0.24

₹ in crores

Sr. No.	Particulars	FY 2018-19 (Funded)	FY 2017-18 (Funded)
V	**Expenses recognised in the statement of profit and loss for the year**		
1.	Current service cost	1.42	1.22
2.	Interest cost on benefit obligation (Net)	1.40	0.24
3.	Past Service Cost – Non-Vested Benefit Recognized During the year	-	-
4.	Past Service Cost – Vested Benefit Recognized During the year	-	-
5.	Expected Contributions by the Employees	-	-
6.	(Gains)/Losses on Curtailments And Settlements	-	-
7.	Net Effect of Changes in Foreign Exchange Rates	-	-
8.	Total expenses included in employee benefits expense	2.82	1.46
VI	**Recognised in other comprehensive income for the year**		
1.	Actuarial changes arising from changes in demographic assumptions	-	-
2.	Actuarial changes arising from changes in financial assumptions	0.04	(0.68)
3.	Actuarial changes arising from changes in experience adjustments	0.79	17.01
4.	Return on plan assets excluding interest income	0.23	0.06
5.	Change in Asset Ceiling	-	-
6.	Recognised in other comprehensive income	1.06	16.39
VII	**Cash Flow Projection: From the Fund**		
1.	Within the next 12 months (next annual reporting period)	32.20	30.51
2.	2nd following year	1.16	0.95
3.	3rd following year	2.41	1.43
4.	4th following year	2.49	2.20
5.	5th following year	1.21	2.19
6.	Sum of years 6 to 10	9.47	8.26
7.	Sum of years 11 and above	14.44	14.07

Notes forming part of Financial Statements

for the year ended March 31, 2019

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2017: 5 years).

₹ in crores

Sr. No.	Particulars	FY 2018-19 (Funded)	FY 2017-18 (Funded)
VIII	**Quantitative sensitivity analysis for significant assumption**		
	Projected Benefit Obligation on Current Assumptions	48.26	45.03
1	Delta Effect of +1% Change in Rate of Discounting	(1.03)	(0.98)
2	Delta Effect of -1% Change in Rate of Discounting	1.16	1.10
3	Delta Effect of +1% Change in Rate of Salary Increase	1.20	1.14
4	Delta Effect of -1% Change in Rate of Salary Increase	(1.08)	(1.02)
5	Delta Effect of +1% Change in Rate of Employee Turnover	0.29	0.29
6	Delta Effect of -1% Change in Rate of Employee Turnover	(0.32)	(0.32)

Usefulness and Methodology adopted for Sensitivity Analysis

Sensitivity Analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between the assume and the actual is not following the parameters of the sensitivity analysis.

₹ in crores

Sr. No.	Particulars	FY 2018-19 (Funded)	FY 2017-18 (Funded)
IX	**The major categories of plan assets as a percentage of total**		
	Insurer managed funds	100%	100%
X	**Actuarial assumptions**		
1	Discount rate	7.79%	7.83%
2	Salary escalation	4%	4%
3	Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	N.A.	N.A.
5	Rate of Employee Turnover	2%	2%
6	Expected Return on Plan Assets	7.79%	7.83%

c) Other Long-Term Employee Benefits

The defined benefit obligations which are provided for but not funded as on March 31, 2019 are as under:

₹ in crores

Sr. No.	Particulars	FY 2018-19	FY 2017-18
1	Leave Encashment	21.72	17.45

NOTE 44: LEASES

The Company has entered into Operating Leases on Immovable Properties and certain Plant and Machinery. There are no escalation clauses in the lease arrangements for which Lease Rent is provided on straight-line basis.

Future minimum rentals payable under non-cancellable operating leases as at March 31, 2019 are, as follows:

₹ in crores

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of operating lease on Immovable properties and Plant and Machinery lease payments recognised in Statement of Profit and Loss.	8.96	7.76
(b)	Future minimum lease payments under operating leases		
	For the period not later than one year	7.12	5.71
	For the period later than one year and not later than five years	8.95	11.50
	For the period later than five years	33.56	34.29

Notes forming part of Financial Statements
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Assets given on Lease

₹ in crores

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognised in Statement of Profit and Loss.	0.07	0.07
(b)	Future minimum lease payments under operating leases		
	For the period not later than one year	0.07	0.07
	For the period later than one year and not later than five years	0.21	0.28

NOTE 45: RELATED PARTY

List of related parties

Wholly-Owned Subsidiaries
Quick Investments (India) Ltd.
Good Investment (India) Ltd.
Indofil Bangladesh Industries Private Ltd.
Indofil Costa Rica SA
Indofil Industries (International) BV
Indofil Industries Netherlands BV
Indofil Industries DO Brasil LTDA
Indofil Philippines, Inc.
PT Indofil Industries Indonesia
Finkotech Private Limited
Agrowin Bioscience S.r.l. (80%)

Other Related Parties in which directors have significant influence:
Godfrey Phillips India Ltd.
H.M.A. Udyog Pvt. Ltd.
Modi Care Ltd.
Beacon Travels Pvt. Ltd.
Bina Fashions & Food Pvt. Ltd.
Premium Merchants Ltd.
Modi Rubber Ltd.
KKM Management Centre Pvt. Ltd.
Modi Stratford Enterprises Management Pvt. Ltd.
Modi Innovative Education Society

Joint Ventures (Extent of holding)
Indo baijin Chemicals Private Ltd. (51%)
Indo Reagens Polymer Additives Pvt. Ltd. (49.9%)
(Formed during FY 2018-19)
Hifil Chemicals Pvt. Ltd. (49%) (Sold during FY 2018-19)

Key Management Personnel

Executive Director
Mr. Krishan Kumar Modi
Ms. Charu Modi
Mr Atuchutni Rao

Non-Executive Director
Ms. Aliya Modi
Mr. Samir Modi
Mr. Mahendra Naranji Thakkar
Mr. Sunil Kumar Alagh
Mr. Sanjay Buch
Mr. Lakshminarayanan Subramanian
Mr. Rajesh Kumar Singh
(with effect from August 14, 2018 to May 1, 2019)
Mr. Ranvir Prasad (up to August 13, 2018)

₹ in crores

	Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total	Total
					2018-19	2017-18
PURCHASE OF SERVICES						
1.	HMA Udyog Pvt. Ltd.	-	-	0.07	0.07	0.04
2.	Beacon Travels Pvt. Ltd.	-	-	5.25	5.25	6.93
3.	Bina Fashions and Food Pvt. Ltd.	-	-	0.53	0.53	0.73
4.	Modi Care Ltd.	-	-	0.08	0.08	0.07
5.	Modi Stratford Enterprises Management Pvt. Ltd.	-	-	0.62	0.62	-
Total		**-**	**-**	**6.55**	**6.55**	**7.77**

Notes forming part of Financial Statements

for the year ended March 31, 2019

₹ in crores

Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total	Total
				2018-19	2017-18
PURCHASE OF GOODS					
1. Indo Baijin Chemicals Pvt. Ltd.	112.64	-	-	112.64	92.57
Total	**112.64**	**-**	**-**	**112.64**	**92.57**
PURCHASE OF LICENCE					
1. Indo Baijin Chemicals Pvt. Ltd.	0.94	-	-	0.94	0.12
Total	**0.94**	**-**	**-**	**0.94**	**0.12**
SALE OF GOODS					
1. Indofil Industries (Netherlands) B. V.	158.24	-	-	158.24	162.72
2. Indofil Industries DO Brasil LTDA	4.29	-	-	4.29	-
3. Indofil Philippines, Inc.	15.73	-	-	15.73	-
Total	**178.26**	**-**	**-**	**178.26**	**162.72**
MANAGEMENT CONTRACTS					
1. K K M Management Center Pvt. Ltd.	-	-	6.27	6.27	8.10
Total	**-**	**-**	**6.27**	**6.27**	**8.10**
RENT EXPENSE					
1. Premium Merchants Ltd.	-	-	0.07	0.07	0.06
2. Charu Modi	-	0.07	0	0.07	0.07
Total	**-**	**0.07**	**0.07**	**0.14**	**0.13**
DIVIDEND PAID					
1. Mr. Krishan Kumar Modi	-	0.17	-	0.17	0.17
2. Mr. Samir Modi	-	0.02	-	0.02	0.02
Total	**-**	**0.19**	**-**	**0.19**	**0.19**
DIVIDEND RECEIVED					
1. Indo Baijin Chemicals Pvt. Ltd.	4.37	-	-	4.37	-
Total	**4.37**	**-**	**-**	**4.37**	**-**
RENT INCOME					
1. Modi Rubber Ltd.	-	-	0.06	0.06	0.06
Total	**-**	**-**	**0.06**	**0.06**	**0.06**
GUARANTEE COMMISSION INCOME					
1. Indofil Industries (Netherlands) B. V.	1.44	-	-	1.44	1.83
2. Indo Baijin Chemicals Pvt. Ltd.	0.58	-	-	0.58	1.36
Total	**2.02**	**-**	**-**	**2.02**	**3.19**
REIMBURSEMENT OF EXPENSES (RECEIVED)					
1. Indo Baijin Chemicals Pvt. Ltd.	0.67	-	-	0.67	0.30
2. Godfrey Phillips India Ltd.	-	-	0.22	0.22	0.19
3. Indofil Industries (Netherland) B.V.	0.97	-	-	0.97	0.94
Total	**1.64**	**-**	**0.22**	**1.86**	**1.43**
CSR EXPENSES					
1. Modi Innovative Education Society	-	-	5.02	5.02	4.26
Total	**-**	**-**	**5.02**	**5.02**	**4.26**
INTEREST INCOME					
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	0.93
2. Good Investments	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**0.93**

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₹ in crores

Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total	Total
				2018-19	2017-18
OUTSTANDING LOANS (GIVEN)					
1. Indo Baijin Chemicals Pvt. Ltd.		-	-	-	57.89
Total	**-**	**-**	**-**	**-**	**57.89**
OUTSTANDING ADVANCES (GIVEN)					
1. Hifil Chemicals Pvt. Ltd	-	-	-	-	0.01
Total	**-**	**-**	**-**	**-**	**0.01**
GUARANTEES GIVEN TO SUBSIDIARIES / JV					
1. Indo Baijin Chemicals Pvt. Ltd.	95.32	-	-	95.32	102.02
2. Indofil Industries (Netherland) B.V.	114.85	-	-	114.85	160.91
Total	**210.17**	**-**	**-**	**210.17**	**262.92**
OUTSTANDING BALANCES					
Receivables					
1. Indofil Industries (Netherland) B.V.	127.91	-	-	127.91	91.95
2. Indofil Industries DO Brasil LTDA	4.29	-	-	4.29	-
3. Indofil Philippines, Inc.	12.24	-	-	12.24	-
Total	**144.44**	**-**	**-**	**144.44**	**91.95**
Payables					
1. Modi Care Ltd.	-	-	-	-	0.00
2. Beacon Travels Pvt. Ltd.	-	-	0.25	0.25	-
3. KKM Management Center Pvt. Ltd.	-	-	1.19	1.19	0.57
4. Bina Fashion Pvt. Ltd.	-	-	0.00	0.00	-
5. Indofil Industries (Netherlands) B. V.	1.02	-	0.00	1.02	1.02
6. Indo Baijin Chemicals Pvt. Ltd.	6.67	-	0.00	6.67	3.91
7. HMA Udyog Pvt. Ltd.	-	-	0.01	0.01	-
8. Godfrey Phillips India Ltd.	-	-	-	-	0.00
Total	**7.69**	**-**	**1.45**	**9.14**	**5.51**
INVESTMENTS MADE / DISPOSAL DURING THE YEAR					
1. Indofil Bangladesh Pvt. Ltd.	1.77	-	-	1.77	0.90
2. Indofil Industries (International) B. V.	11.58	-	-	11.58	6.61
3. Indo Reagens Polymer Additives Pvt. Ltd	0.50	-	-	0.50	-
Total	**13.85**	**-**	**-**	**13.85**	**7.51**
Remuneration payable to KMP	-	-	28.84	28.84	32.19
Total	**-**	**-**	**28.84**	**28.84**	**32.19**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: Nil, March 31, 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes forming part of Financial Statements
for the year ended March 31, 2019

Remuneration payable to KMP

₹ in crores

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Executive Directors	Non-Executive Directors	Total	Executive Directors	Non-Executive Directors	Total
Short-term employee benefits	23.41	1.75	25.16	26.60	1.75	28.35
Post-employment gratuity and medical benefits	3.25	-	3.25	3.40	-	3.40
Sitting Fees	-	0.43	0.43	-	0.43	0.43
Total	**26.66**	**2.18**	**28.84**	**30.00**	**2.18**	**32.18**

NOTE 46: SEGMENT REPORTING

As per Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

47 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.

48 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation.

49 Figures of previous years have been regrouped / reclassified wherever necessary to confirm to current year's classification.

CORPORATE INFORMATION	**1**
SIGNIFICANT ACCOUNTING POLICIES	**2**
NOTES ON ACCOUNTS	**3-49**

The accompanying notes are integral part of the financial statements.

As per our report attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Reg. No. 100991W

Paresh H. Clerk
Partner
Membership No. 036148

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

K. K. Modi
Chairman and Managing Director

Charu Modi
Executive Director

R. K. Malhotra
Group CEO

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Mr. Samir Kumar Modi
Ms. Aliya Modi
Mr. M. N. Thakkar
Mr. Sunil K. Alagh
Director

Mr. Sanjay Buch
Mr. S. Lakshminarayanan
Mr. Sanjay Prasad
Dr. Atchutuni Rao
Director

Mumbai, May 28, 2019

Independent Auditor's Report

To,
The Members of
Indofil Industries Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanyinging consolidated financial statements of **INDOFIL INDUSTRIES LIMITED** (herein after referred to as "the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures comprising the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements on the subsidiaries and joint ventures as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group and its joint ventures as at March 31, 2019, of its consolidated profit and total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibility for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its joint ventures in accordance with the "Code of Ethics" issued by The Institute of Chartered Accountant of India ("ICAI"), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, for the year ended March 31, 2019 and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

The Key Audit Matter	How was the matter addressed in our audit
Recognition of Goodwill The Group acquired a company in Italy during the year to benefit from synergies for a total consideration which, in addition to net assets acquired, is primarily allocated to goodwill. The acquisition of the said company required the management to apply judgement in identifying and valuing the goodwill arising from the transaction. The key assumptions relating to the valuation for the acquiree company included revenue growth, the discount rate and the competitive environment. In particular, we focused on the valuation of the acquired company's self generated marketing and distribution arrangement which required additional consideration. The determination of goodwill based on the valuation of acquiree company involved significant assumptions and judgements and hence, it is considered as a key audit matter.	Our audit procedures included the following: In relation to the acquisition, amongst others, the legal agreements supporting the transactions were examined. Examined information contained within due diligence and valuation reports as well as internal management presentations to the Board of Directors. The appropriateness of the methodology used by management to value the acquiree company and working out consequential amount of goodwill. Evaluated key estimates and assumptions used by management in arriving at the valuation. This evaluation focused on the appropriateness of the discount rate applied and key assumptions made regarding the revenue growth and competitive environment. Throughout our procedures we held inquiries of management's external valuers. Obtained an understanding of how the acquiree's real-world evidence would be used within the Group business and other expected synergies to justify the level of goodwill recognised on the acquisition. Assessed whether the Group's disclosures in relation to the acquisition meet the requirements of the relevant accounting standards.

The Key Audit Matter	How was the matter addressed in our audit
Revenue Recognition	Our audit procedures included the following:
Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts, incentives as also estimated sales returns.	Considered the appropriateness of the Group's accounting policy regarding revenue recognition.
Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter.	Testing controls, automated and manual, around dispatches/deliveries/ shipments, inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures.
	Assessed the disclosure in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".
Sales return estimation	
Revenue is recognised net of sales returns. Estimation of sales returns involves significant judgement and estimates due to its dependency on various internal and external factors. Estimation of sales return amount together with the level of judgement involved makes it key audit matter.	Our audit procedures included the following: Considered the appropriateness of the Group's accounting policies regarding revenue recognition as they relate to accounting for rebates, discounts and incentive as also estimated sales return. Obtained an understanding from the management regarding the process and the basis followed for the purpose of identifying and determining the amount of provision of sales returns. Checking of completeness and arithmetical accuracy of the data used by the management and also the assumptions and judgements used for the purpose of calculation of the provision for sales returns. Analysed past trends by comparing actuals with the estimates of earlier periods to compare between the estimates of provision for sales return required to be created with subsequent actual sales return. Analysed of the nature of any deviations to corroborate the effectiveness of the management estimation process.
The Key Audit Matter	**How was the matter addressed in our audit**
Rebates, Discounts and Incentives	
The Group sells its products through various channels such as dealers and commission agents (customers) and provide various rebates, discounts and incentives payable to them under various marketing schemes. Revenue is recognised net of rebates, discounts, incentives and estimated sales returns owed to the customers based on the arrangement with customers. Rebates, discounts and incentives to dealers / customers are administered through various schemes including incentives. Amounts involved for such rebates, etc. are material items voluminous and complex, and also involves significant judgement and estimates. The value of rebates, discounts and incentives together with the level of judgement involved make its accounting treatment a key audit matter. [Refer Note 2.14 to the consolidated financial statements]	Our audit procedures included the following: Assessed the design and implementation of controls from the management relating to recording of rebates, discounts and incentives based on estimation of revenue and tested the operating effectiveness of such controls. Tested the inputs used in the estimation of revenue in context of incentives and selecting samples of revenue transactions and circulars to re-check that rebates, discounts and schemes incentives were calculated in accordance with the eligibility criteria mentioned in the scheme circular. Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. Review of inputs used in calculating the amount and in some cases, re-performed the calculation. Verification of appropriate authorisation. Analysed past trends by comparing actuals with the estimates of earlier periods.
Recognition of MAT Credit Entitlement	
The Group has recognised MAT Credit Entitlement in the current year and as also in earlier years and reflect the same as DTA. The recognition of MAT Credit ("tax credits") as DTA is on the basis that it is probable that future taxable profit will be available against which such tax credits can be utilised.	Our audit procedures included the following: Considered the Group's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 on "Income Taxes". Evaluated the Group's tax positions by comparing it with prior years and past precedents.

The Key Audit Matter	How was the matter addressed in our audit
Such recognition of DTA is a key audit matter as the determination that it is probable that future taxable income will be available, that is, the recoverability of such tax credits within the allowed time frame, involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Group. [Refer Note 7 to consolidated financial statements]	Evaluated the estimates of profitability made by the management on the basis of which it is considered probable that the Group will have sufficient taxable income against which the tax credits will be utilised. Discussed with the management the future business plans and financial projections on which the estimate of profitability is made. Assessed the management's long-term financial projections and the key assumptions used in the projections by comparing it to the approved business plan and projections used for impairment assessment where applicable. Assessed the disclosures in accordance with the requirements of Ind AS 12 on "Income Taxes".
Uncertain tax positions Indirect Taxes	
The Group has material uncertain tax matters which are under dispute litigations pending under various indirect tax laws. The litigation involves significant judgement to determine the possible outcome based on which accounting treatment is given to the disputed amount. These matters are considered to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome. [Refer Note 36 to the consolidated financial statements]	Our audit procedures include the following: Obtained the details of uncertain tax position and gained understanding thereof. Read and analysed relevant communication with the authorities and legal consultants. Considered the legal advice obtained by the management on possible outcome of the litigation. Discussed with senior management and evaluated management's assumptions regarding provisions made. Assessed the disclosures in accordance with the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Asset".

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management of the companies included in the Group and its joint ventures are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture are responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiaries and joint ventures incorporated in India has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and its subsidiaries) and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, that is, the Holding Company, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further prescribed in section titled 'Other Matters' to this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements and the financial information of the Company's subsidiaries and joint ventures, whose financial statements and financial information reflect total net assets of ₹ 244.13 crores as at March 31, 2019, total revenues of ₹ 251.03 crores, total net profit after tax of ₹ 11.01 crores and total comprehensive income of ₹ 215.66 crores and net cash outflows amounting to ₹ 11.38 crores for the year ended March 31, 2019, as considered in preparation of the consolidated financial statements. The financial statements/financials of subsidiaries, which are incorporated outside India, have been prepared in accordance with accounting principles generally accepted in respective country and those of subsidiaries incorporated in India have been prepared in accordance with Accounting Standards prescribed under Section 133 of the Act. The financial statements/financial information of subsidiaries whether incorporated in India or outside India have been converted Ind AS and the accounting principles generally accepted in India, by the Company's management, which have been audited by us. The financial statements/financial information of joint ventures, which are incorporated in India, have been prepared in accordance with Ind AS and accounting principles generally accepted in India. The financial statements/financial information of subsidiaries/joint ventures have been audited by other auditors whose reports (except with respect to Agrowin Biosciences SRL- not a material subsidiary) have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to aforesaid subsidiaries and joint ventures is based solely on the reports of the those respective auditors and conversion adjusted prepared by the management and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and notes to the Consolidated Financial Statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and as reported by the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the companies in the Group and joint ventures are disqualified as on March 31, 2019 from being appointed as a director of the respective company in terms of Section 164 (2) of the Act.

f) With respect to the internal financial controls with reference to financial statements of the Holding Company, Subsidiaries and joint ventures which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A" to this report.

g) With respect to the matter to be included in the Auditor's Report in accordance with requirement of Section 197 (16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us and based on the reports of the statutory auditors of subsidiaries and joint ventures incorporated in India which are not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiaries and joint ventures incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiaries and joint ventures incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as reported by the auditors of the subsidiaries and joint ventures:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 36 to the consolidated financial statements;

   ii. The Holding Company has long-term contracts including derivative contracts. However, no provision is required to be made for any foreseeable loss in respect thereof. Subsidiaries and joint ventures do not have any such long-term contracts. Accordingly, no such provision is reflected in the consolidated financial statements;

   iii. There were no amounts which were required to be transferred as on March 31, 2019 to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and the joint ventures incorporated in India.

For BANSI S. MEHTA & CO
Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: May 28, 2019

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 1 (f) under the heading of "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report of even date to the Members of Indofil Industries Limited on the Consolidated Financial Statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Indofil Industries Limited ("the Holding Company"), and such companies incorporated in India under the Companies Act, 2013 which are its subsidiaries and its joint ventures as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to the consolidated financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company;

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred in the Other Matters paragraph below, Holding Company, its subsidiaries and joint ventures, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31, 2019, based on the internal controls over financial reporting criteria established by respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements, in so far as it relates to the subsidiaries and joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For BANSI S. MEHTA & CO
Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: May 28, 2019

Consolidated Balance Sheet

as at March 31, 2019

₹ in crores

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	722.36	429.40
Capital Work-in-Progress	3	14.90	253.60
Goodwill	1	9.56	-
Other Intangible Assets	3	335.34	292.93
Intangible Assets under Development	3	54.40	101.37
Financial Assets			
Investments	4	838.93	607.95
Loans	5	0.55	0.71
Other Financial Assets	6	19.20	25.43
Deferred Tax Assets	7	74.02	72.89
Income Tax Assets	8	14.53	7.70
Other Non-Current Assets	9	42.16	51.59
Total Non-Current Assets		**2,125.95**	**1,843.57**
Current Assets			
Inventories	10	640.39	376.67
Financial Assets			
Trade Receivables	11	823.94	842.04
Cash and Cash Equivalents	12	186.21	152.91
Other Bank Balances	13	1.99	3.00
Other Financial Assets	14	2.92	0.66
Other Current Assets	15	125.50	92.69
Total Current Assets		**1,780.95**	**1,467.97**
TOTAL ASSETS		**3,906.90**	**3,311.54**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	21.35	21.35
Other Equity	17	1,979.29	1,583.86
Equity attributable to owners of the Company		2,000.64	1,605.21
Non-controlling interests	17	0.31	-
Total Equity		**2,000.95**	**1,605.21**
Liabilities			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	18	527.94	550.45
Other Financial Liabilities	19	20.55	18.27
Provisions	20	9.47	6.49
Total Non - Current Liabilities		**557.96**	**575.21**
Current Liabilities			
Financial Liabilities			
Borrowings	21	596.80	595.52
Trade Payables	22	374.93	248.81
Other Financial Liabilities	23	352.07	252.35
Other Current Liabilities	24	6.92	14.71
Provisions	25	12.26	11.09
Current Tax Liabilities (Net)	8	5.01	8.64
Total Current Liabilities		**1,347.99**	**1,131.12**
Total Liabilities		**1,905.95**	**1,706.33**
TOTAL EQUITY AND LIABILITIES		**3,906.90**	**3,311.54**
CORPORATE INFORMATION	**1**		
SIGNIFICANT ACCOUNTING POLICIES	**2**		
NOTES ON ACCOUNTS	**3-50**		

The accompanying notes are integral part of the financial statements.

As per our report attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Reg. No. 100991W

Paresh H. Clerk
Partner
Membership No. 036148

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

K. K. Modi
Chairman and Managing Director

Charu Modi
Executive Director

R. K. Malhotra
Group CEO

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

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Ms. Aliya Modi
Mr. M. N. Thakkar
Mr. Sunil K. Alagh
Director

Mr. Sanjay Buch
Mr. S. Lakshminarayanan
Mr. Sanjay Prasad
Dr. Atchutuni Rao
Director

Mumbai, May 28, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

₹ in crores

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Income			
Revenue from Operations	26	2,267.21	2,048.08
Other Income	27	12.44	14.46
Total Income		**2,279.65**	**2,062.54**
Expenses			
Cost of Materials Consumed	28	1,205.95	870.66
Excise Duty Expense		-	32.25
Purchase of Stock-in-trade	29	183.46	225.38
Changes in Inventories of Finished Goods / Stock-in-trade	30	(242.36)	(58.59)
Employee Benefits Expense	31	212.50	181.49
Finance Costs	32	68.83	62.71
Depreciation and Amortisation	3	91.36	70.78
Other Expenses	33	530.94	416.72
Total Expenses		**2,050.68**	**1,801.40**
Profit Before Tax and Exceptional Items		**228.97**	**261.14**
Exceptional Items		-	-
Profit Before Tax		228.97	261.14
Tax Expenses			
Current Tax		49.46	53.21
Short / (Excess) provision of Earlier Years		0.13	3.77
Deferred Tax- Others		10.22	(5.11)
Deferred Tax- MAT Credit Entitlement		(16.52)	(15.77)
Total Tax Expenses		**43.29**	**36.10**
Profit After Tax		**185.68**	**225.04**
Share of Profit / (Loss) of Joint Ventures		3.04	10.98
Profit For The Year		188.72	236.02
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss in subsequent years			
Re-measurement of Gains / (Loss) on Defined Benefit Plans		(1.06)	(16.39)
Net Gain / (Loss) on Fair Value of Equity Instruments		220.79	(204.31)
Income Tax on above items		0.37	5.73
Total (A)		**220.10**	**(214.97)**
B Items that will be reclassified to profit or loss in subsequent years			
Share of OCI of Joint Ventures		-	-
The effective portion of gains / (loss) on hedging instruments	35	19.06	(41.42)
Foreign Currency Translation Reserve (FCTR)		(5.80)	(21.56)
Income Tax on above item		(6.66)	14.47
Total (B)		**6.60**	**(48.51)**
Total Other Comprehensive Income for the year		**226.70**	**(263.48)**
Total Comprehensive Income for the year		**415.42**	**(27.46)**
Total Profit / (loss) for the year attributable to:			
- Owners of the Company		188.82	236.02
- Non-controlling interest		(0.10)	-
		188.72	**236.02**
Other Comprehensive Income /(loss) for the year attributable to:			
- Owners of the Company		226.70	(263.48)
- Non-controlling interest		-	-
		226.70	**(263.48)**
Total Comprehensive Income /(loss) for the year attributable to:			
- Owners of the Company		415.52	(27.46)
- Non-controlling interest		(0.10)	-
		415.42	(27.46)
Earnings Per Share - Basic and Diluted (₹)	39	88.40	110.53
CORPORATE INFORMATION	**1**		
SIGNIFICANT ACCOUNTING POLICIES	**2**		
NOTES ON ACCOUNTS	**3-50**		

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Mumbai, May 28, 2019

Consolidated Statement of Cash Flow

for the year ended March 31, 2019

₹ in crores

	Particulars		Year ended March 31, 2019		Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit / (Loss) Before Tax		228.99		261.11
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
	Depreciation and Amortisation	91.36		70.78	
	Finance Costs	68.83		62.70	
	Interest Income	(1.05)		(3.84)	
	Rent Income	(0.07)		(0.07)	
	Profit on Sale of Investments	(1.09)		(0.94)	
	Guarantee Commission	(0.58)		-	
	Sundry Balances Written Back	(8.16)		(2.59)	
	(Profit) / Loss on Sale of Property, Plant and Equipment	(0.04)		(0.07)	
	(Gain) / Loss on Fair Valuation of Investments	(0.35)		0.12	
	Bad Debts	-		1.27	
	Cash Flow Hedging reserve recycled through Profit and Loss	17.42		-	
	Provision for Doubtful Debts	10.05		8.00	
	Foreign Exchange Loss / (Gain)	(19.61)	156.71	-	135.36
	Operating Profit Before Changes in Working Capital		**385.70**		**396.47**
	Adjustment for Changes in Working Capital				
	(Increase) / Decrease in Trade Receivables	8.06		(245.58)	
	(Increase) / Decrease in Inventories	(263.71)		(99.51)	
	(Increase) / Decrease in Other Financial Assets	4.17		(11.94)	
	(Increase) / Decrease in Other Non-Financial Assets	(23.40)		(65.52)	
	Increase / (Decrease) in Trade Payables	132.25		59.11	
	Increase / (Decrease) in Other Financial Liabilities	(20.91)		(17.49)	
	Increase / (Decrease) in Provisions	4.15		0.39	
	Increase / (Decrease) in Other Non-Financial Liabilities	(8.86)	(168.25)	(42.34)	(422.88)
	Cash Generated from Operations		**217.44**		**(26.41)**
	Less: Taxes Paid (Net of refund received)		(60.04)		(51.75)
	NET CASH FLOW FROM OPERATING ACTIVITY (A)		**157.40**		**(78.16)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment and Intangible Assets	(129.69)		(267.64)	
	Acquisition of new subsidiary	(11.19)		-	
	Investments made during the year	(5.95)		(6.68)	
	Proceeds from Sale of Investments	3.09		46.47	
	Financial Assets – Loans (Given) /Repaid	0.16		13.95	
	Interest Income	0.86		4.18	
	Deposits	1.18		-	
	Rent Income	0.07		0.07	
	Guarantee Commission	0.58		-	
	NET CASH FLOW FROM INVESTING ACTIVITY (B)		**(140.89)**		**(209.65)**
C	**CASH FLOW FROM FINANCING ACTIVITY**				
	Receipt of Long-term borrowings	210.42		147.17	
	Repayment of Long-term borrowings	(96.52)		(139.55)	
	Increase / (Decrease) in Short-term borrowings	9.10		310.24	
	Margin Money and unpaid dividend	(0.17)		4.24	
	Finance Costs	(80.71)		(61.37)	
	Corporate Dividend (incl. Dividend Distribution Tax)	(19.53)		(20.57)	
	NET CASH FLOW FROM FINANCING ACTIVITY (C)		**22.59**		**240.16**
	Exchange Differences on Translation of Foreign Operations (D)		**(5.80)**		**(21.56)**
	NET CASH FLOW FOR THE YEAR (A + B + C + D)		**33.31**		**(69.21)**
	Add: Opening Balance of Cash and Cash Equivalents		152.91		222.10
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		**186.21**		**152.91**

Consolidated Statement of Cash Flow

for the year ended March 31, 2019

CHANGES IN LIABILITY ARISING FROM FINANCING ACTIVITIES

₹ in crores

Particulars	As at April 1, 2018	Cash Flow	Foreign Exchange Movement	As at March 31, 2019
Borrowings – Non-Current (Refer Note 18 and Note 23)	651.08	112.09	(11.62)	751.55
Borrowings – Current (Refer Note 21)	595.52	(9.10)	(7.82)	596.80
TOTAL	**1,246.60**	**102.99**	**(19.44)**	**1,348.35**

CORPORATE INFORMATION	**1**
SIGNIFICANT ACCOUNTING POLICIES	**2**
NOTES ON ACCOUNTS	**3-50**

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As per our report attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
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Paresh H. Clerk
Partner
Membership No. 036148

Mumbai, May 28, 2019

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Dr. Atchutuni Rao
Director

Mumbai, May 28, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital

₹ in crores

Particulars	
Balance as on March 31, 2018	21.35
Add: Changes in Equity Capital during the FY 2018-19	-
Balance as on March 31, 2019	**21.35**

B. Other Equity

₹ in crores

Particulars	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Debenture Redemption Reserve	Capital Reserve	Special Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Foreign Currency Translation Reserve	Remeasurements gains / (loss) on defined benefit plans	Share of OCI in Joint Ventures	The effective portion of gains and loss on hedging instruments	Non-controlling interest	Total
Balance as on April 1, 2018	6.30	5.08	108.04	-	0.01	9.74	51.70	1,207.17	249.31	(11.36)	(15.15)	(0.04)	(26.95)	-	1,583.87
NCI on acquisition of subsidiary during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	0.41	0.41
Profit for the period	-	-	-	-	-	-	-	188.72	-	-	-	-	-	(0.10)	188.62
Transfer from Surplus	-	-	-	37.50	-	1.56	-	(39.06)	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	220.79	(5.80)	(0.69)	-	12.40	-	226.70
Guarantee commission adjsuted Indobaijin	-	-	-	-	-	-	-	(0.28)	-	-	-	-	-	-	(0.28)
Dividends on Shares	-	-	-	-	-	-	-	(17.08)	-	-	-	-	-	-	(17.08)
Dividend Distribution Tax	-	-	-	-	-	-	-	(2.61)	-	-	-	-	-	-	(2.61)
															-
Balance As at March 31, 2019	6.30	5.08	108.04	37.50	0.01	11.29	51.70	1,336.86	470.10	(17.16)	(15.84)	(0.04)	(14.55)	0.31	1,979.60

Nature and Purpose of the Reserves

Capital Reserve on Consolidation

It arises on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor.

Capital Redemption Reserve

Capital redemption reserve is created due to redemption of preference share capital in earlier years as per the requirement of the Companies Act.

Securities Premium

Security premium account is created when shares are issue at premium. A Group may utilise the security premium reserve account as per the requirements of Companies Act.

Debenture Redemption Reserve

Debenture redemption reserve is created for repayment of non-convertible debenture.

Capital Reserve

Capital reserve is created on account of forfeiture of share capital in earlier years.

Consolidated Statement of Changes in Equity
for the year ended March 31, 2019

Special Reserve
Special Reserve created by transfer from Surplus of Statement of Profit and Loss in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

General Reserve
The Group has transferred a portion of Net Profits of the Group before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013.

Retained Earnings
Retained Earnings are the profits that the Group has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividends and adjustments on account of transition to Ind AS.

Equity Instruments through Other Comprehensive Income
The Group has elected to recognised changes in the fair value of investments in equity instruments in other comprehensive income (FVTOCI) and it is the cumulative gains and losses arising on the fair value change of equity instruments is reflected herein. The net of amount is reclassified to retained earnings on disposal of such investments.

Foreign currency translation reserve
The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

The effective portion of gains and loss on hedging instruments
The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction is settled.

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Mumbai, May 28, 2019

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 1: CORPORATE INFORMATION

Indofil Industries Limited ('the Company') is a research led, fully integrated multi-product chemical company engaged in manufacturing and distribution of Agrochemicals and Specialty & Performance Chemicals.

The Company is a public limited company incorporated in India with its registered office at Kalpataru Square, 4th Floor, Kondivita Road, Off Andheri-Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra.

The Company, its Subsidiaries and its Joint Ventures (jointly referred to as the "Group" herein under) considered in these Consolidated Financial Statements ("CFS") are:

a. Subsidiaries

Name of the Company	Country of Incorporation	Principal Activities	Proportion of Equity Interest (%)
Indofil Industries (Netherlands) B.V.	The Netherlands	Marketing & Distribution of Agrochemicals	**100%**
Indofil Bangladesh Industries Pvt. Ltd.	Bangladesh		**100%**
Indofil Costa Rica S.A.	Costa Rica		**100%**
Indofil Industries DO Brasil Ltda.	Brazil		**100%**
Indofil Philippines, Inc	Philippines		**100%**
Agrowin Biosciences S.r.l.	Italy		**80%**
Indofil Industries (International) B.V.	The Netherlands	Holding Company	**100%**
Good Investment (India) Ltd.	India	Investment Company	**100%**
Quick Investment (India) Ltd.	India		**100%**

During the year, Indofil Industries (Netherlands) B.V., a subsidiary of the holding company, has acquired 80% of the Equity Share Capital of Agrowin Biosciences, S.r.l., an Italian Company, engaged in the marketing and distribution of Agrochemicals. The said Netherland Subsidiary has paid a total consideration of ₹ 11.20 crores (Euro 1.44 million) towards the said acquisition. The identifiable assets and liabilities of the Italian Company, being Trade Receivables, Trade Payables and Bank Borrowings, are recorded at fair values (that being same as carrying values of those assets and liabilities), the difference between the consideration paid for the acquisition of the Italian Company and the respective value of assets and liabilities so acquired are recognised in the consolidated financial statements as Goodwill at ₹ 9.56 crores.

a) Joint Ventures

Name of the Company	Country of Incorporation	Principal Activities	Proportion of Equity Interest (%)
Indobaijin Chemicals Pvt. Ltd.	India	Manufacture, Marketing & Distribution of Chemicals	**51%**
Indo Reagens Polymer Additives Pvt. Ltd.	India		**49.90%**

During the year, the Company has entered into a Joint Venture agreement with Reagens S.p.a, holding 49.9% of the total equity interest, incorporated under the name "Indo Reagens Polymer Additives Private Limited".

During the year, the Company has divested its investments in Joint Ventures with Hifil Chemicals Private Limited.

NOTE 2: SIGNIFICANT ACCOUNTING POLIICES

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act

The Consolidated Financial Statements for the year ended March 31, 2019 have been prepared in accordance with the Ind AS issued and effective as at the reporting date.

2.2 Basis of preparation

The financial statements of the Subsidiaries and the Joint Ventures used for consolidation are drawn/ prepared for consolidation up to the same reporting date as the Company. The consolidated financial statements have been prepared on the following basis:

- The financial statements of subsidiary companies have been combined on line to line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances, intra group transactions and the unrealised profits/ losses in accordance with Ind AS 110 – "Consolidated Financial Statements"

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

- In case of foreign subsidiary companies, revenue and expense items are converted at the average exchange rate prevailing during the period. All assets and liabilities are converted at the exchange rate prevailing at the year end. All resulting exchange differences arising out of translation are accumulated in the Foreign Currency Translation Reserve in accordance with Ind AS 21 – "The Effects of Changes in Foreign Exchange Rates".
- The difference between the cost of investments in subsidiary companies over the respective assets and liabilities recorded at fair values at the time of acquisition of shares in the subsidiary companies are recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.
- The investments in the Joint Ventures are accounted for using the Equity Method of accounting as laid down under Ind AS 28 – "Investment in Associates and Joint Ventures". The investments are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The unrealised profits/losses on transactions with the associate company are eliminated by reducing the carrying amount of investments.
- Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.These consolidated financial statements are presented in Indian Rupees (INR) and all amounts are rounded off to nearest crores (INR '00,00,000) up to two decimals, except when otherwise indicated.

2.3 Use of Estimates and Judgements:

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Measurement and likelihood of occurrence of provisions and contingencies – Note No. 20, 25 and 36
- Recognition of Deferred Tax Assets / (Liabilities) – Note No. 7
- Key Assumptions used in Fair Valuation Methods of Financial Assets – Note No. 42.
- Impairment of Financial Assets (Trade Receivables) – Note No. 9

2.4 Classification of Assets and Liabilities

Assets and Liabilities are classified as current or non-current, *inter-alia*, considering the normal operating cycle of the Company's operations being 8 months and the expected realisation/settlement thereof within 12 months after the Balance Sheet date.

2.5 Property, Plant and Equipment

Property, Plant and Equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, Plant and Equipment are stated at cost of acquisition or construction including attributable borrowing cost till such assets are ready for intended use, less accumulated depreciation, impairment losses and credits received, if any.

Cost of acquisition for the aforesaid purpose comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, net of trade discounts, rebates and credits received, if any.

In case of new projects and substantial expansion of existing capacity, expenditure incurred including trial production expenses, net of revenue earned and attributable interest and financing costs, prior to commencement of commercial production are capitalised.

Freehold land is carried at historical cost less impairment loss, if any.

Depreciation is provided on a pro-rata basis as per useful lives prescribed by Schedule II of the Act on Straight-Line Method on Plant and Machinery and on Written Down Value Method for others.

Items of Plant Property and Equipment which has cost of ₹ 5,000 or less are depreciated fully in the year of purchase/ capitalisation.

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

2.6 Capital Work-in-Progress

Items of Property, Plant and Equipment which are not ready for intended use on the date of Consolidated Balance Sheet are disclosed as Capital Work-in-progress. It is carried at

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

cost, less accumulated impairment loss, if any. The items classified under Capital Work-in-progress are capitalised to the respective items of PPE on their completion and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

2.7 Other Intangible Assets

Other Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow to the group and the cost of the item can be measured reliably. Other Intangible Assets acquired separately are measured on initial recognition at cost. Subsequently, Other Intangible Assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite – life Intangible Assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite – life Intangible assets are as follows

- 10 years in case of Patents and Know-How comprised in the Dithane Fungicide Business in certain countries in the European continent acquired under a Business Purchase Agreement;
- 7 years in case of other Intangible Assets.

The Intangible Assets in Indofil Industries (Netherlands) B.V. are amortised on Straight-Line Method over a period of twenty years

2.8 Research and Development Cost

Revenue expenditure on Research and Development is charged off as expense in the year in which it is incurred under the respective natural heads of account. Expenditure resulting in creation of Capital Assets (Including Intangibles) is capitalised and depreciated / amortised accordingly.

2.9 Inventories

- Raw Material and Packaging Materials – at weighted average cost or net realisable value whichever is lower.
- Finished Goods and Goods-in-process – at lower of cost or net realisable value on First In - First out basis. Goods-in-process are classified as Raw Materials or Finished Goods considering the stage of completion.
- Stores and Spares – at weighted average cost or net realisable value whichever is lower.
- Goods-in-transit – at cost.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

- Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value. In case of Financial Assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the Statement of Profit and Loss, while in other cases, the transaction costs are attributed to the acquisition value of the financial asset.

- Subsequent Measurement

Financial Assets are subsequently classified as measured at

- Amortised cost
- Fair Value through Profit and Loss (FVTPL)
- Fair Value through Other Comprehensive Income (FVOCI)

Financial Assets are not reclassified subsequent to their recognition, except in the period when the Company changes its business model for managing financial assets.

Financial Assets at Amortised Cost

Financial Assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income

Financial Assets are measured at Fair Value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present in Other Comprehensive Income, subsequent changes in the fair value of equity investments not held for trading.

Financial Assets at Fair Value through Profit and Loss

Financial Assets are measured at Fair Value through Profit and Loss unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income on initial recognition.

Cash and Cash Equivalents

Cash and Cash Equivalent comprises of Balances with Bank and in hand as well as short-term and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Consolidated Notes forming part of Financial Statements

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- Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual right to receive the cash flows from the asset.

Financial liabilities

- Initial recognition and measurement

On initial recognition, all financial liabilities are recognised at fair value and in case of loans and borrowings, net of directly attributable transaction costs.

- Subsequent measurement

Financial Liabilities are subsequently classified as measured at

- Amortised cost
- Fair Value through Profit and Loss (FVTPL)

Financial Liabilities are measured at amortised cost using the Effective Interest Rate (EIR) method. Financial Liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

- Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.11 Hedge Accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values of cash flows of hedged items.

The effective portion of changes in the fair value of hedging instrument that are designated and qualify as cash flow hedges is recognised in the Other Comprehensive Income (OCI) in Cash Flow Hedge Reserve within Equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The profit or loss relating to the ineffective portion is recognised immediately in profit or loss.

The Company uses its Foreign Currency Borrowings and Buyer's Credit as hedging instrument of its exposure to foreign exchange risk on its highly probable forecasted sales. Amounts recognised in OCI will be transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.

2.12 Impairment of Non-Financial Assets

If internal/external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset/cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset/cash generating unit is reduced to the said recoverable amount.

The recoverable amount is measured as the higher of the fair value less cost of disposal and value in use of such assets/cash generating unit, which is determined by the present value of the estimated future cash flows.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment, a reversal of an impairment loss for an asset is recognised in the Statement of Profit and Loss.

2.13 Provisions and Contingent Liabilities / Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A present obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets are not recognised and are disclosed when inflow of economic benefits is probable

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.14 Revenue from Contracts with Customers:

Revenue from contracts with customers for sale of goods is recognised when the Group satisfies performance obligation by transferring promised goods to the customer at an amount that reflects the consideration which the Group is expected to be entitled to in exchange for those goods. In case of the Group, performance obligations are satisfied at a point in time, i.e. when the customer obtains control of the asset.

Revenue is measured at the amount of transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and applicable Good and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales rebates, discounts and incentives. The rebates, discounts incentives and right of return are estimated and provided for, based on past experience. A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

Export Incentives

Income from Export Benefit Entitlement under the Duty Drawback Scheme / Merchandise Exports from India Scheme (MEIS) of the Government of India is recognised in the year in which the Revenue from related Export Sales is accounted for. Advance Licence Benefits on Exports are recognised in the year of utilisation of licence.

Insurance claims

Insurance claims are accounted upon acceptance of claims.

Interest and Dividend income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend Income is recognised when the right to receive the payment is established. Incomes from investments are accounted on an accrual basis.

Liability for sales return

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

2.15 Employee Benefits

Defined Contribution Plans

Group's contributions towards Defined Contribution Plans, paid/payable during the year, the extent applicable are recognised in the Statement of Profit and Loss.

Defined Benefit Plans

Group's accrued liabilities towards Gratuity and Leave Encashment, to the extent applicable are determined on actuarial basis using the projected unit credit method for the period of service to build up the final obligation.

Service Cost (Both Current and Past) and Net Interest Expenses or Income is recognised as expenses in the Statement of Profit and Loss.

Any difference between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised immediately in Other Comprehensive Income and subsequently not reclassified to the Statement of Profit and Loss.

The Company's Gratuity and Superannuation Scheme are administered by Life Insurance Corporation of India to which contributions are made.

The Retirement Benefit Obligation recognised in the Balance Sheet represents the present value of the Defined Benefit Obligation reduced by the Fair Value of the Plan Assets.

2.16 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such assets are ready for their intended use.

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

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

All other borrowing costs are recognised as expense in the Statement of Profit and Loss in the period in which they are incurred.

2.17 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

2.18 Taxes

Income Tax expenses comprise of Current Tax and Deferred Tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognised directly in Equity or in Other Comprehensive Income, in which case, the same are recognised therein.

Current Income Tax

Provision for Current Tax is made on the basis of taxable income for the current year in accordance with the provisions of the applicable tax laws.

Deferred Tax

Deferred Tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A Deferred Tax Liability is recognised based on the expected realisation settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted, by the end of the reporting period. Deferred Tax Asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred Tax Assets and Deferred Tax Liabilities are reviewed at each reporting date.

Deferred Tax Assets include credit for Minimum Alternate Tax (MAT) is recognised in respect of liability under MAT provisions, based on expected tax liability under normal provision of the applicable tax laws during the period specified thereunder.

2.19 Earnings Per Share

Basic earnings per share is computed by dividing the net profits for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.20 Ind AS issued but not effective

Ministry of corporate affairs ("MCA") through the Companies (Indian Accounting Standard) Amendment Rules, 2019 has notifies the new amendment to Ind AS:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Group will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to

Consolidated Notes forming part of Financial Statements

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(a) amortisation charge for the right-to-use asset, and

(b) interest accrued on lease liability Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short-term lease. In all other cases, the sublease shall be classified as a finance lease.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes – Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Group is in the process of evaluating the impact of such amendments

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 3: PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

₹ in crores

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at April 1, 2018	Additions / Transfers	Deductions	As at March 31, 2019	As at April 1, 2018	For the Year	Adjustments	On Deductions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
(A) TANGIBLE ASSETS [1 2 3]											
Land – Freehold	1.77	-	-	1.77	-	-	-	-	-	1.77	1.77
Factory Buildings	111.61	93.60	-	205.21	33.92	12.45	0.09	-	46.46	158.75	77.69
Non-Factory Buildings	106.28	26.34	-	132.62	29.94	5.28	-	-	35.22	97.40	76.34
Culverts	0.20	0.39	-	0.58	0.03	0.03	-	-	0.06	0.52	0.17
Plant and Machinery	285.65	131.21	0.63	416.22	68.19	16.24	-	0.28	84.15	332.07	217.46
Other Plant Equipment	44.14	54.36	-	98.50	16.06	10.73	-	-	26.79	71.71	28.08
Electrical Installation and Equipment	11.58	31.42	-	42.99	3.20	6.02	-	-	9.22	33.77	8.38
Furniture and Fixture	8.00	0.55	0.35	8.20	5.56	0.66	(0.00)	0.29	5.93	2.27	2.43
Vehicles	21.01	2.42	2.89	20.54	15.68	1.65	(0.01)	2.64	14.68	5.86	5.34
Office Equipments	11.86	2.14	0.03	13.96	9.50	1.40	(0.00)	0.02	10.87	3.09	2.37
Roads	4.37	6.90	-	11.27	2.32	1.83	-	-	4.15	7.12	2.05
Computers	8.67	2.14	0.02	10.78	7.13	1.35	(0.00)	0.02	8.46	2.32	1.54
Capital Expenditure on Research and Development											
Buildings	4.27	-	-	4.27	2.05	0.23	-	-	2.28	1.99	2.21
Plant and Machinery	9.73	0.79	-	10.53	6.22	0.66	-	-	6.88	3.65	3.51
Furniture and Fixture	0.24	-	-	0.24	0.20	0.01	-	-	0.21	0.03	0.03
Other Equipments	0.07	0.00	-	0.07	0.05	0.01	-	-	0.06	0.01	0.02
Total - Tangible Assets	**629.45**	**352.26**	**3.92**	**977.79**	**200.05**	**58.55**	**0.08**	**3.25**	**255.43**	**722.36**	**429.40**
(B) INTANGIBLE ASSETS											
Licence, Registration, etc. in Respect of Acquired Business	16.79	-	-	16.79	8.54	1.68	-	-	10.22	6.57	8.25
Scinetific Research Expenditure for Product Development	386.01	72.21	-	458.22	103.69	30.56	(0.00)	-	134.25	323.97	282.32
Software Licences	3.01	3.00	-	6.01	0.65	0.56	(0.00)	-	1.21	4.80	2.36
Total - Intangible Assets	**405.81**	**75.21**	**-**	**481.02**	**112.88**	**32.80**	**-**	**-**	**145.68**	**335.34**	**292.93**
(C) CAPITAL WORK-IN-PROGRESS	253.60	104.93	343.63	14.90						14.90	253.60
(D) INTANGIBLES UNDER DEVELOPMENT											
Scinetific Research Expenditure for Product Under Development	101.37	23.79	70.76	54.40	-	-	-	-	-	54.40	101.37
(E) INVESTMENT PROPERTY [4]	-	-	-	-	-	-	-	-	-	-	-
TOTAL(A)+(B)+(C)+(D)+(E)	**1,390.23**	**556.18**	**418.32**	**1,528.11**	**312.93**	**91.35**	**0.08**	**3.25**	**401.11**	**1,127.00**	**1,077.30**
Previous Year's Total	**1,124.64**	**328.42**	**62.83**	**1,390.23**	**244.27**	**70.78**	**(0.00)**	**2.13**	**312.93**	**1,077.30**	

[1] Non-Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-.

[2] Includes Borrowing Cost of ₹ 11.35 crores (March 31, 2018: ₹ 6.37 crores) capitalised during the year in terms of Para 8 of the "Indian Accounting Standard 23- Borrowing Costs" and Employee Cost of ₹ 7.52 crores (March 31, 2018: ₹ 3.76 crores). The Effective Interest Rate (EIR) used to determine the amount of borrowing cost eligible for capitalisation is the EIR of the specific borrowing".

[3] Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquistion of Fixed Assets ₹ 1.81 crores (March 31, 2018: ₹ 2.82 crores) capitalised during the year in terms of Para 7AA of "Indian Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates". Unamortised Amount as at the year end was ₹ 7.82 crores (March 31, 2018: ₹ 6.31 crores).

[4] Property at Sameer Vihar, Modi Nagar yielding rental income to the Company is not recognised as Investment Property due to non-availability of reliable measurement of cost. The Fair Value of the said Investment Property based on the Management Estimate is ₹ 32.62 crores as at the year end.

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 4: FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Investment at cost				
Unquoted				
Investments in Equity Instruments				
Joint Ventures				
Indobaijin Chemicals Pvt. Ltd.	4,366,096	56.13	4,366,096	58.24
(Face Value – ₹ 100/- each)				
Hifil Chemicals Pvt. Ltd.	-	-	4,900	-
(Face Value – ₹ 10/- each)				
Indo Reagens Polymer Additives Private Limited	499,000	0.34	-	-
(Face Value – ₹ 10/- each)				
Investment at Fair value Through Other Comprehensive Income				
Quoted				
Investment in Equity Instruments				
Godfrey Philips India Limited	6,545,020	758.63	6,545,020	537.31
(Face Value – ₹ 2/- each)				
Modi Rubber Ltd.	215,311	0.99	215,311	1.81
(Face Value – ₹ 10/- each)				
Investment at Fair Value Through Profit and Loss				
Unquoted				
Investment in Mutual Funds				
Union Balanced Advantage Regular Fund	377,200	0.40	249,990	0.38
(Face Value – ₹ 10/- each)				
Union Largecap Fund Regular Growth	249,990	0.27	249,990	0.25
(Face Value – ₹ 10/- each)				
ABSL Enhanced Arbitrage Fund-Dividend	1,261,600	1.47	1,191,958	1.32
(Face Value – ₹ 10/- each)				
ICICI Prudential Equity Arbitrage Fund	640,469	1.00	606,710	0.88
(Face Value – ₹ 10/- each)				
Aditya Birla Sun Life Enhanced Arbitrage Fund	1,888,523	2.20	1,784,273	1.97
(Face Value – ₹ 10/- each)				
DSP Black Rock Equity- Saving Fund	1,728,786	2.14	1,654,985	1.87
(Face Value – ₹ 10/- each)				
Investment at Fair value Through Other Comprehensive Income				
Unquoted				
Investment in Equity Instruments				
The Cosmos Co-op. Bank Ltd	14,250	0.76	14,250	0.68
(Face Value – ₹ 100/- each)				
Modi Spinning & Weaving Mills Co. Ltd.	75,631	0.08	75,631	0.08
(Face Value – ₹ 10/- each)				
Less: Provision for Diminution in Value of Investment		(0.08)		(0.08)
Modi Industries Limited	5,580	0.01	5,580	0.01
(Face Value – ₹ 10/- each)				
Less: Provision for Diminution in Value of Investment		(0.01)		(0.01)
KKM Management Centre Pvt. Ltd.	338,100	1.10	338,100	1.03
(Face Value – ₹ 10/- each)				
KKM Management Centre Middle East (FZC)	192	0.74	192	0.45
(Face Value – AED 1000/- each)				
Grace Breeding Nitrogen Fixation Technologies Ltd.	10,848	10.68	-	-
(Face Value – NIS 0.001/- each)				

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Investments in ITACA	30,000	0.49	-	-
(Face Value – Euro 1/- each)				
International Research Park Laboratories	50,000	0.15	50,000	0.40
(Face Value – ₹ 10/- each)				
Beacon Travels Pvt. Ltd.	4,500	0.48	4,500	0.40
(Face Value – ₹ 10/- each)				
Modi Care Limited	-	-	8,000,000	2.00
(Face Value – ₹ 2.5/- each)				
Less: Diminution in Value of Investment		-		(2.00)
Agache Associates Limited	6,250	0.01	6,250	0.01
(Face Value – ₹ 10/- each)				
Less: Diminution in Value of Investment		(0.01)		(0.01)
Rajputana Fertilizer Limited	15,126	-	15,126	-
(Face Value – ₹ 10/- each)				
Haryana Distillery Limited	15,126	-	15,126	-
(Face Value – ₹ 10/- each)				
Rajputana Developers Limited	15,126	-	15,126	-
(Face Value – ₹ 10/- each)				
Investment at Fair value Through Other Comprehensive Income				
Unquoted				
Investment in Preference Shares				
Modi Spinning & Weaving Mills Co. Ltd.	165	0.00	165	0.00
(Face Value – ₹ 100/- each)				
Less: Provision for Diminution in Value of Investment		(0.00)		(0.00)
Premium Tradelinks Pvt. Ltd.	956,000	0.96	956,000	0.96
(Face Value – ₹ 10/- each)				
Modi Care Limited	2,500,000	-	2,500,000	-
(Face Value – ₹ 10/- each)				
Investment in Debentures				
Modi Industries Limited	328	0.01	328	0.01
(Face Value – ₹ 200/- each)				
Less: Provision for Diminution in Value of Investment		(0.01)		(0.01)
TOTAL		**838.93**		**607.95**
Aggregate Amount of Quoted Investment and Market Value thereof		**759.62**		**545.79**
Aggregate amount of Unquoted Investments		**79.31**		**62.16**
Aggregate amount of impairment in value of Investments		**0.11**		**2.10**

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 5: FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Loans to Employees	0.55	0.71
TOTAL	**0.55**	**0.71**

NOTE 6: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Security and Other Deposits	9.50	9.18
Forward Contract Receivable*	0.28	2.30
Fixed Deposits with original maturity after 12 months	9.42	13.95
TOTAL	**19.20**	**25.43**

* The Company entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduced the level of foreign currency risk for respected sales and purchases.

NOTE 7: DEFERRED TAX ASSETS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Undistributed Losses of Joint Ventures	-	-
Other items giving rise to temporary differences	33.79	36.28
Carry forward Losses		
MAT Credit Entitlement	96.11	79.59
	129.90	**115.87**
Deferred Tax Liabilities		
Undistributed Profits of Joint Ventures	(4.59)	(5.05)
Accelerated depreciation for tax purposes	(51.29)	(37.93)
	(55.88)	**(42.98)**
NET DEFERRED TAX ASSETS	**74.02**	**72.89**

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

Reconciliation of Deferred Tax Assets / (Liability) for the year

₹ in crores

Particulars	Deferred Tax Assets / Liabilities			
	MAT Credit Entitlement	Items giving rise to temporary differences	Accelerated Depreciation for Tax Purpose	Undistributed Profits / (Losses)
Balance as on April 1, 2018	**79.59**	**36.28**	**(37.93)**	**(5.05)**
MAT Credit Entitlement / (Utilisation) during FY2018-19	16.52	-	-	-
DTA on Items giving rise to temporary differences	-	(2.49)	-	-
(DTL) DTA on Accelerated Depreciation for tax purpose	-	-	(13.36)	-
DTA on Undistributed Losses of Joint Ventures	-	-	-	0.46
Balance as on March 31, 2019	96.11	33.79	(51.29)	**(4.59)**

NOTE 8: INCOME TAX ASSETS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Tax Asset	14.53	7.70
Tax Liabilities	(5.01)	(8.64)
	9.52	**(0.94)**

Reconciliation of Effective Tax Rates

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before tax	228.96	261.11
Statutory tax rate	34.94%	34.61%
Expected income tax expense at statutory tax rate	80.01	90.37
Tax effect of temporary/ timing difference	(5.74)	0.30
Tax effect of expenses not deductible	1.06	1.13
Tax effect of Exempt Income	(1.73)	(0.47)
Tax effect of allowable item	(0.37)	(5.67)
Tax effect of differential tax rate	(0.11)	-
Tax effect of Income tax incentive	(26.86)	(37.44)
Tax effect of Earlier year's short/excess provision	(2.97)	(12.11)
Tax expense	43.28	36.10
Effective tax rate	**18.90%**	**13.83%**

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 9: OTHER NON-CURRENT ASSETS

₹ in crores

Particulars	As at March 31, 2019		As at March 31, 2018	
Long-term Trade Receivables	**38.40**		**28.35**	
Less: Impairment Allowance	**(38.40)**	**-**	**(28.35)**	**-**
Capital Advances		0.80		12.22
Prepaid Leases		36.51		35.09
Balances with Govt. Authorities under litigation		4.85		4.28
TOTAL		**42.16**		**51.59**

NOTE 10: INVENTORIES

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
At Lower of Cost and Net Realisable Value		
Raw Materials	113.05	99.40
Raw Materials-in-transit	58.32	53.03
Finished Goods	398.97	160.73
Finished Goods-in-transit	3.09	3.28
Stock-in-trade	58.48	54.17
Stores and Spares	8.48	6.06
TOTAL	**640.39**	**376.67**

NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in crores

Particulars	As at March 31, 2019		As at March 31, 2018	
Trade Receivables at Amortised Cost				
Debts due for more than six months				
Secured – Considered Good	2.15		1.99	
Unsecured – Considered Good	69.27	**71.42**	77.69	**79.68**
Others				
Secured – Considered Good	0.14		4.45	
Unsecured – Considered Good	752.38	**752.52**	757.91	**762.36**
TOTAL		**823.94**		**842.04**

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 12: FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks	175.76	152.58
Cash on hand	0.20	0.15
Fixed Deposits with original maturity within 3 months	10.25	0.18
TOTAL	**186.21**	**152.91**

NOTE 13: FINANCIAL ASSETS - OTHER BANK BALANCES

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid Dividend Account	0.84	0.67
Margin Money Pledged with Banks	0.33	0.33
Fixed Deposits with original maturity between 3 to 12 months	0.82	2.00
TOTAL	**1.99**	**3.00**

NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to Related Parties	1.33	0.01
Interest Receivable	0.32	0.12
Forward Contract Receivable*	1.27	0.53
TOTAL	**2.92**	**0.66**

* The Company entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduced the level of foreign currency risk for respected sales and purchases.

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 15: OTHER CURRENT ASSETS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Export Incentives Receivable	20.26	6.60
Prepaid Expenses	10.09	9.00
Other Advances	2.06	1.33
Balances with Indirect Tax Authorities	92.35	75.03
Prepaid Lease	0.74	0.73
TOTAL	**125.50**	**92.69**

NOTE 16: EQUITY SHARE CAPITAL

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
4,40,00,000 (4,40,00,000) Equity shares of ₹ 10/- par value	44.00	44.00
6,00,000 (6,00,000) 6% Non-Cumulative Redeemable	6.00	6.00
Preference Shares of ₹ 100/- par value		
TOTAL AUTHORISED SHARE CAPITAL	**50.00**	**50.00**
Issued, Subscribed and Paid-up		
2,06,62,400 (2,06,62,400) Equity Shares ₹ 10/- par value fully paid-up	20.66	20.66
22,95,822 (22,95,822) Equity Shares of ₹ 10/- par value, ₹ 3/- called up	0.69	0.69
TOTAL ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	**21.35**	**21.35**

a) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Shares at the beginning	**22,958,222**	21.35	**22,958,222**	21.35
Changes during the year	-	-	-	-
Shares at the end	**22,958,222**	**21.35**	**22,958,222**	**21.35**

b) Equity shares: are entitled to one vote per share.

c) Shareholders holding more than 5% shares each:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
K.K. Modi Investment and Financial Services Pvt. Ltd.	**10,273,073**	44.75%	**10,273,073**	44.75%
APMS Investment Fund Ltd. (FII)	**1,635,822**	7.13%	**1,635,822**	7.13%
U.P. State Indl. Dev. Corp. Ltd.	**2,169,956**	9.45%	**2,169,956**	9.45%
Rajputana Fertilizers Ltd.	**1,916,666**	8.35%	**1,916,666**	8.35%

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 17: OTHER EQUITY

₹ in crores

Particulars		As at March 31, 2019		As at March 31, 2018
Capital Reserve on Consolidation				
Opening Balance		6.30		6.30
Add/Less: Changes during the year		-		-
Closing Balance		**6.30**		**6.30**
Capital Redemption Reserve				
Opening Balance		5.08		5.08
Add/Less: Changes during the year		-		-
Closing Balance		**5.08**		**5.08**
Securities Premium				
Opening Balance		108.04		108.04
Add/Less: Changes during the year		-		-
Closing Balance		**108.04**		**108.04**
Debenture Redemption Reserve				
Opening Balance		-		-
Add/Less: Changes during the year		37.50		-
Closing Balance		**37.50**		**-**
Capital Reserve				
Opening Balance		0.01		0.01
Add/Less: Changes during the year		-		-
Closing Balance		**0.01**		**0.01**
Special Reserve				
Opening Balance		9.74		8.63
Transfer from Surplus		1.55		1.11
Closing Balance		**11.29**		**9.74**
General Reserve				
Opening Balance		51.70		51.70
Add/Less: Changes during the year		-		-
Closing Balance		**51.70**		**51.70**
Retained Earnings				
Opening Balance		1,207.17		994.80
Profit for the period	188.72		235.99	
Transfer from Surplus	(39.06)		(1.10)	
Guarantee commission adjusted Indobaijin	(0.28)		(1.86)	
Dividends on Shares paid during the year	(17.08)		(17.08)	
Dividend Distribution Tax paid during the year	(2.61)	129.69	(3.57)	212.38
Closing Balance		**1,336.86**		**1,207.18**
Equity Instruments through OCI				
Opening Balance		249.31		453.63
Other comprehensive income		220.79		(204.31)
Closing Balance		**470.10**		**249.32**
Foreign Currency Translation Reserve				
Opening Balance		(11.36)		10.20
Other comprehensive income		(5.80)		(21.56)
Closing Balance		**(17.16)**		**(11.36)**
Remeasurements gains / (loss) on defined benefit plans				
Opening Balance		(15.15)		(4.49)
Other comprehensive income		(0.69)		(10.67)
Closing Balance		**(15.84)**		**(15.16)**
Share of OCI in Joint Ventures				
Opening Balance		(0.04)		(0.04)
Other comprehensive income		-		-
Closing Balance		**(0.04)**		**(0.04)**
The effective portion of gains and loss on hedging instruments				
Opening Balance		(26.95)		-
Other comprehensive income		12.40		(26.95)
Closing Balance		**(14.55)**		**(26.95)**
Non-controlling interest				
Opening Balance		-		-
NCI on acquisition of subsidiary during the year	0.41		-	
Profit for the period	(0.10)	0.31	-	-
Closing Balance		**0.31**		**-**
TOTAL OTHER EQUITY		**1,979.60**		**1,583.86**

Dividends

On May 28, 2019, in respect of financial year 2018-19, the directors proposed a final dividend of ₹ 8.00 (80%) per fully paid equity share to be paid to shareholders.

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 18: FINANCIAL LIABILITIES (NON-CURRENT BORROWINGS)

₹ in crores

Particulars		As at March 31, 2019		As at March 31, 2018
Debentures	112.50		-	-
Unamortised upfront fees	(0.39)	112.11	-	-
Rupee Term Loan		7.73		20.72
Foreign Currency Term Loan		408.10		529.73
TOTAL		**527.94**		**550.45**

A. Non-Convertible Debentures:

Series A – 375 Non-Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.67% p.a. repayable in March 2020.

Series B – 375 Non-Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.67% p.a. repayable in September 2020..

Series C – 375 Non-Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.67% p.a. repayable in March 2021.

Series D – 375 Non-Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.67% p.a. repayable in September 2021.

B. Rupee Term Loans:

1. Term Loan amounting to ₹ 10.00 crores (₹ 20.00 crores as on March 31, 2018) carries interest at the rate of 11.75% p.a. (11.75% p.a. as on March 31, 2018) as at year end and is repayable in 4 Equal quarterly installments of ₹ 2.50 crores each. This loan will be entirely repaid in FY 2019-20.
2. Term loan amounting to ₹ 10.72 crores (₹ 13.72 crores as on March 31, 2018) carries interest at the rate of 11.00% p.a. (11.00% p.a as on March 31, 2018) as at year end and is repayable in 14 equal quarterly installments of ₹ 0.75 crores each and 15th Installment of ₹ 0.22 crores .
3. Vehicle Loan amounting to ₹ 1.03 crores (₹ 1.39 crores) is repayable over 25 monthly installments of ₹ 0.04 crores (including interest) each.

C. Foreign Currency Term Loans:

1. All term loans carry interest rate between of 3.00% p.a. to 5.00% p.a. (3.00% p.a. to 5.00% p.a. as on March 31, 2018).
2. Term loan amounting to ₹ 29.42 crores (₹ 41.14 crores as on March 31, 2018) is repayable over 3 installments of ₹ 2.60 crores each and 1 installment of ₹ 21.64 crores .
3. Term loan amounting to ₹ 39.98 crores (₹ 43.62 crores as on March 31, 2018) is repayable over 7 quarterly installments of ₹ 1.58 crores each and 10 quarterly installments of ₹ 2.89 crores each.
4. Term loan amounting to ₹ 18.88 crores (₹ 24.72 crores as on March 31, 2018) is repayable over 15 quarterly installments of ₹ 1.26 crores each.
5. Term loans amounting to ₹ 235.36 crores (₹ 211.16 crores as on March 31, 2018) is repayable over 11 quarterly installments of ₹ 7.06 crores each and 16 quarterly installments of ₹ 9.41 crores each and one installment of ₹ 7.06 crores starting from June 30, 2019.
6. Term Loan amounting to ₹ 46.50 crores (₹ 58.18 crores as on March 31, 2018) is repayable over 19 quarterly installments of ₹ 2.45 crores each.
7. Term Loan amounting to ₹ 28.46 crores (₹ 37.25 crores as on March 31, 2018) is repayable over 15 quarterly installments of ₹ 1.90 crores each.
8. Term Loan amounting to ₹ 46.17 crores (₹ 40.38 crores as on March 31, 2018) is repayable over 13 quarterly installments of ₹ 3.46 crores each and 1 installment of ₹ 1.25 crores .
9. Term Loan amounting to ₹ 24.79 crores (Nil) is repayable over 8 semi-annually paid installments of ₹ 3.10 crores each.
10. Term loan amounting to ₹ 41.41 crores (₹ 58.38 crores as on March 31, 2018) is repayable over 11 quaterly installments of ₹ 3.76 crores each.
11. Term loan amounting to ₹ 32.17 crores (₹ 45.36 crores as on March 31, 2018) is repayable over 11 quaterly installments of ₹ 2.92 crores each.
12. Term loan amounting to ₹ 36.90 crores (₹ 52.02 crores as on March 31, 2018) is repayable over 11 quaterly installments of ₹ 3.35 crores each.

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

D. Security / Charges

All the above term loans and debentures, except loans amounting to ₹ 29.42 crores (₹ 42.54 crores as on March 31, 2018) are secured by first *pari passu* charge on the present and future fixed assets of the Company (except those assets which have been specifically financed) and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.

Term Loan amounting to ₹ 29.42 crores (₹ 41.14 crores as on March 31, 2018) are secured by specific assets financed by them.

An amount of ₹ 8.99 crores (₹ 8.99 crores as on March 31, 2018) has been held as Debt Service Reserve Account with Bank. (Refer Note No. 6, Note No. 12 and Note No. 13). .

E. Current Maturity

Amounts falling due within one year in respect of all the above loans upto March 31, 2018 have been grouped under "Current maturities of Long-Term Debts " under Note No. 23.

NOTE 19: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit Received from Customers	16.22	15.44
Financial Guarantee Obligations	2.15	2.07
Forward Contracts Payable *	1.42	–
Others	0.76	0.76
TOTAL	**20.55**	**18.27**

* The Company entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduced the level of foreign currency risk for respected sales and purchases.

NOTE 20: PROVISIONS (NON-CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits	9.47	6.49
TOTAL	**9.47**	**6.49**

NOTE 21: FINANCIAL LIABILITIES - SHORT-TERM BORROWINGS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
At Amortized Cost (Secured)		
Working Capital Loans from Banks	596.80	595.52
(Secured by first *pari passu* charge, by way of hypothecation of Company's current assets and other movable assets and second *pari passu* charge on the fixed assets both present and future, *inter se* the Term Lenders)		
TOTAL	**596.80**	**595.52**

NOTE 22: FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
At Amortized Cost		
Sundry Creditors for Goods and Services	374.93	248.81
Sundry Creditors for Micro, Small and Medium Enterprise	-	-
TOTAL	**374.93**	**248.81**

Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at March 31, 2019 have been identified as relating to Micro and Small Enterprises referred to in the said Act.

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 23: FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long-term debts	223.61	100.62
Interest Accrued but not due on borrowings	1.91	2.44
Financial Guarantee Obligation	0.30	0.49
Forward Contract Payable*	1.32	0.05
Unclaimed Dividend**	0.84	0.67
Other Payables	124.09	148.08
TOTAL	**352.07**	**252.35**

* The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss (FVTPL). Derivative instruments at fair value through profit or loss (FVTPL) reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduced the level of foreign currency risk for respected sales and purchases.

** There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 24: OTHER CURRENT LIABILITIES

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Other Payables	6.92	14.71
TOTAL	**6.92**	**14.71**

NOTE 25: PROVISIONS (CURRENT)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits	12.26	11.09
TOTAL	**12.26**	**11.09**

Provision for Leave encashment arised during the year ₹ 1.60 crores (previous year ₹ 5.22 crores) and utilised during the year ₹ 0.43 crores (previous year ₹ 1.07 crores

NOTE 26: REVENUE FROM OPERATIONS

₹ in crores

	Year ended March 31, 2019		Year ended March 31, 2018	
Sale of Products				
Agrochemical	1,942.51		1,784.36	
Specialty and Performance Chemicals	296.90	2,239.41	244.35	2,028.71
Interest Income		0.19		0.06
Dividend Income		5.56		5.45
Profit on Sale of Current Investments		-		0.07
Other Operating revenue:				
Export Incentives and Entitlements		21.01		11.94
Scrap Sales		1.01		1.04
Others		0.03		0.81
TOTAL		**2,267.21**		**2,048.08**

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 27: OTHER INCOME

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	1.05	3.84
Profit on Sale of Investments	1.09	0.94
Other Non-Operating Income:		
Profit on Sale of Property, Plant and Equipment	0.04	0.07
Guarantee Commission	0.58	1.36
Rent Income	0.07	0.07
Insurance Claims	0.01	4.45
Sundry Balance Written Back	8.16	2.59
Gain on FVTPL Investments	0.35	-
Others	1.09	1.14
TOTAL	**12.44**	**14.46**

NOTE 28: COST OF MATERIALS CONSUMED

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Materials Consumed	1,114.13	791.52
Packing Materials Consumed	91.82	79.14
TOTAL	**1,205.95**	**870.66**

NOTE 29: PURCHASE OF STOCK-IN-TRADE

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Stock-in-trade	183.46	225.38
TOTAL	**183.46**	**225.38**

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stocks*:		
Finished Goods	164.01	130.99
Stock-in-trade	54.17	28.60
Less: Closing Stocks:		
Finished Goods	402.06	164.01
Stock-in-trade	58.48	54.17
NET CHANGE IN INVENTORIES	**(242.36)**	**(58.59)**

* Opening stock of previous year includes excise duty.

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 31: EMPLOYEE BENEFITS EXPENSE

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	180.74	154.93
Contribution to Provident and Other Funds	13.04	11.71
Gratuity	2.64	1.35
Staff Welfare Expenses	16.08	13.50
TOTAL	**212.50**	**181.49**

NOTE 32: FINANCE COSTS

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses	60.84	50.98
Other Borrowing Costs	7.99	11.73
TOTAL	**68.83**	**62.71**

NOTE 33: OTHER EXPENSES

₹ in crores

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Consumption of Stores and Spares		15.49		7.41
Power, Fuel and Utilities		73.71		42.00
Processing Charges		50.15		43.26
Lease Rent / Hire Charges		10.56		8.53
Repairs to Building		1.38		1.73
Repairs to Plant and Machinery		16.99		11.86
Other Repairs		3.46		3.94
Insurance		11.30		7.34
Rates and Taxes		2.49		2.10
Pollution Control Expenses		10.71		6.53
Legal and Professional Fees		73.22		41.66
General Office Expenses		30.94		27.28
Foreign Exchange Fluctuation (Net)		1.79		1.23
Advertisement, Publicity and Sales Promotion		89.55		100.55
Outward Freight Charges		72.90		52.84
Loading and Unloading Charges		2.41		2.25
Provision for Doubtful Debts		10.05		8.00
Travelling and Conveyance		47.26		39.64
Payment to Auditors				
- Audit Fees	0.45		0.39	
- Transfer Pricing Audit Fees	0.05		0.05	
- Taxation and Other Advisory Matters	0.15		0.15	
- Certification Charges and Others	0.05		0.05	
- Reimbursement of Expenses	0.00	0.70	0.00	0.64
Corporate Social Responsibility		5.40		4.34
Donations		0.48		2.20
Loss on Fair Valuation of FVTPL Investments		-		0.12
Bad Debts		-		1.27
TOTAL OTHER EXPENSES		**530.94**		**416.72**

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 34: IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

With the effect from April 1, 2018 the Company has adopted Ind AS 115 on "Revenue from Contracts with Customers" and has opted to apply the modified retrospective approach and accordingly, it is applied retrospective only to contracts that are not completed at the date of initial application, that is as on April 1, 2018 and the comparative information are not restated. The adoption of Ind AS 115 does not have material effect on the on its financials.

Revenue from operations for the year ended March 31, 2018 include excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Service Tax (GST) in India. In accordance with Ind AS 115 on "Revenue from Contracts with Customers", since GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in Equity, sales for the year ended March 31, 2019, are presented net of GST. Accordingly, sales for the year ended March 31, 2019 and March 31, 2018, to that extent, are not comparable.

Disclosures

Disaggregation of Revenue from Contracts with Customers

₹ in crores

	Year ended March 31, 2019				Year ended March 31, 2018			
	Agro	Innovative Solutions	Others	Total	Agro	Innovative Solutions	Others	Total
Sale of Products								
India	993.99	274.51	-	1,268.50	966.85	218.93	-	1,185.78
Europe	322.84	-	-	322.84	332.60	-	-	332.60
South America	220.01	0.40	-	220.41	90.26	0.58	-	90.84
Others	405.67	21.98	-	427.66	394.65	24.84	-	419.49
Interest Income	-	-	0.19	0.19	-	-	0.06	0.06
Dividend Income	-	-	5.56	5.56	-	-	5.45	5.45
Profit on Sale of Current Investments	-	-	-	-	-	-	0.07	0.07
Total (A)	**1,942.51**	**296.90**	**5.75**	**2,245.16**	**1,784.36**	**244.35**	**5.59**	**2,034.30**
Other Operating Revenue								
Export Incentives and Entitlements	21.01	-	-	21.01	11.94	-	-	11.94
Scrap Sales	1.01	-	-	1.01	1.04	-	-	1.04
Others	-	-	0.03	0.03	-	-	0.81	0.81
Total (B)	22.02	-	0.03	22.06	12.98	-	0.81	13.79
Revenue from Operations (A+B)	**1,964.53**	**296.90**	**5.79**	**2,267.21**	**1,797.34**	**244.35**	**6.39**	**2,048.08**

Sales by performance obligations

Performance obligations is satisfied at a point in time when the customer obtains control of the asset and accordingly, in most cases revenue is recognised on shipment or dispatch of products.

Reconciliation of Revenue from Contract with Customer

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue as per Contract Price	2,506.65	2,255.96
Adjustments made to contract price:		
a) For Discounts/ Rebates/ Incentives	85.93	90.19
b) Sales Returns	175.56	131.48
Revenue from contract with customer	**2,245.16**	**2,034.29**
Other Operating Revenue	**22.05**	**13.79**
Revenue from Operations	**2,267.21**	**2,048.08**

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 35: HEDGING ACTIVITIES AND DERIVATIVES

Foreign Currency Risk

The Company has adopted hedge accounting from April 1, 2017. Non-derivative financial liabilities (i.e. borrowings) are designated as hedging instruments in cash flow hedges of forecast sales in US dollar and Euro. These forecast transactions are highly probable.

Carrying value and maturity of foreign currency borrowings designated as hedging instrument are stated in below table:

Hedging Instrument	As at March 31, 2019			Maturity Date
	Amount outstanding in foreign currency (EUR in crore)	Amount outstanding in foreign currency (USD in crore)	Amount outstanding in local currency (₹ in crores)	
Buyer's Credit	-	1.01	69.64	April 2019 to October 2019
Foreign Currency Term Loans	5.34	-	414.57	April 2019 to June 2026
Total			**484.21**	

The terms of the hedging instrument match the terms of the expected highly probable forecast transactions. Cashflow hedge reserves recycled during FY 2018-19 is amounting to ₹ 1.14 crores on account of Buyer's Credit and ₹ 2.85 crores on account of Term loan.

The cash flow hedges of the expected future sales during the year ended March 31, 2019 were assessed to be highly effective and a net unrealised gain of ₹ 19.06 crores , with a deferred tax asset of ₹ 6.66 crores relating to the hedging instruments, is included in OCI.

Cashflow hedge balance as on March 31, 2018 was ₹ 41.42 crores . The amounts retained in OCI at March 31, 2019 are expected to mature and affect the statement of profit and loss of future years as follows:-

Financial Year	₹ in crores
2019-2020	2.55
2020-2021	2.65
2021-2022	2.87
2022-2023	3.91
2023-2024	3.80
2024-2025	3.39
2025-2026	3.18
Total	**22.35**

NOTE 36: CONTINGENT LIABILITIES

1. Consequent to termination of the contract by the Indofil Chemicals Company (erstwhile Modipon Ltd.), a toll manufacturer (Polson Ltd.) filed a Civil suit bearing No.378/1997 before District Judge, Kolhapur, now transferred to Commercial Court, Kolhapur numbered as Spl. C.S.No.1/2016, against the Company claiming ₹ 3.15 crores allegedly on account of items purchase and loss of profits. However, the Company had refuted the claim and made a counterclaim of ₹ 4.76 crores against the said toll manufacturer in respect of the cost of machinery, cost of raw materials, yield losses, loss of market etc. Considering the merits of the matter, the Management is of the view that the Claim of the toll manufacturer could be rejected as against the Company's counterclaim and will be adjusted/accounted for in the year of final settlement/receipt.

2. **Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax, Income Tax as at March 31, 2019**

₹ in crores

Statute	As at March 31, 2019	As at March 31, 2018
Sales tax matters	7.90	3.04
Service tax matters	0.72	1.22
Excise matters	0.36	0.56
Other matters	0.35	1.25
TOTAL	**9.33**	**6.07**

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

3. Guarantees Executed in favour of Corporate

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Guarantees Executed in Favour of Corporate	186.91	200.03
Less: Counter Guarantees Received	(91.58)	(98.02)
Net Guarantees Executed in favour of Corporate	**95.33**	**102.01**

NOTE 37: CAPITAL COMMITMENTS

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated Amount of Capital Commitments remaining to be executed on account of	27.02	38.59
Less: Advances Paid	(0.80)	(12.22)
Net Capital Commitments	**26.22**	**26.37**

On evaluation of individual cases, the Management is of the view that no provision in respect of the above is called for.

NOTE 38: CORPORATE SOCIAL RESPONSIBILITY

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Paid		
Construction of Asset*	5.02	4.26
for other purposes	0.38	0.08
Total Paid	**5.40**	**4.34**

* Represents contribution of ₹ 5.02 crores (Previous Year ₹ 4.26 crores) made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

NOTE 39: EARNINGS PER SHARE

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year as per Statement of Profit and Loss (₹ in crores)	188.72	236.02
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	21,351,147	21,351,147
Earnings Per Share – Basic and Diluted (₹)	**88.40**	**110.53**

NOTE 40: CAPITAL MANAGEMENT

The Group's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Group. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Group. The capital requirement is determined based on annual operating plans and long-term and strategic investment and capital expenditure plans of each company within the group. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of each Company within the Group as well as the Board of Directors of the parent company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

NOTE 41: FINANCIAL RISK MANAGEMENT AND POLICIES

The Group's activities exposes it to a variety of financial risks: market risks, credit risks and liquidity risks. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group has an established Risk Management Policy towards risk identification, analysis and prioritisation of risks, development of risk mitigation plans and reporting on the risk environment of the respective business segments in the Group.

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

(a) Management of Market Risks

The Group's size and operation results in it being exposed to the following market risks that arise from its use of financial instruments:

Currency Risk

Interest Rate Risk

Price Risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below:

	Potential Impact of Risk	Management Policy	Sensitivity to Risk
1.	**Currency Risk**		
	The Group is subject to risk that changes in foreign currency values impact the Group's revenue and imports of raw material and Property, Plant and Equipments primarily with respect to USD and Euro	The Group manages currency exposures through use of Forward Exchange Contracts and effecting netting and matching of Foreign Currency Inflows and Outflows. The aim of the Group's approach to management of Currency Risk is to leave the Group with minimal residual risk.	A 5% strengthening of INR against key currencies to which the Group is exposed (Net) would have led to approximately an additional ₹ 10.20 crores gain in the Statement of Profit and Loss (2017-18 ₹ 32.59 crores). A 5% weakening of INR against key currencies would have led to an equal but opposite effect.
	As at March 31, 2019, the net unhedged exposure to the Group on holding Financial Assets (Trade Receivables and Other Advances) and Financial Liabilities (Trade Payables and Other Payables) other than in functional currency amounted to PHP 1.84 crores payable, Reais 0.19 crores payable, USD 2.10 crores receivable and Euro 5.23 crores payable [₹ 266.32 crores net payable] (USD 0.17 crores payable and Euro 7.98 crores payable [₹ 651.73 crores net payable] as on March 31, 2018)		
2.	**Interest Rate Risk**		
	The Group is mainly exposed to Interest Rate risk due to its Long-Term and Short-Term Borrowings. The interest rate risk arises due to uncertainties about prevailing base rates in future.	The group manages its Interest Rate Risk by having a balanced portfolio of floating rate loans based on Euribor, Libor and Base Rate.	A 0.25% decrease in interest rate would have led to approximately an additional ₹ 3.37 crores gain in the Statement of Profit and Loss (2017-18 ₹ 2.96 crores). A 0.25% increase in interest rates would have led to an equal but opposite effect.
	As at March 31, 2019 the exposure to the Group on account of borrowings is ₹ 1348.35 crores (₹ 1187.48 crores as on March 31, 2018)		

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

	Potential Impact of Risk	Management Policy	Sensitivity to Risk
3.	**Price Risk**		
	The Group has investments in listed units of Mutual Funds reflecting its temporary surplus of funds. As at March 31, 2019 the net exposure to the Group on account of these investments is Nil (Nil as on March 31, 2018)	The Group manages the Equity Price Risk of such investments through diversification and by placing limits on individual investments.	A 5% increase in prices would have led to approximately and additional Nil gain in the Statement of Profit and Loss (2017-18 Nil) A 5% decrease in prices would have led to an equal but opposite effect.
	However, a substantial part of the Group's investments are in Equity Instruments / Preference Instruments / Debentures of Subsidiaries, Joint Ventures, Group Companies and other investments mandated by lenders to the Group. These being strategic investments, the Group does not evaluate the equity price risk of such investments.		

(b) Credit Risk
Credit Risk is the risk of financial loss to the Group if a customer or a counter party fails to meet its contractual obligation.

Trade Receivables and Other Financial Assets
Concentration of Credit Risk with respect to Trade Receivables are limited, due to Group's customer base being large and diverse. All Trade Receivables and other Financial Assets are reviewed and assessed for default on monthly basis. Our historical experience of collecting all receivables is that their Credit Risk is low.

The Group's maximum exposure to Credit Risk as at March 31, 2019 and March 31, 2018 is the carrying value of each class of Financial Asset.

(c) Liquidity Risk
Liquidity Risk is the risk that the Group will face in meeting its obligation associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Group regularly monitors the rolling forecast to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required) and any excess is invested in any highly marketable equity instruments to optimise cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date.

₹ in crores

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long-term borrowings	223.61	527.94	100.62	550.45
Security Deposits		16.22		15.44
Working Capital Loans from Banks	596.80		595.52	
Trade Payables	374.93		248.80	
Other Financial Liabilities	128.46	4.34	151.73	2.84
	1,323.80	**548.50**	**1,096.67**	**568.73**

(d) Collateral
The Group has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Group. Refer Note No. 18 and Refer Note No. 21 for the detailed terms and conditions of the collaterals pledged.

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 42: FINANCIAL INSTRUMENTS – CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Fair Value through Profit and Loss		
Investments (Other than in subsidiary and joint ventures)	7.48	6.66
Fair Value through Other Comprehensive Income		
Investments (Other than in subsidiary and joint ventures)	774.98	543.04
Derivative Instruments not in Hedging Relationship		
Forward Contract Receivable	1.27	0.53
Amortised Cost		
Loans	0.55	0.71
Trade Receivables	823.94	842.05
Cash and Cash Equivalents	186.21	152.91
Other Bank Balances	2.00	3.00
Other Financial Assets	20.85	25.56
Total	**1,817.28**	**1,574.46**
Financial Liabilities		
Fair Value through Profit and Loss		
Financial Guarantee Obligation	2.45	2.56
Derivative Instruments not in Hedging Relationship		
Forward Contract Payable	1.32	0.05
Derivative Instruments in Hedging Relationship		
Term Loan	414.57	391.89
Buyer's Credit	69.64	94.57
Amortised Cost		
Borrowings	864.14	1,246.59
Trade Payable	374.93	248.80
Other Financial Liabilities	145.26	(319.06)
Total	**1,872.31**	**1,665.40**

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2019 and March 31, 2018 approximate the fair value because of the short-term nature.

In case of Investments in Equity Instruments/ Preference Shares/ Debentures designated as Fair Value through Other Comprehensive Income, which have been provided for, the Group continues to estimate their fair value on the balance sheet date as Nil.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 – Inputs are not based on observable market data (unobservable inputs).

Consolidated Notes forming part of Financial Statements

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The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Fair Value of Investment in Unquoted Equity Shares/ Preference Shares/ Debentures is determined based on the Net Asset Value of the Investee Company as on the Balance Sheet Date.

Fair Value of the Financial Guarantee Obligation is determined through a Discounted Cash Flow Model using weighted average borrowing rate as the discount rate.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarised below:

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Level 1		
Investment in Quoted Equity Shares	759.62	539.13
Mutual Fund Units	7.48	6.66
Level 2		
Derivative Financial Assets	1.27	0.53
Level 3		
Investment in Unquoted Equity Shares	15.36	3.92
Total	**783.73**	**550.24**
Financial Liability		
Level 2		
Derivative Financial Liability	1.32	0.05
Level 3		
Financial Guarantee Obligation	2.45	2.56
Total	**3.77**	**2.61**

Description of Significant Unobservable Input used in Fair Value measurement categorised within Level 3 of Fair Value Hierarchy

Particulars	Significant Unobservable Input	Sensitivity of Input to Fair Value Measurement
Investment in Unquoted Equity Shares	Fair Value of Net Assets	5% increase in forecasted fair value will increase the value of investment by ₹ 0.81 crores (₹ 0.20 crores as on March 31, 2018) and 5% decrease will have equal but opposite effect.
Financial Guarantee Obligations	Discount Rate 5.51%	1 % increase in Discount Rate will have Loss of ₹ 0.07 crores (₹ 0.08 crores as on March 31, 2018) and a 1% decrease in Discount Rate will have a equal but opposite effect.

(c) Reconciliation of Level 3 Fair Value Measurement

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance of Level 3 Financial Assets / (Liability)	1.36	1.62
Add / (Less): Changes during the year		
Guarantee Commission Income recognised	0.30	(0.50)
New Investment	11.17	-
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through OCI	0.27	0.39
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	(0.19)	(0.15)
Closing Balance of Level 3 Financial Assets / (Liability)	**12.91**	**1.36**

Consolidated Notes forming part of Financial Statements
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NOTE 43: LEASES

The Company has entered into Operating Leases on Immovable Properties and certain Plant and Machinery. There are no escalation clauses in the lease arrangements for which Lease Rent is provided on straight-line basis.

Future minimum rentals payable under non-cancellable operating leases as at March 31, 2019 are, as follows:

₹ in crores

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of operating lease on Immovable properties and Plant and Machinery lease payments recognised in Statement of Profit and Loss.	8.53	8.53
(b)	Future minimum lease payments under operating leases		
	For the period not later than one year	8.52	6.33
	For the period later than one year and not later than five years	8.95	13.99
	For the period later than five years	33.56	34.29

Assets given on Lease

₹ in crores

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognised in Statement of Profit and Loss.	0.07	0.07
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	0.07	0.07
	For the period later than one year and not later than five years	0.22	0.29

NOTE 44: RELATED PARTY

List of related parties

Joint Ventures (Extent of holding)
Indo baijin Chemicals Private Ltd. (51%)
Indo Reagens Polymer Additives Pvt. Ltd. (49.9%) (Formed during the year)
Hifil Chemicals Pvt. Ltd. (49%) (sold during the year)

Other Related Parties in which directors are interested:
Godfrey Phillips India Ltd.
H.M.A. Udyog Pvt. Ltd.
Beacon Travels Pvt. Ltd.
Bina Fashions & Food Pvt. Ltd.
Premium Merchants Ltd.
Modi Rubber Ltd.
KKM Management Centre Pvt. Ltd.
KKM Management Centre Middle East FZE
Modi Innovative Education Society

Key Management Personnel

Executive Director
Mr. Krishan Kumar Modi
Ms. Charu Modi
Mr Atuchutni Rao
Mr. Daniel Fontes Dias
Mr. Pankaj Amrit Patil
Mr. Narendra Sagrolikar

Non-Executive Director
Ms. Aliya Modi
Mr. Samir Modi
Mr. Mahendra Naranji Thakkar
Mr. Sunil Kumar Alagh
Mr. Sanjay Buch
Mr. Lakshminarayanan Subramanian
Mr. Sanjay Prasad (with effect from May 2, 2019)
Mr. Rajesh Kumar Singh (with effect from August 14, 2018 to May 1, 2019)
Mr. Ranvir Prasad (up to August 13, 2018)

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₹ in crores

Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2018-19	Total 2017-18
PURCHASING OF SERVICES					
1. Godfrey Phillips India Ltd.	-	-	-	-	0.08
2. HMA Udyog Pvt. Ltd.	-	-	0.07	0.07	0.04
3. Beacon Travels Pvt. Ltd.	-	-	5.25	5.25	6.93
4. Bina Fashions and Food Pvt. Ltd.	-	-	0.53	0.53	0.65
5. Modi Care Ltd.	-	-	0.08	0.08	0.07
6. Modi Stratford Enterprises Management Pvt. Ltd.	-	-	0.62	0.62	-
Total	**-**	**-**	**6.55**	**6.55**	**7.77**
PURCHASE OF GOODS					
1. Indo Baijin Chemicals Pvt. Ltd.	112.64			112.64	92.57
Total	**112.64**	**-**	**-**	**112.64**	**92.57**
PURCHASE OF LICENCE					
1. Indo Baijin Chemicals Pvt. Ltd.	0.94	-	-	0.94	0.12
Total	**0.94**	**-**	**-**	**0.94**	**0.12**
MANAGEMENT CONTRACTS					
1. KKM Management Center Pvt. Ltd.	-	-	6.27	6.27	8.10
Total	**-**	**-**	**6.27**	**6.27**	**8.10**
RENT EXPENSE					
1. Premium Merchants Ltd.	-	-	0.07	0.07	0.06
2. Charu Modi	-	0.07	-	0.07	0.07
3. Modi Care Ltd.	-	-	-	-	-
Total	**-**	**0.07**	**0.07**	**0.14**	**0.13**
DIVIDEND PAID					
1. Mr. Krishan Kumar Modi	-	0.17	-	0.17	0.17
2. Mr. Samir Modi	-	0.02	-	0.02	0.02
Total	**-**	**0.19**	**-**	**0.19**	**0.19**
DIVIDEND RECEIVED					
1. Indo Baijin Chemicals Pvt. Ltd.	4.37	-	-	4.37	-
Total	**4.37**	**-**	**-**	**4.37**	**-**
RENT INCOME					
1. Modi Rubber Ltd.	-	-	0.06	0.06	0.06
Total	**-**	**-**	**0.06**	**0.06**	**0.06**
GUARANTEE COMMISSION INCOME					
1. Indo Baijin Chemicals Pvt. Ltd.	0.58	-	-	0.58	1.36
Total	**0.58**	**-**	**-**	**0.58**	**1.36**
REIMBURSEMENT OF EXPENSES					
1. Indo Baijin Chemicals Pvt. Ltd.	0.67	-	-	0.67	0.30
2. Godfrey Phillips India Ltd.	-	-	0.22	0.22	0.19
Total	**0.67**	**-**	**0.22**	**0.89**	**0.49**
INTEREST INCOME					
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	0.93
Total	**-**	**-**	**-**	**-**	**0.93**
LOANS GIVEN DURING THE YEAR					
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	57.89
Total	**-**	**-**	**-**	**-**	**57.89**
DIVIDEND INCOME					
1. Godfrey Phillips India Ltd.	-	-	5.24	5.24	5.24
Total	**-**	**-**	**5.24**	**5.24**	**5.24**
ADVANCES CLOSING BALANCE					
1. Hifil Chemicals Pvt. Ltd.	-	-	-	-	0.01
Total	**-**	**-**	**-**	**-**	**0.01**

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₹ in crores

Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2018-19	Total 2017-18
GUARANTEES GIVEN					
1. Indo Baijin Chemicals Pvt. Ltd.	95.32	-	-	95.32	102.02
Total	**95.32**	**-**	**-**	**95.32**	**102.02**
OUTSTANDING BALANCES					
Receivables					
1. Godfrey Phillips India Ltd.	-	-	-	-	0.18
Total	**-**	**-**	**-**	**-**	**0.18**
Payables					
1. Modi Care Ltd.	-	-	-	-	0.00
2. Beacon Travels Pvt. Ltd.	-	-	0.25	0.25	-
3. KKM Management Center Pvt. Ltd.	-	-	1.19	1.19	0.58
4. Bina Fashion Pvt. Ltd.	-	-	0.00	0.00	-
5. Indo Baijin Chemicals Pvt. Ltd.	6.67	-	0.00	6.67	3.91
6. HMA Udyog Pvt. Ltd.	-	-	0.01	0.01	-
Total	**6.67**	**-**	**1.45**	**8.12**	**4.49**
INVESTMENTS MADE DURING THE YEAR					
1. Indo Reagens Polymer Additives Pvt. Ltd.	0.50	-	-	0.50	-
2. Grace Breeding Nitrogen Fixation			10.68	10.68	-
Total	**0.50**	**-**	**10.68**	**11.18**	**-**
Remuneration Payable to KMP	-	-	28.84	28.84	32.21
Total	**-**	**-**	**28.84**	**28.84**	**32.21**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: Nil, March 31, 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loan to Joint Venture:

The loan granted to Indo Baijin Chemicals Private Limited is intended to business purpose. The loan is unsecured and repayable in full. The loan has been utilised for the purpose it was granted.

Remuneration payable to KMP

₹ in crores

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Executive Directors	Non-Executive Directors	Total	Executive Directors	Non-Executive Directors	Total
Short-term employee benefits	23.41	1.75	25.16	26.60	1.79	28.38
Post-employment gratuity and medical benefits	3.25	-	3.25	3.40	-	3.40
Sitting Fees	-	0.43	0.43	-	0.43	0.43
Total	**26.66**	**2.18**	**28.84**	**30.00**	**2.22**	**32.21**

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NOTE 45: SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURE

The Group has a 51% equity interest in Indobaijin Chemicals Pvt. Ltd., 49% equity interest in HIFIL Chemicals Pvt. Ltd. sold during the year and a new JV company Indo Reagens Polymer Additive Private Limited was formed during the year with Indofil Industries LImited holding of 49.9%, joint ventures involved in Manufacture, Marketing and Distribution of Chemicals. The Group's interest in these JVs is accounted for in the consolidated financial statements, using the Equity Method prescribed under Ind AS 28 – Investment in Associates and Joint Ventures. Summarised Financial Information of the Joint Venture, based on its Financial Statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Indobaijin Chemicals Pvt. Ltd.

A. Summarised Balance Sheet:

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Current Assets	53.66	59.87
Non-Current Assets	249.41	263.29
Current Liabilities	87.91	74.68
Non-Current Liabilities	105.01	134.28
Equity	**110.15**	**114.21**
Carrying Amount of Investment	**56.13**	**58.24**

B. Summarised Statement of Profit and Loss:

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	227.47	191.68
Cost of Material Consumed	147.09	97.90
Employee Benefits Expense	10.18	9.05
Depreciation and amortisation	19.12	17.88
Finance cost	11.04	12.29
Other expense	31.71	28.68
Profit Before Tax	**8.33**	**25.86**
Income Tax Expense	2.06	4.33
Profit For The Year	**6.26**	**21.53**
Other Comprehensive Income	**-**	**-**
Total comprehensive income for the year	**6.26**	**21.53**
Group's Share of Profit For The Year	**3.19**	**10.98**
Group's Share of Other Comprehensive Income	**-**	**-**

Hifil Chemicals Pvt. Ltd.

A. Summarised Balance Sheet:

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Current Assets	-	0.01
Non-Current Assets	-	-
Current Liabilities	-	0.01
Non-Current Liabilities	-	-
Equity	**-**	**(0.00)**
Carrying Amount of Investment	**-**	**-**

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

B. Summarised Statement of Profit and Loss:

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	-	-
Other expense	-	0.00
Profit Before Tax	**-**	**(0.00)**
Income Tax Expense	-	-
Profit For The Year	**-**	**(0.00)**
Other Comprehensive Income	**-**	**-**
Total comprehensive income for the year	**-**	**(0.00)**
Group's Share of Profit For The Year	**-**	**(0.00)**
Group's Share of Other Comprehensive Income	**-**	**-**

Indo Reagens Polymer Additives Private Limited

A. Summarised Balance Sheet:

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Current Assets	0.95	-
Non – Current Assets	0.06	-
Current Liabilities	0.32	-
Non – Current Liabilities	-	-
Equity	**0.69**	**-**
Carrying Amount of Investment	**0.34**	**-**

B. Summarised Statement of Profit and Loss:

₹ in crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	-	-
Other expense	0.32	-
Profit Before Tax	**(0.32)**	**-**
Income Tax Expense	(0.00)	-
Profit For The Year	**(0.31)**	**-**
Other Comprehensive Income	**-**	**-**
Total comprehensive income for the year	**(0.31)**	**-**
Group's Share of Profit For The Year	**(0.16)**	**-**
Group's Share of Other Comprehensive Income	**-**	**-**

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

NOTE 46: ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARY / ASSOCIATES

₹ in crores

Name of the Enterprise	FY 2018-19							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Profit & Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Comprehensive Income	Amount
Parent								
Indofil Industries Ltd.	63.37%	1,267.89	94.16%	177.71	2.31%	5.25	44.04%	182.96
Subsidiaries								
Indian								
Quick Investment (India) Ltd.	1.13%	22.56	1.04%	1.97	33.35%	75.60	18.67%	77.57
Good Investment (India) Ltd.	2.96%	59.13	3.12%	5.88	64.20%	145.55	36.45%	151.43
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.03%	0.70	-0.62%	(1.17)		-	-0.28%	(1.17)
Indofil – Costa Rica S.A.	0.00%	0.00	0.00%	-		-		-
Indofil Industries (Netherland) B. V.	6.86%	137.27	8.46%	15.96	0.04%	0.10	3.87%	16.07
Indofil Industries International	0.89%	17.82	-0.47%	(0.89)	0.04%	0.10	-0.19%	(0.79)
Indofil Industries DO Brasil Ltda	0.06%	1.21	-5.82%	(10.98)	0.04%	0.10	-2.62%	(10.88)
INDOFIL PHILIPPINES, INC.	0.20%	3.96	0.56%	1.06	0.00%	-	0.26%	1.06
Agrowin Bioscience S.r.l. (80%)	0.08%	1.54	-0.28%	(0.52)	0.00%	-	-0.13%	(0.52)
Joint Venture (as per Equity Method)								
Indian								
Indobaijin Chemicals Pvt. Ltd.	2.81%	56.13	1.69%	3.19	0.00%	-	0.77%	3.19
Indo Reagens Polymer Additives Private Limited	0.02%	0.34	0.00%	-		-	0.00%	-
Inter Company Elimination	21.60%	432.13	-1.84%	(3.48)	0.00%	(0.00)	-0.84%	(3.48)
Total	**100.00%**	**2,000.68**	**100.00%**	**188.74**	**100.00%**	**226.70**	**100.00%**	**415.44**

Consolidated Notes forming part of Financial Statements
for the year ended March 31, 2019

₹ in crores

Name of the Enterprise	FY 2017-18							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Profit & Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Comprehensive Income	Amount
Parent								
Indofil Industries Ltd.	68.47%	1,099.11	90.65%	213.92	22.47%	(59.21)	-562.79%	154.71
Subsidiaries								
Indian								
Quick Investment (India) Ltd.	1.28%	20.60	0.79%	1.87	26.48%	(69.78)	247.01%	(67.90)
Good Investment (India) Ltd.	3.32%	53.25	1.54%	3.64	51.08%	(134.60)	476.37%	(130.96)
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.01%	0.15	-0.37%	(0.87)	0.00%	-	3.17%	(0.87)
Indofil – Costa Rica S.A.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Indofil Industries (Netherland) B. V.	7.82%	125.60	5.45%	12.86	-0.01%	0.03	-46.89%	12.89
Indofil Industries International	0.49%	7.89	-0.05%	(0.13)	-0.01%	0.03	0.34%	(0.09)
Indofil Industries DO Brasil Ltda	0.05%	0.74	-1.41%	(3.33)	-0.01%	0.03	11.97%	(3.29)
INDOFIL PHILIPPINES, INC.	0.04%	0.66	-0.28%	(0.65)	0.00%	-	2.37%	(0.65)
Joint Venture (as per Equity Method)								
Indian								
Indobaijin Chemicals Pvt. Ltd.	3.63%	58.24	4.65%	10.98	0.00%	-	-39.94%	10.98
HIFIL Chemicals Pvt. Ltd.	0.00%	(0.00)	0.00%	-	0.00%	-	0.00%	-
Inter Company Elimination	14.89%	238.98	-0.98%	(2.30)	0.00%	0.00	8.38%	(2.30)
Total	**100.00%**	**1,605.22**	**100.00%**	**235.99**	**100.00%**	**(263.48)**	**100.00%**	**(27.49)**

NOTE 47: SEGMENT REPORTING

₹ in crores

A.	Primary (by Business Segment)	For the year ended March 31, 2019				For the year ended March 31, 2018			
		AGRO	SPCD	Investment	TOTAL	AGRO	SPCD	Investment	TOTAL
a)	**Revenue:**								
	External Sales and other Income	1,972.27	296.83	7.88	2,276.98	1,803.93	248.31	5.59	2,057.82
	Inter Segment Sales Revenue	-	-	-	-	-	-	-	-
	Total Revenue	**1,972.27**	**296.83**	**7.88**	**2,276.98**	**1,803.93**	**248.31**	**5.59**	**2,057.82**
b)	**Result:**								
	Segment Result	297.71	-7.47	7.84	298.08	302.46	14.14	5.56	322.16
	Unallocable Corporate Expenses				-2.95				-3.07
	Unallocable Corporate Income				2.67				4.71
	Profit before Interest and Tax	297.71	-7.47	7.84	297.80	302.46	14.14	5.56	323.81
	Less: Finance Cost				68.83				62.70
	Profit Before Tax				**228.97**				**261.11**
	Provision for Tax & Deferred Taxes				43.29				36.10
	Profit After Tax				**185.68**				**225.01**
	Share of profit(Loss) of Joint Venture				3.04				10.98
	Profit For the Year				**188.72**				**235.99**

Consolidated Notes forming part of Financial Statements

for the year ended March 31, 2019

₹ in crores

A. Primary (by Business Segment)	For the year ended March 31, 2019				For the year ended March 31, 2018			
	AGRO	SPCD	Investment	TOTAL	AGRO	SPCD	Investment	TOTAL
c) Other Information:								
Segment Assets	3,776.82	11.85	8.01	3,796.68	2,186.10	183.57	547.46	2,917.14
Unallocable Assets				110.23				335.29
Total Assets				**3,906.90**				**3,252.44**
Segment Liabilities	715.91	81.96	0.02	797.89	257.99	23.79	0.01	281.80
Unallocable Liabilities				3,108.71				1,365.42
Total Liabilities				**3,906.60**				**1,647.22**
Capital Expenditure during the Year	26,829.88	-65.94	-	26,763.95	201.70	65.94	-	267.64
Depreciation & Amortization	7,067.12	8.39	-	7,075.51	66.63	1.09	-	67.72
Unallocable Depreciation				2.95				3.07
Non-Cash Expense other than Depreciation				10.05				8.00

₹ in crores

B. Secondary Segment Information (by Geographic Segments)	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Domestic	Export	TOTAL	Domestic	Export	TOTAL
Revenue						
AGRO	1,002.74	969.53	1,972.27	974.53	829.40	1,803.93
SPCD	274.44	22.38	296.83	222.84	25.47	248.31
Investment	7.88	-	7.88	5.59	-	5.59
TOTAL	**1,285.06**	**991.92**	**2,276.98**	**1,202.95**	**854.87**	**2,057.82**

Notes:

The Group has identified three reportable business segments viz. Agrochemicals (AGRO), Specialty & Performance Chemicals Division (SPCD) and Investments as primary segment and geographic segments viz. Domestic and Export as secondary segment. Segments have been identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted are in line with the accounting policy of the Company with following additional policies for segment reporting.

1. Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
2. Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

48 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.

49 Balances of Trade Receivables, Trade Payables, Advances and Deposits received/given, from/to customers are subject to confirmation and subsequent reconciliation

50 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

CORPORATE INFORMATION	**1**
SIGNIFICANT ACCOUNTING POLICIES	**2**
NOTES ON ACCOUNTS	**3-50**

The accompanying notes are integral part of the financial statements.

As per our report attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Reg. No. 100991W

Paresh H. Clerk
Partner
Membership No. 036148

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

K. K. Modi
Chairman and Managing Director

Charu Modi
Executive Director

R. K. Malhotra
Group CEO

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Mr. Samir Kumar Modi
Ms. Aliya Modi
Mr. M. N. Thakkar
Mr. Sunil K. Alagh
Director

Mr. Sanjay Buch
Mr. S. Lakshminarayanan
Mr. Sanjay Prasad
Dr. Atchutuni Rao
Director

Mumbai, May 28, 2019

Route Map to the Venue of the 26th Annual General Meeting of Indofil Industries Limited

INDOFIL INDUSTRIES LIMITED

Form No. MGT-11

CIN.U24110MH1993PLC070713
Registered Office: Kalpataru Square, 4th Floor, Kondivita Road, Andheri East, Mumbai – 400 059 .
Website: www.indofilcc.com E-mail ID: indofil@modi.com
Telephone: 022 – 66637373, Fax: 022-28322272

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s):____________________

Registered Address: ____________________

E-mail ID:__________Folio No./Client ID:__________ DP ID__________

I/We, being the members(s) holding __________shares of the above named Company, hereby appoint

1. Name: ____________________
   Address: ____________________
   ____
   E-mail ID: __________Signature __________or failing him / her
2. Name: ____________________
   Address: ____________________
   ____
   E-mail ID: __________Signature __________or failing him / her
3. Name: ____________________
   Address: ____________________
   ____
   E-mail ID: __________Signature __________or failing him / her

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Friday, September 13, 2019 at 11.00 A.M. at Hotel Kohinoor Continental, Andheri-Kurla Road, J B Nagar, Andheri East, Mumbai – 400 059, Maharashtra at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business: Resolution No. 1. __________ 2. __________ 3. __________ 4.__________

Special Business: 5. __________ 6. __________ 7. __________ 8. __________

9. __________ 10. __________ 11. __________ 12. __________ 13. __________

(For Resolutions, Explanatory Statement and notes, please refer to the Notice of 26th Annual General Meeting).

Signed this __________ day of August / September, 2019.

Affix Revenue Stamp

____

Signature of shareholder / Signature of Proxy holder(s)

Note: This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Corporate Information

BOARD OF DIRECTORS

Mr. K. K. Modi
Chairman and Managing Director

Ms. Charu Modi
Executive Director

Mr. Samir Kumar Modi
Non-executive, Non-independent Director

Ms. Aliya Modi
Non-executive, Non-independent Director

Mr. M. N. Thakkar
Independent Director

Mr. Sunil K. Alagh
Independent Director

Mr. Sanjay Buch
Independent Director

Mr. S. Lakshminarayanan,
IAS (Retd.)
Independent Director

Mr. Sanjay Prasad
Nominee Director - UPSIDCL

Dr. Atchutuni Rao
Director - Manufacturing, Operations and Safety

Mr. R. K. Malhotra
Group Chief Executive Officer

Mr. Devang Mehta
Head Company Secretary and Legal

Mr. Rajib Mukhopadhyay
Chief Financial Officer

STATUTORY AUDITORS

M/s. Bansi S. Mehta & Co.

INTERNAL AUDITORS

M/s. Aneja Associates

COST AUDITORS

S.N. Addagatla & Co.

SOLICITORS

M/s. Crawford Bayley & Co.

BANKERS

Union Bank of India
Indusind Bank Ltd.
Rabo Bank Plc
Export Import Bank of India
ICICI Bank Ltd.
Syndicate Bank
Hongkong and Shanghai Banking Corporation Ltd.
South Indian Bank Ltd
DBS Bank Ltd.
RBL Bank Limited
HDFC Bank Ltd.
Cosmos Co-op Bank Ltd.

DEBENTURE TRUSTEES

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400 001.
Contact Person: Mr Meet Soni
Contact Number: 022-40807000
Fax Number: 022-6631 1776

REGISTRAR AND SHARE TRANSFER AGENT

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area
Phase - II, New Delhi - 110 020.
Tel. No.: 011 2638 7281 - 82 - 83
Fax No.: 011 2638 7384
E-mail: info@masserv.com

REGISTERED OFFICE

Kalpataru Square, 4th Floor,
Kondivita Road,
Off Andheri-Kurla Road,
Andheri (East), Mumbai - 400 059.
CIN No. U24110MH1993PLC070713
Tel. No.: +91 22 6663 7373
Fax No.: +91 22 2832 2272
E-mail: indofil@modi.com
Website: www.indofil.com

WORKS

1. Off S.V. Road, Azad Nagar,
   Sandoz Baug, P. O.
   Thane - 400 607. Maharashtra.
   Tel. No.: +91 22 6799 9100
   Fax No.: +91 22 2589 8357

2. Plot No. Z8, SEZ Area,
   Dahej SEZ Limited,
   Taluka Vagra, Dist. Bharuch,
   Gujarat - 392 130.
   Tel No.: +91 2641 677201
   Fax No.: +91 2641 304126

3. Plot No. 212, SEZ Area,
   Dahej SEZ Limited,
   Taluka Vagra,
   Dist; Bharuch, Gujarat - 392 130
   Tel. No.: +91 2641 282501
   Fax No.: +91 2641 304126

4. Plot No. D-2/CH 12, GIDC Taluka Vagra, Dist. Bharuch,
   Gujarat - 392130
   Tel No.: +91 2641 282601
   Fax No.: +91 2641 304126

INDOFIL
INDUSTRIES LIMITED

Registered Office
Kalpataru Square, 4th Floor,
Kondivita Road,
Off. Andheri Kurla Road,
Andheri East,
Mumbai – 400 059
India

Contact
+91 22 66637373
indofil@modi.com | www.indofil.com

CIN
U24110MH1993PLC070713

/indofilofficial