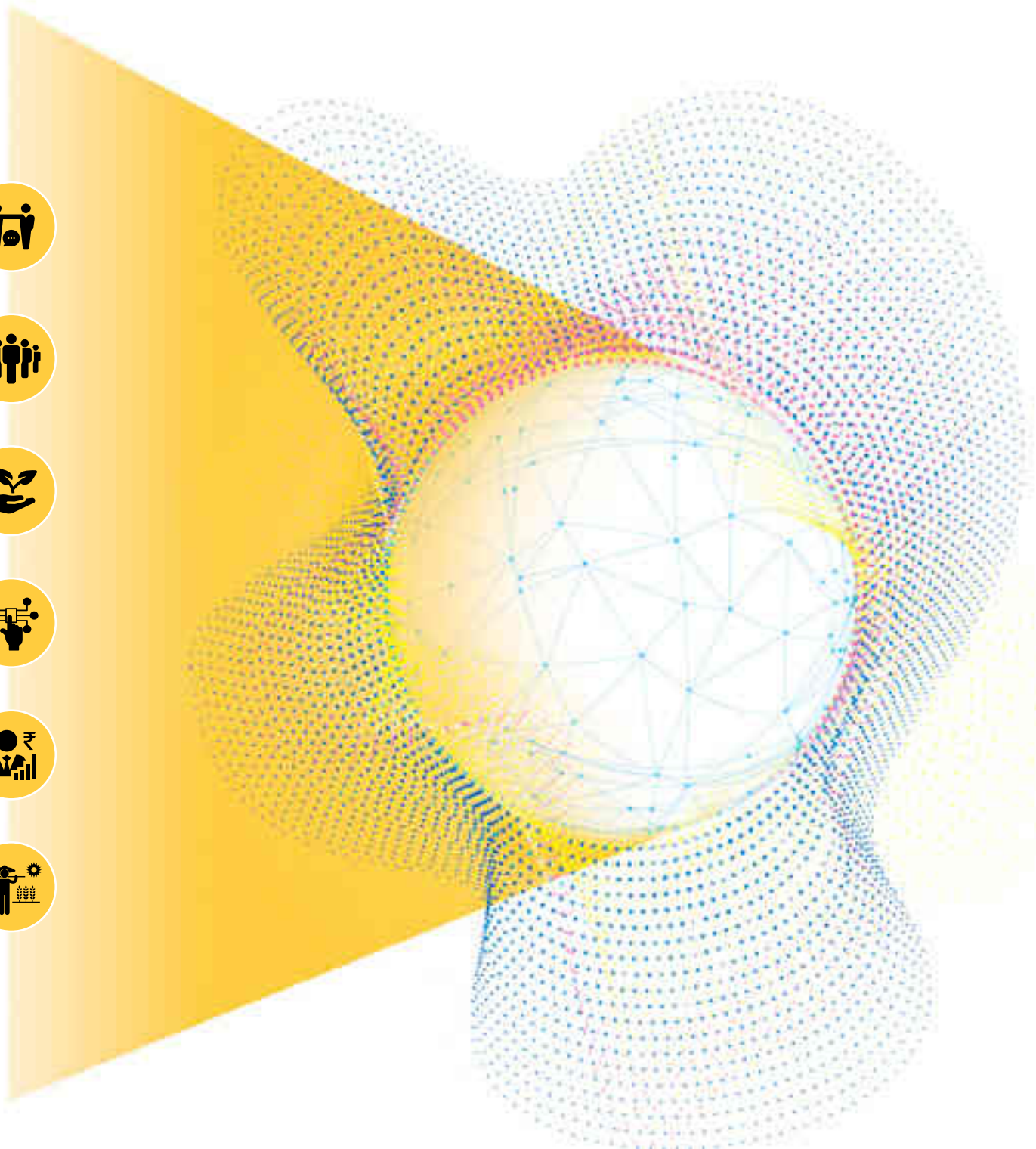


# Sowing Seeds of Sustainability





*Business works best when  
all the players have skin  
in the game. Distribute the  
risks, share the profits, let  
everybody win.*





**Mr. K K Modi**

August 27, 1940 – November 2, 2019

# Contents

PAGE

2-47

## Corporate Overview

About Indofil .....	4
Business at a Glance .....	6
Global Context .....	8
Product Portfolio .....	10
Chairperson's Message .....	14
Message from COO .....	16
Financial Highlights .....	18
Operational Highlights .....	20
Our Value Creation Model .....	22
Deriving Synergies from Collaboration.....	24
People First .....	26
Exploring Opportunities .....	28
Empowering Farmers .....	30
Enhancing Capabilities.....	32
Research & Development .....	36
Risk Management .....	38
Environment, Health and Safety .....	40
Towards a Greener Future.....	42
Consciously Giving Back.....	43
Board of Directors .....	44
Awards and Recognition.....	47

PAGE

48-97

## Statutory Reports

Notice .....	49
Management Discussion & Analysis .....	57
Director's Report .....	67
Annexures to Directors' Report.....	73
Corporate Governance Report .....	90

PAGE

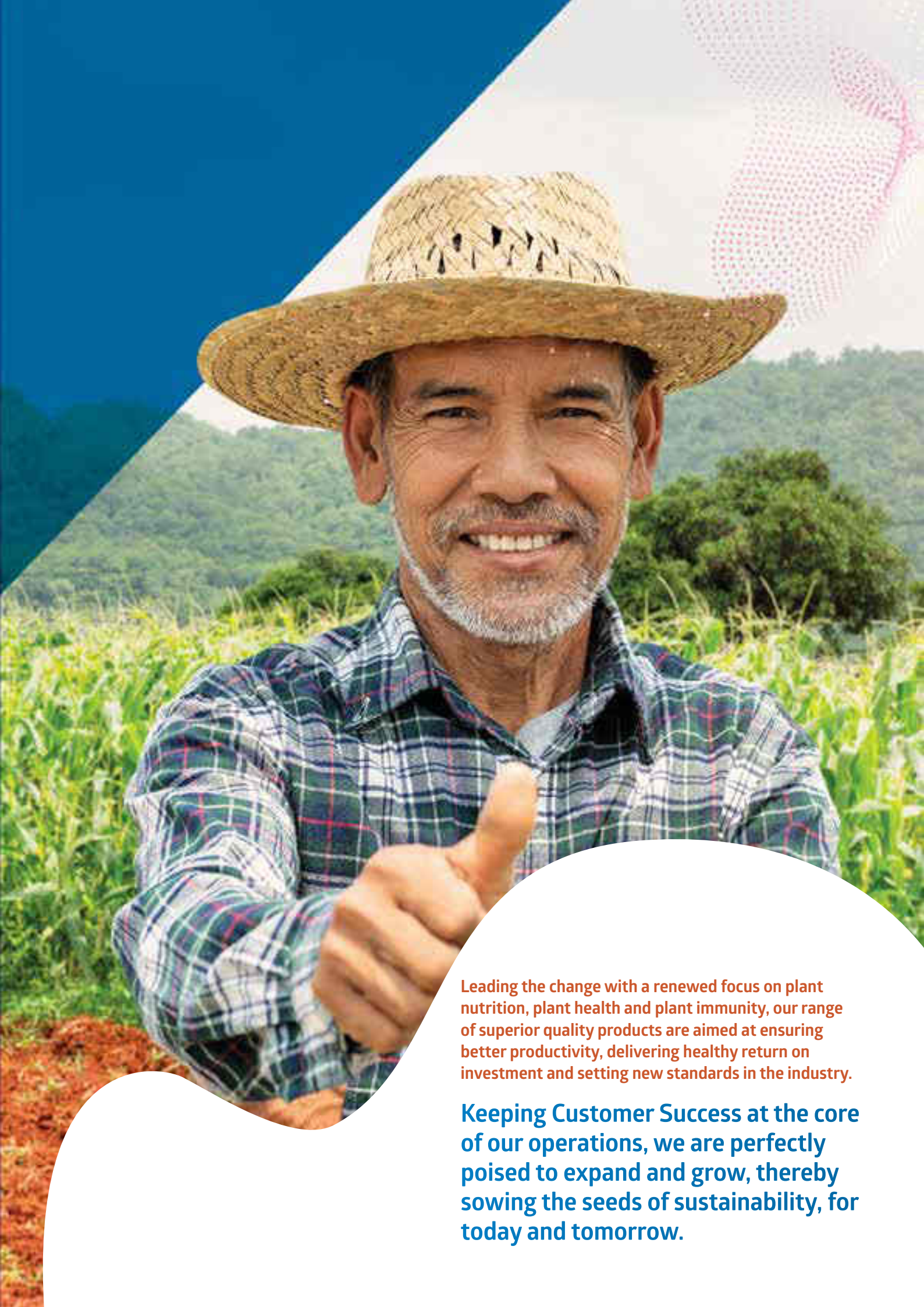
98-223

## Financial Statements

Standalone .....	98
Consolidated .....	158

At Indofil, we resolutely uphold the essence of sustainability – right from farms, farmers to our investors. With a zeal to deliver innovative and sustainable agro-chemical solutions, we believe in meeting the needs of the present without compromising that of the future.

**We are aware of the challenges faced as well as the requirements of our by farmers. To help our stakeholders sustain long-term growth, we rely on our efficient R&D capabilities to deliver unique solutions that empower and transform lives.**



Leading the change with a renewed focus on plant nutrition, plant health and plant immunity, our range of superior quality products are aimed at ensuring better productivity, delivering healthy return on investment and setting new standards in the industry.

**Keeping Customer Success at the core of our operations, we are perfectly poised to expand and grow, thereby sowing the seeds of sustainability, for today and tomorrow.**

# About Indofil

Indofil Industries Limited (Indofil) is among the leading manufacturers, distributors and marketeers of agrochemicals and specialty chemicals with a fully integrated framework across products. Indofil is part of about \$ 1.5 billion Modi Enterprises that spans business across diverse sectors.

Headquartered in Mumbai, Maharashtra, Indofil pursues a focused-growth strategy aimed at creating benchmarked chemical solutions to serve its domestic and global customers. Our 9 zones in India and 10 international offices comprise of a workforce of over 1000 people, serving customers across more than 120 countries.

## Market positioning

### 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 the domestic and global markets.

To expedite growth, we will use collaborations, acquisitions and manufacturing proximity to the market in the segments of crop care, specialty and performance chemicals.



### Six decades of growth

In 1965, Indofil commissioned its first EBDC plant in Thane for production of Mancozeb, Zineb and Maneb. Over the years, we have grown multifold to be one of the world's leading Mancozeb producers with 5 manufacturing units. We also successfully expanded our product portfolio from a handful of agricultural chemicals to an array of agricultural chemicals for various crops along with specialty & performance chemicals for various industries.

### Creating value for stakeholders, consistently

CONSOLIDATED  
TOTAL INCOME

**2,236**  
(₹ in Crore)

CONSOLIDATED  
PAT

**95**  
(₹ in Crore)

CONSOLIDATED  
EPS

**44**  
(in ₹)

### Values

Customer  
Success

Teamwork

Prosperity

Knowledge

Velocity

Scan the QR code to know about our Vision,  
Mission and Values in detail



Use any QR code scanning app to scan the QR code

# Business at a Glance

Indofil has today evolved from a single product chemical manufacturing company to an integrated multi-product chemical company. Our presence is strategically spread across three business segments:



Agrochemicals



Innovative Solutions



Plant Nutrition





## Our Presence

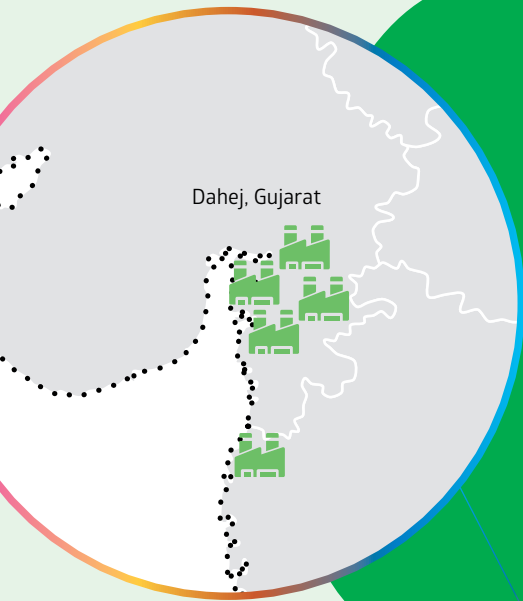
Capacity\* (in tonnes)

**33,000**  
Dahej, SEZ, Gujarat (Unit-1)

**4,000**  
Synthesis Plant, Dahej, SEZ,  
Gujarat (Unit-2)

**35,000**  
Innovative Solutions Plant, Dahej,  
Gujarat (Unit-3)

**35,000**  
EBDC Plant, Dahej, GIDC,  
Gujarat (Unit-3)

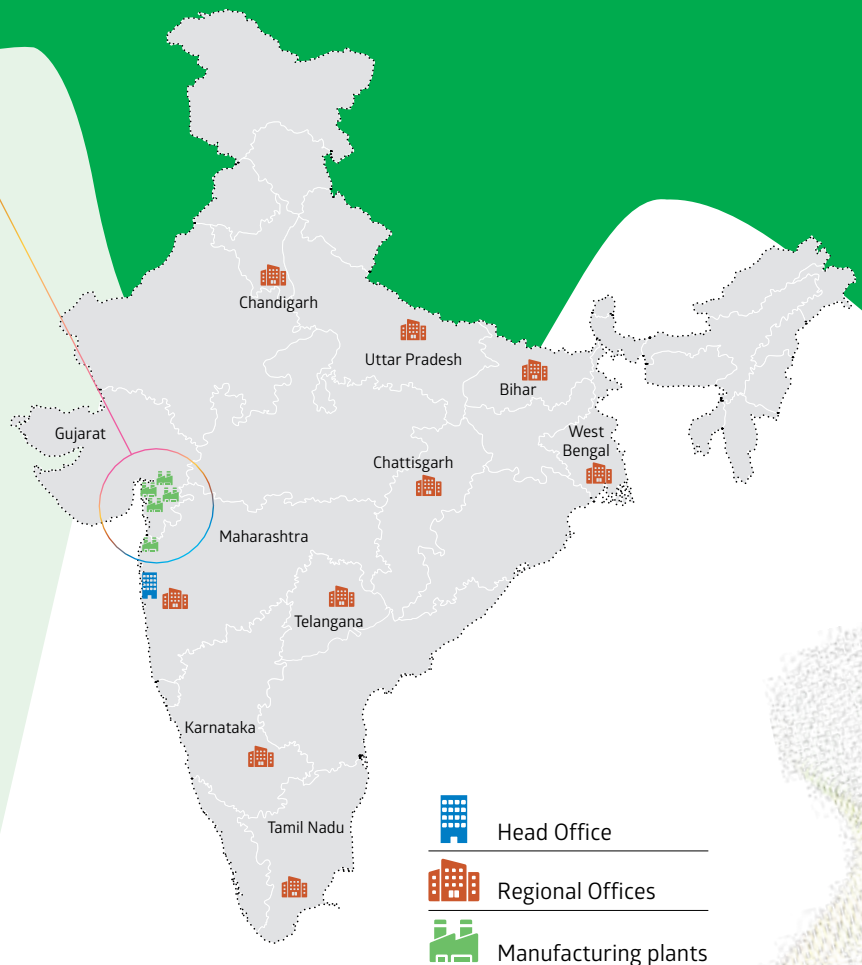


### Certifications for plant

- ▶ ISO 9001:2015 for quality management systems
- ▶ ISO 14001:2015 for environmental management system
- ▶ ISO 45001:2018 for occupational health & safety
- ▶ Authorised Economic Operator (AEO) T2 certificate
- ▶ Ecovadis recognition across 21 CSR indicators

### Certifications for R&D unit

- ▶ National Accreditation Board for Testing and Calibration Laboratories (NABL)
- ▶ Good Laboratory Practices (GLP) Certification



\*Thane Plant operations moved to Dahej, hence not mentioned here.

# Global Context

At Indofil, we prepare for the future, anticipating the market landscape across countries. Our expertise in seeking newer ways to serve our customers across extremely diverse geographies allows us to create value for our stakeholders, consistently.

**120+**  
Countries of presence

Revenue share from each geography




**53%**  
India

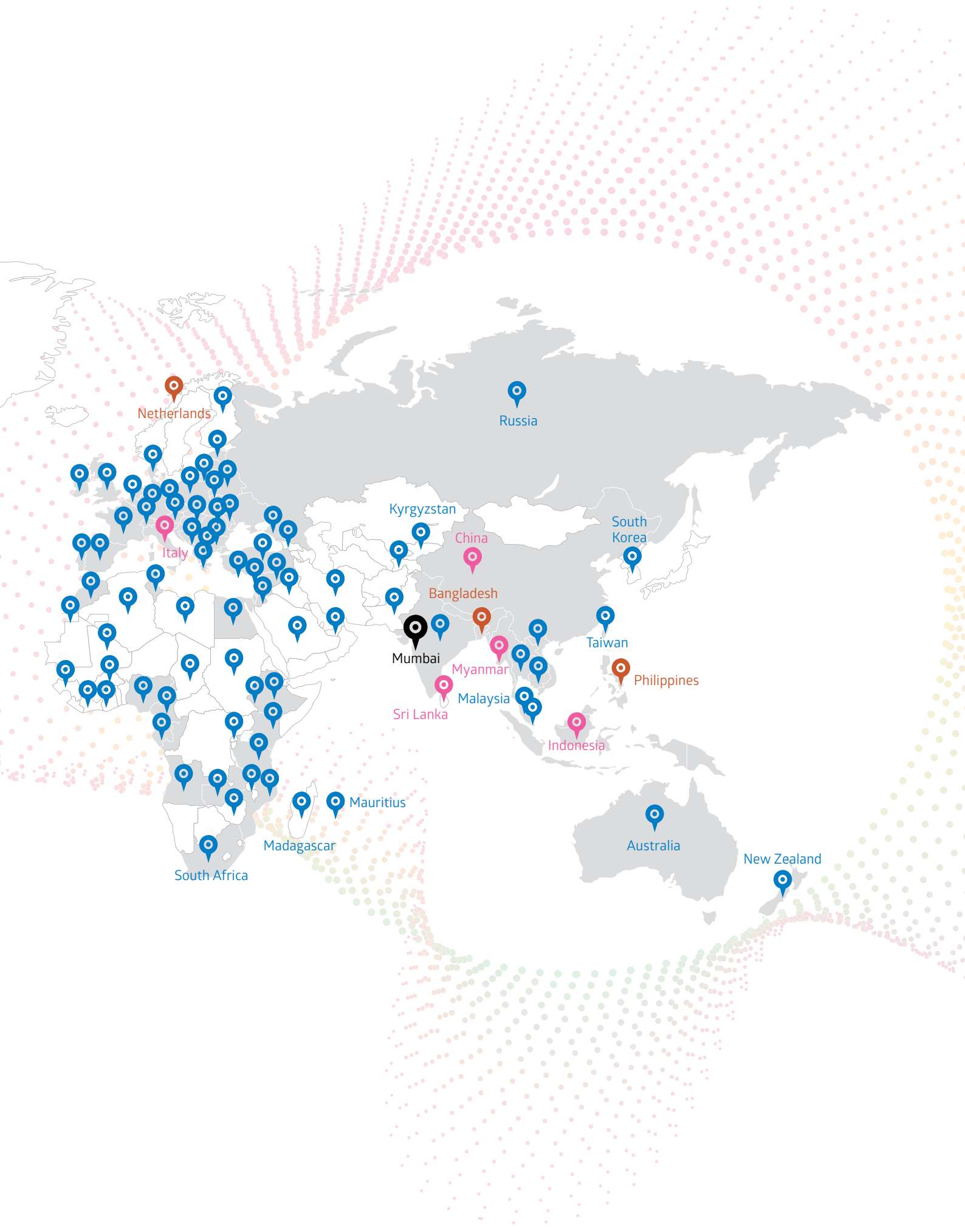
**12%**  
South America

**18%**  
Europe

**17%**  
Rest of the world



-  Subsidiaries
-  Representative office
-  Head office
-  Global Network



# Product Portfolio






Brand Indofil continues to garner trust of millions of customers across the world for its unique and innovative product offerings. We apply science and our in-house research capabilities to develop solutions and products that meet diverse customer needs. In more than 120 countries across the world, we empower millions of farmers to improve their yields and enhance their productivity with our products by making better and more sustainable use of available resources.



## Agrochemicals

### Key crops

Our major revenue driver, the agrochemicals business offers protective solutions for a large section of crops including:

 <b>Cereals</b>	 <b>Pulses &amp; Oilseeds</b>	 <b>Vegetables</b>	 <b>Fruits</b>	 <b>Fibre &amp; Plantation</b>
Rice Wheat Maize	Soyabean Black Gram Peanuts	Potato Tomato Cucurbits Chilli Onion	Grapes Apple Pomo Mango Banana	Cotton Tea/Coffee Sugarcane

## Domestic Business



### Our products portfolio and Brands

#### Fungicides

To destroy or prevent the growth of fungi, which can cause serious damage to agricultural produce, resulting in critical losses of yield, quality, and profit for the farmers, we offer a range of fungicides. It is an agrochemical made of biocidal chemical compounds or biological organisms.

**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

#### Insecticides

Agrochemicals that are formulated to kill, harm, repel or mitigate one or more species of insect are called insecticides. Our range of insecticides not only destroys or prevent infestation of insects in crops but also helps in increasing 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 are agrochemicals used to kill unwanted plants and weeds without harming crops. They play a significant role in ensuring proper growth of 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

To reduce interfacial tension between two liquids and to facilitate easier dispersion of sprayed material, Surfactants, a kind of wetting agent, are used. While 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

Through our plant nutrition segment we offer amino acid-based bio simulants that are used to improve crop productivity. Our plant nutrition portfolio also comprises of patented technology products developed in collaboration with a US company.

**Brands:** Indolife Crop Energy, Indolife Fruit Energy, Indolife Green Energy, Indolife Vital Energy and Indolizer Granules

#### Acaricides

Acaricides are used to kill or prevent members of the arachnid subclass Acari, which includes ticks and mites.

**Brands:** Mitex, Colonel-S and Raze

# 41%

Share in revenue mix in  
FY 19-20

# ₹910 Crore

Consolidated total income in  
FY 19-20

# 5,200

Distributors

# 41,000

Retailers

# 13

New products launched in  
FY 19-20

## International Business

### Our products portfolio

#### 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

# 46%

Share in revenue mix in  
FY 19-20

# ₹1,029 Crore

Consolidated total income in  
FY 19-20

# 550

International customers

# 10

Global offices

# 9

New products  
launched in  
FY 19-20



## Innovative Solutions

### Our products portfolio

#### 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
- ▶ 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

# 12%

Share in revenue mix in  
FY 19-20

# ₹273 Crore

Consolidated total income in  
FY 19-20

# 43

Distributors



# Chairperson's Message

“

It is truly a moment of pride for me to embark and help navigate Indofil through challenges, creating them into opportunities, as we continue to demonstrate sustained business growth.”



## DEAR SHAREHOLDERS,

While business is all about changes and rising to them, for us at Modi Enterprises the year 2019-2020 has been a year which would not be forgotten soon. A wave of new learnings, adapting to and adopting the realities at every level, re-instilled our faith and kept us strong. It was nothing less than a paradigm shift in every sense. Personally, it has been a year of immense learning, fuelled by myriad events and emotions. 2nd November 2019, was the day when we lost our Founder Chairman & Managing Director of Modi Enterprises, my beloved husband, Late Shri Krishan Kumar Modi, who was fondly called KK by his team.

Indofil's corporate journey went through a sombre time. But like they say, you may bid adieu to a person, not his soul. His continued guidance, leadership and business acumen has positioned Modi Enterprises today as a leading conglomerate in the country, valued at about \$ 1.5 Bn. His exemplary stewardship and endeavour to set standards of excellence has driven Indofil to the pinnacles of success. While sustaining the Company's position at the top, he placed Indofil on the global

map, transforming the business and accelerating growth, year-on-year. He was a firm believer in creating value for stakeholders at large and making effective contributions to the country's economic growth by building a sustainable business. This belief moulded Indofil's vision to be a global leader in both Agricultural Chemicals and Specialty Chemicals. Today, with over six decades of experience, Indofil is a trusted name for excellence, focused on a firm resolve to innovate and serve its customers with passion.

The agriculture sector happens to be the silver lining to the pandemic that the country is grappling with. Reports suggest that India's farm sector is poised to gain at its fastest pace in more than a decade with the help of a bountiful monsoon, increased sowing acreage, return of migrant workers from cities to the hinterland and hike in minimum support price for good grain, pulses and oil seeds. This augurs extremely well for the business of our company, going forward and we are all geared up to rise to the occasion and emerge stronger competitively.

It is truly a moment of pride for me to embark and help navigate Indofil through challenges, transforming them into opportunities, as we continue to demonstrate sustained business growth. I'm looking forward to working with the leadership team in place, bringing renewed perspective, new thought processes and precise experiences needed to steer the Company to achieve greater glory.

## Economy review

The Indian economy grew modestly during the fiscal FY 19-20, with a GDP of 4.2%, reeling under the pressures of macro-economic factors and weaker domestic sentiments. The onslaught of the Covid-19 pandemic at the end of March 2020, further pushed the country into an economic crisis, with lockdowns imposed across the country to save lives and livelihoods. However, the announcement of a US\$ 266 billion stimulus package by the government will surely help ease the distress compounded by the pandemic and help reverse the economic downtrend in the near future.



## Core sectoral review

A significant portion of the population in India depends directly or indirectly on agriculture for employment opportunities, as compared to other sectors. But, the share of agriculture and allied activities in the total GVA of India has been declining due to the consistent growth of non-agricultural activities. The sector grew by 2.8% during the year under review and it performed well on the back of above normal rainfall which enabled it to achieve its crop production target in FY 19-20.

The Agriculture sector is estimated to grow at 3% in FY 20-21, amid the lockdown which had nearly halted economic activities. Banking on the forecast of normal southwest monsoon rainfall during June to September, which is expected to be beneficial for rain-fed kharif crops, the government has set food grain production target 2% higher than the output achieved in FY 19-20. The growth of the sector is further supported by an increased budget allocation and government initiatives like PM's vision of doubling farmers' income by 2022, PM-Kisan, Pradhan Mantri Fasal Bima Yojana (PMFBY) and Price Stabilization Scheme. Better crop management practices, augured by hybridization and adoption of advanced agrochemicals will also support the growth of the sector.

## Performance review

With dwindling agricultural land area and shrinking farm incomes, agrochemicals continue to play a vital role in crop protection and increasing farm productivity. India is the second largest agricultural producer in the world and its agrochemical sector continues to play a fundamental role in driving the agriculture sector. At Indofil, we remain focused on strengthening our business model and growing our market presence further.

The year FY 19-20 remained a year of consolidation at Indofil as we implemented strategic decisions to create long-term business sustainability. One, it was imperative to shift our

manufacturing operations from Thane to Dahej, to streamline our operations and improve visibility, accountability and efficiency in operations. Now, with four operational plants in Dahej, a 'single-point' manufacturing location will bring significant long-term improvements in profitability and margins.

Two, we are solidifying our financial position and driving long-term profitable growth. Our conscious decision to streamline working capital requirement, improve inventory, receivables and reduce long-term debt did improve our cash flow generation and strengthened the balance sheet.

Third, Indofil has achieved sustained-growth through key acquisitions made over the years. The acquisitions across technical, market-driven and product-focused areas have helped build synergies for long-term value creation.

We, at Indofil, have developed industry-leading technologies that are anchored in our operations. These digital transformations have helped shift people, processes and responsibility in our businesses closer to our customers and record greater economies of scale. I am happy to report that our R&D team has made great strides in improving the yield potential of crops while empowering farmers with higher productivity.

The laurels received by Indofil over the years is a result of our 'people first' philosophy conceptualized by late K.K. Modi. It has navigated the Company through several economic and industry challenges over the years. I am committed to further strengthen and encourage best practices that stand testimony to the Company being recognized as a 'Great Place to Work'.

## Road ahead

The COVID-19 pandemic has stalled India's phenomenal growth as one of the leading economies in the world and India is now set to experience its first ever GDP contraction. The country's capabilities as a self-sustaining entity, across industries, from agriculture to manufacturing,

needs to be scaled up. This shall not only help to meet domestic needs, but will also put India back on the global map. Long-pending reforms like modernization of the agricultural supply chain and restrictive labour laws along with clear policy announcements, comprehensive safety nets and decentralized systems of governance will be essential for reversing the downward trajectory of the economy.

Fiscal year 2020-21 will be yet another challenging year, with a need for overall transformation – economically, politically and strategically. We remain committed to unfold new strategies to make Indofil more agile, flexible and customer-focused as we continue to explore opportunities to expand our horizons and contribute towards agricultural growth through innovative and eco-friendly products, thereby contributing towards the growth of the economy as a whole.

I would like to extend my heartfelt gratitude towards everyone at Indofil for their dedication, enthusiasm and hard work. It not only lends courage to tread ahead with confidence but, also provides immense satisfaction to witness the success of our customers and the farmers. Even in challenging times such as this, we have been continuously supported by our valued stakeholders including customers, suppliers, distributors & bankers and I would like to acknowledge their contribution towards our transformational journey.

With our strategic skills and passion to deliver exceptional results, as we look ahead, Indofil is optimistic about future growth. We have made the necessary investments and have positioned ourselves to reap the benefit of the same in years to come.

Yours sincerely,

**Dr. Bina Modi**

Chairperson and Managing Director

## Message from COO

“

We continue to focus on building stronger relationship with our customers and farmers by empowering them with right product mix while also focusing on achieving higher operational excellence and optimizing cost to ensure profitable and sustainable long-term growth.”



### DEAR STAKEHOLDERS,

It gives me immense pleasure to write this message as the Chief Operating Officer of Indofil Industries Limited. Like many of you, I have been associated with Indofil for more than 26 years. The foundation set by our Late Founder, Chairman and Managing Director Mr. K.K. Modi has positioned the Company to achieve leadership across diverse business segments. Being a part of the strategic team over the years and taking up the role of COO allows me to look up to challenges and make progress for sustained business growth.

The fiscal year 2019-20 was a challenging year on many fronts, where Indofil demonstrated the capabilities of its resilient business model. It was a year of consolidation, transformation, strategic decisions and being future ready. Against a backdrop of extraordinary circumstances where challenges were profound, we are proud of what our company has achieved.

The year marked many challenges in the macroeconomic environment in India as well as globally. Despite normal

rainfall, the distribution of rainfall was uneven across the country, and storms at the end of the year destroyed crops and led to a slowdown in agricultural production. Further, stringent regulatory requirements, including ban of a number of products in Punjab and co-marketing products in Maharashtra, did cause operational hurdles for us.

While witnessing these headwinds, we undertook a conscious and strategic long-term decision of shifting our Thane plant - a 60 year old plant catering completely to

domestic demand, to Dahej in Gujarat. We are proud to inform you that the shifting of the Thane plant was carried out very smoothly, without any issues. We also floated a VRS scheme for the workers and it was accepted by a majority of the workers, while the rest of the employees agreed to shift to the Dahej plant. This helped us to create a single unified production area at Dahej, enabling us to streamline our operations and achieve greater economies of scale.

We also increased the capacity of our SEZ export plant by balancing equipment and process as we continue to witness increased demand in overseas markets, especially in Brazil. As a part of our strategy to sustain our market share in the international market, we reduced our margins, declining our overall sales realization. But, within a very short period of time, we have improved margins and regained market share in international markets due to sound strategic interventions.

We have established a strong foothold in the key markets of Europe, Brazil, Bangladesh and Philippines. We are taking initiatives to build a strong local team and distribution network to further strengthen our position and to serve our customers better. In Bangladesh, a market with similar agro-climatic and socio-economic conditions like India, we have set-up a re-packing unit, Indofil's first-ever completely owned factory outside India.

During the year under review, we also made investments in our subsidiaries. We have made significant investments at our GIDC plant, Indofil Innovative solutions and our synthesis plant. These plants have been operating at low capacity utilization.

We also took back significant amount of inventory from market while streamlining sales channel. Further, we also adopted stringent working capital management practices and steps to strengthen our governance framework. We have taken small steps such as implementation of

credit control and half-yearly balance confirmations to ensure smooth process management and to create a stronger balance sheet.

On the financial front, our consolidated total income marginally degrew by 1.3% to ₹ 2,236 Crore in FY 19-20 as compared to ₹ 2,264 Crore in FY 18-19. The cost of shifting the Thane plant along with fixed cost of our three manufacturing units weighed significantly on our profit. This led to decrease in our EBITDA from ₹ 389 Crore in FY 18-19 to ₹ 274 Crore in FY 19-20. During the year under review, our PAT stood at ₹ 95 Crore as compared to ₹ 189 Crore in the previous year.

Being a part of this dynamic company, achieving sustainability in terms of performance, products, profit and community has become a key strategy to move forward. We continue to focus on building stronger relationship with our customers and farmers by empowering them with right product mix while also focusing on achieving higher operational excellence and optimizing cost to ensure profitable and sustainable long-term growth. We are also investing in backward integration of some of our key products by setting up in-house manufacturing facilities for key ingredients which were earlier imported from China. This will not only enhance product quality but, will also make us a self-reliant entity, in line with the government's vision of 'Make-in-India' and '*Atmanirbhar Bharat*'.

Adoption of innovative technologies within our business model will successfully contribute towards our vision to achieve self-reliance. To start off, we have partnered with an Israeli company to develop innovative Nitrogen fixing technology apart from collaborating with another two startups for product development for Indian market. We are also exploring and harnessing the power of digital tools such as data analytics and real-time data monitoring to draw meaningful insights and take informed business decisions

related to sales, demand planning and distributor profiling.

The year 2019-20 was also a year of transformation. The demise of our legend and mentor, the Chairman of Modi Enterprises, Shri Krishan Kumar Modi, fondly remembered as KK by many, was a great shock for all of us at Indofil.

Dr. Bina Modi now takes over as the new Chairperson of Modi Enterprises and we look forward to Indofil witnessing historic growth under her leadership.

The growth achieved so far would not be possible without the dedication and commitment of our employees. Being a people-centric organization, employee safety has always been a priority for us. Even in difficult times like today, we have undertaken various initiatives to ensure that all our employees are safe and energized to embrace the new normal. We feel learning is going to become a catalyst in achieving our goal of transformational growth. As a result, we have already undertaken various online training programs to prepare our employees for the future.

Looking ahead at fiscal 2020-21, it is going to be yet another challenging year for us as well as the economy at large. The outbreak of Covid-19 has not only altered the economic outlook but, has also led to the emergence of a 'new normal'. Sustainable agriculture and safe practices powered by innovative approaches will pave the path for a 'new normal' after the pandemic. Keeping our strategic plans intact, we have sowed the seeds of a sustainable tomorrow and are absolutely prepared to embark on a transformational journey to augur the next phase of growth.

Regards,

**Narendra Rane**

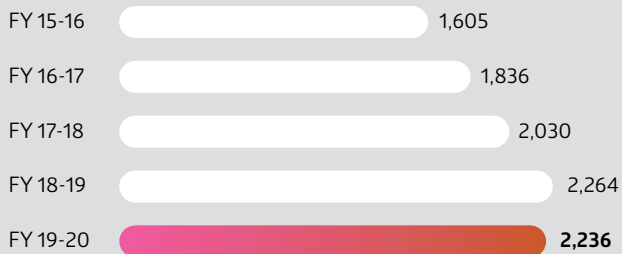
Chief Operating Officer (Agro Business)

# Financial Highlights



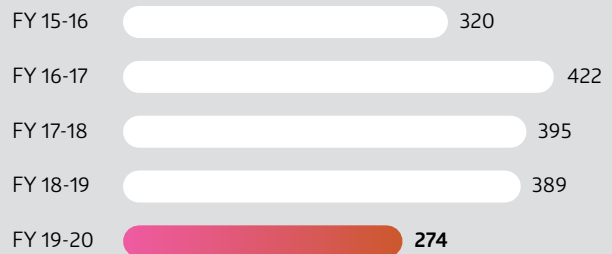
## Total consolidated Income

(₹ in Crore)



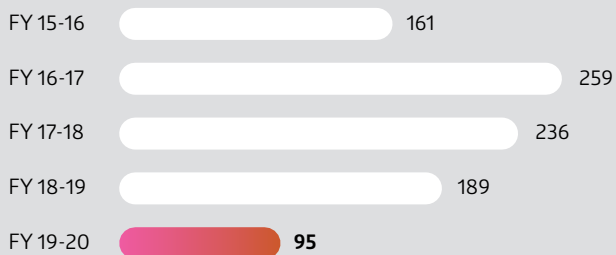
## Consolidated EBITDA

(₹ in Crore)



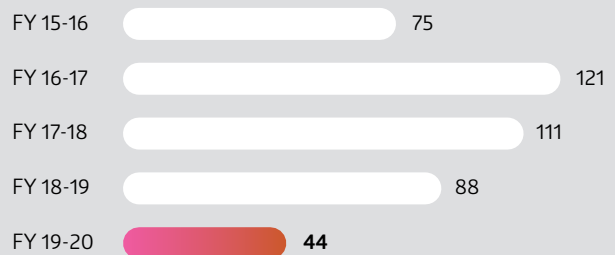
## Consolidated Net Profit

(₹ in Crore)



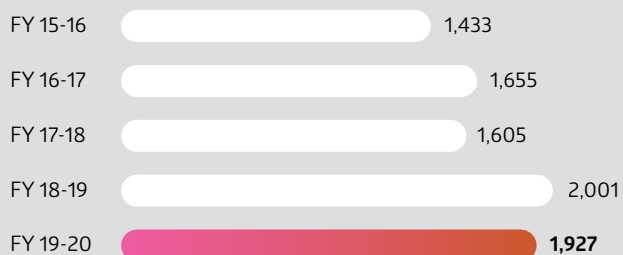
## Consolidated EPS

(in ₹)

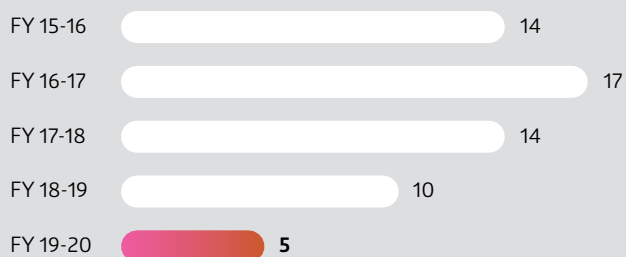


**Reserves (As per consolidated accounts)**

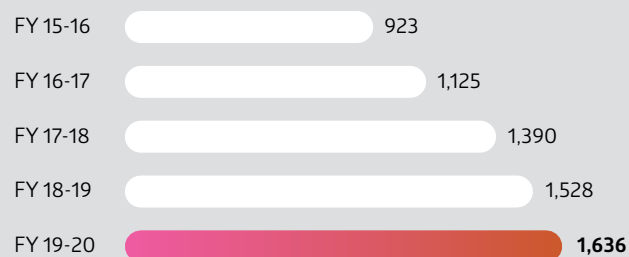
(₹ in Crore)

**Return on equity (As per consolidated accounts)**

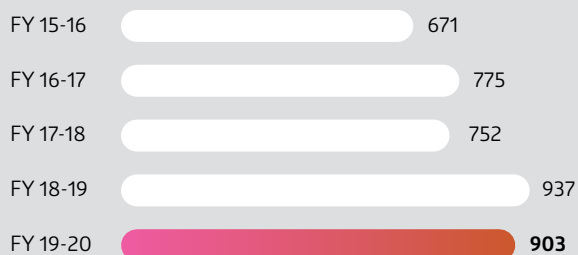
(in %)

**Consolidated Gross Fixed Assets**

(₹ in Crore)

**Book value per share (As per consolidated accounts)**

(in ₹)



# Operational Highlights

## Agrochemicals - Domestic Business

- ▶ To improve profitability, transparency and efficiency across processes, business policies pertaining to Credit, Sales return and Orders were improved.
- ▶ As part of our Planning and Inventory control strategy, we discontinued 30 products to enhance operational efficiency.
- ▶ Launched 4 new products - Porter, Indoneb, Offset-N and Indofil's Mix.



## Agrochemicals - International Business

- ▶ Substantial business growth was recorded by Brazil subsidiary in past few years including the year in review.
- ▶ We successfully completed the construction of our first re-packing unit outside India.

## IndoLife Super Specialities

- ▶ We joined hands with 'MODICARE' to expand the reach of i-NET products, leveraging its gigantic network of more than 5 lakh consultants across the country. i-NET foliar spray was launched by Modicare as 'ACTIVMAX', under two SKUs.
- ▶ Launched the 'INDOLIFE GARDEN CARE DIVISION' in October 2019 to cater to the nutrition segment of Garden Plants. We utilized e-commerce platforms such as Amazon and Flipkart to market and sell our new range of products.
- ▶ Conducted 6 trials of Maxilizer in ICAR institutes in FY 2019-20, keeping in line with our endeavour to undertake trials of in-house products in several universities and ICAR institutes around the country.
- ▶ Total 9 new products have been launched during the year under review.



## Innovative Solutions

- ▶ Focused on the development and promotion of RDP (Cemento).
- ▶ Acquired new clients, renowned in the industry.
- ▶ In the textile segment, we consolidated our position as a leading supplier of Acrylic Emulsions for Textile Pigments, recording sales of about 3000 mts.
- ▶ Improved our market share in the T-Shirt printing segment to 80%.
- ▶ Forayed into the Pigment Printing Emulsions segment in Bangladesh to report sales of ₹ 6 crore.
- ▶ Owing to high volume sales, the Textile business was able to support our IIS segment with high kettle occupancy, thereby reducing overhead costs significantly.
- ▶ New Product Launch in Fatliquor range (Indofil Soft EX-220/DS110) for leather hand gloves
- ▶ Our range of Acrylic Syntans and Acrylic Binders continue to grow in terms of sales, profitability and margins.

## Research and Development







- ▶ Improved the quality of 4 key commercial agro technical products, Thifluzamide, Tricyclazole, Metalaxyl and Dodine and reduced their cost and effluents.
- ▶ Backward integrated most of our commercial products like Tricyclazole (HMBT), Metalaxyl (MPX), Propiconazole (DICAP), Thifluzamide (Thiazole acid), Cymoxanil (2-CEU), and Propargite (TBPC) at the R&D stage and at pilot plants.
- ▶ Enhanced R&D activities for new technical products.
- ▶ Initiated two CRAMS projects for a multinational organization, under the ambit of the 'Make in India' initiative.
- ▶ Unique ready mixture formulations were developed for overseas and domestic markets.
- ▶ Reduced the cost of 6 existing polymer products to increase profitability of Leather, Textile, Plastic, and Coatings verticals.

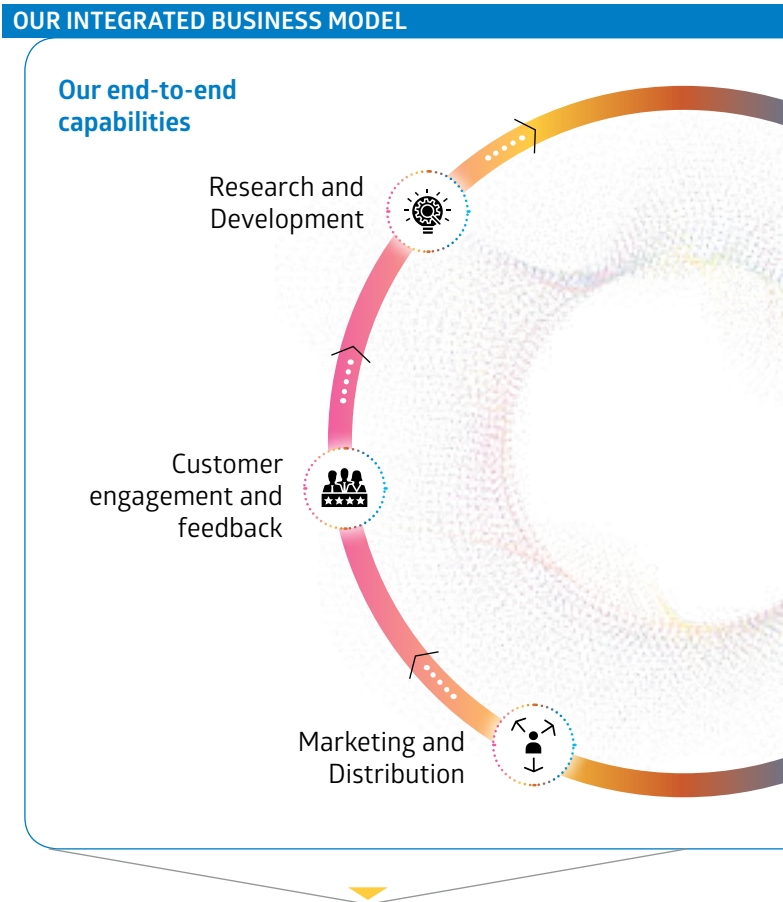
## Synergy – Partners in Growth

Indofil organized a Partner Meet & Greet event as a celebration of Indofil's journey with its suppliers and service partners, to acknowledge and appreciate their constant support. Around 130 key suppliers and service partners from India and other countries were present at the event. Partners from Sweden, Kuwait, China, Korea & Canada also participated in the Meet & Greet. It enabled us to successfully take Indofil's corporate philosophy of 'Total Collaboration for Profitable Growth' forward.



# Our Value Creation Model

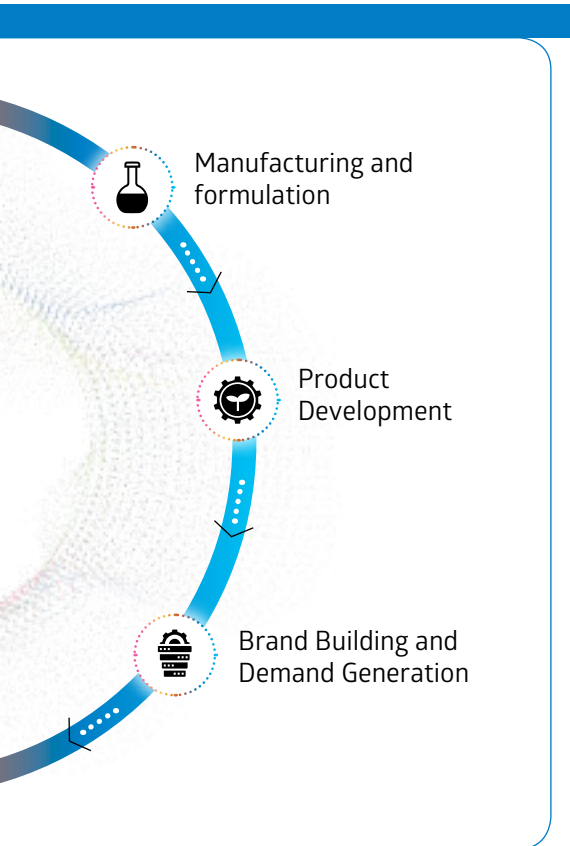
SOURCE	INPUT
 <b>Financial Capital</b>	<b>₹ 21.35 Crore</b> Equity share capital  <b>₹ 422.49 Crore</b> Long-term Debt fund
 <b>Manufactured Capital</b>	<b>₹ 1,011.64 Crore</b> Invested in property, plant and equipment as on 31st March 2020  <b>5</b> Manufacturing units
 <b>Human Capital</b>	<b>1,039</b> Employees  <b>597</b> Contractual employees working in our manufacturing units
 <b>Intellectual Capital</b>	<b>₹ 31 Crore</b> Invested in R&D activities in past three years  <b>60+</b> Qualified scientist form a part of our R&D team  <b>14 years</b> Average experience of management team
 <b>Natural Capital</b>	Electricity Water Gas and fuel
 <b>Social and Relationship Capital</b>	<b>₹ 4.96 Crore</b> Spent towards CSR activities



### OUR OUTPUT

<b>Agro Chemicals</b>		
 Fungicides	 Plant Growth Regulators	 Surfactants
 Herbicides	 Insecticides	 Acaricides
<b>Super Specialty Chemicals</b>		
 Plant Nutrition	 Plant Protection	 Garden Care





**VALUE WE CREATE**

**₹ 2,236 Crore**

Consolidated total income

Short terms returns and long-term **value creation** for shareholders

**₹ 274 Crore**

EBITDA

**Risk and earning diversification** both geographically and operationally

**~100%**

Capacity utilization of SEZ plant

Recorded the **world's largest and single day** batch size of Tricyclazole

**Constant**

reduction of cost of manufacturing

**Zero**

accidents recorded across all the units

**19,114 hours**

Total training hours

**4**

Average man-days of training against industry average of three

**Improving**

gender diversity ratio

**Great place to work**

Certificate received in 2017

**190+**

Number of brands

**20+**

New products launched

**1,150+**

Registration held by Indofil

**42**

Patent Portfolio

**ISO 9001 QMS** and **ISO 14001 EMS** certified facilities

**Pre Heater**

installed to reduce gas consumption

**Decreasing** dependence on non-renewable sources of energy

**Recycled**

MEE water for reuse in process to minimise water consumption and cost

**41,000**

Retailers

**5,200**

Distributors

**~4.35 lacs**

Farmers covered through our various field activities

**Enriching**

farmer and consumer experience

Contributed towards **development of communities**

around our operations



# Deriving Synergies from Collaboration

**At Indofil, we consider collaborations and partnerships as the key to a successful business. To develop new and competitive products we rely on our partnership and alliances, to gain access to shared technologies that enable us to deliver innovative products to our customers.**

### Internal Collaboration

At Indofil, internal collaborations play a crucial role in exploring opportunities for sustained growth. Our efforts to promote transparent and open communication along with a positive approach/attitude ensures accountability and fosters strong collaboration among varied teams within the organization. It not only results in seamless execution of operations, it also helps to create value for a broad range of stakeholders - right from distributors to farmers.

The sudden outbreak of Covid-19 transpired the work-from-home scenario and we realized the strength and magic of teamwork as we continued to plug the gaps in our communication system to build a robust and efficient operational model. Amidst challenges, we successfully ensured seamless flow of communication, enabling decision making through video calls. For the first time in the history of Indofil, the leadership team interacted with employees at least once a day to conduct and sustain business functions as usual or even better. This enabled us to strengthen our bond and work as #OneIndofil, serving as a testimony to our sound internal communication system.

### External Collaboration

Our endeavor to grow and sustain our market leadership drives us to forge external collaborations that deliver long-term value for all our stakeholders. We partnered with Shanghai Baijin Chemical Group Co, a manufacturer of carbon disulfide, to form Indo Baijin Chemicals Pvt. Ltd. The joint venture acted as a precursor to our objective of becoming the most preferred carbon disulfide (CS<sub>2</sub>) producer and supplier in the world.

We have also entered into a strategic partnership with Reagens, renowned for manufacturing stabilizers for PVC & other thermoplastics to form Indo Reagens Polymer Additives Pvt. Ltd. In order to deliver differentiated and value-added products to our customers across the globe, we also remain keen to explore various collaborations for growth & sustainability, leveraging their technology & innovation, enjoying improved market presence and enhancing shareholders value.

# People First



**We rely on the knowledge, expertise and commitment of our people to drive innovation across the business value chain. Our people underpin everything we do and we have framed our people policies to ensure simultaneous growth of our people as well as our business.**

Indofil actively promotes efforts to ensure fairness across operations, to keep our people empowered and motivated, with a thorough focus on building an engaging and inclusive workplace.



### Education and training

During the year under review, we continued to train our new and existing employees. These initiatives helped foster an even deeper understanding of our actions linked to long-term business goals. Apart from digital learning programs, that we had introduced last year, we continued dedicated classroom trainings to offer a multidimensional exposure to our employees.

Our orientation programs are considered one of the best in the industry and has helped employees to seamlessly acquire technical knowledge. We have also strengthened our employee engagement processes with timely feedbacks (on a weekly/monthly basis) received through dedicated digital platforms.

**19,114 hours**  
Training provided in FY 19-20



### Talent retention and development

We continue to focus on talent management and retention strategies to ensure minimal attrition rates. Employees are regularly trained and their performance is tracked to develop an effective succession plan for each performing individual, identifying key talents for critical roles and thereby, ensuring business continuity and growth.



### Promoting equality and diversity

In an effort to contribute to our long-term objective of building an inclusive workforce where diversity is respected, we are actively seeking to build a workforce where women form an integral part of the business. We have therefore, scaled up recruitment of women across our offices, in India as well as in other countries. Focusing on merit alone, these efforts are aimed at cultivating a progressive and optimistic workforce.



### Empowerment

The shifting of operations from our Thane, Maharashtra plant to Dahej, Gujarat was one of the major highlights of the year. We focused on promoting fair terms and conditions for our workers at the Thane factory, for the past five decades and as we decided to shift, a VRS scheme was introduced for workers who decided against it. Adequate measures were also undertaken for workers who voluntarily shifted to the Dahej plant. The entire process was amicably completed with a strong focus on empowering our people, as we concentrated on strengthening our organisational competitiveness.

# Exploring Opportunities

**Indofil is always enthusiastic about exploring new opportunities and investing in growing and niche markets. In every new market we enter, we aim to grow organically with a strong emphasis on customer needs.**

## Strengthening our foothold

Over the years, we have established a strong foothold in key international markets such as Brazil, Bangladesh, Philippines and Europe. Going forward, we plan to adopt aggressive expansion strategies in these countries to create a strong brand presence. Given the fact that the population in these countries is growing at a steady pace, dependence on agricultural activities is expected to grow and it is likely to open up huge untapped opportunities for us.

Further, we have set-up dedicated teams for each area to further expand our presence along with establishing a strong distribution network and on-ground & country-specific product marketing strategies. This will not only enable us to create demand for our products but also ensure uninterrupted supply of products across the globe. We have also set-up a re-packing unit in Bangladesh, Indofil's first completely owned facility outside India, designed to serve local customers with ease and efficiency. We also plan to leverage our presence in Philippines to enter other geographies such as Vietnam, Indonesia and Thailand in the near future.

## Investments in market research and customized solutions

Every geographic region has varied agro-climatic conditions, cropping patterns and socio-economic designs. It is therefore, vital for us to provide products that suit local market requirements. To fulfil this objective, we have built a dedicated team to closely monitor changes in local markets and develop products

accordingly. At Indofil, we follow the crop approach, whereby we focus on developing products that are best suited to the main crops grown in a particular region. Over the years, it has enabled us to create a strong market for our products and has sustained a competitive edge over our peers.

Over the years, we have forayed into the fastest growing markets in the world and have successfully established a strong presence in countries like Europe, Brazil, Philippines and Bangladesh, while cherishing a dominant position in the Indian market.



### Key markets and their key crops



#### Brazil

- ▶ Soy/Corn
- ▶ Sugar Cane
- ▶ Coffee
- ▶ Fruits/Vegs
- ▶ Cotton / Rice



#### Philippines

- ▶ Rice
- ▶ Corn
- ▶ Mango
- ▶ Banana and other Plantation Crops
- ▶ Vegetables



#### Europe

- ▶ Potato
- ▶ Maize
- ▶ Cereals
- ▶ Vine
- ▶ Pome Fruits
- ▶ OSR



#### Bangladesh

- ▶ Paddy
- ▶ Rice
- ▶ Potato
- ▶ Mango
- ▶ Maize
- ▶ Corn
- ▶ Other fruits and vegetables

# Empowering Farmers

**As a business that serves the agriculture industry, it is our responsibility to help farmers rise above major challenges of feeding a fast-growing population and improving farm productivity. As a result, we strive to empower farmers with products and solutions that not only meet their requirements but, also enable them to improve crop yield.**

We work closely with farmers to understand individual needs and strive to design customized solutions that increase yield per hectare, reduce crop damage, enhance plant mobility and improve soil fertility. We also remain committed to empower farmers with new-age technologies that allow them to rapidly transition from traditional practices to advanced techniques that increase yield while preserving the soil quality.





## Connecting with Farmers

In alignment with our product and crop strategy, our demand generation team worked at field level and connected with millions of farmers across the country. The main focus was on educating the farmers about the agronomy practices, crop/ pest scenario, how to safeguard the crops from key pest/ diseases/ weeds and train them on safe use of plant protection chemicals along with educating them about the use case of our products.

Connected with

**~4.35 lacs**

Farmers through various field activities

**1,27,100+**

Field activities conducted in FY 19-20

### 'Going Digital' - Indofil's reinvention of the age-old farmers' advisory model

Mrs. Sarita\*, a cheerful and humble cultivator of onion and tomato crops in her 5 acres plot in Ugayanur village of Tamil Nadu had never heard of audio or video conferences. She was surprised when she was informed that she could gain advice digitally on how to protect her precious crops from devastating pests and diseases. But, when 'Team Indofil' reached out to her as a part of its digital outreach program, her enthusiasm knew no bounds. Always keen for innovation and an avid learner, she immediately agreed to sign up. Since then, she has been an active participant in Indofil's digital outreach initiative that offers specific, timely and actionable advice including safe and responsible handling of agrochemicals to more than 100,000 farmers across India.

\*The name has been changed to protect the identity of the actual person

## Ujjwal Kheti 2.0

We have revamped and re-launched our in-house mobile application, Ujjwal Kheti 2.0 with new and innovative features to further improve the productivity of our field development assistants (FDA) as well as to promote our demand generation (DG) activities. Key features of the application include:

- ▶ Capturing and monitoring of field activities
- ▶ Liquidation tracking
- ▶ Data Repository - Indofil and Non Indofil farmers
- ▶ Digitization - SMS, DG activities invitation and Promo material
- ▶ Attendance, daily activity tracking and performance management
- ▶ Reminder alerts on a day-to-day basis

## Connecting with farmers through social media platforms

In the era of digitization, we have been leveraging social media platforms such as YouTube and Facebook to connect with our farmers as well as generate demand for our products. Through these platforms, we promote content that sheds light on various use cases of our products and its utility for farmers to increase crop yield and farm productivity.

**2910**

Subscribers on YouTube Channel\*

**3900**

Followers on Facebook\*

\*as on July 2020



# Enhancing Capabilities

As we continue to grow and strengthen our business, we are constantly emphasising on enhancing our structural capabilities by investing in supply chain infrastructure, including state-of-the-art manufacturing and logistics facilities and export logistic & supply chain networks across the globe. We are also motivated to adopt emerging digital technologies across operations, to enable consumer engagement, smart manufacturing, supply chain agility and execution of frontend operations.

## Digitization

In a rapidly changing world digitization plays a vital role in shaping the future of the business. Our strategy is increasingly linked to digitization of processes and platforms to improve accuracy, efficiency and productivity of our operations.

Our digital transformation journey goes beyond increasing efficiency. It supports our customers and farmers, improves their experiences, monitors change in

real time and strengthens our supply chain. We have been investing in new technologies and R&D to extend our capability and shorten development timelines. We are also leveraging new age technologies, data analytics and digital tools to bring better products to markets within shorter time frames. Adoption of effective digital tools will also make our business extremely competitive and agile.

We ship our products to over

**120+**

Countries

**40+**

Service partners in India

**5,200**

Distributors across India

**550**

Distributors in international market

Supplier network spread across

**25**

Countries

Strengthening our supply chain network

**Established**

Warehouse/Distribution network in International markets including Europe, Brazil, Philippines and Bangladesh

**Pan-India**

Presence with excellent Service Levels

**1,000**

SKUs handled every month

Any distributor can be supplied material within 24 hours of order placement

## Panoli warehouse

The Panoli warehouse will play an important role in increasing our service quality and expanding the reach of our distribution facilities. Like all other initiatives at Indofil, this extends our vision of providing sustainable, safe and competitive solutions to our esteemed customers. Staying true to Indofil's focus on delivering best of technology and services, the new initiative will provide comprehensive and proactive solutions to our existing and potential end users. This wouldn't have been possible without the support of our service partner PISPL and we aim to replicate this model in other locations as well.

Spread over 60,000 sq ft, the warehouse accommodates 5500 pallet positions and is equipped with infrastructure including Heavy Duty Racking, Harmon made Dock Levellers, Automatic Rolling Shutters on docks, Fire Proof Armoured and FRLS Cables for electricity connectivity, Separate Electrical Panel Room, Server and DB

Room, Articulated Forklift (Aisle Master) imported from Ireland to operate narrow aisle (1.8 mtr) Battery Operated Pallet Truck and Forklift. The warehouse is also equipped with energy efficient infrastructure like Hi-bay LED lights with IP65 rating, aluminium roof sheds, polycarbonate transparent sheets, wind turbo ventilators etc. With direct connectivity to the NH8 highway, it helps to accelerate distribution timelines significantly.

The advanced warehouse has a storage capacity of 2500 metric tons and the entire facility is designed as per the NFPA (National Fire Protection Association) and ISO 45001:2018 (earlier known as OSHA - Occupational Safety and Health Administration) guidelines,

taking into consideration important factors such as energy, safety, security, sustainability, stability, accessibility, operations and maintenance. The facility also meets statutory compliances for storing Pesticides and Fertilizers.

To ensure maximum safety, the fire-fighting system at the warehouse has been designed as per the latest SHE (Safety, Health & Environment) guidelines. The in-house facility is equipped with Fire Extinguishers, Foam Trolleys, Body and Eye Washers, Fire rated Emergency Exit doors with alarm buzzers operating at intervals of 22.5m and a CCTV Surveillance System with far side visibility.



The VESDA (Very Early Smoke Detection Aspiration) system that helps to detect fire and smoke in 8 seconds in comparison to normal beam detectors that take around 40 seconds and a state-of-the-art fire alarm system connected to smoke detectors and panic buttons are going to be implemented soon.

The warehouse has been designed to ensure long-term sustainable operations, incorporating latest energy efficient and environment-friendly features like 'light pipe technology' which transfers natural light from outdoor to indoor spaces, utilization of LED lights with natural light sensors and industrial High Volume Low Speed (HVLS) fans. To reduce its environmental impact, an RO (Reverse Osmosis) Plant has been established for reusing water in toilets, initiatives for rain water harvesting has been undertaken and Plumeria Alba, Fisan, Phycus and Areca Palm trees have been planted along the periphery of the warehouse to create a green zone.

Going forward, PISPL and Indofil are working closely to enable digitization in day-to-day operations. It aims to implement paperless operations by using handheld RFID / Barcode readers / Scanners that facilitate product tracing within the warehouse. This also makes stock taking / counting easier on a daily basis.

PISPL is also implementing processes like RTLS (Real Time Location Scanning) to ensure safety of vehicles and personnel, RFID Shock Sensors to detect any collision in real time, daily audit and inspection checklist software, BMS (Building Management System) for predictive analysis and controlling critical parameters like Air-conditioning / HVAC (indoor / outdoor) units, monitoring of Diesel Generator Sets, Energy Monitoring, RO Plant, Fire Fighting Pumps etc. To enable data analysis and get alerts in real-time, IoT (Internet of Things) systems are being deployed at the warehouse to improve overall throughput and safety parameters.

**Distinct features of the warehouse**

**60,000 sq ft**  
Area covered

**2500 metric tons**  
Storage capacity

**VESDA system to detect fire and smoke in 8 seconds**



# Research & Development

Our relentless focus on developing innovative and differentiated products for our customers has enabled us to emerge as a leading manufacturer, distributor and marketer of agriculture and specialty chemicals. Our world-class brands and products are backed by our strong research and development capabilities. Our R&D team constantly works towards developing novel and superior quality products that address the diverse needs of our customers across the globe.

## Strengthening our supply chain network

**GLP approved**  
Analytical Laboratory

Recognized by  
**DSIR**  
(Department of Scientific and Industrial Research)

Fully supported by  
**Analytical and Application group**

**60+**  
Scientists as on 31st March 2020

**GLP**  
certified by NGCMA

**NABL Accredited**  
Since October 17, 2007

**ISO 9001 QMS**  
Certification received

**State-of-the-art**  
synthesis facility

## Achievements for FY 19-20

**3**  
Patents granted

**10+**  
Patents filed globally for products and processes



### Departments



#### Agrochemicals

- ▶ Technical Molecules Development
- ▶ Formulation Development
- ▶ Improvement Projects



#### Innovative Solutions

- Product development for:
- ▶ Textile
  - ▶ Leather
  - ▶ Coating
  - ▶ Construction
  - ▶ Plastics
- With strong Application support



#### Analytical Development

- ▶ Analytical Methods Development
- ▶ Impurities Profiling
- ▶ Structural elucidation Registration data generation under GLP/ NABL



#### Process Engg & Technology

- ▶ Process Engineering
- ▶ Scale up studies
- ▶ Plant scale up
- ▶ Process Improvements

### Focus areas

- ▶ Technical synthesis
- ▶ Formulations Science
- ▶ Plant nutrition
- ▶ IPR
- ▶ Adjuvants
- ▶ Field R&D Activity
- ▶ Polymer Chemistry (innovative Solutions)

# Risk Management

As a brand working across multiple geographies, we are exposed to a number of business risks that might have a material impact on our business. An effective risk management system is therefore essential to safeguard our success. At Indofil, we undertake a multi-layer approach to identify, manage and mitigate any uncertainty or foreseeable risk.

## Risk and Consequences

 <p><b>Economic Uncertainty</b></p>	<p>A slowdown in global and Indian economy owing to geo-political tension, slowing consumer demand, trade wars and the Covid-19 pandemic has led to significant economic uncertainty as different markets remain at different recovery cycles.</p>	<p><b>Consequence</b></p> <p>Inability to adapt to changes in the market may lead to misallocation of capital and inability to meet customer demand.</p>
 <p><b>Regulatory factor</b></p>	<p>Changes in the regulatory environment through introduction of new acts such as Pesticide Management Bill (PMB) or amendment of existing acts may influence the fundamentals of trade dynamics in various items / commodities.</p>	<p><b>Consequence</b></p> <p>Unfavourable changes might have an adverse impact on Indofil's performance.</p>
 <p><b>Competition</b></p>	<p>We offer broad range of products and services in a competitive, global environment, and compete worldwide on the basis of product quality, price, technology and customer service.</p>	<p><b>Consequence</b></p> <p>Increased levels of competition could result in lower prices or lower sales volume, which could have a negative impact on our results or operations.</p>
 <p><b>Talent Management</b></p>	<p>Our success depends upon our ability to retain key management personnel and remain competitive in the market</p>	<p><b>Consequence</b></p> <p>Our inability to retain key persons might have an adverse impact on operations and business sustainability</p>
 <p><b>Technology and Digital transformation</b></p>	<p>Inability or poor implementation of an effective and advanced digital strategy may create an unfavourable situation for us.</p>	<p><b>Consequence</b></p> <p>Inefficiencies in systems may lead to increased cost of acquisition and increase cost of doing business, reducing opportunities to expand, grow and improve.</p>
 <p><b>Market Penetration</b></p>	<p>Our inability to explore market opportunities and failure to secure a market for our products.</p>	<p><b>Consequence</b></p> <p>This may led to decline in sales volume and increase inventory accumulation.</p>



## Mitigation Strategy

## Level of Impact

We closely monitor changes in the market and its potential impact on our business. This ensures flexibility and resilience in our business model. We also maintain a healthy cash flow to absorb any temporary business volatility.

The outbreak of Covid-19 led to a temporary slowdown in economic activity. Amidst challenges, we rapidly adapted to the new normal and ensured smooth operations within the organization.



High

We adapt to changes in the regulatory environment through collaborative engagement with different stakeholders across the value chain. We also ensure that we adhere to all

statutory and regulatory requirement on a timely basis. Indofil is also part of various industry forums which enables us to make informed decision.



Moderate

Indofil constantly invests in research and development of new innovative, and unique products aligned to the geography and climatic conditions of our key markets. We also invest in different quality control measures to ensure

that we produce high quality products. This has enabled us to establish a strong brand reputation, giving us a competitive edge over our peers.



Low

We have ensured succession and development plans for all critical functions. As part of our succession planning policy, we identify, train and nurture suitable candidates under the supervision of the board to ensure a smooth

transition. Further, we undertake a range of training programs to ensure skill development. Our employee engagement initiatives are aimed at improving bonds between employees and encouraging a culture of diversity and inclusion.



Low

At Indofil, we believe that adoption of digital technology leads the way to a sustainable future. As a result, we are investing significantly towards adoption and implementation of digital tools such as Artificial Intelligence and Machine

learning, along with the development of our state-of-the-art machinery and equipment. We are strengthening our R&D labs to develop new products and training our employees to ensure smooth implementation of our digital strategy.



Moderate

We have established a strong distribution network in domestic and international markets to ensure steady delivery of products to the last mile. We have also set-up formulation factories in close proximity to our consumers to engage

and serve them better with a diverse range of products. Our strong marketing and demand generation team also strives hard to meet customer demands and exceed expectations.



Low

# Environment, Health and Safety

**At Indofil, our commitment to run a sustainable business is underpinned by our goal to achieve zero injuries and zero occupational illness while ensuring eco-friendly operations across verticals. Safe and reliable operations form the bedrock of our sustainable operations and we regularly monitor our Environment, Health and Safety (EHS) policy to ensure a safe and healthy work environment for our employees.**

To promote a culture of safety, we have formed an EHS Steering Committee to conduct regular trainings and implement effective measures. The committee monitors emerging risks to businesses and operations and undertakes corrective actions for the same. Our EHS team is engaged throughout the year to promote programs that encourage our workforce to report near-miss accidents, unsafe acts and conditions and conducts quizzes to improve safety awareness.

At Indofil, we also remain committed to minimize our environmental footprint. We continue to work towards protecting our environment while providing innovative and competitive agro-chemical and speciality chemical solutions to our customers. We adopt best practices to ensure reduction in energy consumption and improvement of resource

conservation to successfully reduce our carbon footprint.

EHS Steering Committee reports are discussed at Board level and Risk Management Committee of Board. Expert inputs are obtained from Board Members from time to time to constantly improve EHS initiatives.





### EHS Highlights

- ▶ Zero loss time injury across all units
- ▶ Total man hour training of 1672 hours in Unit-1, 779.25 hours in Unit-2 and 3353.5 hours in Unit-3
- ▶ We undertook water recycling project at our Dahej Unit-1 and recycled 72000 KL water from Effluents at MEE plant. Dahej being a water scarce area, the recycled water was reused in various processes and for cooling purposes and we did not witness production loss even in summers due to this initiative.
- ▶ We organized various activities such as Ozone Day quiz, Fire drill competition, poster competition, EHS quiz competition SCBA wearing competition and safety debates on various occasions including World Environment Week and Safety Week.
- ▶ Unit-1 was audited by DNV for ISO 45001:2018 and it was successfully accredited
- ▶ Unit-2 was audited by DNV for ISO 9001:2015 certification and it was also successfully audited by United Nations Chemical Weapons Conventions (CWC)

# Towards a Greener Future

At Indofil, we believe long-term sustainability depends upon our ability to use resources in an efficient and effective manner. It also refers to our active contributions to reduce our environmental footprint and ensure positive change in society.

With the rising awareness about climate change and eco-friendly operations, we, at Indofil, are making big strides to invest in greener technology. We are also investing significantly in research and development of biological and botanical products that enable customers to increase efficiency while reducing adverse impacts on the environment.

---

## Zero

Liquid discharge plants

---

## Centralized

Process control

---

## Integrated

Energy Management

---

## Sustainable

and reliable supply chain



# Consciously Giving Back – to people and communities

As we continue to build scale, we remain committed to go beyond our business operations to give back to the society in which we operate. At Indofil, responsibility towards the environment and to the people, lies at the core of our operations. Our societal initiatives are aimed at the holistic development of communities in which we operate. As a result, we take great pride to inspire and motivate young minds through our contributions to educational initiatives.

## Education

To promote education in marginalized areas, Modi Innovative Education Society (MIES), Chhattisgarh, a registered society engaged in educational activities, is building K. K. Modi University in Village Mahmara, District Durg, Chhattisgarh. In line with the CSR objectives of Modi Enterprise, Indofil has been significantly contributing towards the establishment of the university

**₹4.96 Crore**  
Investment in CSR activities



“The need for quality, diversity and globalisation in our higher education systems is required to create a new set of future millennial leaders for the world. The Group has worked continually on a philosophy of empowering people to drive new ideas, innovation, transformation and excellence to take on the challenge of creating new markets and businesses. What better way than to start with the youth and shape their future as leaders.”

Dr. Bina Modi

## Other Initiatives

In line with our endeavour to contribute towards the upliftment of communities in which we operate, following initiatives were undertaken during FY 19-20:

- ▶ Organised a sit and draw competition on World Environment Day at Purba Gopinathpur, Hooghly district, West Bengal. The topic for the competition was Pollution.
- ▶ Implemented a Sanitary Napkin Distribution drive for schools located in remote areas of Hooghly district, benefiting around 1,025 female students.
- ▶ Arranged eye check-up camps for students of Purba Gopinathpur Primary school, located in the remote area of Haripal block of Hooghly district.
- ▶ Conducted farmer training programs to educate farmers about modern cultivation techniques to improve yield with minimal use of natural resources.



# Board of Directors

## Dr. Bina Modi

**Chairperson and Managing Director - Indofil Industries Limited**

**Managing Director – Godfrey Phillips (India) Limited**

**Chairperson – Modi Enterprises**

Dr. Bina Modi was appointed as Chairperson and Managing Director of Indofil Industries Limited on November 14, 2019 after the sad demise of Mr. K K Modi on November 2nd, 2019.

Dr. Bina Modi is a businesswoman with interests in the multiple areas. She has founded and built several successful businesses. With her deep understanding of Modi Enterprises' intrinsic strengths and potentials, she plays a key role in inspiring the core leadership team to achieve the Company's goals aligning the core leadership team towards achieving the Company's goals.

She was recently conferred with Ph. D. Honoris Causa degree by Dr. K.N. Modi University, Newai, Rajasthan in recognition of her exemplary contribution in the field of Design, Arts, Technology Management, Commerce, Agriculture, Fashion and the Hospitality Industry. Under her able and dynamic leadership, the Company shall continue to scale higher echelons of success, milestones in the years to come.

## 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 (late) 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 Modi

**Non-Executive and Non-independent Director: Indofil Industries Limited**

**Executive Director: Godfrey Philips India Limited**

Mr. Samir Modi, son of (late) 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 and Industry
- ▶ Life Member – All India Management Association (AIMA)

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 is occupying the following positions in the industry:

- ▶ Director – United Breweries Limited (joint venture of Heineken and Mallya Group)
- ▶ Director – SKA Advisors Private Limited
- ▶ Member of Governing Board of the Indian Music Group – St. Xavier's College, Mumbai

Mr. Alagh also has held the following positions during his illustrious career:

- ▶ Member of Board of Governors – IIM Bangalore

- ▶ 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 on Governing Board of Prasar Bharati
- ▶ Former Member on the Board of GATI Ltd
- ▶ 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 & Solicitor, is also a partner of M/s. Crawford Bayley & Co., practicing in Mumbai for the past 28 years. He has been a witness and a participant to the sweeping changes made in the Regulatory/Policy Environment in past two decades.

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 including 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 28 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.

As a senior professional, Mr. Buch is also associated with:

- ▶ National Stock Exchange's Steering Committee on Security Laws
- ▶ Associated Chambers of Commerce and Industry
- ▶ Confederation of Indian Industry
- ▶ Bombay Chamber of Commerce
- ▶ Indo-German Chamber of Commerce
- ▶ Indo-American Chamber
- ▶ Indo-Italian Chamber
- ▶ Chamber of Tax Consultants
- ▶ Forum of Free Enterprises
- ▶ Other such prestigious institutions.

Apart from Indofil, he also occupies the position of an Independent Director in few reputable companies.

## 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:

- ▶ Director – 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.
- ▶ Director – ELCOM Innovations Pvt. Ltd.

## Dr. Atchutuni L. Rao

**Whole-time Director – Manufacturing Operations, EHS & IIS**

**Indofil Industries Limited**

Dr. Atchutuni L. Rao, Whole-time Director – Manufacturing Operations, EHS & IIS, 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 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. Anil Garg, IAS, took charge as Managing Director of UPSIDC and was nominated by UPSIDC as Director on the Board of Company.

Mr. Anil Garg has rich and varied experience in diverse areas including administration and management of large Corporations, which will be useful for the Company and its business.



# Awards and Recognition



Indofil was conferred up on with "Sourcing Excellence Award" at Customer Success Day by SAP at Mumbai on September 17, 2019 for adopting various milestones in SAP ARIBA sourcing module.

Unit-2 was awarded FAME India Award in Platinum Category for Environment Protection

Dahej Unit-1 has received Platinum Category FAME Excellence Award from FAME Foundation, New Delhi in Water Stewardship category

Unit-3 was awarded Gold Category Award in 21st TQM Convention on Quality Concepts at Vadodara on 5S Concept



# Statutory Reports



Notice .....	49
Management Discussion & Analysis .....	57
Director's Report .....	67
Annexures to Directors' Report .....	73
Corporate Governance Report .....	90

# Annual General Meeting

## NOTICE

**NOTICE** is hereby given that the Twenty Seventh Annual General Meeting of the Members of Indofil Industries Limited will be held by use of Video Conferencing (VC) / Other Audio Visual Means (OAVM) on Wednesday, 23rd September, 2020 at 11.00 a.m. from Registered Office of the Company located at 44, Kalpataru Square, Kondivita Road, Off, Andheri-Kurla Road, Marol, Andheri (E) - 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, 2020 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, 2020 and the Report of Auditors thereon and in this regard to pass the following resolutions as **Ordinary Resolutions**:

(a) **"RESOLVED THAT** the Audited Financial Statement of the Company for the Financial Year ended March 31, 2020 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, 2020 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, 2020 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 ₹ 5/- (Rupees Five Only) per Equity Share of ₹ 10/- (Ten Rupees) each Fully Paid-Up and ₹ 1.50/- (One rupees and Fifty paise only) per Equity Share of ₹ 3/- (Three Rupees) each Partly Paid-Up, be and is hereby declared for the Financial Year ended March 31, 2020 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, 2020".

3. To appoint Ms. Charu Modi, who retires by rotation and being eligible, offers herself 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, Ms. Charu Modi, (DIN: 00029625), who retires by rotation at the conclusion of this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

4. To appoint Ms. Aliya Modi, who retires by rotation and being eligible, offers herself 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, Ms. Aliya Modi, (DIN: 07472942), who retires by rotation at the conclusion of this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

### SPECIAL BUSINESS

5. To consider appointment of Dr. Atchutuni Rao, Whole-Time Director and to pass following resolution as **Special Resolution**:

**"RESOLVED THAT** in terms of provision of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof as may be in force from time to time), the consent of Members of the Company be and is hereby accorded for appointment of Dr. Atchutuni Rao (DIN: 07467414) as a Whole Time Director of the Company designated as "Director – Manufacturing, Operations, Safety & Innovative Solution Business" of the Company with effect from 18th March, 2021 to 26th July, 2021 upon the principal terms and conditions, as set out below.

Duties and Powers	Subject to the supervision and control of the Board of Directors, Dr. Atchutuni Rao will be carrying out duties as incharge of Manufacturing, Safety, Operations and Specialty Chemical Divisions of the Company and "Occupier" under Factories Act 1948 from time to time.
-------------------	---

<b>Remunerations / Perquisites</b>	<p><b>a. Period:</b> From 18th March, 2021 till 26th July, 2021.</p> <p><b>b. Salary:</b> ₹ 7,70,221/- per month, subject to revision upwards as may be permitted under Companies Act, 2013 and/or any amendment thereof and/or as may be approved by the Board (the Board for this purpose shall also include the Nomination &amp; Remuneration Committee of the Board).</p> <p><b>c. Allowances &amp; Reimbursements</b> (including Leave Travel Allowance, Hard Furnishing, Medical Reimbursement and Insurance) and Performance Incentive in accordance with rules, policy of the Company with yearly increments and normal payroll practices of the Company.</p> <p><b>d. Provident Fund and Gratuity:</b> As per Company's Policy.</p>
------------------------------------	--

**RESOLVED FURTHER THAT** Dr. Atchutuni Rao shall be entitled to reimbursement of all expenses actually incurred in the course of the Company's business, including expenses on travelling incurred for and on behalf of the Company.

**RESOLVED FURTHER THAT** where in any of the Financial Year during tenure of the office of Dr. Atchutuni Rao as Whole Time Director, if the Company makes no profits or where the profits computed in accordance with Section 198 of the Companies Act, 2013 are inadequate, notwithstanding anything, the Company may pay to Dr. Atchutuni Rao, the remuneration contained herein or such remuneration as may be modified by the Board from time to time and as may be agreed by Dr. Atchutuni Rao, as the minimum remuneration by way of salary, perquisites, allowances and benefits as per provisions of Companies Act, 2013 and rules made there under (including any statutory modifications or re-enactment thereof as may be in force from time to time) which may exceed the limits laid down under the above stated provisions of the Companies Act, 2013, rules made there under and limits stipulated under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** Dr. Atchutuni Rao shall not be paid any Sitting Fees for attending the meetings of the Board of Directors or any Committee thereof during the currency of his tenure as Whole Time Director of the Company.

**RESOLVED FURTHER THAT** subject to the consents, approvals and ratifications required, if any, the Board of Directors of the Company (which shall be deemed to include the Nomination & Remuneration Committee of the Board) be and is hereby authorized to vary the terms of remuneration of Dr. Atchutuni Rao upwards to the extent permitted by the provisions of the Companies Act, 2013 and rules made

thereunder (including any statutory modifications or re-enactment thereof as may be in force from time to time) and as may be agreed to by him within and/or exceeding the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof and to do all such acts and take all such steps as it may consider necessary or desirable to give effect to this resolution including obtaining approval of the Central Government, if required.

**RESOLVED FURTHER THAT** Dr. Atchutuni Rao, the Whole Time Director shall be construed as a Whole Time Key Managerial Personnel of the Company in pursuance of Section 203 of Companies Act, 2013 and his appointment shall be governed by the rules of the Company.

**RESOLVED FURTHER THAT** Dr. Atchutuni Rao shall be responsible for all manufacturing, operations and EHS functions and activities and SPCD Business ( Also known as Innovative Solution Business) of the Company and shall be responsible for the management, supervision and day-to-day affairs and operations, including responsibility as "Occupier" under Factories Act, 1948 and rules there under of any and all the factories / manufacturing units and plants of the Company at various locations and that he will carry out such other duties and exercise such powers as may be entrusted to him by the Board of Directors from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any other person under authority of the Board for this purpose may do all acts and deed as may be necessary to give effect to this resolution and to complete all necessary formalities in this regard."

6. 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, in aggregate the Commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof) for Financial Year 2020-21 (which shall be subject to applicable taxes) up to 1% of the Net Profits of the Company computed in accordance with Section 198 and other applicable provisions of the Companies Act, 2013 and rules made there under subject to a maximum limit of ₹ 25 lac per Non-Executive Director

**RESOLVED FURTHER THAT** the Chairperson and Managing Director of Company be and is hereby authorized to do all acts and take decision and steps as may be necessary in interest of the Company in this regard."

7. To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2021 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 30th June, 2020 to conduct the audit of the Cost Records of the Company for the Financial Year ending March 31, 2021 be and is hereby fixed at ₹ 2,47,500 (Rupees Two Lakh forty seven thousands and five hundred Only) plus 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.”

By Order of the Board,  
For **Indofil Industries Limited**

Sd/-

Place: Mumbai

Date: 30th June, 2020

**CS Devang R Mehta**

Head - Company Secretary and Legal

## NOTES:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. The facility for appointment of proxies by the Members will also not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or Governing Body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to [scrutiniserindofil@indofil.com](mailto:scrutiniserindofil@indofil.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- The Register of Members and Shares Transfer Books will remain closed from Thursday, 17th September, 2020 to Wednesday, 23rd September, 2020 (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 Wednesday, 16th September, 2020.

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 Wednesday, 16th September,

2020 as per details furnished by the depositories for this purpose

- As per Circular of Ministry of Company Affairs dated 10th September, 2018, the Equity Shares of the Company can be transferred only in Dematerialized Form (D&F), except in case of request received for transmission or transposition of securities.

In view of this and to eliminate all risks associated with physical Shares and for ease of portfolio management, Members holding Shares in Physical Form (P&F) are requested to consider converting their holdings to Dematerialized Form. Members can contact the Company’s Registrars and Transfer Agents, MAS Services Limited for assistance in this regard.

- To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the Shares are held by them in electronic form and with the Registrar and Shares Transfer Agents, MAS Services Limited, in case the Shares are held by them in Physical Form.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, Power of Attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the Shares are held by them in electronic form and to MAS Services Limited in case the Shares are held by them in Physical Form.
- As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be obtained from Company’s Registrar and Shares Transfer Agents, MAS Services Limited. Members are requested

to submit the said details to their DP, in case the Shares are held by them in electronic form and to MAS Services Limited in case the Shares are held in Physical Form.

9. Members holding Shares in Physical Form, in identical order of names, in more than one folio are requested to send to the Company or MAS Services Limited, the details of such folios together with the Share Certificates for consolidating their holdings in one folio. A consolidated Share Certificate will be issued to such Members after making requisite changes.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 15th September, 2020 through email on [cssupport@indofil.com](mailto:cssupport@indofil.com).
12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The Shares in respect of such unclaimed dividends are also liable to be transferred to the Demat Account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/Shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
13. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.indofil.com](http://www.indofil.com).
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. At the Twenty-Fifth AGM held on September 26, 2018 the Members approved appointment of M/s Bansi S. Mehta, Chartered Accountants (Firm Registration No. 100991W) as Statutory Auditors of the Company to hold office up to the 28th Annual General Meeting, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Twenty-Seventh AGM.
16. The dividend, as recommended by the Board, if approved at the ensuing Annual General Meeting, will be paid to Shareholders holding Equity Shares of the Company, either in Electronic Form on 16th September 2020 and to Members

holding Equity Shares in Physical Form on 23rd September 2020.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereto. The Shareholders are requested to update their PAN with the MAS Services Limited (in case of Shares held in Physical Mode) and depositories (in case of Shares held in Demat Mode) by 16 September, 2020.

For resident Shareholders, tax will be deducted at source ("TDS") under Section 194 of the Act @ 7.5% on the amount of dividend payable unless exempted under any of the provisions of the Act. However, in case of Resident Individuals (R&I), TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY 2020-21 does not exceed ₹ 5,000. Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at the rate of 20%.

Tax at source will not be deducted in cases where a Shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication or from the website of the Company viz. [www.indofil.com](http://www.indofil.com)

To avail the benefit of non-deduction of tax at source, we request you to update PAN and provide duly executed Form 15G / 15H by email to [info@masserv.com](mailto:info@masserv.com) by 16th September, 2020.

For non-resident Shareholders, tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the Shareholder, if they are more beneficial to the Shareholder. To avail the Tax Treaty Benefits, the non-resident Shareholder will have to send the following documents by email to [info@masserv.com](mailto:info@masserv.com). The below declarations and documents need to be submitted by the Shareholders by 16th September, 2020. :

- i. Self-attested copy of PAN card, if any, allotted by the Indian Income Tax authorities;
- ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the Shareholder is resident;
- iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;

- iv. Self-declaration by the non-resident Shareholder of having no permanent establishment in India in accordance with the applicable Tax Treaty;
- v. Self-declaration of beneficial ownership by the non-resident Shareholder.

The documents referred to in point nos. (iii) to (v) can be downloaded from the link given at Company's website viz. [www.indofil.com](http://www.indofil.com)

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident Shareholders.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend payable to Foreign Institutional Investors and Foreign Portfolio Investors under Section 196D of the Act. Such TDS rate shall not be reduced on account of the application of the lower DTAA rate, if any.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your Income Tax Return. No claim shall lie against the Company for such taxes deducted.

- 17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 18. Instructions for e-voting and joining the AGM are as follows:

#### A. VOTING THROUGH ELECTRONIC MEANS:

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on Sunday, 20th September, 2020 from 9:00 a.m. and ends on Tuesday, 22nd September, 2020 at 5:00 p.m. During this period, Members holding Shares either in Physical Form or in Dematerialized Form, as on Wednesday, 16th September, 2020 i.e. cut-off date, may cast their vote electronically. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- iii. The Board of Directors has appointed Mr. Mukesh Siroya (Membership No. F5682; CoP No. 4157) Proprietor of M/s. M Siroya and Company, Practicing Company Secretaries, as Scrutinizer for scrutinizing the remote e-Voting process and e-Voting process during the AGM in a fair and transparent manner. In case of any failure/inability to scrutinize E-voting by Mr. Mukesh Siroya, Ms. Bhavyata Acharya (Membership No. A25734; CoP No. 21758), Practicing Company Secretary shall be alternate Scrutinizer to him.
- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their Shares in the paid-up Equity Share Capital of the Company as on the cut-off date.
- vi. Any person, who acquires Shares of the Company and becomes a Member of the Company after sending of the Notice and holding Shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he / she can use his / her existing User ID and password for casting the vote.
- vii. The details of the process and manner for remote e-voting are explained herein below:

**Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-voting system.**

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your user id details are given below:

Manner of holding Shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
A) For Members who hold Shares in Demat Account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
B) For Members who hold Shares in Demat Account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding Shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if EVEN is 123456 and Folio Number is 001*** then user ID is 1234560000001***

5. Your password details are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

The process is as under:

- i) If your email ID is registered in your Demat Account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or Folio Number for Shares held in Physical Form. The .pdf file contains your 'User ID' and your 'initial password'.
- ii) In case you have not registered your email address with the Company / Depository, please follow instructions mentioned below in this notice.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding Shares in your Demat Account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) "Physical User Reset Password?" (If you are holding Shares in Physical Mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat Account Number / Folio Number, your PAN, your name and your Registered Address.
- d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
  - i. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
  - ii. Now, you will have to click on "Login" button.
  - iii. After you click on the "Login" button, Home page of e-voting will open.

**Details on Step 2 are mentioned below:**

**How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the Companies "EVEN" in which you are holding Shares and whose voting cycle is in active status.
3. Select "EVEN" of Indofil Industries Limited.
4. Now you are ready for e-voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of Shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



**General guidelines for the Shareholders:**

1. Institutional / Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc., with attested Specimen Signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [scrutiniserindofil@indofil.com](mailto:scrutiniserindofil@indofil.com) with copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on Toll Free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updating of Bank Account mandate for receipt of dividend:**

<b>Physical Holding</b>	Send a signed request to the Registrar and Transfer Agents, MAS Services Limited at <a href="mailto:info@masserv.com">info@masserv.com</a> providing Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.  Following additional details need to be sent to RTA in case of updating Bank Account Details: <ol style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) the Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions</li> <li>d) 9 digit MICR Code Number, and</li> <li>e) 11 digit IFSC Code</li> <li>f) Original Cancelled cheque bearing the name of the first Shareholder.</li> </ol>
<b>Demat Holding</b>	Please contact your Depository Participant (DP) and register your email address and Bank Account details in your Demat Account, as per the process advised by your DP.

**B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request

from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number and number of Shares at [cssupport@indofil.com](mailto:cssupport@indofil.com) from 8th September, 2020 upto 16th September, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 72 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by her in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.indofil.com](http://www.indofil.com) and on the website of NSDL <https://www.evoting.nsdl.com>.

## 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 No. 5

Dr. Atchutuni L. Rao, Whole Time Director, designated as "Director – Manufacturing, Operations, EHS & Innovative Solution Business" and "Occupier" of Company's factories was appointed at 23rd Annual General Meeting by Members on 23rd September, 2016 as Whole Time Director of the Company w.e.f 18th March, 2016 for a period of 5 (Five) years. Unless his appointment as Whole Time Director is renewed, his term shall expire on 17th March, 2021.

Dr. Rao joined the Company in February, 2012 and have worked in capacity as Vice President – Manufacturing, Senior Vice President – Manufacturing & Projects with the Company. Prior to joining Indofil, he worked with Clariant Chemicals India Limited and at Clariant International for 19 years in various positions including as Vice President and Head of Plant. Dr. Rao has a Bachelor's Degree in Chemical Technology from UDCT, Mumbai, M. Tech Degree from IIT, Delhi and PhD in Chemistry from South Gujarat University. He has attended Advanced Management Program at Harvard Business School, USA.

Dr. Rao is due from retirement on 26th July, 2021. As per the Company's policy, the management has created strong teams comprising of qualified and well trained employees in various functions of Company. The teams engaged in Manufacturing, Operations, Safety & SPCD business (also known as Innovative Solution Business) accordingly have qualified and well experience professionals to shoulder responsibilities related to factories.

The Board of Directors of the Company, upon the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, re-appointed Dr. Rao as Whole Time Director designated as "Director – Manufacturing, Operations, Safety & Innovative Solution Business" and "Occupier" of Company's factories for a period from 18th March, 2021 to 26th July, 2021 at basic salary ₹ 7,70,221/- per month plus, allowances, benefits and reimbursements as stated in the resolution at Item No. 5. The Company has received notice from a Member proposing name of Dr. Rao for the appointment.

Dr. Atchutuni Rao is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Dr. Atchutuni Rao, is concerned or interested in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 5 for approval by Shareholders.

### Item No. 6

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 by Members 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 2019-20, considering the restrictions contained in the aforesaid Sections of the Companies Act, 2013, the compensation to Non-Executive Directors be paid in aggregate up to 1% of the Net Profits of the Company, computed in accordance with the provisions of Section 198 and other applicable provisions of the Companies Act, 2013 and rules made there under, subject to a maximum of ₹ 25 Lakh per Non-Executive Director in addition to re-imburement of expenses incurred on behalf of Company and fees payable to them for attending the meetings of the Board or Committees thereof as per provisions of aforesaid Sections.

Mr. Samir Modi and Ms. Aliya Modi (and Dr. Bina Modi and Ms. Charu Modi as their relatives) and also Mr. Sanjay Buch, Mr. S. Lakshminarayanan, Mr. M.N. Thakkar, Mr. Sunil Kumar Alagh and Mr. Anil Garg are concerned / interested in resolution set out at Item No. 6 of the Notice. The resolution at Item No. 6 is proposed as a Special Resolution.

### Item No. 7

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 appointed 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 2020-21, at a remuneration of ₹ 2,47,500 plus taxes.

You are requested to accord your consent for the aforesaid appointment and compensation recommended in respect of the Cost Auditors for Financial Year 2020-21.

None of the Directors / Key Managerial Personnel of the Company / their relatives is concerned or interested in the resolution set out at Item No. 7 of the Notice.

By Order of the Board,  
For **Indofil Industries Limited**

Sd/-

Place: Mumbai **CS Devang R Mehta**  
Date: 30th June, 2020 Head - Company Secretary and Legal

### Indofil Industries Limited

[CIN:U24110MH1993PLC070713]  
Kalpataru Square, Kondivita Road,  
Off Andheri- Kurla Road,  
Andheri (E) - 400059.  
Tel. No.: 022-66637373  
Fax No.: +91-22-28322275  
Website: [www.indofil.com](http://www.indofil.com)

# Management Discussion & Analysis (MDA)

## 1. About Indofil Industries Limited

With six decades of industry experience, Indofil Industries Limited (Indofil) is one of the largest players in the Agricultural Chemicals as well as Industrial Chemicals segment. As part of Modi Enterprises, Indofil has established a strong domestic as well as international presence, covering more than 120 countries in the world. Leveraging its well-equipped manufacturing infrastructure, result-oriented Research & Development team, and an excellent domestic and international distribution network, Indofil strives to improve customer proximity while accelerating growth.

### Key Highlights for FY 2019-20

- ▶ Commenced re-packing unit in Bangladesh, first-of-its-kind outside India.
- ▶ Expanded capacity, revamped supply chain, streamlined internal processes and developed capabilities of Indofil in line with customer aspirations.
- ▶ Received ISO 9001 certification for Unit-2.
- ▶ Successfully shifted operations from Thane to Dahej without any hindrance from labour unions or local municipal bodies.
- ▶ Zero accidents/mishaps recorded in terms of Employee Health & Safety, during the year.

## 2. Economic review

### 2.1 Global Economy

The global economy faced multiple headwinds and registered an estimated 2.9% growth in 2019.<sup>1</sup> Headwinds such as Trade Policy uncertainty and idiosyncratic stress in key emerging market economies continued to weigh on global economic activity, especially on manufacturing and trade sectors. Other factors such as rising geopolitical tensions, notably between the United States and Iran, intensifying social unrest, further worsening of relations between the United States and its trading partners and deepening economic frictions between other countries contributed to the slowdown. However, intermittent favourable news on US-China trade negotiations, fading idiosyncratic drags in key emerging markets coupled with the effects of monetary easing across economies improved the overall market sentiment towards the end of the year.

### Outlook

The global economy is expected to contract to 4.9% in 2020 due to the significant risk arising from the recent outbreak of COVID-19.<sup>2</sup> The pandemic has resulted in far-reaching economic and social consequences across the globe, leading to a slowdown in economic activities. The lockdown imposed due to the virus outbreak has disrupted supply chains and lowered productivity, resulting in lower demand for products and services. As the lockdown is gradually lifted, the global economy is expected to recover in the second half of the year. The global economy is expected to bounce back and register a growth of 5.4% in 2021, due to the implementation of various reforms and stimulus packages.

Across advanced economies, growth is expected to contract to 8% in 2020 and before reaching 4.8% in 2021. Growth in the US is also projected to decline, owing to the outbreak of COVID-19. Oil demand in the US is also declining, resulting in negative oil prices and shortage of oil storage. The US economy is expected to bounce back in 2021 riding on a slew of reforms, to be introduced by the Federal Reserve. Measures such as reduction of interest rate, is also likely to fuel growth rate and the GDP of the US economy is expected to grow at 4.5% in 2021.

For the Emerging Market and Developing Economies (EMDEs), growth is anticipated to contract to 3% in 2020. The EMDEs are expected to bounce back and recover, registering a staggering GDP growth rate of 5.9% in 2021. Favourable monetary stimuli and fiscal packages are anticipated to augur growth in these economies.

### Coronavirus Impact on the global economy

The outbreak of COVID-19 has already brought considerable human suffering and major economic disruptions. In China, containment efforts have involved quarantines and widespread restrictions on labour mobility and travel, resulting in unplanned delays in restarting factories after the Lunar New Year holiday and sharp cutbacks in many service sector activities. These measures imply a sizeable output contraction whilst the effects of the outbreak persist. Subsequent outbreaks in other countries, including Korea and Italy, have also prompted containment measures such as quarantines and border closures, albeit on a smaller scale.

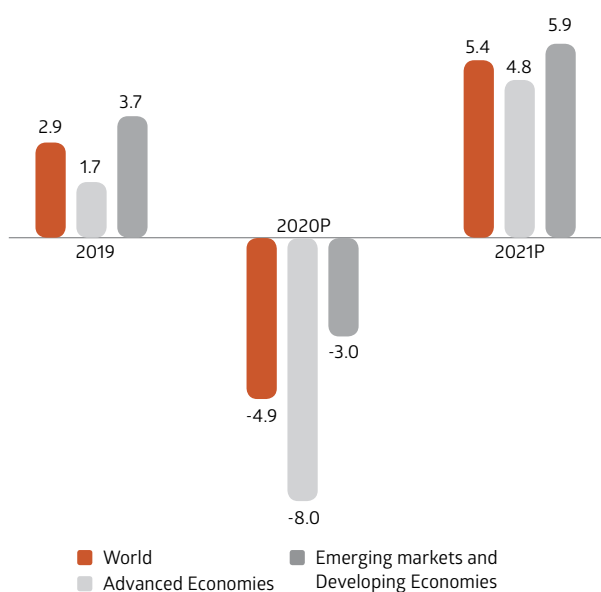
Other countries have to face significant adverse consequences of these developments, including the direct disruption of global supply chains, weaker final demand for imported goods

<sup>1</sup> IMF World Economic Outlook June 2019

<sup>2</sup> IMF World Economic Outlook June 2020

and services, and the wider regional declines in international tourism and business travel. However, announced and implemented policy actions incorporated by economies across the globe will help to support incomes in the near term, particularly those targeting affected firms and households. Macroeconomic policy stimulus in the most exposed economies will help to restore confidence as the effects of the virus outbreak and supply-side disruptions fade. Low interest rates should help cushion demand, although the impact of recent and projected changes in policy interest rates on activity is likely to be modest in the advanced economies. Fiscal policy easing will also help Asian economies.

**Global economic growth (in %)**



P: Projection

[Source: IMF World Economic Outlook June 2020]

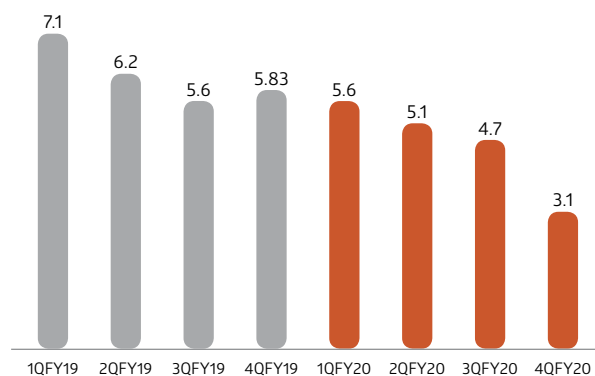
**2.2 Indian Economy**

The Indian economy witnessed softening of GDP and it is expected to be 4.2% for FY 2019-20.<sup>3</sup> The sluggishness in the economy was on account of a decline in Index of Industrial Production (IIP) output, stress on NBFC sector and subdued demand for products and services across the country. To revive the economy, the government has taken measures to tackle the problem of Non-Performing Assets and improve the health of the banking sector.

Continuation of structural reforms aided the revival of economic growth and is expected to normalize credit flow. To further pick up investments in the economy, corporate tax rates were slashed along with repo rate cuts by the Monetary Policy Committee. Also, the agricultural sector performed well due to the above normal rainfall, which led to the fulfilment of the crop production target in FY 19-20.

The economic outlook remains dull as major challenges need to be addressed going forward, due to the COVID-19 outbreak. The Indian economy is expected to contract to 4.5% in FY 2020-21. The lockdown imposed across the country has resulted in lower demand for goods and services, due to disruptions in the supply chain. The Government of India has introduced vital reforms and fiscal measures to revive the economy (₹ 20 lakh crore package announced in May 2020) to support various sectors of the economy. This will aid the economy to bounce back in the coming years and the GDP growth is expected to settle at 6.0% in FY 2021-22.

**GPD Growth Rate (in %)**



(Source: Ministry of statistics and Programme Implementation (MOSPI))

**3. Industry Overview**

**3.1 Agriculture Industry**

The agriculture industry deals with the sale of crop produce, other support services by entities (organizations, sole traders and institutions) that yield animal products, crops and engage in rural activities. Agriculture involves the cultivation of plants and rearing of animals and birds for food, fabric, fibre, bio-fuel, medicine and other products used to sustain and enhance human life. This market also includes horticulture and aquaculture but excludes proceeds from captive (internal) consumption of agriculture and forest produce for further processing.

**3.1.1. Global**

Population across the globe is expected to reach 8.5 billion by 2030 and 9.7 billion by 2050.<sup>4</sup> As the population continues to rise, challenges associated with food crisis is likely to intensify and the need for timely and appropriate mitigation measures are imperative to tackle a global food crisis. Development of the agricultural sector is crucial for mitigating these growing threats. For sustainable growth, several challenges faced by the sector needs to be addressed.<sup>5</sup>

<sup>3</sup> IMF World Economic Outlook June 2020

<sup>5</sup> Sowing the policy seeds of a flourishing agriculture sector report by PWC and ASSOCHAM

The Global pesticides market was valued at approx. US\$ 84.5 billion in 2019, growing at a CAGR of 4.2% from 2015-2019. The growth was on account of strong economic growth in emerging markets and intensive farming techniques in the pesticides market. Further, the market is expected to grow at a CAGR of 11.5% from 2019-2023 to reach a value of US\$ 130.7 billion by 2023. Growing population, increasing scope of nano-insecticides with environment-friendly methods will drive the market in the coming years.<sup>6</sup>

The United Nations General Assembly has declared Year 2020 as the International Year of Plant Health (IYPH)

#### Major trends driving the global agricultural industry

- ▶ Agricultural productivity - With increasing demand for food, it is necessary to increase resource efficiency. Global agricultural productivity growth is not accelerating sufficiently to sustainably meet the food, feed, fibre and fuel needs of nearly 9.7 billion people in 2050, as indicated by 2018 Global Agricultural Productivity Index™ (GAP Index™). This is due to the non-judicious use of inputs which are not at par with global requirements.
- ▶ Shrinking resource base - Available natural resources have been increasingly pressurized by the growing population. As per studies, ecosystems are already being degraded or used unsustainably. Even with sufficient land reserves, limitations exist and it may not enable complete conversion to cultivable land. Besides land, biodiversity and water resources are also facing challenges and it needs to be addressed soon.
- ▶ Conserving the Nutritional Value of Land: Preservation and conservation of the farmland is imperative to meet the demand for food supplies, considering the pressures from a current and future population. With the rising adoption of environment-friendly methods, the nutritional value of land must be conserved to ensure better quality of crop production.
- ▶ Climate change - Agricultural production, resources and livelihoods around the world have been affected by climate change. It is estimated that by 2050, 120 million people will be at risk of under-nourishment because of climate change. Further, due to reduced feed quantity/ quality, pest and disease prevalence, physical stress, global mean crop yields of rice, maize and wheat are projected to decrease 3% to 10% per degree of warming and it may also impact livestock.

- ▶ Digital disruption and consolidation – Agriculture input retailers are facing pressure from increasing consolidation in the seed and crop protection industry and from changing demands of digitally naive customers.
- ▶ Farm Robotics - Robotics is getting better and its viability is being explored across the agricultural value chain, from planting and harvesting to meat processing and grocery logistics.

#### 3.1.2 India

Economic transformation of a developing country like India, crucially depends on the performance of agriculture and allied sectors. This sector still remains important because of its continued role in generating income, employment and most importantly, in ensuring national food security.

As high as 70% of the country's rural households still primarily depend on agriculture for their livelihood, with 82% of farmers defined under small and marginal income.<sup>7</sup> Contribution of Agriculture to national income has declined gradually from 18.2% in 2014-15 to 16.5% in 2019-20, reflecting the structural transformation and the development process taking place in the economy due to the growth of other sectors.

To achieve Honorable Prime Minister Shri Narendra Modi's vision of doubling farmer's income, the industry needs to address challenges such as access to credit, insurance coverage and irrigation facilities. Along with that, there is also a need to address the issue of lower farm mechanisation in India, which is about 40% as compared to 60% in China and 75% in Brazil. The government has introduced a number of measures, ranging from income support schemes, crop insurance, water conservation, and waste management techniques to agriculture marketing reforms to address some of these challenges.

#### Share in Gross Value Added for Agriculture

The share of agriculture and allied sectors in the Gross Value Added (GVA) of the country at current prices stand at 16.5% in 2019-20. The share of the sector in the total GVA of the country has been declining due to relatively higher growth performance of non-agricultural sectors. This is a natural outcome of the development process that leads to faster growth of non-agricultural sectors on account of structural changes taking place in the economy.

<sup>5</sup> Global agriculture market report, the business research company

<sup>6</sup> Pesticides global market report, the business research company

**Share of Agriculture and Allied Sectors in total GVA of the Country at Current Prices**

Items	Year					
	2014-15	2015-16*	2016-17#	2017-18@	2018-19**	2019-20 <sup>5</sup>
GVA of agriculture and allied sectors (₹ in Crore)	2093612	2227533	2496358	2670147	2775852	3047187
Share of GVA of Agriculture & Allied Sector in GVA of total economy (per cent)	18.2	17.7	17.9	17.2	16.1	16.5
Share of crops	11.2	10.6	10.6	10.0	-	-
Share of livestock	4.4	4.6	4.8	4.9	-	-
Share of forestry & logging	1.5	1.5	1.4	1.2	-	-
Share of fishing	1.0	1.1	1.1	1.1	-	-

[Source: Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI)]

**Note:** \*\*As per the press note on Provisional Estimates of Annual National Income 2018-19 and Quarterly Estimates of Gross Domestic Product for the Fourth Quarter (Q4) of 2018-19 released by CSO on 31st May 2019. @As per the First Revised Estimates of National Income, Consumption Expenditure, Saving and Capital Formation for 2017-18 released on 31st January, 2019. #Second Revised Estimate. \*Third Revised Estimate, <sup>5</sup>First Advance Estimate 2019-20.

**Growth in Agriculture & Allied Sectors**

The growth in GVA has witnessed a fluctuating trend. GVA at constant (2011-12) prices for 2019-20 from 'Agriculture, Forestry and Fishing' sector is estimated to grow by 2.8% as compared to growth of 2.9% in 2018-19 (Table 2).

**Key indicators of Growth at constant (2011-12) prices (in %)**

Year	Growth of GVA of total economy	Growth of GVA of Agriculture & Allied Sectors
2013-14	6.1	5.6
2014-15	7.2	-0.2
2015-16*	8	0.6
2016-17#	7.9	6.3
2017-18@	6.9	5
2018-19**	6.6	2.9
2019-20 <sup>5</sup>	4.9	2.8

**Note:** \*\*As per the press note on Provisional Estimates of Annual National Income 2018-19 and Quarterly Estimates of GDP for Q4 of 2018-19 released by CSO on 31st May 2019.

@As per the First Revised Estimates of National Income, Consumption Expenditure, Saving and Capital Formation for 2017-18 released on 31st January, 2019. #Second Revised Estimate. \*Third Revised Estimate.

<sup>5</sup>First Advance Estimate 2019-20.

**Minimum Support Prices**

The Government of India has announced Minimum Support Prices (MSPs) for 22 mandated crops; and fair & remunerative price for Sugarcane, with a view to encourage higher investment and production.

**Type of Crop Production in India (in million tonnes)**

Type of Crops	FY 2018-19*	FY 2019-20E**	FY 2020-21F***
Rice	116.42	117.47	117.5
Wheat	102.19	106.21	106.5
Pulses	23.39	23.02	25.6
Coarse Cereals	42.95	45.24	48.7
Sugarcane	400.15	353.80	390.00
Cotton#	28.71	34.89	36.00
Oil seeds	32.26	34.19	36.64

(Source: Agrisicop.gov.in, **Note:** - \*lakh bales of 170 kgs each, #4th advanced estimate, \*\*2nd advanced estimate and \*\*\*1st advanced estimate)

**Income & Investment Support Schemes launched by the GoI**

- ▶ **Pradhan Mantri Kisan Samman Nidhi** - Under this Scheme, an income support of ₹ 6000 per year is provided to all farmer families across the country, in three equal instalments of ₹ 2000, every quarter.

- ▶ **Krushak Assistance for Livelihood and Income Augmentation (KALIA) Scheme of Odisha** - It was launched by the government to accelerate agricultural prosperity and eliminate poverty in the State. According to this scheme, financial support of ₹ 25,000 per farm family will be provided to small and marginal farmers over five seasons. It is expected to enable farmers to purchase inputs like seeds fertilizers, pesticides, labour & other investments
- ▶ **Mukhya Mantri Krishi Ashirwad Yojana of Jharkhand** - All small and marginal farmers of the State, who have arable land up to a maximum of 5 acres, will be given a grant-in-aid at the rate of ₹ 5000 per acre, per year, under the scheme. It will reduce their dependence on loans for their daily expenses and result in greater savings.
- ▶ **Rythu Bandhu of Telangana** - A financial outlay of ₹ 12,000 crore has been allocated for this scheme during 2018-19. Under the scheme, all the farmers (Pattadars) in the State will receive ₹ 4,000 per acre, per season, for the purchase of various inputs like seeds, fertilizers etc., as initial investment before the crop season.<sup>8</sup>
- ▶ **Liberalised norms for Farm Loan** - In its effort to support farmers, the government is waiving off farm loans. Normally, farm loans attract an interest rate of 9%, but the GoI is providing 2% interest subsidy to ensure availability of short-term farm loans, of up to ₹ 3 lakh for farmers, at an effective rate of 7% per annum.

### Outlook

To achieve the government's ambitious target of a \$5 trillion economy by FY2025, the agricultural sector plays an integral part of this strategy. Monsoon patterns continue to be an important factor for India's agriculture. However, the coming year will benefit from recharged aquifers and higher soil moisture linked to a healthy rainfall in CY 2019. A good kharif harvest is therefore expected in FY 2021. Increased budget allocation and government initiatives like doubling of farmers' income by 2022, PM-Kisan, Pradhan Mantri Fasal Bima Yojana (PMFBY), and Price Stabilisation Scheme along with better crop management practices amid higher hybridization and adoption of advanced agrochemicals are also likely to fuel growth of the sector. The overall output of agriculture, inclusive of food grains, oilseeds, fruits & vegetables, commercial crops, dairy and other animal products is expected to be satisfactory for FY 2021.

## 4. Agrichemical Industry

### 4.1 Global

Agrochemicals are commonly known as crop protection chemicals. These are basically substances manufactured through chemical or biochemical processes and include an active ingredient in a concentrated amount. It is designed to protect crops from insects, diseases and weeds, eventually preventing crop losses. The global market for agrochemicals reached \$243.1 billion in 2019 and is expected to grow at a CAGR of 4.3% between 2019 and 2024, reaching \$299.8 billion by 2024.<sup>9</sup>

The industry is being significantly shaped by new developments such as precision farming, integrated pest management (IPM), and off-patent products. And all of it has the potential to impact agrochemical revenues. Although, the future of agrochemicals look bright, global population growth, growing impetus to prevent crop loss and increase yields, rising consumer demands for sustainably produced food, and the role of agrochemicals in tackling climate change may pose some threats. However, the following challenges could stifle growth potential:

- ▶ Longer product development cycles and escalating costs
- ▶ Increasing severity of regulatory requirements
- ▶ Government farm subsidy reduction
- ▶ The accelerated pace of change of the industry within and in adjacent markets

### India

Pests and diseases, on an average, destroy around 20-25% of the total food produced in India. The country has been losing agricultural production worth ₹ 1.48 Lakh crore annually, due to the damage caused by pests, weeds and plant diseases. Agrochemicals act as a key input for crop protection and better yield as food crops compete with around 30,000 species of weeds, 3,000 species of nematodes and 10,000 species of plant-eating insects. As per the report on 'Doubling Farmers Income', the cost of pesticides is roughly around 0.4% of the total cost incurred by farmers. India is the 4th largest producer of agrochemicals after United States, Japan & China and is a net exporter of agrochemicals.<sup>10</sup>

### Industry Structure

The agrochemicals industry is broadly classified into insecticides, herbicides, fungicides, rodenticides, bio-pesticides and nematocides, depending on the type of pest they control. The industry has approximately 125 technical grade manufacturers, 800 registered formulators, more than 1,45,000 distributors and 60 technical grade crop protection chemicals.

<sup>8</sup> Economic survey

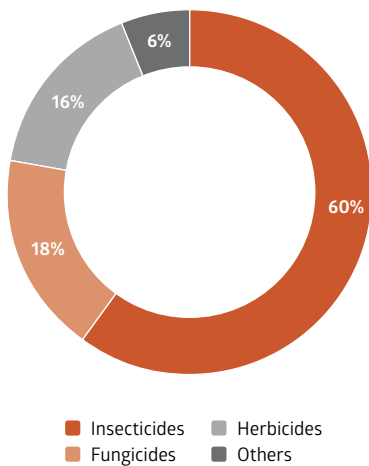
<sup>9</sup> <https://www.bccresearch.com/market-research/chemicals/agrochemicals-global-markets-report.html>

<sup>10</sup> <http://ficci.in/spdocument/23103/agrochemical-ficci.pdf>

Around 80% of the generic and non-generic crop protection chemicals are manufactured by Indian and other multinational companies. These chemicals are diluted in recommended doses and applied on seeds, soil, irrigation water and crops to prevent damage from pests, weeds and diseases. Technical grade manufacturers make high purity chemicals that act as key raw material for the value chain and these chemicals, in turn, are sold in bulk to formulators, who prepare formulations by adding inert carriers, solvents, surface active agents, deodorants etc.

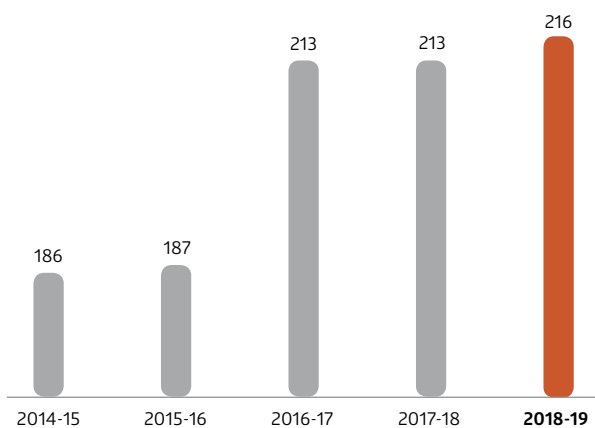
Demand for Insecticides constitute around 60% of the overall demand in the industry. Maximum consumption of crop protection chemicals arise from the state of Andhra Pradesh, followed by states like Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana.

**Market segmentation by type of agrochemicals**



[Source: Ministry of Chemical & Petrochemical Statistics]

**Crop protection chemicals\* Production (000' Metric Tonnes)**



[Source: CMIE \*Technical grades]

**Capacity addition**

Agrochemical Industry in India has a strong capacity base and it is expected to reach 14,93,300 tonnes by 2022. Companies operating in this industry have been focusing on exports owing to seasonal domestic demand and huge potential in foreign markets. Other factors for greater exports include low cost manufacturing, availability of technically trained manpower which is cost effective, better price realization globally and strong presence in generic pesticide manufacturing have led to growth in exports.

Domestic consumption is likely to increase in the future due to increasing awareness among farmers and owing to government support. Environmental clampdowns in China will reduce the number of local chemical enterprises from 6884 to only 1000, by 2022. This will lead to a decrease in China's installed capacity and agrochemical companies in India are expected to effectively increase the capacity utilization in India.

**Capacity Addition in Agrochemical Industry**

Particulars	Capacity addition ('000 tonnes)	Total capacity ('000 tonnes)
2013-14	20.6	1,388.20
2014-15	16	1,404.20
2015-16	11.1	1,415.30
2016-17	0	1,415.30
2017-18	3.7	1,419.00
2018-19	22.7	1,441.70
2019-20E	40.9	1,482.50
2020-21E	10.8	1,493.30

[Source: MM Research]

**Investments**

The central government has allowed 100% FDI in agriculture through an automatic route in the following activities related to agriculture, subject to certain conditions specified in the FDI Policy –

- ▶ Floriculture, horticulture and apiculture
- ▶ Development and production of seeds and planting material
- ▶ Animal husbandry (including breeding of dogs), pisciculture and aquaculture; and certain other specified services



The Indian agrochemical industry has been a preferred candidate for investments in recent years. With established players growing due to favourable market conditions and new players coming in to tap the large domestic and global market, it is likely to remain competitive.

#### Key opportunities and demand drivers for Agrochemical industry

- ▶ **Increasing food demand** – Population of India is expected to increase to 1.7 billion by 2050 and food grain demand is estimated to reach 255 million tonnes by 2030. Taking into account reducing arable land, small land holdings and low consumption of pesticides per hectare, increasing productivity of farming is the only way to increase outputs which can be achieved through optimum usage of farm productivity-enhancing inputs like agrochemicals.
- ▶ **Increasing demand of Horticulture & Floriculture** – Of the total horticulture production, fruits and vegetables account for nearly 90% of the produce in the country. Due to rapid urbanization and a shift towards healthy and nutritious diets, demand for fruits & vegetables is expected to increase to 647 million tonnes by 2050 and it will also increase the demand for fungicides, to reduce post-harvest loss.
- ▶ **Off-patent molecules** – Many crop protection chemicals are expected to go off-patent between 2019 and 2026 and it will provide significant export opportunities for Indian companies to increase the launch of generic molecules. Along with that, a clampdown on environmentally polluting industries in China will open up opportunities for Indian manufacturers, in the form of off patent molecules, and it will effectively increase exports from India.
- ▶ **Increasing export potential** – The GoI has set an ambitious target for exports to reach \$60 billion by 2022, with the help of its Agricultural export policy. The government is also reducing logistics cost by targeting cluster-based developments that will boost competitiveness of exports.
- ▶ **Increase usage of Bio-pesticides** – Globally, the bio-pesticides market is growing at around 10-15%. But, in India, the market is under-penetrated. However, increasing awareness for eco-friendly approaches and the use of integrated pest management (IPM) methods for crop protection will pose a significant opportunity for growth of bio-pesticides in the agrochemical industry.
- ▶ **Opportunities in Genetically Modified (GM) seeds** – To reduce the use of crop protection chemicals and increase productivity, trans-genetic techniques have been introduced in the form of GM seeds. Currently, cotton is

the only GM crop approved by the Indian government for cultivation. GM seeds give farmers increased monetary benefits per hectare due to lower labour costs and improved yields. Agrochemical companies can take advantage of the untapped potential in the GM seeds segment to further their impact on agricultural yield of farmers.

- ▶ **Government Budgetary and Policy Support** – Credit facilities provided to farmers in rural areas are increasing continuously. Low interest rates and increasing availability of loans are expected to encourage farmers to use more crop protection chemicals. This, in turn, will improve crop yields. The government has also increased the minimum selling price. Its focus on water management & rain water harvesting, enhanced export of rice & wheat and concentration on the National mission on Food processing is likely to yield better results.
- ▶ **Spraying Technology** – With the constant focus on increasing crop production, the need for pest protection and crop nutrition have become vital for farm management. To help farmers in enhancing their farm productivities, companies together with farmers are investing in spraying technologies. Usage of drone technology for spraying the fields is increasing efficiency and precision of agrochemical applications, thereby resulting in improved pest management and crop productivity. It also reduces operator exposure during spray operations. Further, the field capacity of drone-assisted spraying is much higher than that of manual spraying.

#### Outlook of Agrochemical Industry

India's agrochemical market is estimated to be US\$ 2.8 billion in 2019 and it is the second largest and the fastest growing segment in the Indian agri-input industry.<sup>11</sup> With the recent outbreak of Covid-19, almost all the sectors of the economy are affected, leaving out only a few niche segments. Sectors that produce raw materials like agrochemicals including pesticides and insecticides are currently in high demand as agriculture and other allied activities are defined as essential commodities in the country.

Further, the Ministry of Agriculture has set an ambitious target of 298.3 million tonnes of crop production for the year 20-21, on the back of normal rainfall. Government support, high demand for paddy crops and pulses and a normal average monsoon will play a major role in improving the growth of the industry. Thus, agrochemicals industry, through increasing yields and contribution to exports, is expected to play a major role in fulfilling the government's vision of becoming a US\$ 5 Trillion economy by 2025.

<sup>11</sup> FICCI 9th agrochemicals conference 2020

### Speciality Chemicals Industry

Specialty chemicals manufacturing is a unique niche in the chemicals industry. It is entrepreneurial, innovative and customer driven. Specialty chemicals are manufactured and sold based on their performance or function, unlike commodity chemicals which are strictly based on their chemical composition. They can be single chemical establishments or formulations; whose composition affects the performance and processing of the end products.

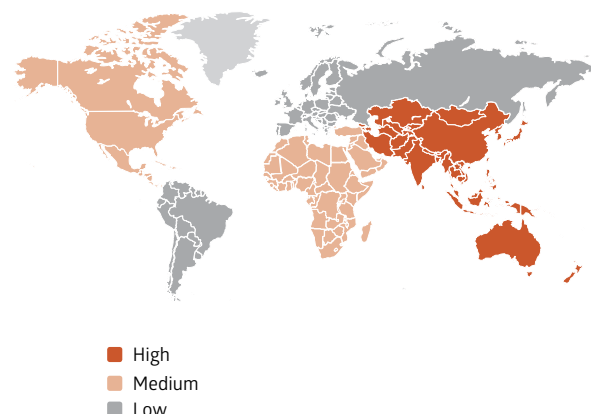
#### Global

Global speciality market is expected to grow at a CAGR of around 4%, between 2020 and 2025. It is expected to reach a market size of \$1.2 trillion by 2024.<sup>12</sup> Major factors driving this market growth are the increasing efforts for oil exploration and production, a robust growth of construction activities, especially in the Asia-Pacific and the Middle East & African regions. On the contrary, increasing environmental regulations and decreasing fossil fuel reserves may hamper the growth of the market.<sup>13</sup>

#### Key market trends

- ▶ **Paints and coatings segment to dominate the market demand** – Demand for specialty chemicals is extensively driven by the robust performance of the construction industry, across the world. The paints and coatings segment is expected to dominate the overall specialty chemicals market
- ▶ **Growth in automotive industry** - Automotive industry is one of the most lucrative spaces for the specialty chemicals market share. It is expected to increase significantly in the coming years with an increase in disposable income and growing urban population. Specialty chemicals are used for polymers & plastic additives, paints & coatings and adhesives & sealants in the automotive market
- ▶ **Growth in electronic specialty chemicals** - Increasing mobile penetration across the globe has boosted the demand for applications such as semiconductors and integrated circuits, leading to an increase in demand for specialty chemicals
- ▶ **Growth in food additives segment** - Food additives are used to enhance the nutrient content of food, keep it fresh and make the food more appealing. It also provides consistent and smooth textures, maintaining the wholesomeness of food. Due to these qualities and rising disposable incomes, use of food additives will increase. Therefore, it will also lead to an increased demand for specialty chemicals

### Speciality Chemicals market – Growth rate by region, 2019-24

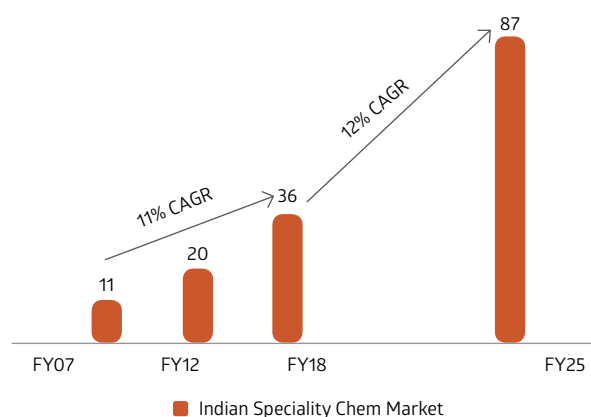


[Source: Mordor Intelligence]

#### India

Indian chemical industry was valued at \$163 billion in 2018, of which the specialty chemical industry accounted for 22%, valued at around \$36 billion.<sup>14</sup> The segment is expected to grow at a CAGR of 12%, from FY 2018 to FY 2025, to reach over \$87 billion. Specialty chemicals are targeted at specific end-user applications and include polymer additives, personal care ingredients, water treatment chemicals, construction chemicals, paints & coatings, colorants, among others. These are R&D intensive, high value and low volume chemicals.

#### Potential specialty chemicals industry size by FY 2025



Source: FICCI, Edelweiss research

<sup>12</sup> [https://www.coatingsworld.com/contents/view\\_market-research/2019-05-07/gmi-specialty-chemicals-market-worth-12-trillion-by-2024/](https://www.coatingsworld.com/contents/view_market-research/2019-05-07/gmi-specialty-chemicals-market-worth-12-trillion-by-2024/)

<sup>13</sup> <https://www.mordorintelligence.com/industry-reports/specialty-chemicals-market>

<sup>14</sup> FICCI Specialty chemicals report

**Growth Drivers**

- ▶ More end-use demand – Urban population is expected to increase by 275 million people by 2030, leading to consumption-led double-digit growth in the key markets. Better performance products will be needed, along with service (Example: Clean municipal water, increased use of construction chemicals etc.), which would lead to an increased demand for speciality chemicals

- ▶ **End-User Industry growth drivers -**

Sector	Demand Driver
Paints & Coatings	Increasing urbanization, middle income households increasing, High replacement demand Increased per capita income
Textile	Increased Indian Export, Increased urbanization and higher disposable income
Construction	Current expenditure on admixtures in India is 50% of China and 25% of cost in USA
Home care	Penetrated category leading to moderate growth

- ▶ **Increased intensity of consumption** – The current penetration of speciality chemicals is low (e.g. construction chemicals) in India, as compared to penetration in countries like the US and China. With increasing customer awareness, increased focus and improved products, the use of specialty chemicals will increase (e.g. Construction Chemicals, crop protection chemicals use, etc.)
- ▶ **IPR protection** – Although IPR protection is still in its infancy in the country, it is improving and better than many countries. India ranked 55 out of 129 in International Property Rights Index in 2019, making it better for R&D intensive, early technology lifecycle production<sup>15</sup>
- ▶ **Improved consumption standards** – The Government of India has implemented consumption standards and policies to prompt the safe use of products and improving society's standard of living & enhancing consumer safety. Along with economic development, the country has started to regulate products more stringently and strengthen consumption standards, which in turn has led to increased consumption of specialty chemicals
- ▶ **Increasing environmental concerns in global markets** - The closure of plants in European Union and China, owing to increasing environmental concerns, has opened doors for Indian manufacturers to invest further in specialty chemicals

- ▶ **Technology Driven Sector** - Increasing use of advanced technology like Artificial Intelligence, Blockchain, Internet of Things and Data analysis have aided the industry to develop and produce cost-effective and innovative products in alignment with global quality and standards.

**5. Business Review****Our Businesses**

- ▶ Agrochemicals segment which include fungicides, insecticides, herbicides, acaricides, plant growth regulators, surfactants, plant nutrition and plant stimulus
- ▶ Specialty and Performance Chemicals to provide customised solutions 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', is designed to help farmers increase their return on investment by providing innovative solutions.

**SWOT Analysis****Strengths**

- ▶ Strong domestic and international distribution network
- ▶ Well-equipped manufacturing infrastructure
- ▶ Strong and diversified product portfolio
- ▶ Experienced and professional management
- ▶ Rich history and proven track record of over 55 years
- ▶ Robust R&D capabilities introducing new products, technologies & Intellectual property

**Weaknesses**

- ▶ Less awareness on use of agrochemicals and its benefits among farmers
- ▶ Complex and dynamic product registration process across geographies

**Opportunities**

- ▶ Agricultural initiatives targeted at doubling farmer income over the next five years
- ▶ Decreasing arable land has led to increased focus on agricultural productivity through agrochemicals
- ▶ Closure of chemical industries in Europe and China
- ▶ Rise in global and urban population
- ▶ Improved Minimum Support Prices along with augmented MGNREGA allocation will lead to higher disposable income

<sup>15</sup> <https://internationalpropertyrightsindex.org/countries>

- ▶ Increasing internet penetration and digitization among rural masses to improve farmer connect, improve marketing opportunities and brand awareness

#### Threats

- ▶ Uncertain weather conditions
- ▶ Competition from domestic and foreign players
- ▶ Changing environmental laws and regulation in domestic as well as international markets

#### Strategy

At Indofil, the Company's core strategy revolves around the following:

- ▶ To leverage the Company's advanced technology to produce innovative products and services that meet customer expectations.
- ▶ Exploring new growth opportunities, through strategic initiatives in India and abroad, to maximize value for each and every stakeholder.
- ▶ Expanding business in key markets by improving the Company's distribution network, expanding its reach further and upgrading its customer service
- ▶ The Company aims at building an organization based on a culture of performance, integrity and values. It therefore, strives to impart skills and promote team spirit to achieve excellence in business operations through optimum utilization of resources.
- ▶ Promoting the use of environment-friendly methods and techniques to drive sustainable growth.
- ▶ Invest in R&D and technology upgradation to achieve and fulfil business objectives while strengthening processes and systems to ensure accountability, speed of execution and consumer focus.

#### Financial Review

(₹ in Crore)

Particulars	2019-20	2018-19	YoY Change (in %)
Consolidated income	2,236	2,264	(1)%
Consolidated EBITDA	274	389	(29)%
Consolidated PAT	95	189	(50)%
Reserve and Surplus	1,927	2,001	(4)%

#### Research and Development

Research and development segment of Indofil continues to significantly contribute to the Company's growth, through development of new and innovative products. The Company's research laboratories have crop care and specialty science under the same umbrella, enabling it to constantly innovate products that maintain the highest quality standards. The R&D team consists of highly skilled, qualified and dedicated scientists working constantly towards development of eco-friendly products that create value for end users.

60+

Employees part of R&D team as on 31st March 2020

#### Human Resource

Indofil believes and considers Human Resources as a vital asset in the growth of the Company. We have infused a lot of rigor and intensity in our People Development Processes and strive to hone skill sets that help to realise our vision and focus on areas that are critical for succeeding strategically. Various initiatives have been undertaken to provide growth opportunities to our employees. Indofil believes that domain knowledge and experience of our closely-knit management team play a very critical role and provide us with significant competitive advantages to grow in our existing markets and enter new geographies.

#### Internal Control Systems and Adequacy

The Company believes that the Internal Control System is one of its main pillars. It covers the financial and operating functions along with the size and nature of its 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 timely completion of all internal audits.

The system also ensures that the efficacy of controls and measures are maintained in all operational areas. It is also responsible for sharing accurate information, ensuring reliability of its financial statements and abiding by laws and regulations while compiling such reports.

#### Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

# Director's Report

Your Directors are pleased to present the 27th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended on March 31, 2020.

## FINANCIAL RESULTS

₹ in Crores

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	2,079.80	2,235.88	2,192.97	2,264.20
Profit before Interest, Depreciation, Exceptional Items & Tax	273.35	305.28	354.98	389.16
Less: Exceptional Items	31.41	31.41	-	-
Profit before Interest, Depreciation & Tax after Exceptional Items	241.94	273.87	354.98	389.16
Less: Interest and Finance Charges	87.13	89.88	63.62	68.83
Less: Depreciation	102.81	118.10	76.49	91.36
<b>Profit Before Tax</b>	<b>52</b>	<b>65.89</b>	<b>214.87</b>	<b>228.97</b>
Less: Provision for Taxation (Tax Gain)	(15.17)	(12.79)	37.16	43.29
<b>Net Profit After Tax</b>	<b>67.17</b>	<b>78.68</b>	<b>177.71</b>	<b>185.68</b>
Share of Profit / (Loss) of Joint Ventures	-	16.08	-	3.04
<b>Profit For The Year</b>	<b>67.17</b>	<b>94.76</b>	<b>177.71</b>	<b>188.72</b>

## DIVIDEND

Your Directors are pleased to recommend for approval of the Company's Shareholders at the ensuing Annual General Meeting (AGM), a final Dividend of 50 % for the year ended March 31, 2020, i.e. ₹ 5 for each fully paid up Equity Shares of ₹ 10 each and ₹ 1.50 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 down from ₹ 2,264 crores to ₹ 2,236 crores, recording a decrease of 1%. The Consolidated Profit Before Tax for the year stood at ₹ 66 crores for the year under review, as against ₹ 229 crores for the previous year. The Company's standalone total income stood at ₹ 2,080 crores, against ₹ 2,193 crores last year, a decrease of 5% over the previous year. Standalone Profit Before Tax for the year stood at ₹ 52 crores for the year under review, against ₹ 215 crores for the previous year, mainly on account of exceptional costs due to shifting of Thane operations to Dahej. Besides, the depreciation on new plants (GIDC & Innovative Solutions) was charged for the full year, while it was charged for a part of the year in the previous year. The finance cost incurred for new plants was charged for the full fiscal year, while it was charged proportionately in the previous year.

The year under review was filled with challenges across all business units. On domestic front, heavy rain and hailstorm impacted yield and reduced farm income considerably. However,

proper resource allocation helped businesses to benefit from a good Rabi crop. Stricter policy guidelines (no lock opening, invoice against Purchase Orders) also impacted business along with restrictions on trade and sale of bio-stimulants. Even during the current Financial Year, the Company has taken significant steps to counter adversities by adopting policies like stringent credit control as a measure to ensure reduced sales returns. It is expected to yield positive results from FY 2020-21 onwards.

On receivable front, the Company took major initiatives to improve debtors' cycle. Some of the important initiatives include strict discipline to prevent manual unblocking of blocked customers, automatic centralized processing of periodic sales schemes and invoicing, vigorous collection follow-up strategies.

To manage and significantly reduce inventory levels, the Company has initiated effective actions for inventory control and management. It has implemented robust sales and operation procedures to reduce inventory and improve production planning and monitoring, encouraged periodic review of existing inventory across depots / plants, improved sales forecasting accuracy across regions and initiated standard processes and adequate checks within the process.

On the International business front, the Company successfully sustained business volumes despite challenging global Agro-Chemical market conditions, aggressive pricing and competition. The Company has four operational Subsidiaries in Europe, Brazil, Philippines and Bangladesh. In Bangladesh, a new re-packing unit has been set up, the Company's first facility outside India.

The focus of Innovative Solutions Division in FY 2019-20 was to attain sustainable growth and to enter into the key segments. During the year, the Company entered into sourcing arrangements with some notable clients, for all its verticals. The team is actively working with technical experts from key accounts to ensure a competitive edge over competition. The Innovative Solutions Division faced stiff competition from imports and suffered due to the COVID-19 outbreak towards the end of the Financial Year. Adverse foreign exchange fluctuations also affected cost of material.

On manufacturing side, the GIDC Plants of the Company has now aggregate Mancozeb producing Capacity of 68,000 MT per annum. During the year under review, the capacity utilization of the plant was lower, resulting in increased cost of production. Additionally, teething and stabilization issues with newer technologies, in the new plant, also led to cost increase. The Company expects to improve capacity utilizations during FY 2020-21.

During FY 2019-20, the Company successfully shifted the manufacturing operations from Thane to GIDC, Dahej Plant during the year. The entire transition was smooth, with small activities to Tollers. Asset transfer from Thane to Dahej remains an ongoing process. During the year under review, the Company also strategized and implemented seamless transition of small pack activities to Tollers.

Amidst the challenging business environment, the Board is pleased to report that there were no major disruptions in Company's business operations because of the COVID-19 pandemic. However, the manufacturing and supply chain were impacted to some extent due to lockdown and emergency measures initiated by the States and Central Governments, as a result of which plants were shut during the 3rd and 4th week of March, 2020. The plants have reopened and the Company continues with its operations in a phased manner, in line with directives from the authorities. The Company has evaluated the impact of COVID-19 on its business operations, liquidity, assets and its financials. The Company will continue to closely monitor material changes in business environment and economic conditions on business and industry.

## **INTERNATIONAL BUSINESS - Key Highlights**

The Company managed to sustain its business and maintain its business volumes over previous years inspite of adversities like seasonal crop failures in parts of Africa, Australia, and South America and geo-political disturbances in Middle East and South America. The Company also faced other challenges in the global agrochemicals market like aggressive pricing and stiff competition. Major Business contribution from LATAM in International business was a result of the Company's success in Brazil & other South American countries.

We have operational Subsidiaries in Europe, Brazil, Philippines and Bangladesh. In Bangladesh, a new re-packing unit has been set up, the first facility outside India.

To achieve our "Global Expansion Initiative", we are exploring possibilities for a few more Value Added Distribution opportunities in Asia Pacific region.

We are focused on improving our global registration portfolio, especially in Brazil, Europe and other major regions.

The International business stood strong, especially in European segments which were fairly stable in line with the overall Agrochemical market in Europe. Substantial business growth was recorded by Brazil subsidiary in past few years including the year in review. Besides, the business also saw some recovery in African and Asian markets which had seen a downturn in the earlier part of the year. However, the global sanctioning of some of the Middle Eastern markets affected our business revenues from these markets.

### **Europe**

For Indofil, Europe remains the largest market outside India. Our European operations have been represented by Indofil Industries (Netherlands) B.V. which has been in operations since 2015. France, Italy, Spain remains the key focus areas. We are actively involved in the Task Force to defend (technically, legally, advocacy) the renewal of Mancozeb.

### **Brazil**

Brazil stands as the largest Agrochemical Market in the world. Business in Brazil is also going strong with a variety of projects being carried out in two-way and three-way mixtures of Indofil products, along with the products of major agrochemical companies in Brazil and other multinationals. It is helping us to build and strengthen relations with our esteemed partners and collaborators.

### **Philippines**

Indofil Philippines Inc. had commenced commercial operations from May-2018. Besides, sourcing products from Indofil India, Indofil Philippines Inc. has also procured its product portfolio through in-licensed products from other agrochemical companies as well.

### **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. We have established our presence in Bangladesh mainly focusing on developing our market, product acceptance, registration development and customer service. During the year under review, the construction of Indofil's first re-packing unit outside India was initiated and successfully completed.

### **Subsidiaries**

During the year under review, the Company has following Subsidiaries:

1. Good Investment (India) Ltd.
2. Quick Investment (India) Ltd.
3. Indo Baijin Chemicals Pvt. Ltd.
4. Indofil Bangladesh Industries Pvt. Ltd.

5. Indofil Industries (International) B.V
6. Indofil Industries (Netherlands) B.V.
7. Indofil Industries DO Brasil Ltd.
8. Indofil Costa Rica S.A
9. Indofil Philippines Inc.
10. Agrowin Biosciences S.R.L
11. PT Industries Indonesia
12. Finkotech Pvt Ltd.

## JOINT VENTURE OPERATIONS

### OPERATIONS OF INDO BAIJIN CHEMICALS PVT LTD

The Company has established Indo Baijin Chemicals Private Limited, a Subsidiary, in the form of a Joint Venture with Shanghai Baijin Group, China for the manufacture of important raw material, Carbon – Di – Sulphide (CS<sub>2</sub>) as part of its backward integration strategy to eliminate the need for importing CS<sub>2</sub>. The steady supply from this JV Company also ensures cost optimisation and savings on foreign exchange outflow. The Joint Venture has been successfully catering to the entire CS<sub>2</sub> requirement of Indofil.

During the year under review, the Joint Venture generated profit before tax of ₹ 38.14 Cr against ₹ 10.91 Cr during the previous year.

### INVESTMENTS IN INDO REAGENS POLYMER ADDITIVES PVT LTD

The Company entered into another Joint Venture Agreement on 17th February, 2019 with Reagens Spa, Italy, to establish a plant in GIDC, Gujarat to manufacture non led PVC based additives. Indofil is catering to the Modifiers segment, while Stabilizers would be catered by this JV.

Indofil has invested a sum of ₹ 19.96 Crs as Equity Share Capital of the Joint Venture Company for 49.90% Equity Shares of the Joint Venture Company. The Joint Venture Company has acquired land from GIDC and the construction of the Plant is in progress. The Company has commenced chemicals trading activities from the second half of the year under review and achieved a turnover of ₹ 19 Crores till the end of Financial Year 2019-20. The Joint Venture has reported a Net Loss of ₹ 54 Lakhs for Financial Year 2019-20.

### CLOSURE OF SUBSIDIARY AND STAKE SALE IN NON OPERATIONAL JOINT VENTURE

During the year, the management focussed on operational Joint Ventures as stated above. In order to discontinue the non-operational Companies /Joint Ventures, the Company filed an application for closure of its non-operational Subsidiary, Finkotech Pvt. Ltd with Ministry of Company Affairs as the purpose for which the Subsidiary was formed was not pursued further. In FY 09-10, The Company had formed Hifil Chemicals Pvt Ltd (Hifil) as a Joint Venture with Hisun Chemicals Company Ltd., China for trading of Chemicals. The Company sold its stake in Hifil to the Joint Venture Partner as Hifil could not commence any business operations for over a decade since its inception.

## 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 and partly called and paid up to the extent of ₹ 3 each.

## 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.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONS

With profound grief, we would like to inform you about the sad demise of our founder, Chairman and MD, Mr. K K Modi on 2nd November 2019. Under the leadership of late Mr. K K Modi, over a period of years since its inception, the Company, grew consistently at rapid rate and registered its presence in over 120 countries of the world. Today, the Company is considered as a renowned player in agro chemical industry worldwide. The Board of Directors places on records, its sincere gratitude and appreciation for the vision, leadership and strategical directives provided by late Mr. K K Modi in establishing the Company as leading brand in agro chemical industry.

During these challenging times, the Company needed a strong leadership. The Shareholders wide their Special Resolution passed on 7th January, 2020 appointed Dr. Bina Modi as Chairperson and Managing Director of the Company with effect from 14th November, 2019. The Board has been in past also inviting Dr. Bina Modi to attend its meetings and taking her valuable suggestions to further Company's business interest over years. She has rich and wide experience and track record in establishing a variety of business spread over period of years and has deep understanding about the business of the Company.

Further, during the Financial Year 2019-20, Uttar Pradesh State Industrial Development Corporation (UPSIDC) appointed their new Managing Director, Mr. Anil Garg (IAS) on the Board of the Company as their nominee on 9th September, 2019 in place of Mr. Sanjay Prasad.

As per provisions of Sections 152 of the Companies Act, 2013, Ms. Charu Modi and Ms. Aliya Modi 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-appointments as Directors.

Further, Dr. Atchutuni Rao, Whole Time Director holds his office upto 17th March, 2021. The Board of Directors upon recommendation of the Nomination and Remuneration Committee has subject to approval of the Shareholders have at their meeting held on 30th June, 2020 appointed Dr. Rao as Whole Time Director, designated as Director – Manufacturing, Operations, Safety & IIS Business and “Occupier” of Company’s factories for a period from 18th March, 2021 to 26th July, 2021.

Mr. R K Malhotra, CEO, and President retired from the services of the Company on April 20, 2020. He was associated with K K Modi Group for 46 years. He was instrumental in growth of the Company. The Board Places on records, its sincere appreciation for dynamic leadership of Mr. Malhotra and his contributions over years in implementing strategies enabling Company to scale new heights. Mr. Narendra Rane, who holds a degree in M. Sc. (Agri), B. Sc (Agri), and is associated with the Company since about 26 years and currently COO (Agro Business) is now heading the Business Operations of the Company under guidance of Dr. Bina Modi.

## BOARD MEETINGS

The Board of Directors met 4 times during the Financial Year ended March 31, 2020, the details of which are given in the Corporate Governance Report. The intervening gap between any two meetings was 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 are required to hold their separate meeting during each of the Calendar Year for discussing and evaluation of effectiveness of Directors and Committees. Accordingly, the Independent Directors held their separate meeting on 8th March, 2019 in which they discussed and evaluated the performance of the Chairman, Executive Directors, Committees and KMPs and the Board as a whole through evaluation feedback forms and expressed their satisfaction on the outcome.

## NOMINATION AND REMUNERATION COMMITTEE

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

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. The Nomination and Remuneration Committee ensures implementation of the policy in the best interest of the Company.

## AUDIT COMMITTEE

The Audit Committee was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder (including any statutory enactments thereof). The Committee is chaired by Mr. M N Thakkar, ex-Senior Partner of N M Raiji and Company, a renowned firm of Chartered Accountants and an Independent Director on the Board of Company.

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

## WHISTLEBLOWER POLICY / VIGIL MECHANISM 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 violation of regulatory requirements or incorrect or misrepresentation of Financial Statements and Reports.

The employees of the Company have the right / option to Report their concern / grievance to the Chairman of the Audit Committee. No personnel is denied access to the Chairman of the Audit Committee during the Financial Year ended March, 31, 2020.

## RISK MANAGEMENT POLICY

The present Risk Management Committee comprises of Independent Directors viz Mr. Sanjay Buch and Mr. M.N. Thakkar and Dr. Atchutuni Rao, Whole Time Director and Occupier and personnel from senior management heading functional verticals. The Board has further nominated Mr. S. Lakshminarayanan on Risk Management Committee. His vast experience in varied functions would strengthen the committee.

The Risk Management Committee has been framed for assessing various risks affecting various functions of the 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. All risk factors and their mitigations are considered in periodic business and functional reviews for initiating timely actions.

The Board has approved Risk Management policy which forms Corporate Governance Report to Shareholders of the 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 also 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.

The present CSR Committee comprises of Dr. Bina Modi as Chairperson of the Committee, Mr. Sunil Alagh and Mr. Anil Garg, Nominee of UPSIDC.

### 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

During the year under review, 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

Full particulars of loans, guarantees, investments and securities provided by Company during the Financial Year under review along with the purposes for granting such loans, guarantees, and securities are 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 that all assets and resources are acquired economically, used efficiently and adequately protected.

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

### DIRECTORS' 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, 2020, 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, 2020 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 to 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 (Membership No. 2390), to conduct the Secretarial Audit of the Company for the Financial Year 2019-20. Secretarial Audit Report issued by M/s. Ragini Chokshi & Co. in Form MR-3 for the Financial Year 2019-20 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. Practicing Company Secretaries as the Secretarial Auditors of the Company for the Financial Year 2020-21.

### 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 September, 2018 to hold office up to end of FY 2020-21.

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

### AUDITORS' REPORT

The Auditors Report read with the relevant notes given in the Notes to Accounts for the year ended March 31, 2020 are detailed and self explanatory and do not require any further explanation.

### CONSERVATION OF ENERGY AND 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 AND 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, 2020.

### 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, 2020 made under the provisions of Sections 92(3) of the Act is appended as Annexure V to this Report.

### PARTICULARS OF CONTRACTS AND 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 details as prescribed in Form AOC - 2 are not required to be disclosed. 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 high 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, particularly those which relate to Management Discussion & Analysis is explained in the Corporate Governance Report, describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of the applicable laws and regulations. Actual results might differ materially from those expressed or implied in the statements depending on the circumstances.

### ACKNOWLEDGEMENT

The Board of Directors place on record their appreciation for the assistance, guidance and support extended by all the regulatory authorities including, among others 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

Sd/-

**Dr. Bina Modi**

Place: Mumbai  
Date: June 30, 2020

Chairperson & Managing Director  
DIN: 00048606

**Regd. Office:** Indofil Industries Ltd.,  
(CIN: U24110MH1993PLC070713)  
Kalpataru Square, 4th Floor, Kondivita Road,  
Off. Andheri Kurla Road, Andheri (E) Mumbai 400059  
Tel : +91 (22) 66637373 Fax : + 91 (22) 28322276  
Website: www.indofil.com

# 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.

### 4. 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 Director, 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.

Place: Mumbai  
 Date: June 13, 2018

Sd/-  
**(late) K K Modi**  
 Chairman  
 DIN: 00029407

## 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://www.indofil.com/uploads/policies/csr-policy.pdf>. 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:

- i. Dr. Bina Modi, Chairperson
- ii. Mr. Sunil Kumar Alagh, Independent Director
- iii. Mr. Anil Garg, Nominee Director (UPSIDC)

### 3. Average net profit of the Company for last three Financial Years:

Average net profit: ₹ 261.65 Crores

### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company was required to spend ₹ 5.23 Crores towards CSR activities.

### 5. Details of CSR spend for the Financial Year:

- a. Total amount incurred for the Financial Year: ₹ 4.96 Crores
- b. Amount unspent, if any : ₹ 0.27 Crores
- 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 2019-20	Amount spent on project programs [In Rupees] In FY 2018-19
1	Promoting Education: Establishing K.K. Modi University*	Education	Village Mahmara District: Durg Chhattisgarh	4.71 Crore	5.02 Crore
2	Public Welfare: Ballygunge Society for Environment & Development	Public Welfare	Village Gopinathpur Dist: Hooghly, West Bengal	0.25 Crore	0.32 Crore
3	Others	Education/ Public Welfare	Dahej Gujarat		0.06 Crore
	<b>Total</b>			<b>4.96 Crore</b>	<b>5.40 Crore</b>

Responsibility Statement of the CSR Committee: The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For CSR Committee

Sd/-

**Dr. Bina Modi**

Chairperson

DIN: 00048606

Place: Mumbai

Date: June 30, 2020

## 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.

Place: Mumbai  
 Date: September 22, 2014

Sd/-  
**(late) K K Modi**  
 Chairman  
 DIN: 00029407

## Annexure "III"

### Form No. MR-3

## Secretarial Audit Report

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

For the period 01-04-2019 to 31-03-2020

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, 2020. 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 1st April, 2019 to 31st March, 2020 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 herein after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 as amended from time to time; (Not applicable during the period under review)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time; (Not applicable during the period under review)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as amended from time to time; (Not applicable during the period under review)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable during the period under review)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and as amended from time to time;
  - (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 during the period under review)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the period under review)

We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the Central, State and Other Government and Legal Authorities concerning the business and affairs of the Company

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

1. 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 the applicable clauses of the following:

- (i) Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations 2015.

During the period under review the Company has also complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except there was delay in filing of few Statutory Forms with the 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. Sanjay Prasad as a Nominee Director representing U.P. State Industrial Development Corporation Limited (UPSIDCL) in place of Mr. Rajesh Kumar Singh vide letter dated 01/05/2019 issued by UPSIDCL and the Resolution was passed by the Board on 28/05/2019
2. Appointment of Mr. Anil Garg as a Nominee Director representing U.P. State Industrial Development Corporation Limited (UPSIDCL) in place of Mr. Sanjay Prasad vide letter dated 09.09.2019 issued by UPSIDCL and the Resolution was passed by the Board on 14.09.2019
3. Cessation of Late Mr. K K Modi as Managing Director of the Company w.e.f 02/11/2019, due to his sad demise.
4. Appointment of Dr. Bina Modi as a Casual Vacancy Director w.e.f 14/11/2019, due to sad demise of Late Mr. K K Modi
5. Postal Ballot was passed by the Members of the Company on 07.01.2020 regarding appointment of Dr. Bina Modi as a Managing Director of the Company w.e.f 14/11/2019.

For Ragini Chokshi & Co.

Sd/ -

**Ragini Chokshi**  
(Partner)

C.P. No.: 1436

FCS No: 2390

Place: Mumbai

Date: June 21, 2020

UDIN: F002390B000361837



## Annexure “IV”

# Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgoing

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

### A. CONSERVATION OF ENERGY

- a. About 90000 KL of water was recycled in Mancozeb plants through the use of Multiple Effect Evaporators.
- b. The Company has received full bonus subsidy by achieving the power factor.
- c. Improved the manufacturing process of Agro technical products, viz. Tricyclazole, Thifluzamide, Metalaxyl, and Dodine to produce better quality material with enhanced efficiency in Synthesis plant (Unit-2) in Dahej.

### B. TECHNOLOGY ABSORPTION

#### i. R & D and Technology Absorption

1. During the year under review:
  - a. Natural gas consumption was reduced by modifying the air pre-heater of spray drying Units Dahej plant.
  - b. To control suspended particle matters in air, Electrostatic Precipitators were installed in all units of 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 backward integration of agro-chemicals raw materials used in Agro technical synthesis for long term sustainability. A few of them to mention here are HMBT (Tricyclazole), MPX (Metalaxyl) and 2-CEU (Cymoxanil). While HMBT has been commercialized

successfully from 2019-20, others are under commercial trial to bring benefit from 2020-21. Most of these raw materials were imported from China, but going forward we will minimize our dependence on import. These initiatives will satisfy the quality and cost expectations besides meeting the requirement of zero liquid discharge.

4. The R&D is accredited with NABL & GLP certification which speaks about the capability of Analytical department in terms of its ability to consistently quantify and qualify the products and their composition with great degree of confidence for exports and brands. 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 ISO-14000 requirements that allow maintaining discipline, order, and clarity to of all business activities and decisions taken.

#### ii. Benefits from R & D

Improved manufacturing processes result in better quality and efficiency, and 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 and continued research & development efforts to improve quality and efficiency of existing products, introduce new Agro technical and combination formulated products from existing and new fungicides.

#### (iv) Expenditure on R&D

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Capital including Capital Work in Progress	18.21	22.07
Recurring	12.61	12.96
<b>TOTAL</b>	<b>30.82</b>	<b>35.03</b>
<b>R&amp;D Expenditure as a percentage of Revenue from Operation</b>	<b>1.51%</b>	<b>1.60%</b>

#### C) Foreign earning and outgoing

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
i) Foreign Exchange Earned	878.27	926.23
ii) Foreign Exchange Expensed	552.65	439.97

## Annexure “V”

### Form No. MGT 9

#### EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31.3.2020

[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	9.2.1993
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 Not Listed
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:-

Sr. 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	86%
2	Specialty & Performance Chemicals	20,297	14%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. 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	Indo Baijin Chemicals Pvt. Ltd., Plot No. Z-7/1, SEZ Area, Dahej SEZ Ltd, Taluka Vagra, Disrict Bharuch, Gujarat 392130	U24233GJ2011PTC065293	Subsidiary	51%	2(87)
4	Indofil Bangladesh Industries Pvt. Ltd., 87, New Eskaton Road, Home Town Apartment Complex, 16th Floor, Ramna, Dhaka	Foreign Company	Subsidiary	100%	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary Associate	% of Shares held	Applicable Section
5	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)
6	Indofil Industries (Netherlands) B.V., Piet Heinkade 55, 1019 GM, Amsterdam, Netherlands.	Foreign Company	Subsidiary	100%	2(87)
7	Indofil Industries (International) BV Piet Heinkade 55, 1019 GM Amsterdam, Netherlands	Foreign Company	Subsidiary	100%	2(87)
8	Indofil Industries DO Brasil LTDA Alameda Rio Negro 503, Room 2510, Alphaviile, Barueri, Sao Paulo State, Brazil	Foreign Company	Subsidiary	100%	2(87)
9	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)
10	Agrowin Bioscience s.r.l. Bergamo, Via Monte Grappa n.7, Italy	Foreign Company	Subsidiary	80%	2(87)
11	Indo Reagens Polymer Additives Pvt. Ltd.	U243D4MH2018PTC318641	Associate/ Joint Venture	49.9%	2(6)
12	PT Industries Indonesia	Foreign Company	Subsidiary	100%	2(87)
13	Finkotech Pvt. Ltd. (Application for Closure of Company filed with Ministry of Company Affairs)	U24299MH2018PTC307863	Subsidiary	100%	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as % of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2019)				No. of Shares held at the end of the year (31st March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	-
<b>Sub-total (A) (1):-</b>	<b>1,30,63,892</b>	<b>11,99,583</b>	<b>1,42,63,475</b>	<b>62.128</b>	<b>1,30,63,892</b>	<b>11,99,583</b>	<b>1,42,63,475</b>	<b>62.128</b>	-
<b>(2) Foreign</b>									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1,30,63,892</b>	<b>11,99,583</b>	<b>1,42,63,475</b>	<b>62.128</b>	<b>1,30,63,892</b>	<b>11,99,583</b>	<b>1,42,63,475</b>	<b>62.128</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2019)				No. of Shares held at the end of the year (31st March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	450	-	450	0.003	450	-	450	0.002	-
b) Banks/FI	336	562	898	0.004	261	562	823	0.004	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	21,69,956	-	21,69,956	9.452	21,69,956	-	21,69,956	9.452	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2,96,482	-	2,96,482	1.291	2,96,482	-	2,96,482	1.291	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>24,67,224</b>	<b>562</b>	<b>24,67,786</b>	<b>10.750</b>	<b>24,67,149</b>	<b>562</b>	<b>24,67,711</b>	<b>10.750</b>	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	4,96,023	11,27,718	16,23,741	7.073	4,00,695	11,27,043	15,27,738	6.654	(0.419)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal Share Capital upto ₹ 1 lakh	11,22,722	3,11,989	14,34,711	6.249	11,48,336	3,01,186	14,49,522	6.314	0.065
ii) Individual Shareholders holding nominal Share Capital in excess of ₹ 1 lakh	6,16,079	1,39,219	7,55,298	3.290	7,28,736	1,06,579	8,35,315	3.638	0.348
c) Others (specify)	22,64,948	75	22,65,023	9.866	22,66,558	75	22,66,633	9.873	0.007
i) NRI / OCB	19,679	-	19,679	0.086	19,244	-	19,244	0.084	(0.002)
ii) Clearing Member	83	-	83	-	158	-	158	0.001	0.001
iii) Trusts	-	-	-	-	-	-	-	-	-
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	88,469	-	88,469	0.385	-
<b>Sub-total (B)(2):-</b>	<b>46,47,960</b>	<b>15,79,001</b>	<b>62,26,961</b>	<b>27.123</b>	<b>46,92,153</b>	<b>15,34,883</b>	<b>62,27,036</b>	<b>27.123</b>	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>71,15,184</b>	<b>15,83,563</b>	<b>86,94,747</b>	<b>37.872</b>	<b>71,59,302</b>	<b>15,35,445</b>	<b>86,94,747</b>	<b>37.862</b>	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2,01,79,076</b>	<b>27,79,146</b>	<b>2,29,58,222</b>	<b>100.00</b>	<b>202,23,194</b>	<b>27,35,028</b>	<b>2,29,58,222</b>	<b>100</b>	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (1st April 2019)			Shareholding at the end of the year (31st March 2020)			% change in Shares holding during 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	
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	Dr. 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	-	-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (1st April 2019)			Shareholding at the end of the year (31st March 2020)			% change in Shares holding during 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	
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	-	-
	<b>Total</b>	<b>1,42,63,475</b>	<b>62.128</b>	<b>-</b>	<b>1,42,63,475</b>	<b>62.128</b>	<b>-</b>	<b>-</b>

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

Sl. No.	Particulars	Shareholding at the beginning of the year (1st April 2019)		Cumulative Shareholding during the year (31st March 2020)	
		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	142,63,475	62.128
2.	Date wise Increase/ Decrease in Promoters Shareholding 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	142,63,475	62.128

There was no change in promoters Shareholding during F.Y. 2019-20

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year (1st April 2019)		Cumulative Shareholding during the year (31st March 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1</b>	<b>UPSIDC LIMITED</b>				
	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
<b>2</b>	<b>APMS Investment Fund Ltd</b>				
	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
<b>3</b>	<b>Modi Industries Limited</b>				
	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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year (1st April 2019)		Cumulative Shareholding during the year (31st March 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>4</b>	<b>Cresta Funds limited</b>				
	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
<b>5</b>	<b>Life Insurance Corporation of India</b>				
	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
<b>6</b>	<b>Umesh Kumar Modi</b>				
	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
<b>7</b>	<b>Govind Swaroop</b>				
	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
<b>8</b>	<b>Status Mark Finvest Ltd</b>				
	At the beginning of the year	1,64,766	0.718		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	05-APRIL-2019	(5,000)	(0.022)	159766	0.696
	19-APRIL-2019	(20,000)	(0.087)	139766	0.609
	26-APRIL-2019	(5,000)	(0.022)	134766	0.587
	03- MAY-2019	(5,000)	(0.022)	129766	0.565
	10-MAY-2019	(5,000)	(0.022)	124766	0.543
	17-MAY-2019	(5,000)	(0.022)	119766	0.521
	31-MAY-2019	(6,000)	(0.026)	113766	0.495
	21-JUNE-2019	(5,000)	(0.022)	108766	0.473
	29-JUNE-2019	(9,100)	(0.040)	99666	0.433
	23-AUGUST-2019	(20,000)	(0.087)	79666	0.346
	31-JANUARY-2020	(3,500)	(0.014)	76166	0.332
	07-FEBRUARY-2020	(5,000)	(0.022)	71166	0.310
	28-FEBRUARY-2020	(5,000)	(0.022)	66166	0.288
	At the end of the year			66166	0.288
<b>9</b>	<b>Laoleen Investments Pvt. Ltd</b>				
	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
<b>10</b>	<b>Anant Jain</b>				
	At the beginning of the year	40100	0.174		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	19-APRIL, 2019	10000	0.044	50100	0.218
	03-MAY-2019	2500	0.011	52600	0.229
	29-JUNE-2019	5000	0.022	57600	0.251
	At the end of the year			57,600	0.251

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year (1st April 2019)		Cumulative Shareholding during the year (31st March 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1</b>	<b>(late) Mr. K K Modi</b>				
	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
<b>2</b>	<b>Dr. Bina Modi</b>				
	At the beginning of the year	2,18,607	0.952		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the end of the year			2,18,607	0.952
<b>3</b>	<b>Ms. Charu Modi</b>				
	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
<b>4</b>	<b>Mr. Samir Kumar Modi</b>				
	At the beginning of the year	25,765	0.112		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the end of the year			25,765	0.112
<b>5</b>	<b>Ms. Aliya Modi</b>				
	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
<b>6</b>	<b>Mr. M.N. Thakkar</b>				
	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
<b>7</b>	<b>Mr. S.K. Alagh</b>				
	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
<b>8</b>	<b>Mr. Sanjay Buch</b>				
	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
<b>9</b>	<b>Mr. S. Lakshminarayanan</b>				
	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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year (1st April 2019)		Cumulative Shareholding during the year (31st March 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>10</b>	<b>Mr. Anil Garg</b>				
	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
<b>11</b>	<b>Dr. Atchutuni Rao</b>				
	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
	<b>Key Managerial Personnel:</b>				
<b>1</b>	<b>Mr. R.K. Malhotra</b>				
	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
<b>2</b>	<b>Mr. Devang R Mehta</b>				
	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
<b>3</b>	<b>Mr. Rajib Mukhopadhyay</b>				
	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 Crore)

	Secured Loans excluding Deposits	Unsecured Loans / Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>			
i) Principal Amount	1228.78	Nil	1228.78
ii) Interest due but not paid	-	Nil	-
iii) Interest accrued but not due	1.62	Nil	1.62
<b>Total (i+ii+iii)</b>	<b>1,230.40</b>	Nil	<b>1,230.40</b>
<b>Change in Indebtedness during the Financial Year</b>			
▶ Addition	115.00	Nil	115.00
▶ Reduction	187.26	Nil	187.26
<b>Net Change</b>	-	Nil	-
<b>Indebtedness at the end of the Financial Year</b>			
i) Principal Amount	1155.46	Nil	1155.46
ii) Interest due but not paid	-	Nil	-
iii) Interest accrued but not due	2.68	Nil	2.68
<b>Total (i+ii+iii)</b>	-	Nil	-



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of Managing/ Executive Director			Name of the Whole Time Director	Total Amount
		(late) Mr. K K Modi/ Dr. Bina Modi Chairman/ Chairperson & 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	5.78	4.86	0.97		11.61
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1	0.8	0.01		1.81
	(c) Profits in lieu of Salary under Section 17(3) Income-Tax Act, 1961					
2.	Stock Option	0	0			0
3.	Sweat Equity	0	0			0
4.	Commission	-	-	-		-
	- as % of profit					
	- others, specify...					
5.	Others, please specify	-	-	-		-
	<b>Total (A)</b>	<b>6.78</b>	<b>5.66</b>	<b>0.98</b>		<b>13.42</b>
	Ceiling as per the Act					

## B. Remuneration to other Directors:

(₹ In Crores)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Mr. Sunil K. Alagh	Mr. M.N. Thakkar	Mr. Sanjay Buch	Mr. S. Lakshminarayanan	
	▶ Fee for attending Board/ Committee meetings	0.14	0.15	0.12	0.08	0.49
	▶ Commission	0.10	0.10	0.10	0.10	0.40
	▶ Others, please specify					
	<b>Total (1)</b>	<b>0.24</b>	<b>0.25</b>	<b>0.22</b>	<b>0.18</b>	<b>0.89</b>
2.	Other Non-Executive Directors	Mr. Samir Modi	Ms. Aliya Modi	Mr. Sanjay Prasad/ Mr. Anil Garg		
	▶ Fee for attending Board/ Committee meetings	0.03	0.01	0.03		0.07
	▶ Commission	0.10	0.10	0.10		0.30
	▶ Others, please specify					
	<b>Total (2)</b>	<b>0.13</b>	<b>0.11</b>	<b>0.13</b>		<b>0.37</b>

## Annexure “VI” Form - AOC-I

### PART “A” - Subsidiary

(₹ in Crore)

Name of the Subsidiary	1 Good Investment (India) Ltd	2 Quick Investments (India) Ltd	3 Indo Baijin Chemicals Pvt Ltd	4 Indofil Bangladesh Industries Pvt Ltd	5 Indofil Industries Netherlands BV	6 Indofil Industries (International) BV	7 Indofil Costa Rica SA	8 Indofil Industries DO Brasil LTDA	9 Indofil Philippines, Inc.	10 Agrowin Biosciences S.R.L.
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 0.89 / BDT	EUR - INR 82.92 / EUR	EUR - INR 82.92 / EUR	Costa Rica Colon - INR 0.13 / Colon	BRL - INR 14.51 / BRL	PHP - INR 1.48 / PHP	EUR - INR 82.92 / EUR
Share capital	0.70	0.13	85.61	5.68	0.83	4.15	0.00	42.01	4.05	1.00
Reserves & surplus	73.47	30.27	56.13	3.66	140.98	80.42	-	-16.99	1.51	0.34
Total Assets	74.17	30.40	308.42	15.17	367.25	90.36	0.00	101.59	18.59	63.37
Total Liabilities	0.00	0.00	166.68	5.83	225.44	5.79	-	76.57	13.03	62.04
Investments	53.19	20.71	-	-	0.12	79.22	-	0.08	-	0.58
Turnover (Total Revenue)	15.21	7.91	233.96	2.21	224.68	0.06	-	107.71	28.84	50.34
Profit before Taxation	15.20	7.90	38.14	-2.19	15.14	-0.75	-	-7.10	1.37	-0.22
Provision for taxation	0.11	0.05	8.84	-1.97	3.81	-	-	-	0.37	-
Profit after taxation	15.09	7.85	29.30	-0.22	11.32	-0.75	-	-7.10	1.00	-0.22
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of Shareholding	100%	100%	51%	100%	100%	100%	100%	100%	100%	80%

- Names of the Subsidiaries which are yet to commence operations: - Nil
- Names of Subsidiaries which have been liquidated or sold during the year -

Finkotech Private Limited – Application for Closure filed with Ministry of Company Affairs since the purpose for which Company was incorporated was not persuaded.

### Part “B”: Associates and Joint Ventures

Name of Associates/ Joint Ventures	Indo Reagens Polymer Additives Pvt. Ltd.
1. Latest audited Balance Sheet Date	31st March, 2020
2. Shares of Associate/ Joint Venture held by Company on the year end	
No of Shares	1,99,96,000
Amount of investment in Associate / Joint Venture (₹ in Crore)	19.96
Extend of holding in %	49.90%
3. Description of how there is significant influence	-
4. Reason why Associate/ Joint Venture is not consolidated	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet (49.9% share in Net Worth) (₹ in Crore)	19.54
6. Profit/ (Loss) for the year (₹ in Crore)	(0.54)
(Loss) Considered in consolidation (₹ in Crore)	(0.27)
Not considered in consolidation (₹ in crore)	-

## 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 – Nil
- (d) Salient terms of the contracts or arrangements or transactions including 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 – Not Applicable
- (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: - Not Applicable

For Indofil Industries Limited

Sd/-

**Dr. Bina Modi**

Chairperson & Managing Director

DIN: 00048606

Place: Mumbai

Date: June 30, 2020

## Annexure “VIII” Corporate Governance Report

### Philosophy on Corporate Governance

The Management attaches highest importance to Company as a brand. The management is committed to high level of Corporate Governance and as a part of Company's growth strategy, it places the high importance on strengthening its Corporate Governance initiatives.

The management from time to time is guided in these areas by the versatile Board having expertise in diverse functions. The Board believes that the Corporate Governance is a continuously evolving ideas and to continue doing business in a disciplined, legal and ethical way. Being an MNC having presence in over 120 countries of the world, the Company management places high importance on good governance practices and continuously reviews and benchmark 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 to enhance confidence of all stakeholders, viz.; Shareholders and investors, customers and clients, employees, regulatory bodies and all those who deal with the Company and public in general. The management believes that adhering to the standards of best Corporate Governance practice is essential to achieve its 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 Chairperson. As on March 31, 2020 the Company's Board comprises 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 / Other Directorships / Memberships 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 Directorships in Indian Public Companies	Chairmanships and Memberships of Committees of the Board of other Public Companies	
				Chairmanships	Memberships
<b>Promoters Directors</b>					
(late) Mr. K K Modi (Up to 2nd Nov 2019)	Chairman & Managing Director	00029407	2	NIL	1
Dr. Bina Modi (from 14th November, 2019)	Chairperson & Managing Director	00048606	7	NIL	2
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
<b>Non Promoter Whole Time Director</b>					
Dr. Atchutuni Rao	Whole-Time Director	07467414	Nil	NIL	NIL
<b>Independent Directors</b>					
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	000391436	3	NIL	NIL
Mr. Anil Garg	Nominee Director (UPSIDC)	00768222	Nil	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 to Section 152 of the Companies Act, 2013, Ms. Charu Modi and Ms. Aliya Modi are liable to retire by rotation at the ensuing Annual General Meeting. Ms. Charu Modi is an Executive Director and associated with the Company as a promoter with proven track record over years in handling business. She also has excellent management skills. Ms. Aliya Modi has international qualifications and her skills are useful for furtherance of Company's business interests. Resolutions for their re-appointments as Directors are incorporated in the Notice of the Meeting.

#### ANNUAL GENERAL AND BOARD MEETINGS

The previous Annual General Meetings of the Company was held on 13th September, 2019.

During the Financial Year 2019-20, four meetings of the Board of Directors were held. The necessary quorum was present for Annual General and all Board Meetings. The Board apart from items required under law considers all important business at its meeting and when needed on urgent basis, through Resolution by Circulations as per high standards of governance.

Details of attendance of Directors in Board Meetings held during the Financial Year 2019-20 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
(late) Mr. K K Modi	2(2)	Yes
Dr. Bina Modi	2(2)	Yes
Ms. Charu Modi	4(4)	Yes
*Ms. Aliya Modi	1(4)	No
Mr. Samir Modi	3(4)	No
Dr. Atchutuni Rao	4(4)	Yes
Mr. Sunil Alagh	4(4)	Yes
Mr. M.N. Thakkar	4(4)	Yes
Mr. Lakshminarayanan	4(4)	No
Mr. Sanjay Buch	4(4)	Yes
Mr. Sanjay Prasad/ Mr. Anil Garg	2(4)	No

\*Ms. Aliya Modi was present on Video Conference at the AGM held on 13th September, 2019. However for legal purposes, last year presence through VC at AGM was not considered valid.

#### Separate meetings of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 read with the Rules made there under, Independent Directors of the Company held their meeting on 8th March, 2019, without presence of any of the Non-Independent Directors and Members of management.

#### During their meeting, they reviewed:

- the performance of the Board and Non - Independent Directors.
- the performance of the then Chairman the Company, taking into account the views of Whole Time and Executive Director and Non-Executive Directors and
- 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 Board Members and management of the Company and the Governance Standards adhered to as well as the Information made available to the Board of Directors from time to time. It was noted that Board has complete access to all the relevant information of the Company and of all employees. The information / data / updates shared with the Board among others include:

- Annual Operating Plans, Budgets and updates thereto.
- Quarterly, Half Yearly and Annual Results of the Company and its Operating Divisions and Business Segments.
- Capital Budgets and updates thereto.
- Sale of material nature of investments, Subsidiaries, assets which is not in normal course of business.
- 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
- Minutes of meetings of the Board and Board Committees, Resolutions passed by Circulations and Board Minutes.
- Details of any Joint Venture / Collaboration Agreements.
- 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.
- Show Cause, demand and penalty notices if any received and which are materially important.
- Commencing or shifting of operations and matters and issues related thereto and its impact.
- 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.
- 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. Transaction that involve 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 a 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 / Chairperson. 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.

### COMPENSATION TO DIRECTORS DURING FINANCIAL YEAR 2019-20

The Board comprises of Independent and Non Independent full time / non full time Directors. They are paid compensation as permitted by law with approval of the Members of the Company as under:

#### 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 2019-20 are as under.

Name of the Director	Sitting Fees paid	Commission Paid*
Mr. Sunil Alagh	0.14	0.10
Mr. M.N. Thakkar	0.15	0.10
Mr. Lakshminarayanan	0.08	0.10
Mr. Sanjay Buch	0.12	0.10
UPSIDC LIMITED	0.03	0.10
<b>TOTAL</b>	<b>0.52</b>	<b>0.50</b>

#### Executive Directors

The appointment of the Executive Directors is governed by appropriate 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 appointments and terms of remunerations paid to the Executive Directors are evaluated and benchmarked by the Nomination and Remuneration Committee and are as per industry norms before they are recommended for approval by the Board and Shareholders.

### 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 which 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 includes all the relevant Documents, Brochures, 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 in order to provide details and insight in the business of the Company and it's performance updates from time to time, Company's strategy and operating plans, key issues on Corporate Governance Report, Code of business conduct, Risk Management issues, operational aspects and related issues etc.

#### BOARD COMMITTEES

The Company has formulated five Board Managed Committees viz.

- I. The Audit Committee;
- II. The Nomination and Remuneration Committee;
- III. The Share Transfer and Stakeholders Relationship Committee;
- IV. The Corporate Social Responsibility Committee and
- V. The Risk Management Committee.

Each of the Committee comprise of a mixture of Promoters, Whole Time Director and Independent Directors, in compliance with applicable regulations. Business leaders and eminent Professionals are invited based upon needs of the Committees 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, 2020, the Committee comprised of three Independent Non-Executive Directors. All the Members of the Audit Committee have the financial knowledge. Mr. M.N. Thakkar, is the Chairman of the Committee. He is ex-Senior Partner of N.M. Rajji & Company, Chartered Accountants 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 2019-20, four 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	4(4)
Mr. Sunil Alagh	Independent Director	4(4)
Mr. Sanjay Buch	Independent Director	4(4)

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 executives of the Company. The Chief Financial Officer and the Company Secretary normally remain present at all the Audit Committee Meetings. Besides, Internal Auditor and the Statutory Auditors are 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, 2020, the Committee comprises of three 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 2019-20, four meetings 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	4(4)
Mr. Sunil Alagh	Independent Director	4(4)
Mr. M. N. Thakkar	Independent Director	4(4)

#### Nomination and Remuneration Policy

The Board of Directors of the Company has approved the Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee and the same is adhered to by the Company. The policy forming part of the Director's Report is appended as Annexure I. The policy helps management to determine qualifications, positive attributes of a candidate for top management position or for position of Independent Director, their independence and other related matters as 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.

### III. Shares Transfer and Stakeholders Relationship Committee

#### Constitution

The Shares Transfer and Stakeholders Relationship Committee 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 Independent Directors viz. Mr. M.N. Thakkar as Chairman and Mr. Sunil Alagh and Mr. Sanjay Buch

as other two Committee Members. 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)

#### Investor Complaints

During the year 2019-20 the Company has resolved all complaints from Shareholders / Investors.

#### IV. Corporate Social Responsibility Committee

##### Constitution

The Board of Directors of the Company have formed a Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. 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. Dr. Bina Modi, Chairperson, Mr. Anil Garg, Nominee Director- UPSIDC and Mr. Sunil Kumar Alagh, Independent Director. 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.

##### Committee Meetings and Attendance

During the Financial Year 2019-20, 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)
(late) Mr. K K Modi/ Dr. Bina Modi	Chairman/ Chairperson and Managing Director	2(2)
Mr. Anil Garg/ Mr. Sanjay Prasad	Nominee Director	0(2)
Mr. Sunil Alagh	Independent Director	2(2)

#### V. Risk Management Committee

##### Constitution

The Risk Management Committee has been formed for good governance and initiate timely actions to identify various risks that may affect the Company and it's business and to take timely measures to mitigate / reduce the risks and it's impact. The present Risk Management Committee comprises of Mr. Sanjay Buch, Independent Director as the Chairman of the Committee and Mr. M.N. Thakkar, Independent Directors and Dr. Atchutuni Rao, "Occupier" and Whole Time Director. Mr. S. Lakshminarayanan has recently joined the Risk Management Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

Besides the Risk Management Committee constituted of Directors named above, the Company has function wise Risk Management sub committees, comprising of Heads of Business and Functions and other respective functional department executives which regularly meets and evaluates various risks affecting their own functions, products, business and brand of the Company and provides / seeks suggestions to issues affecting their respective functions from the Board's Risk Management Committee and implements steps to reduce and mitigate risks to Company's business.

##### Composition and Attendance

During the Financial Year 2019-20, three meetings of Risk Management Committee of Board managed Risk Management Committee were held. The present composition of the Risk Management Committee and the number of meetings attended by the Committee Members are as under.

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. Sanjay Buch	Independent Director	3(3)
Mr. M.N. Thakkar	Independent Director	3(3)
Dr. Atchutuni Rao	Whole-Time Director	3(3)

#### 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.

#### 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 exceptional talent and 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
2018-19	13.09.2019	11:00 am	Emerald Hall, 1st Floor, Hotel Kohinoor Continental, Andheri Kurla Road, J.B. Nagar, Andheri (E), Mumbai-400059
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

#### ii) Special Resolutions passed at Annual General Meetings held in respect of the previous Three Financial Years / Postal Ballots are as under:

Financial Year	Particulars of Special Resolutions Passed
7 January, 2020	(i) To appoint Dr. Bina Modi (DIN – 00048606) as the Chairperson and Managing Director of the Company – Passed by Postal Ballot
2018-19	(i) To re-appoint Mr. Sunil Kumar Alagh as an Independent Director for second term comprising of a period of 5 years w.e.f. 22nd September, 2019 to 21st September, 2024. (ii) To re-appoint Mr. Sanjay Buch as an Independent Director for second term comprising of a period of 5 years w.e.f. 22nd September, 2019 to 21st September, 2024. (iii) To re-appoint Mr. M.N. Thakkar as an Independent Director for second term comprising of a period of 5 years w.e.f. 22nd September, 2019 to 21st September, 2024. (iv) To re-appoint Mr. S. Lakshminarayanan as an Independent Director for second term comprising of a period of 5 years w.e.f. 22nd September, 2019 to 21st September, 2024. (v) To consider and approve to pay Commission to Non-Executive Directors @ 1% of Net Profits of the Company subject to a cap of ₹ 25 lac per Non-Executive Director of the Company in respect of F.Y 2018-19. (vi) To amend Object Clause No. III (A) 1 of Memorandum of Associations of Company.
2017-18	(i) For obtaining approval u/s 180(1)(c) for borrowings upto ₹ 2000 Crore (ii) For obtaining approval u/s 180(1) (a) for creation of charges, mortgages, providing securities upto ₹ 2000 Crore (iii) For obtaining approval u/s 42, 71 for issuance of Non-convertible Debentures upto ₹ 150 crore on Private Placement Basis
2016-17	(i) To appoint Mr. K K Modi (DIN : 00029407) as Chairman and Managing Director.

### 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 not permitted as per notifications issued by the Ministry of Corporate Affairs.

### 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	₹ 3	₹ 10	INE 907II01014

**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, 2018
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
2018-19	80%	17.29 Crs.	15.55 Crs	1.74 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.

M/s 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

cssupport@indofil.com

For Indofil Industries Limited

Sd/-

**Dr. Bina Modi**

Chairperson & Managing Director

DIN: 00048606

Place: Mumbai

Date: June 30, 2020

# Independent Auditor's Report

To the Members of  
The Indofil Industries Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Indofil Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, 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, 2020, its profit and total comprehensive income, the 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 Responsibilities for the Audit of the standalone financial statements" section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by The Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules 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 audit opinion on the 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 of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, for the year ended March 31, 2020 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
<p><b>Revenue Recognition : Rebates, Discounts and Incentives as also Estimated Sales Returns</b></p> <p>Revenue is measured based on transaction price, which is the consideration, after deduction of rebates, discounts and incentives (scheme allowances) as also estimated sales returns.</p> <p>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. Amounts involved for such rebates, etc. are materil, voluminous and complex and also involve significant judgement and estimates.</p> <p>Estimation of sales returns involves evaluating the assumption of expected returns; thus, it involves significant judgement and estimates due to its dependency on various internal and external factors.</p> <p>In view of the amounts involved and significant judgement and estimates involved for such rebates, discounts and incentives as also for sales returns, the evaluation of accrual thereof is considered to be a key audit matter.</p>	<p>Our audit procedures, among others, included the following :</p> <ul style="list-style-type: none"> <li>Understanding the process and the basis followed by the Company to determine the amount of accrual of rebates, discounts and incentives as also sales returns;</li> <li>Considered the appropriateness of the Company's accounting policies regarding revenue recognition as they relate to accounting for rebates, discounts and incentives as also sales returns;</li> <li>Assessed the design and implementation of controls from the management relating to recording of rebates, discounts and incentives based on estimation of revenue, development of assumption of expected returns, and tested the operating effectiveness of such controls.</li> <li>Selecting samples of revenue transactions and marketing schemes/circulars to re-check that rebates, discounts and incentives are calculated in accordance with the eligibility criteria as per the related schemes announced.</li> </ul>

The Key Audit Matter	How was the matter addressed in our audit
<p>[Refer Note 2.15 and Note 28 to the standalone financial statements]</p>	<ul style="list-style-type: none"><li>• Checking the completeness and accuracy of data/inputs used by the Company for liabilities recognised of rebates, discounts and incentives as also sales returns.</li><li>• Verification of appropriate authorisation.</li><li>• Analysed past trends by comparing actuals with the estimates of earlier periods.</li></ul>
<p><b>Recognition of MAT Credit Entitlement</b></p> <p>The Company has recognised MAT Credit Entitlement in the current year and as also in earlier years and reflect the same as DTA.</p> <p>The recognition of MAT Credit ("tax credits") as DTA is on the basis that it is probable that future taxable profits will be available against which such tax credits can be utilised.</p> <p>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.</p> <p>[Refer Note 9 to the standalone financial statements]</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"><li>• Considered the Company's accounting policies with respect to recognition of unused tax credits in accordance with Ind AS 12 on "Income Taxes".</li><li>• Evaluated the Company's tax positions by comparing it with prior years and past precedents.</li><li>• 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 unused tax credits can be utilised.</li><li>• Discussed with the management the future business plans and financial projections on which the estimate of profitability is made.</li><li>• 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.</li><li>• Assessed the disclosures in accordance with the requirements of Ind AS 12 on "Income Taxes".</li></ul>
<p><b>Uncertain tax positions Indirect Taxes</b></p> <p>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.</p> <p>These matters are considered to be key audit matter given the uncertainty of potential outcome.</p> <p>[Refer Note 41 to the standalone financial statements]</p>	<p><b>Indirect Taxes</b></p> <p>Our audit procedures, among others, include the following:</p> <ul style="list-style-type: none"><li>• Obtained details of uncertain tax position and gained understanding thereof.</li><li>• Obtained details of pending/completed assessments.</li><li>• Read and analysed relevant communication with the authorities and legal consultants.</li><li>• Considered the legal advice obtained by the management on possible outcome of litigations.</li><li>• Discussed with senior management and evaluated management's assumptions regarding provisions made.</li><li>• Assessed the disclosures in accordance with the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".</li></ul>
<p><b>Physical Verification of Inventories</b></p> <p>The Company has inventories consist of raw materials, packing materials, work-in-progress, finished goods, stock-in-trade, stores and spares. The Company has its inventories at its manufacturing plants at three locations; at depots and tolls located across India, the Company has inventories of finished goods and stock-in-trade.</p>	<p>Since it was impracticable for us as auditors to attend in the physical verification of inventories, our alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories include the following:</p>

The Key Audit Matter	How was the matter addressed in our audit
<p>The Company has adequate inventory records and system as also internal controls over inventory movements and records. The Company has established procedures to carry out physical inventories count during the year and details thereof have been provided to us auditors.</p> <p>Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but that was carried out by the management subsequent to the year-end at plants. At few depots and tolls, physical verification was carried out during the year. At the time of such subsequent verification, it was impracticable for us auditors to physically attend the inventory counting and hence, alternative audit procedures were performed</p> <p>This matter is considered to be key audit matter given the circumstances of physical verification of inventories under COVID-19 vis-à-vis non-COVID-19 scenario.</p> <p>[Refer Note 2.10 and Note 11 to the standalone financial statements]</p>	<ul style="list-style-type: none"> <li>• Evaluated the control design in respect of inventory process and testing (encompass the processes around inventory movements and physical verification) whether such controls have operated effectively during the period of audit;</li> <li>• Obtained details/ documents of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end, as the case may be; Obtained related documents/confirmations for inventories, if any, lying with third parties.</li> <li>• Rollback procedures were applied to inventories so verified by the management to arrive at the inventories as at the year-end;</li> <li>• Compared the inventories so arrived for the year-end with book records and sought explanation/reconciliation for material differences, if any.</li> <li>• Related documents were verified that indirectly support and corroborate the existence of inventories at the year-end.</li> <li>• Employed appropriate cut-off procedures as also verified documentary records for inventories in-transit.</li> <li>• For finished goods or stock-in-trade subsequently despatched to third party warehouses, obtained direct confirmation of the inventories held by third party warehouses subsequent to the year end and performed roll back procedures.</li> </ul>

**Information Other than the standalone financial statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 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 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 management 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 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 adequate internal financial controls with reference to standalone 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 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 standalone 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 standalone financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by 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, the Statement of Cash Flows and notes to the standalone financial statements 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) Rules, 2015, as amended;

- e. On the basis of the written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g. With respect to the 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, as has been legally advised, the remuneration paid during the current year by the Company to its Directors is in accordance with the provisions the current year by the Company to its Directors is in accordance with the provisions of Section 197 of the Act. Accordingly, the remuneration paid to any director by the Company 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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 41 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, as required under the applicable law or accounting standards. Accordingly, no such provision is reflected in the standalone financial statements – Refer Note 40 to 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 during the year ended March 31, 2020.

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

**PARESH H. CLERK**  
Partner

Place : Mumbai.  
Date : June 30, 2020

Membership No. 36148  
UDIN: 20036148AAAABY7450



## Annexure A to the Independent Auditor's Report - March 31, 2020

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 on the Standalone Financial Statements for the year ended March 31, 2020.

### 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** ("the Company") as of March 31, 2020 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 Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the 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, 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 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 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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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
- 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls with reference to the Statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note.

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

**PARESH H. CLERK**  
Partner

Place : Mumbai.

Membership No. 36148

Date : June 30, 2020

UDIN: 20036148AAAABY7450

## 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 on the standalone financial statements for the year ended March 31, 2020.

### 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, certain 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 have been physically verified by the management during the year. For stocks-in-transit 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 information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, 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 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 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 account 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, in respect the products manufactured by the Company and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. 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 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 hereinbelow are the details of dues of Income-tax, Service Tax, Sales-tax, Duty of Customs, Duty of Excise, Value Added Tax, which have not been deposited on account of disputes and the forum where the dispute is pending :

₹ in Crores

Name of the Statute	Nature of dues	Financial years to which the matter pertains	Forum where matter is pending	Gross Liability	Payment made*	Net Liability
Central Excise Act,1944	Excise Tax	2005-06/ 2012-13	Assistant Commissioner	0.36	NIL	0.36
Central Sales Tax Act, 1956 (Gujarat)	Sales Tax	2013-14	1st Appellate Authority	2.17	0.40	1.77
Central Sales Tax Act, 1956 (Maharashtra)	Sales Tax	2012-13	Joint Commissioner	0.29	NIL	0.29
Central Sales Tax Act, 1956 (Madhya Pradesh)	Sales Tax	2014-15/ 2015-16/ 2016-17	1st Appellate Authority	1.60	0.40	1.20

₹ in Crores

Name of the Statute	Nature of dues	Financial years to which the matter pertains	Forum where matter is pending	Gross Liability	Payment made*	Net Liability
Central Sales Tax Act, 1958 (West Bengal)	Sales Tax	2013-14/ 2016-17/ 2017-18	1st Appellate Authority	0.55	0.08	0.47
Entry Tax (Madhya Pradesh)	Entry Tax	2012-13	Appeallate Board	0.35	0.10	0.25
Sales Tax (Orissa)	Sales Tax	2015-16/ 2016-17/ 2017-18	Joint Commissioner/ Deputy Commissioner	0.14	0.01	0.13
Sales Tax (Maharashtra)	Sales Tax	2000-01/ 2007-08	Joint Commissioner/ Deputy Commissioner	0.70	0.07	-
Sales Tax (Madhya Pradesh)	Sales Tax	2006-07/ 2012-13	Appeallate Board/ Deputy Commissioner	1.75	0.34	1.41
Service Tax	Service Tax	2008-09	CESTAT	0.36	0.11	-

\*Payment made indicates the amount deposited or paid under protest.

- viii. In our opinion and according to the information and explanations given to us and on the basis of books and records examined by us, the Company has not defaulted in repayment of loans or borrowings to banks or on dues of debenture holders. The Company did not have any outstanding loan or borrowing from financial institutions and the government during the year.
- ix. According to the information and explanations given to us and on the basis of the books and records examined by us, moneys raised by way of term loans were applied for the purposes for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, paragraph 3 (ix) of the Order to that extent is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, as has been legally advised, the Company has paid / provided for managerial remuneration during the Financial Year 2019-20 in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, 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. In our opinion and according to the information and explanations given to us, 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 and CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner

Place : Mumbai.  
Date : June 30, 2020

Membership No. 36148  
UDIN: 20036148AAAABY7450

# Standalone Balance Sheet

as at March 31, 2020

₹ in Crores

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3A	678.91	719.76
Capital Work-in-Progress	3B	12.32	14.90
Right-of-Use Assets	4	40.04	-
Other Intangible Assets	5A	111.97	134.76
Intangible Assets under Development	5B	66.30	52.68
<b>Financial Assets</b>			
Investments	6	275.71	193.57
Loans	7	8.65	9.27
Other Financial Assets	8	10.34	9.70
Deferred Tax Assets	9	115.99	78.31
Income Tax Assets (Net)	9	25.05	16.48
Other Non-current Assets	10	6.74	42.16
<b>Total Non-current Assets</b>		<b>1,352.02</b>	<b>1,271.59</b>
<b>Current Assets</b>			
Inventories	11	415.79	618.24
<b>Financial Assets</b>			
Investments	12	1.96	-
Trade Receivables	13	812.83	863.32
Cash and Cash Equivalents	14	133.12	134.03
Other Bank Balances	15	8.45	1.93
Other Financial Assets	16	3.59	3.76
Other Current Assets	17	91.11	124.10
<b>Total Current Assets</b>		<b>1,466.85</b>	<b>1,745.38</b>
<b>TOTAL ASSETS</b>		<b>2,818.87</b>	<b>3,016.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	21.35	21.35
Other Equity	19	1,275.58	1,246.53
<b>Total Equity</b>		<b>1,296.93</b>	<b>1,267.88</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	402.33	483.92
Lease Liabilities	39	3.85	-
Other Financial Liabilities	21	20.43	20.56
Provisions	22	25.91	23.95
<b>Total Non-current Liabilities</b>		<b>452.52</b>	<b>528.43</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	23	574.84	587.87
Trade Payables	24	211.41	344.87
Lease Liabilities	39	1.97	-
Other Financial Liabilities	25	263.24	260.99
Other Current Liabilities	26	2.47	6.92
Provisions	27	13.48	18.00
Current Tax Liabilities (Net)		2.01	2.01
<b>Total Current Liabilities</b>		<b>1,069.42</b>	<b>1,220.66</b>
<b>Total Liabilities</b>		<b>1,521.94</b>	<b>1,749.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,818.87</b>	<b>3,016.97</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES ON ACCOUNTS</b>	3-52		

The accompanying Notes are an integral part of the Standalone Financial Statements

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

**PARESH H. CLERK**  
Partner  
Membership No.36148

Place: Mumbai  
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Dr. Bina Modi**  
Chairperson and Managing Director

**Charu Modi**  
Executive Director

**Devang R Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Directors**  
Mumbai, June 30, 2020

# Standalone Statement of Profit and Loss

for the year ended March 31, 2020

₹ in Crores

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue from Operations	28	2,037.35	2,177.20
Other Income	29	42.45	15.77
<b>Total Income</b>		<b>2,079.80</b>	<b>2,192.97</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	30	909.12	1,185.58
Purchase of Stock-in-Trade	31	115.36	183.46
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	32	130.21	(224.09)
Employee Benefits Expense	33	193.60	196.49
Finance Costs	34	87.13	63.62
Depreciation and Amortisation Expense	35	102.81	76.49
Other Expenses	36	458.16	496.55
<b>Total Expenses</b>		<b>1,996.39</b>	<b>1,978.10</b>
<b>Profit before Tax and Exceptional Items</b>		<b>83.41</b>	<b>214.87</b>
<b>Less : Exceptional Items</b>	37	<b>31.41</b>	-
<b>Profit before Tax</b>		<b>52.00</b>	<b>214.87</b>
<b>Tax Expenses</b>			
Current Tax	9	11.85	44.06
Deferred Tax		(26.67)	(7.04)
(Excess)/ Short provision of Earlier Years		(0.35)	0.14
<b>Total Tax Expenses</b>		<b>(15.17)</b>	<b>37.16</b>
<b>Profit after Tax</b>		<b>67.17</b>	<b>177.71</b>
<b>Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Actuarial (Loss)/Gains on Defined Benefit Obligation		(1.60)	(1.06)
Fair Value changes of investments in equity instruments		(0.35)	(0.67)
Income Tax on above items		0.56	0.37
<b>Total (A)</b>		<b>(1.39)</b>	<b>(1.36)</b>
<b>B. Items that will be reclassified to profit or loss</b>			
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge		(29.92)	19.06
Income Tax on above item		10.45	(6.66)
<b>Total (B)</b>		<b>(19.47)</b>	<b>12.40</b>
<b>Total Other Comprehensive Income / (Loss) for the year (A+B)</b>		<b>(20.86)</b>	<b>11.04</b>
<b>Total Comprehensive Income for the year</b>		<b>46.31</b>	<b>188.75</b>
Earnings per equity share of nominal value ₹10 each- Basic and Diluted	44	<b>31.46</b>	<b>83.23</b>
<b>CORPORATE INFORMATION</b>	<b>1</b>		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>		
<b>NOTES ON ACCOUNTS</b>	<b>3-52</b>		

The accompanying Notes are an integral part of the Standalone Financial Statements

As per our report attached  
For **BANSI S. MEHTA and CO.**Chartered Accountants  
Firm Reg. No. 100991W**PARESH H. CLERK**  
Partner  
Membership No.36148Place: Mumbai  
Date: June 30, 2020

For and on behalf of the Board of Directors

**Dr. Bina Modi**  
Chairperson and Managing Director**Charu Modi**  
Executive Director**Devang R Mehta**  
Company Secretary**Rajib Mukhopadhyay**  
Chief Financial Officer**Directors**  
Mumbai, June 30, 2020

# Statement of Standalone Cash Flow

for the year ended March 31, 2020

₹ in Crores

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
<b>A Cash Flow from Operating Activities:</b>				
<b>Profit / (Loss) Before Tax</b>		<b>52.00</b>		<b>214.87</b>
<b>Add / (Less): Adjustments for Non-Cash / Non-Operating Items:</b>				
Depreciation and Amortisation Expense	102.81		76.49	
Finance Costs	87.13		63.62	
Interest Income	(6.97)		(1.05)	
Dividend Income	(15.71)		(4.37)	
Rent Income	(0.34)		(0.07)	
(Profit)/Loss on Sale of Current Investments	(0.94)		(0.96)	
Guarantee Commission	(2.05)		(2.02)	
Sundry Balances Written Back	(4.16)		(6.15)	
(Profit) / Loss on Sale of Property, Plant and Equipment	(0.07)		(0.04)	
(Gain) / Loss on Financial Assets measured at fair value through profit or loss	0.14		(0.04)	
Loss arising from financial instruments designated as fair value through profit or loss	(25.30)		17.43	
Provision for Doubtful Debts and Advances	14.14		10.05	
Foreign Exchange Loss / (Gain)	33.70	182.38	(19.61)	133.28
<b>Operating Profit Before Changes in Working Capital</b>		<b>234.38</b>		<b>348.15</b>
<b>Adjustment for Changes in Working Capital</b>				
(Increase) / decrease in Trade Receivables	37.81		(28.57)	
(Increase) / decrease in Inventories	202.45		(241.58)	
(Increase) / decrease in Other Financial Assets	(0.04)		4.30	
(Increase) / decrease in Other Current and Non-current Assets	31.89		(22.34)	
Increase / (decrease) in Trade Payables	(130.77)		102.28	
Increase / (decrease) in Other Financial Liabilities	(21.90)		(23.54)	
Increase / (decrease) in Current and Non-current Provisions	(2.56)		4.27	
Increase / (decrease) in Other Current and Non-current Liabilities	(4.45)	112.42	(8.87)	(214.05)
<b>Cash (Used) / Generated from Operations</b>		<b>346.80</b>		<b>134.10</b>
Less: Taxes Paid (Net of refund received)		(20.06)		(50.97)
<b>Net Cash (Used) / Generated from Operating Activities (A)</b>		<b>326.74</b>		<b>83.13</b>
<b>B Cash Flow from Investing Activities:</b>				
Purchase of Property, Plant and Equipment and Intangible Assets	(36.95)		(124.92)	
Investments made during the year	(84.61)		(24.53)	
Proceeds from sale of current investments	0.94		0.96	
Loans (Given) / Repaid	0.62		0.16	
Interest received	6.55		0.87	
Bank Deposits with original maturity within 3 to 12 months	(4.87)		0.83	
Rent Received	0.34		0.07	
Dividend received from Non-current Investments	15.71		4.37	
Guarantee Commission	2.05		2.02	
<b>Net Cash (Used) / Generated from Investing Activities (B)</b>		<b>(100.23)</b>		<b>(140.17)</b>
<b>C Cash Flow from Financing Activities:</b>				
Proceeds from Borrowings	115.00		210.42	
Repayment of Borrowings	(212.31)		(51.39)	
Increase / (Decrease) in Short-term borrowings	(24.94)		0.17	
Earmarked balances with banks	(1.64)		(0.17)	
Payment of Principal portion of the Lease Liabilities	(1.84)			
Payment of Interest portion of the Lease Liabilities	(0.56)			
Interest and other finance charges paid	(85.50)		(75.27)	
Dividend Paid (including corporate dividend tax)	(15.63)		(19.53)	
<b>Net Cash (Used) / Generated from Financing Activities (C)</b>		<b>(227.42)</b>		<b>64.23</b>

# Statement of Standalone Cash Flow

for the year ended March 31, 2020

₹ in Crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(0.91)	7.19
Add: Cash and Cash Equivalents at the Beginning of the year	134.03	126.84
Cash and Cash Equivalents at the end of the year (Refer Note 14)	133.12	134.03
CORPORATE INFORMATION	1	
SIGNIFICANT ACCOUNTING POLICIES	2	
NOTES ON ACCOUNTS	3-52	

## Notes :

- Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

## 2. Disclosure pursuant to Ind AS 7 :

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement.

₹ in Crores

Particulars	Opening Balance	Cash Flows	Non-cash Changes	Closing Balance
Short-term Borrowings	587.87	(24.95)	11.92	574.84
Long-term Borrowings (including Current maturities but excluding Debentures)	490.91	(22.31)	37.05	505.65
Debenture	150.00	(75.00)	-	75.00
Deposits held as margin money	0.33	-	-	0.33

- Purchase of Property, Plant and Equipment includes addition to other Intangible Assets and adjusted for movement in Capital Work-in-progress.
- Figures in brackets indicate Cash Outflow.
- Previous year figures have been regrouped wherever necessary.

The accompanying Notes are an integral part of the Standalone Financial Statements

As per our report attached  
For **BANSI S. MEHTA and CO.**

Chartered Accountants  
Firm Reg. No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No.36148

Place: Mumbai  
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Dr. Bina Modi**  
Chairperson and Managing Director

**Charu Modi**  
Executive Director

**Devang R Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Directors**  
Mumbai, June 30, 2020

# Statement of Changes in Equity

for the year ended March 31, 2020

## A. Equity Share Capital

Particulars	₹ in Crore
<b>Balance as on April 1, 2018</b>	<b>21.35</b>
Add: Changes in Equity Capital during the F.Y. 2018-19	-
<b>Balance as on April 1, 2019</b>	<b>21.35</b>
Add: Changes in Equity Capital during the F.Y. 2019-20	-
<b>Balance as at March 31, 2020</b>	<b>21.35</b>

## B. Other Equity

₹ in Crores

Particulars	Reserves and Surplus						Items of Other Comprehensive Income			Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Special Economic Zone Re-investment Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of gains and loss on hedging instruments in the cash flow hedge reserve	
<b>Balance as on April 1, 2018</b>	<b>0.01</b>	<b>108.04</b>	<b>5.08</b>		<b>49.73</b>		<b>940.58</b>	<b>1.26</b>	<b>(26.95)</b>	<b>1,077.75</b>
Profit for the period							177.71			177.71
Transfer to Debenture Redemption reserve				37.50			(37.50)			-
Other comprehensive income										-
- Remeasurements gains / (loss) on defined benefit plans							(0.69)			(0.69)
- Fair value loss on FVOCI financial asset								(0.67)		(0.67)
- Loss on effective portion of cash flow hedge									12.40	12.40
- Adjustment for Guarantee Commission given for Indo-bajjin Chemicals Pvt. Ltd.							(0.28)			(0.28)
Dividends on Equity Shares							(17.08)			(17.08)
Dividend Distribution Tax							(2.61)			(2.61)
<b>As at March 31, 2019</b>	<b>0.01</b>	<b>108.04</b>	<b>5.08</b>	<b>37.50</b>	<b>49.73</b>	<b>-</b>	<b>1,060.13</b>	<b>0.59</b>	<b>(14.55)</b>	<b>1,246.53</b>



# Statement of Changes in Equity

for the year ended March 31, 2020

## B. Other Equity (Contd..)

₹ in Crores

Particulars	Reserves and Surplus						Items of Other Comprehensive Income			Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Special Economic Zone Re-investment Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of gains and loss on hedging instruments in the cash flow hedge reserve	
<b>Balance as on April 1, 2019</b>	0.01	108.04	5.08	37.50	49.73	-	1,060.13	0.59	(14.55)	1,246.53
Profit for the period							67.17			67.17
Transfer from Debenture Redemption reserve				(30.00)			30.00			-
Transfer to SEZ Re-Investment Reserve							50.00	(50.00)		-
Other comprehensive income										-
- Remeasurements gains / (loss) on defined benefit plans							(1.01)			(1.01)
- Fair value loss on FVOCI financial asset								(0.35)		(0.35)
- Loss on effective portion of cash flow hedge									(19.47)	(19.47)
- Adjustment for Guarantee Commission given for Indo-bajjin Chemicals Pvt. Ltd.										-
Dividends on Equity Shares							(17.08)			(17.08)
Dividend Distribution Tax							(0.21)			(0.21)
<b>As at March 31, 2020</b>	<b>0.01</b>	<b>108.04</b>	<b>5.08</b>	<b>7.50</b>	<b>49.73</b>	<b>50.00</b>	<b>1,089.00</b>	<b>0.24</b>	<b>(34.02)</b>	<b>1,275.58</b>

## C. Dividends Paid / Proposed during the year

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Corporate Dividend Paid During the year		
Dividend Paid	17.08	17.08
Dividend Per Fully Paid Up Share (In ₹)	8.00	8.00
Corporate Dividend Proposed for the year		
Dividend Proposed	10.68	17.08
Dividend Per Fully Paid Up Share (In ₹)	5.00	8.00

The accompanying Notes are an integral part of the Standalone Financial Statements

As per our report attached  
For **BANSI S. MEHTA and CO.**

Chartered Accountants  
Firm Reg. No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No.36148

Place: Mumbai  
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Dr. Bina Modi**  
Chairperson and Managing Director

**Charu Modi**  
Executive Director

**Devang R Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Directors**  
Mumbai, June 30, 2020

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 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 400059, Maharashtra.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on June 30, 2020.

## 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 provisions of the Act.

The Financial Statements for the year ended March 31, 2020 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 (₹) and all amounts are rounded off to nearest Crores (₹ '00,00,000) up to two decimals, except when otherwise indicated.

### 2.3 Use of Estimates and Judgments

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 judgments 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 Obligations – Note 48
- \* Measurement and likelihood of occurrence of provisions and contingencies – Notes 23, 28 and 42.
- \* Recognition of Deferred Tax Assets / (Liabilities) – Note 9
- \* Key Assumptions used in Fair Valuation Methods of Financial Assets – Note 47
- \* Impairment of Financial Assets (Trade Receivables) – Note 13
- \* Leases – Note 39

### 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 eight months and the expected realisation/settlement thereof within twelve months after the Balance Sheet date.

An asset is treated as "current" when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as "non-current".

A liability is "current" when :

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as "non-current".

Deferred tax assets and liabilities are classified as "non-current" assets and liabilities.

### 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.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

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 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 Materials and Packaging Materials – at weighted average cost or net realisable value whichever is lower.
- Work-in-progress– at weighted average cost of raw material and conversion cost.
- Finished Goods – at cost on first-in-first out basis or net realizable value whichever is lower.
- Stores and Spares – at weighted average cost or net realisable value whichever is lower.

## 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)

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

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.

- **Derecognition**

The Company derecognizes 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.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 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 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. 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 incentives/ discounts. The discounts/ 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

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

for. Advance License Benefits on Exports are recognised in the year of utilisation of license.

## 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 the Company to be reliable estimate of future sales returns.

## 2.16 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contracts involve the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has the right when it has the right decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- o The Company has the right to operate the asset; or
- o The Company designed the asset in a way that predetermined how and for what purpose it will be used

This policy is applied to all contracts entered into, or changed, on or after April 1, 2019.

## As a Lessee

The Company recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The ROU asset which was recognised is subsequently amortised using the straight-line method and for ROU asset recognised on Leased Vehicles is subsequently depreciated on written-down value method, from the commencement date to the earlier of the end of the useful life of ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of Property, Plant and Equipment. In addition, ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the Company's incremental borrowing method. It is remeasured when there is a change in future lease payments arising

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of ROU asset, or is recorded in profit or loss if the carrying amount of ROU asset has been reduced to zero.

The Company presents ROU assets that meet the definition of investment property are presented under Investment Property, otherwise under "Property, Plant and Equipment" and lease liabilities under "Financial Liabilities" in the Balance Sheet.

## Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When and if the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease component, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other Income' in the Statement of Profit and Loss.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

## 2.17 Foreign Currencies

The Financial Statements of the Company are presented in Indian Rupee (₹), 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.

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.

## 2.18 Employee Benefits

Employee Benefits Consists of contribution to Family Pension Fund, ESIC, Labour Welfare Fund, Superannuation Fund, Employees' Provident Fund, Gratuity Fund and Leave Encashment Fund.

### Defined Contribution Plans

The 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. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

### 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.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and Loss.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

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.

## 2.19 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.

## 2.20 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 is recognised in respect of unused tax credit in the form of Minimum Alternate Tax (MAT) Entitlement in respect of MAT paid as per the provisions of Income-tax Act, 1961, that future taxable profit will be available against which the unused tax credits 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 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - "Operating Segments", the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue/ expenses / Assets/ liability.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

## 2.23 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 3A : PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Description of Assets <sup>12</sup>	Freehold Land	Buildings	Road and Culvert	Office Equipment	Computers	Vehicles	Plant and Machinery	Furniture and Fixtures	Total
<b>I. Gross Block</b>									
Balance as at April 1, 2018	1.77	222.16	4.57	11.74	8.59	20.28	351.17	7.45	627.74
Additions	-	119.86	7.29	2.04	1.95	1.12	217.79	0.56	350.60
Disposals	-	-	-	(0.03)	(0.02)	(2.89)	(0.63)	(0.34)	(3.91)
<b>Balance as at March 31, 2019</b>	<b>1.77</b>	<b>342.02</b>	<b>11.86</b>	<b>13.75</b>	<b>10.52</b>	<b>18.51</b>	<b>568.33</b>	<b>7.67</b>	<b>974.42</b>
Additions	-	10.59	-	1.43	0.17	-	17.39	0.58	30.16
Disposals	-	-	-	(0.01)	(0.02)	(0.96)	(0.80)	-	(1.78)
<b>Balance as at March 31, 2020</b>	<b>1.77</b>	<b>352.61</b>	<b>11.86</b>	<b>15.17</b>	<b>10.67</b>	<b>17.55</b>	<b>584.92</b>	<b>8.25</b>	<b>1,002.80</b>
<b>II. Accumulated depreciation and impairment</b>									
Balance as at April 1, 2018	-	65.91	2.35	9.49	7.13	15.64	93.72	5.69	199.92
Depreciation for the year	-	17.92	1.86	1.37	1.31	1.34	33.66	0.53	58.00
Withdrawal on disposal	-	-	-	(0.02)	(0.02)	(2.64)	(0.28)	(0.29)	(3.26)
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>83.83</b>	<b>4.21</b>	<b>10.84</b>	<b>8.42</b>	<b>14.34</b>	<b>127.10</b>	<b>5.93</b>	<b>254.66</b>
Depreciation for the year	-	21.82	2.12	1.50	1.18	1.19	41.82	0.49	70.12
Withdrawal on disposal	-	-	-	(0.01)	(0.01)	(0.90)	-	-	(0.92)
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>105.65</b>	<b>6.33</b>	<b>12.34</b>	<b>9.59</b>	<b>14.63</b>	<b>168.92</b>	<b>6.42</b>	<b>323.86</b>
<b>Balance as on March 31, 2020</b>	<b>1.77</b>	<b>246.96</b>	<b>5.53</b>	<b>2.83</b>	<b>1.08</b>	<b>2.92</b>	<b>416.00</b>	<b>1.83</b>	<b>678.91</b>
<b>Balance as on March 31, 2019</b>	<b>1.77</b>	<b>258.19</b>	<b>7.65</b>	<b>2.91</b>	<b>2.10</b>	<b>4.17</b>	<b>441.23</b>	<b>1.74</b>	<b>719.76</b>

### Notes:

1. Non - Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-
2. Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets ₹ 5.54 Crore (March 31, 2019 ₹ 1.81crore) 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 ₹11 Crore (March 31, 2019 ₹ 7.82 Crore).
3. 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 Crore as at the year end.
4. For Property, plant and equipments given as security refer Note 20 and Note 23.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 3B : CAPITAL WORK-IN-PROGRESS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	14.90	253.60
Add: Addition	10.51	101.41
Less: Capitalised	13.09	340.11
<b>Balance at the end of the year</b>	<b>12.32</b>	<b>14.90</b>

## NOTE 4 : RIGHT-OF-USE ASSETS

₹ in Crores

Particulars	Prepaid Land Leaseshold <sup>2</sup>	Vehicles	Total
<b>I. Gross Block</b>			
<b>Balance as at April 1, 2019</b>			
Transition to Ind AS 116	37.25	7.38	44.63
Additions	-	0.28	0.28
Disposals	-	-	-
Balance as on March 31, 2020	<b>37.25</b>	<b>7.66</b>	<b>44.91</b>
<b>II. Accumulated Depreciation</b>			
<b>Balance as at April 1, 2019</b>			
Additions	0.74	4.13	4.87
Disposals	-	-	-
Balance as on March 31, 2020	<b>0.74</b>	<b>4.13</b>	<b>4.87</b>
<b>Net Block as on March 31, 2020</b>	<b>36.51</b>	<b>3.53</b>	<b>40.04</b>
<b>Net Block as on April 1, 2019</b>	-	-	-

### Notes:

- The aggregate depreciation expense amounting to ₹ 4.87 crores on ROU assets is included under Depreciation and Amortisation Expense in the Statement of Profit and Loss.
- Prepaid Leasehold Land is reclassified on account of adoption of Ind AS 116.

## NOTE 5A : OTHER INTANGIBLE ASSETS

₹ in Crores

Particulars	Software	Product Development	Total
<b>I. Gross Block</b>			
<b>Balance as at April 1, 2018</b>	<b>2.99</b>	<b>139.88</b>	<b>142.87</b>
Additions	2.97	70.76	73.73
Disposals	-	-	-
Adjustments	-	-	-
<b>Balance as at March 31, 2019</b>	<b>5.96</b>	<b>210.64</b>	<b>216.60</b>
Additions	0.43	4.59	5.02
Disposals	-	-	-
Adjustments	-	-	-
<b>Balance as at March 31, 2020</b>	<b>6.39</b>	<b>215.23</b>	<b>221.62</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 5A : OTHER INTANGIBLE ASSETS (CONTD..)

₹ in Crores

Particulars	Software	Product Development	Total
<b>II. Accumulated amortisation</b>			
<b>Balance as at April 1, 2018</b>	<b>0.65</b>	<b>62.69</b>	<b>63.34</b>
Amortisation for the year	0.55	17.95	18.50
Withdrawal on disposal	-	-	-
<b>Balance as at March 31, 2019</b>	<b>1.20</b>	<b>80.64</b>	<b>81.84</b>
Amortisation for the year	0.88	26.93	27.81
Withdrawal on disposal	-	-	-
<b>Balance as at March 31, 2020</b>	<b>2.08</b>	<b>107.57</b>	<b>109.65</b>
<b>Balance as on March 31, 2020</b>	<b>4.31</b>	<b>107.66</b>	<b>111.97</b>
<b>Balance as on March 31, 2019</b>	<b>4.76</b>	<b>129.99</b>	<b>134.76</b>

## NOTE 5B : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balance at the beginning of the year</b>	52.68	101.37
Add: Addition	18.21	22.07
Less: Capitalised	4.59	70.76
<b>Balance at the end of the year</b>	<b>66.30</b>	<b>52.68</b>

## NOTE 6 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

₹ in Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	₹ in Crore	Nos.	₹ in Crore
<b>Investments at cost</b>				
<b>Investments in Equity Instruments</b>				
<b>Unquoted</b>				
<b>(i) Subsidiaries</b>				
Indofil Industries (Netherlands) B.V. (Face Value - Euro 1 /- each)	1,00,000	85.84	1,00,000	85.84
Indofil Industries (International) B.V. (Face Value - Euro 1 /- each)	5,00,000	82.04	5,00,000	18.89
Indofil Bangladesh Industries Pvt. Ltd. (Face Value - BDT 100 /- each)	6,39,532	5.32	6,39,532	5.32
Indofil Costa Rica, S.A. (Face Value - Costa Rican Colon 1000 /- each )	10	-	10	-
Quick Investment (India) Ltd. (Face Value - ₹ 100 /- each)	12,515	3.42	12,515	3.42
Good Investment (India) Ltd. (Face Value - ₹ 100 /- each)	70,105	21.73	70,105	21.73

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 6 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT) (CONTD..)

₹ in Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	₹ in Crore	Nos.	₹ in Crore
<b>(ii) Joint Ventures</b>				
Indobaijin Chemicals Pvt. Ltd. (Face Value - ₹ 100 /- each)	43,66,096	43.66	43,66,096	43.66
Indo Reagens Polymer Additives Private Limited (Face Value - ₹ 10 /- each)	1,99,60,000	19.96	4,99,000	0.50
<b>Investments at Fair Value through Profit and Loss</b>				
<b>Investments in Units of Mutual Funds</b>				
<b>Unquoted</b>				
Union Balanced Advantage Regular Fund (Face Value - ₹10 /- each)	3,77,200	0.36	3,77,200	0.40
Union Large cap Fund Regular Growth (Face Value - ₹ 10 /- each)	2,49,990	0.21	2,49,990	0.27
<b>Investments at Fair value through Other Comprehensive Income</b>				
<b>Investments in Equity Instruments</b>				
<b>Quoted</b>				
Modi Rubber Ltd. (Face Value - ₹ 10 /- each)	2,14,211	0.63	2,14,211	0.99
<b>Unquoted</b>				
The Cosmos Co-Op. Bank Ltd (Face Value - ₹100 /- each)	14,250	0.77	14,250	0.77
KKM Management Centre Pvt. Ltd. (Face Value - ₹ 10 /- each)	3,38,100	1.09	3,38,100	1.10
Grace Breeding Nitrogen Fixation Technologies Ltd . (Face Value - NIS 0.01 /- each)	10,848	10.68	10,848	10.68
<b>TOTAL</b>		<b>275.71</b>		<b>193.57</b>
<b>Aggregate Amount of Quoted Investments and Market Value thereof</b>		<b>1.20</b>		<b>1.66</b>
<b>Aggregate amount of Unquoted Investments</b>		<b>274.51</b>		<b>191.91</b>
<b>Aggregate amount of Impairment in value of Investments</b>		<b>-</b>		<b>-</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 7 : FINANCIAL ASSETS - LOANS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
Security and Other Deposits	8.28	8.73
Loans to Employees	0.37	0.54
<b>TOTAL</b>	<b>8.65</b>	<b>9.27</b>

## NOTE 8 : FINANCIAL ASSETS - OTHERS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Forward Contract Receivable (Refer 8.1)	-	0.28
Fixed Deposits maturing after 12 months	10.34	9.42
<b>TOTAL</b>	<b>10.34</b>	<b>9.70</b>

8.1 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. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

## NOTE 9 : CURRENT TAX ASSETS (NET)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income-tax (Net of provision for taxation)	25.05	16.48
<b>TOTAL</b>	<b>25.05</b>	<b>16.48</b>

### a. Components of Income Tax Expense / (Income)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Income Tax recognised in the Statement of Profit and Loss</b>		
<b>Current Tax:</b>		
Current Tax on Profits for the year	11.85	44.06
Deferred tax	(26.67)	(7.04)
(Excess)/Short provision of Earlier Years	(0.35)	0.14
<b>TOTAL</b>	<b>(15.17)</b>	<b>37.16</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## a. Components of Income Tax Expense / (Income) (Contd..)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax related to items recognised in Other Comprehensive Income</b>		
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	10.45	(6.66)
Remeasurement of defined benefit plans	0.56	0.37
	<b>11.01</b>	<b>(6.29)</b>

## b. 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, 2020	As at March 31, 2019
<b>Profit before tax</b>	<b>52.00</b>	<b>214.87</b>
<b>Statutory tax rate</b>	<b>34.94%</b>	<b>34.94%</b>
Expected Income Tax expense at statutory tax rate	18.17	75.09
Tax effect of temporary difference	6.84	(6.95)
Tax effect of expenses not deductible	1.85	1.06
Tax effect of allowable items	(12.06)	(2.10)
Tax effect of differential tax rate	(2.85)	(0.11)
Tax effect of Income tax incentives	(18.39)	(26.84)
Entitlement of MAT credit arising in Current year	(8.39)	-
Reversal of excess provision	(0.35)	(2.97)
<b>Tax expense</b>	<b>(15.17)</b>	<b>37.16</b>
<b>Effective tax rate</b>	<b>(29.17%)</b>	<b>17.29%</b>

## c. Deferred Tax Assets / (Liabilities) Net

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Liabilities</b>		
Allowances on Property, Plant and Equipment and Other Intangible Assets	(54.33)	(51.29)
Fair Value changes of Equity Instruments through Profit and Loss	(0.05)	-
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	-	(6.66)
<b>Total Deferred Tax Liabilities</b>	<b>(54.38)</b>	<b>(57.95)</b>
<b>Deferred Tax Assets</b>		
Allowance for Doubtful Advances / Debts	18.36	13.42
Accrued Expenses deductible on cash basis	34.04	26.40
Payment under Voluntary Retirement Scheme	8.79	-
Defined benefit obligations	0.93	0.37
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge "	3.79	-
MAT Credit Entitlement	104.46	96.07
<b>Total Deferred Tax Assets</b>	<b>170.37</b>	<b>136.26</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>115.99</b>	<b>78.31</b>

c.1. Payment under Voluntary Retirement Scheme allowable over a period of 5 years under the Income-tax Act, 1961.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## d. Movement during the year

₹ in Crores

Particulars	Balance as at April 1, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at March 31, 2020
Allowances on Property, Plant and Equipment and Other Intangible Assets	(51.29)	(3.04)	-	(54.33)
Fair Value changes of current investment through Profit and Loss	-	(0.05)	-	(0.05)
Allowance for doubtful advances / debts	13.42	4.94	-	18.36
Accrued Expenses deductible on cash basis	26.40	7.64	-	34.04
Payment under Voluntary Retirement Scheme	-	8.79	-	8.79
Defined Benefit Obligations	0.37	-	0.56	0.93
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(6.66)	-	10.45	3.79
MAT Credit Entitlement	96.07	8.39	-	104.46
<b>TOTAL</b>	<b>78.31</b>	<b>26.67</b>	<b>11.01</b>	<b>115.99</b>

## NOTE 10 : OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	2.21	0.80
Prepaid Leases (Refer Note 39)	-	36.51
Balances with Government Authorities	4.53	4.85
<b>TOTAL</b>	<b>6.74</b>	<b>42.16</b>

## NOTE 11 : INVENTORIES (At lower of cost or net realisable value)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	39.98	72.47
Raw Materials -in-transit	21.62	58.06
Packing Material	27.11	30.61
Work-in-progress	10.26	9.66
Finished Goods	262.34	377.41
Finished goods-in-transit	8.73	3.08
Stock-in-Trade	37.08	58.48
Stores and Spares	8.67	8.47
<b>TOTAL</b>	<b>415.79</b>	<b>618.24</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

- The cost of inventories recognised as an expense during the year was 1154.69 Crores (March 31, 2019 ₹ 1144.95 Crores)
- The cost of inventories recognised as an expense includes 3.59 Crore (March 31, 2019 NIL) in respect of adjustment of inventories to net realisable value/slow moving inventory.
- The products of the Company are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Company has assessed liquidation plan of slow moving products and provision of 3.59 Crore has been accounted which is included in point (ii) above. The Company does not foresee any further diminution in the net realisable value of inventories carried as at March 31, 2020 due to COVID-19.
- For mode of valuation of inventories [Refer Note 2.10].
- Certain Inventories are hypothecated against borrowings, details relating to which have been described in Notes 20 and Note 23.

## NOTE 12 : FINANCIAL ASSETS - INVESTMENTS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	₹ in Crore	Nos.	₹ in Crore
<b>Investments at fair value through Profit or Loss (FVTPL)</b>				
<b>Investment in mutual funds (Un-quoted At Fair Value)</b>				
Franklin India Ultra	7,13,328	1.96	-	-
(Face Value - ₹ 100 each)				
<b>TOTAL</b>		<b>1.96</b>		<b>-</b>
<b>Aggregate Amount of Quoted Investment and Market Value thereof</b>		<b>1.96</b>		<b>-</b>

## NOTE 13 : FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	Considered good – Secured		9.64	
Considered good – Unsecured				
Related Parties (Refer Note 49)		259.28		145.25
Others		543.91		715.78
Trade Receivables – credit impaired		51.08		38.40
		854.27		899.43
Add: Allowance for bad and doubtful debts		(51.08)	803.19	(38.40)
<b>Total</b>		<b>812.83</b>		<b>863.32</b>

Notes:

- The credit period ranges from 30 days to 270 days for customers.
- Trade Receivables considered Secured are secured against security deposit taken by the Company.
- No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a Member.
- Movement in the amount of credit impaired on debtors:



# Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	38.40	28.35
Add: Allowance for bad and doubtful debts	12.68	10.05
Balance at the end of the year	51.08	38.40

## NOTE 14 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks	132.93	131.41
Cash on Hand	0.19	0.17
Fixed Deposits with original maturity with 3 months	-	2.45
<b>TOTAL</b>	<b>133.12</b>	<b>134.03</b>

## NOTE 15 : FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Earmarked balances</b>		
Unpaid Dividend Account	2.49	0.84
Margin Money Pledged with Banks	0.33	0.33
Fixed Deposits with original maturity of 3 to 12 months	5.63	0.76
<b>TOTAL</b>	<b>8.45</b>	<b>1.93</b>

## NOTE 16 : FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Advances recoverable from Related Parties (Refer Note 49)	-	2.21
Interest Receivable	0.70	0.28
Forward Contract Receivable (Refer 16.1)	2.89	1.27
<b>TOTAL</b>	<b>3.59</b>	<b>3.76</b>

16.1 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. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 17 : OTHER CURRENT ASSETS

₹ in Crores

Particulars	₹ in Crores	
	As at March 31, 2020	As at March 31, 2019
Export Incentives Receivable	8.78	20.26
Prepaid Expenses	9.83	9.88
Other Advances	2.35	1.81
Balances with Indirect Tax Authorities	70.15	91.41
Prepaid Lease (Refer Note 39)	-	0.74
<b>TOTAL</b>	<b>91.11</b>	<b>124.10</b>

## NOTE 18 : EQUITY SHARE CAPITAL

₹ in Crores

Particulars	₹ in Crores	
	As at March 31, 2020	As at March 31, 2019
<b>Authorised</b>		
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
<b>TOTAL AUTHORISED SHARE CAPITAL</b>	<b>50.00</b>	<b>50.00</b>
<b>Issued, Subscribed and Paid Up</b>		
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
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>21.35</b>	<b>21.35</b>

### a. Reconciliation of the number of shares outstanding :

₹ in Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Shares at the beginning of the year	2,29,58,222	21.35	2,29,58,222	21.35
Changes during the year	-	-	-	-
<b>Shares at the end of the year</b>	<b>2,29,58,222</b>	<b>21.35</b>	<b>2,29,58,222</b>	<b>21.35</b>

### b. Terms and rights attached to equity shares

Equity shares have a par value of ₹ 10. Equity Shares 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.

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.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting, except in case of interim dividend.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## c. Shareholders holding more than 5% shares in the Company :

₹ in Crores

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
K.K.Modi Investment and Financial Services Pvt. Ltd.	1,02,73,073	44.75%	1,02,73,073	44.75%
APMS Investment Fund Ltd. (FIL)	16,35,822	7.13%	16,35,822	7.13%
U.P. State Indl. Dev. Corp. Ltd.	21,69,956	9.45%	21,69,956	9.45%
Rajputana Fertilizers Ltd.	19,16,666	8.35%	19,16,666	8.35%

## NOTE 19: OTHER EQUITY

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Capital Reserve</b>		
Opening Balance	0.01	0.01
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>0.01</b>	<b>0.01</b>
<b>Securities Premium Account</b>		
Opening Balance	108.04	108.04
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>108.04</b>	<b>108.04</b>
<b>Capital Redemption Reserve</b>		
Opening Balance	5.08	5.08
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>5.08</b>	<b>5.08</b>
<b>Debenture Redemption Reserve</b>		
Opening Balance	37.50	-
Add: Transferred from Retained Earnings	-	37.50
Less: Transferred to Retained Earnings	(30.00)	-
<b>Closing Balance</b>	<b>7.50</b>	<b>37.50</b>
<b>General Reserve</b>		
Opening Balance	49.73	49.73
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>49.73</b>	<b>49.73</b>
<b>Special Economic Zone Re-investment Reserve</b>		
Opening Balance	-	-
Add: Transferred from Retained Earnings	50.00	-
<b>Closing Balance</b>	<b>50.00</b>	-
<b>Retained Earnings</b>		
Opening Balance	1,060.13	940.58
Add : Profit for the year	67.17	177.71
Less : Appropriation of profits	30.00	(37.50)
Less : Transferred to Special Economic Zone Re-investment Reserve	(50.00)	-
Less : Remeasurements gains / (loss) on defined benefit plans	(1.01)	(0.69)
Less : Adjustment for Guarantee Commission given for Indo-baijin Chemicals Pvt. Ltd.	-	(0.28)
Less : Dividends on Shares paid during the year	(17.08)	(17.08)
Less : Dividend Distribution Tax paid during the year	(0.21)	(2.61)
<b>Closing Balance</b>	<b>1,089.00</b>	<b>1,060.13</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 19: OTHER EQUITY (CONTD..)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Equity Instruments through Other Comprehensive Income (OCI)</b>		
Opening Balance	0.59	1.26
Add/ (Less) : Fair value changes of investments in equity instruments	(0.35)	(0.67)
<b>Closing Balance</b>	<b>0.24</b>	<b>0.59</b>
<b>The effective portion of gains and loss on hedging instruments</b>		
Opening Balance	(14.55)	(26.95)
Add/ (Less) : Loss on effective portion of cash flow hedge	(19.47)	12.40
<b>Closing Balance</b>	<b>(34.02)</b>	<b>(14.55)</b>
<b>TOTAL</b>	<b>1,275.58</b>	<b>1,246.53</b>

### Nature and Purpose of the Reserves

#### a. 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, 2013.

#### b. Securities Premium Account

Securities Premium Account is created when shares are issued at a premium. The Company may utilise the Securities Premium Account as per the requirements of the Companies Act, 2013.

#### c. Capital Reserve

Capital reserve is created on account of forfeiture of Share Capital in earlier years.

#### d. Debenture Redemption Reserve

Debenture Redemption Reserve is created for repayment of Non Convertible Debentures.

#### e. 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, 2013.

#### f. Special Economic Zone Re-investment Reserve

The Special Economic Zone Re-investment Reserve is created out of the profits of eligible SEZ unit in terms of the provision of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the SEZ unit for acquiring new assets for purpose of its business as per the terms of section 10AA(1)(ii) of the Income-tax Act, 1961.

#### g. Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to Shareholders.

#### h. Equity instruments through Other Comprehensive Income

The fair value change of the equity instruments measured at fair value through Other Comprehensive Income is recognised and reflected under Equity Instruments through Other Comprehensive Income. On disposal, the cumulative fair value changes on the said instruments are reclassified to Retained Earnings.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 20 : FINANCIAL LIABILITIES (NON-CURRENT BORROWINGS)

₹ in Crores

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Secured:</b>		
a. Non-Convertible Debentures	-	112.50
Less: Unamortised upfront fees	-	(0.39)
b. Rupee Term Loan	17.27	7.73
c. Foreign Currency Term Loans	385.06	364.08
<b>TOTAL</b>	<b>402.33</b>	<b>483.92</b>

### A. Non Convertible Debentures :

- Series B - 375 Non Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.87% p.a. repayable in September 2020.
- Series C - 375 Non Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.87% p.a. repayable in March 2021.

### B. Rupee Term Loans :

- Term loan amounting to ₹ 25 crores carries interest at the rate of 9.95% p.a. as at year end and is repayable in 5 equal quarterly installments of ₹ 4.15 crores each and 6th Installment of ₹ 4.25 crores starting from May 2020.
- Vehicle Loan amounting to ₹ 0.57 crores (₹ 1.03 crores) is repayable over 13 monthly installments of ₹ 0.04 crores (including interest) each.

### C. Foreign Currency Term Loans:

- 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, 2019)
- Term loan amounting to ₹ 93.32 crores is repayable over 6 installments of ₹ 2.86 crores each and 16 installment of ₹ 4.76 crores.
- Term loan amounting to ₹ 36.67 crores (₹ 39.98 crores as on March 31, 2019) is repayable over 3 quarterly installments of ₹ 1.72 crore each and 10 quarterly installments of ₹ 3.15 crores each.
- Term loan amounting to ₹ 14.81 crores (₹ 18.88 crores as on March 31, 2019) is repayable over 11 quarterly installments of ₹ 1.35 crores each.
- Term loans amounting to ₹ 221.53 crores (₹ 235.36 crores as on March 31, 2019) is repayable over 7 quarterly installments of ₹ 7.55 crores each and 16 quarterly installments of ₹ 10.07 crores each and one installment of ₹ 7.55 crores.
- Term Loan amounting to ₹ 34.60 crores (₹ 46.17 crores as on March 31, 2019) is repayable over 9 quarterly installments of ₹ 3.70 Crore each and 1 installment of ₹ 1.34 crores.
- Term Loan amounting to ₹ 22.33 crores (₹ 28.46 crores as on March 31, 2019) is repayable over 11 quarterly installments of ₹ 2.03 crores each.
- Term Loan amounting to ₹ 39.27 crores (₹ 46.50 crores as on March 31, 2019) is repayable over 15 quarterly installments of ₹ 2.62 crores each.
- Term Loan amounting to ₹ 19.88 crores (₹ 24.79 crores as on March 31, 2019) is repayable over 8 semi-annually paid installments of ₹ 3.1 crores each.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## D. Security / Charges

1. Term Loan amounting to ₹ 93.32 crores is secured by first charge on the Andheri office property and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
2. Term Loan amounting to ₹ 98.26 crores is secured by first ranking *pari passu* charge on the present and future assets of old Dahej Plant (Unit-1) and Synthesis Plant (Unit-2) at Dahej, Gujarat and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
3. Term Loan amounting to ₹ 34.60 crores is secured by exclusive first charge on present and future Property, Plant and Equipments of SPCD plant at Dahej, Gujarat and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
4. Term Loan amounting to ₹ 221.53 crores is secured by first ranking *pari passu* charge on the EBDC plant at Dahej, Gujarat and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
5. The term loans amounting to ₹ 59.70 crores and Non-convertible debentures amounting to ₹ 75 crores are secured by first *pari passu* charge on the present and future Property, Plant and Equipments 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.
6. An amount of ₹ 8.99 crores (₹ 8.99 crores as on March 31, 2019) has been held as Debt Service Reserve Account with Bank. (Refer Note 8 and Note 15).

## E. Current Maturity

1. Amounts falling due within one year in respect of all the above loans up to March 31, 2020 have been grouped under "Current maturities of Long Term Debts " under Note 25.

## NOTE 21 : FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits Received from Customers	16.02	16.22
Financial Guarantee Obligations	1.47	2.15
Forward Contracts Payable (Refer 21.1)	2.94	1.42
Others Liabilities	-	0.77
<b>TOTAL</b>	<b>20.43</b>	<b>20.56</b>

21.1 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. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

## NOTE 22 : PROVISIONS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits (Refer Note 48)</b>		
Leave Encashment	10.12	9.47
Gratuity	15.79	14.48
<b>TOTAL</b>	<b>25.91</b>	<b>23.95</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 23 : FINANCIAL LIABILITIES - BORROWINGS-CURRENT

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Working Capital Loans from Banks (Refer 23.1)	574.84	587.87
<b>TOTAL</b>	<b>574.84</b>	<b>587.87</b>

23.1 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 Property, Plant and Equipment both present and future, *inter se* the Term Lenders.

## NOTE 24 : FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of creditors other than micro enterprises and small enterprises	210.97	344.87
Total outstanding dues of micro enterprises and small enterprises	0.44	-
<b>TOTAL</b>	<b>211.41</b>	<b>344.87</b>
<b>Additional disclosure in respect of dues to Micro, Small, Medium Enterprise</b>		
i. Principal amount remaining unpaid	0.44	-
ii. Interest accrued on the above amount and remaining unpaid	-	-
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
iv. Interest paid in terms of Section 16	-	-
v. Interest due and payable for payments already made	-	-
vi. Interest accrued and remaining unpaid	-	-
vii. Amount of further interest remaining due and payable even in succeeding years	-	-

The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.

## NOTE 25 : FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long - term debts (Refer 25.1)	178.29	156.99
Interest Accrued on Borrowings	2.68	1.62
Financial Guarantee Obligations	0.44	0.30
Forward Contracts Payable (Refer 25.2)	1.06	1.32
Unclaimed Dividend (Refer 25.3)	2.49	0.84
Liabilities for expenses	53.05	65.79
Other Liabilities	25.23	34.13
<b>TOTAL</b>	<b>263.24</b>	<b>260.99</b>

25.1 Current maturity of long term debts include Non-convertible debentures of ₹ 75 cr. and unamortised upfront fee of ₹ 0.17 cr. (Non-convertible debentures - ₹ 37.50 cr. in March 2019)

25.2 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. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

25.3 There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 26 : OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Payables</b>		
- Advances from Customers	2.47	6.92
<b>TOTAL</b>	<b>2.47</b>	<b>6.92</b>

## NOTE 27 : PROVISIONS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits (Refer Note 48)</b>		
Leave Encashment	8.05	12.25
Gratuity	5.43	5.75
<b>TOTAL</b>	<b>13.48</b>	<b>18.00</b>

## NOTE 28 : REVENUE FROM OPERATIONS

₹ in Crores

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
<b>Sale of Products*</b>				
Agrochemical	1,731.19		1,848.97	
Specialty and Performance Chemicals	285.93	2,017.12	306.21	2,155.18
<b>Other Operating Revenue:</b>				
Export Incentives and Entitlements		18.83		21.01
Scrap Sales		1.27		1.01
Miscellaneous Income		0.13		-
<b>TOTAL</b>		<b>2,037.35</b>		<b>2,177.20</b>

\*Refer Note 38

## NOTE 29 : OTHER INCOME

₹ in Crores

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
<b>Interest Income</b>				
On Bank Deposits	1.41		0.76	
On Customers Overdues	4.61		-	
On Others	0.94	6.96	0.29	1.05
<b>Dividend Income</b>		15.71		4.37
Long - term Investments in subsidiary and Joint Venture				
<b>Profit on Sale of Current Investments measured at Fair Value through Profit and Loss (FVTPL)</b>		0.94		0.96
<b>Other Non - Operating Income:</b>				
Guarantee Commission	2.05		2.02	
Rent	0.34		0.07	



# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 29 : OTHER INCOME (CONTD..)

₹ in Crores

Particulars	Year ended		Year ended	
	March 31, 2020		March 31, 2019	
Insurance Claims received	0.79		0.01	
Sundry balances / excess provisions written back	4.16		6.15	
Others	0.50	7.84	1.06	9.31
<b>Other Gains and Losses</b>				
Net gain on foreign currency transactions and translation	10.93		-	-
(Gain) / Loss on Financial Assets measured at fair value through profit or loss	-		0.04	
Profit on Sale of property, plant and equipment (Net)	0.07	11.00	0.04	0.08
<b>TOTAL</b>		<b>42.45</b>		<b>15.77</b>

## NOTE 30 : COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	Year ended		Year ended	
	March 31, 2020		March 31, 2019	
Raw Materials Consumed		821.17		1,093.75
Packing Materials Consumed		87.95		91.83
<b>TOTAL</b>		<b>909.12</b>		<b>1,185.58</b>

## NOTE 31 : PURCHASE OF STOCK-IN-TRADE

₹ in Crores

Particulars	Year ended		Year ended	
	March 31, 2020		March 31, 2019	
Purchase of Stock -in- trade		115.36		183.46
(Purchase of Traded Goods)				
<b>TOTAL</b>		<b>115.36</b>		<b>183.46</b>

## NOTE 32 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Crores

Particulars	Year ended		Year ended	
	March 31, 2020		March 31, 2019	
<b>Opening Stock :</b>				
Finished Goods	380.49		160.72	
Stock -in- trade	58.48		54.16	
Work-in-progress	9.66	448.63	9.66	224.54
<b>Less : Closing Stock :</b>				
Finished Goods	271.08		380.49	
Stock -in- trade	37.08		58.48	
Work-in-progress	10.26	318.42	9.66	448.63
<b>NET CHANGE IN INVENTORIES</b>		<b>130.21</b>		<b>(224.09)</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 33 : EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Allowances	161.16	167.04
Contribution to Provident and Other Funds	12.68	12.63
Gratuity Expense	3.13	2.64
Staff Welfare Expenses	16.63	14.18
<b>TOTAL</b>	<b>193.60</b>	<b>196.49</b>

## NOTE 34 : FINANCE COSTS

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest Expenses On</b>		
Non-convertible Debenture	13.48	7.34
Long-term Borrowings	21.42	9.50
Short-term Borrowings	40.58	38.52
Ancillary Borrowing Costs	9.79	6.89
Lease Liabilities (Refer Note 39)	0.56	-
Others	1.30	1.37
<b>TOTAL</b>	<b>87.13</b>	<b>63.62</b>

## NOTE 35 : DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of Property, Plant and Equipments	70.13	57.99
Amortisation on Right-of-Use Assets	4.87	-
Amortisation on Intangible Assets	27.81	18.50
<b>TOTAL</b>	<b>102.81</b>	<b>76.49</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 36 : OTHER EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores and Spares	15.85	15.49
Power, Fuel and Utilities	76.95	73.53
Processing Charges	49.18	50.15
Lease Rent / Hire Charges (Refer Note 39)	11.23	8.96
Repairs and Maintenance		
- Building	3.05	1.37
- Plant and Machinery	11.72	16.96
- Others	4.22	3.46
Insurance	12.13	11.17
Rates and Taxes	1.84	1.78
Pollution Control Expenses	8.25	10.71
Legal and Professional Fees	52.52	62.00
General Office Expenses	27.61	28.10
Foreign Exchange Fluctuation (Net)	-	1.88
Advertisement, Publicity and Sales Promotion	50.89	74.04
Outward Freight Charges	74.78	72.71
Loading and Unloading Charges	2.21	2.41
Provision for Doubtful Debts	12.68	10.05
Travelling and Conveyance	36.54	44.94
Payment to Auditors		
- Audit Fees	0.30	0.30
- Transfer Pricing Audit Fees	0.05	0.05
- Taxation and Other Advisory Matters	0.11	0.12
- Certification Charges and Others	0.07	0.05
- Reimbursement of Expenses	0.01	0.53
Director's sitting fees	0.55	0.43
Corporate Social Responsibility	4.96	5.40
Donations	0.32	0.48
(Gain) / Loss on Financial Assets measured at fair value through profit or loss	0.14	-
<b>TOTAL</b>	<b>458.16</b>	<b>496.55</b>

## NOTE 37 : EXCEPTIONAL ITEMS

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amounts paid under Voluntary Retirement Scheme (Refer 37.1)	31.41	-
<b>TOTAL</b>	<b>31.41</b>	<b>-</b>

37.1 The exceptional item is in respect of the Compensation paid under Voluntary Retirement Scheme to the Union employees related to shifting of Thane Plant Operations paid during the month of September 2019 and October 2019.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 38 : IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

### Disaggregation of Revenue from Contracts with Customers

₹ in Crores

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Agro	Innovative Solutions	Total	Agro	Innovative Solutions	Total
<b>Sale of Products</b>						
India	875.72	263.11	1,138.83	965.84	284.12	1,249.96
Europe	281.73	0.07	281.80	261.04	-	261.04
South America	220.30	0.43	220.73	220.01	0.40	220.41
Others	352.67	23.08	375.75	401.79	21.98	423.77
<b>Total (A)</b>	<b>1,730.42</b>	<b>286.69</b>	<b>2,017.12</b>	<b>1,848.68</b>	<b>306.50</b>	<b>2,155.18</b>
<b>Other Operating Revenue</b>						
Export Incentives and Entitlements	17.99	0.84	18.83	20.70	0.31	21.01
Scrap Sales	0.93	0.34	1.27	0.94	0.07	1.01
Others	0.13	-	0.13	0.00	-	0.00
<b>Total (B)</b>	<b>19.05</b>	<b>1.18</b>	<b>20.23</b>	<b>21.64</b>	<b>0.38</b>	<b>22.02</b>
<b>Revenue from Operations (A+B)</b>	<b>1,749.47</b>	<b>287.87</b>	<b>2,037.35</b>	<b>1,870.32</b>	<b>306.88</b>	<b>2,177.20</b>

### 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 recognised from Contracts with Customers in the Statement of Profit or Loss with the contracted price

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per Contract Price	2,275.79	2,431.56
<b>Adjustments made to contract price:</b>		
a) For Discounts/ Rebates/ Incentives	125.88	100.82
b) Sales Returns	132.79	175.56
<b>Revenue from contract with customers</b>	<b>2,017.12</b>	<b>2,155.18</b>
Other Operating Revenue	20.23	22.02
<b>Revenue from Operations</b>	<b>2,037.35</b>	<b>2,177.20</b>

### Impact of Covid-19

There was no material disruption due to The COVID-19 pandemic on operations of the Company. However, business operations mainly manufacturing and supply chain were impacted due to lockdown and other emergency measures imposed by the governments. Plants were shut in and around March 17, 2020 due to lockdown and labour shortage and supply chain impacted due to logistics issue during initial nationwide lockdown. The plants gradually started its operations from the third and last week of April. The Company continues with its operations in a phased manner in line with directives from the authorities. The Company has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions, there is no material impact and adjustments required on its financial statements as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material change to future economic conditions and its impact, if any.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 39 : Ind AS 116 on "Leases"

### 1.1 Transition to Ind AS 116 :

The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 and applied the Standard to its leases existing on April 1, 2019 by using modified retrospective approach with the cumulative effect of initially applying the Standard, recognised on the date of initial application, that is, April 1, 2019 and accordingly, comparative figures for the year ended March 31, 2019 have not been restated. The Company has recognised and measured Right-of-Use (ROU) Assets and a corresponding lease liability over the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. As a result, as at April 1, 2019, the Company has recognised Right-of-Use (ROU) Assets of ₹ 7.38 Crore and a corresponding lease liability of ₹ 7.38 Crore as also, has reclassified prepayment for leasehold land of ₹ 37.24 Crore as a ROU Asset.

For the year ended March 31, 2020, the nature of expenses of operating leases has changed from lease rent in previous periods to depreciation or amortisation for ROU Assets and finance costs for interest accrued on lease liability. The effect of this adoption is ₹ 2.31 Crore on the profit or loss for the period and consequentially, that on earnings per share.

### 1.2 Disclosures pursuant to Ind AS 116 :

#### As a Lessee :

Break-up of current and non-current lease liabilities as at March 31, 2020 :

Particulars	₹ in crore
Current lease liabilities	1.97
Non-Current lease liabilities	3.85
<b>TOTAL</b>	<b>5.82</b>

Movement in lease liabilities during the year ended March 31, 2020 :

Particulars	₹ in crore
<b>Balance as at April 1, 2019</b>	
Transition to Ind AS 116	7.38
Additions	0.28
Finance cost accrued	0.56
Deletions	-
Payment of lease liabilities	2.40
<b>Balance as at March 31, 2020</b>	<b>5.82</b>

The aggregate interest expense amounting to ₹ 0.56 crore on Lease Liabilities is disclosed separately under Note 34 on Finance Costs.

Details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis :

Particulars	₹ in crore
Less than one year	2.43
One to five years	4.44
More than five years	-
<b>TOTAL</b>	<b>6.87</b>

The Company does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

Amounts recognised in the Statement of Profit and Loss for the year ended March 31, 2020 :

Particulars	₹ in crore
Depreciation charge on right-of-use assets	4.87
Interest expense on lease liabilities	0.56
Expense relating to short-term leases	0.29
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	10.95
Expense relating to variable lease payments not included in the measurement of lease liabilities	-

Total cash outflow for leases from Financing Activities recognised in the Statement of Cash Flows for the year ended March 31, 2020 is ₹ 2.40 crores.

## As a Lessor :

Details regarding the contractual maturities of lease payments to be received, on assets given on an operating lease as at March 31, 2020, on an undiscounted basis :

Particulars	₹ in crore
Less than one year	0.30
One to five years	0.75
More than five years	-
<b>TOTAL</b>	<b>1.05</b>

Lease Income recognised in the Statement of Profit and Loss for the year ended March 31, 2020 is ₹ 0.34 crores.

## NOTE 40 : HEDGING ACTIVITIES AND DERIVATIVES

### Foreign Currency Risk

The Company has adopted hedge accounting. 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 instruments are given below:

Hedging Instrument Particulars	As at March 31, 2020			Maturity Date
	Amount outstanding in foreign currency (EUR in Crores)	Amount outstanding in foreign currency (USD in Crores)	Amount outstanding in local currency (₹ in Crore)	
Buyer's Credit	-	1.12	84.04	April 2020 to October 2020
Foreign Currency Term Loans	5.43	-	450.42	April 2020 to June 2026
<b>TOTAL</b>	<b>5.43</b>	<b>1.12</b>	<b>534.46</b>	

The terms of the hedging instrument match the terms of the expected highly probable forecast transactions. Cash flow hedge reserves recycled to Profit or Loss during FY 2019-20 is amounting to ₹ 2.16 Crore on account of Buyer's Credit and ₹ 5.94 Crore on account of Term loans.

The cash flow hedges of the expected future sales during the year ended March 31, 2020 were assessed to be highly effective and a net unrealised loss of ₹ 29.91 Crore, with a deferred tax asset of ₹ 10.45 Crore relating to the hedging instruments, is reflected under Other Comprehensive Income (OCI).

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

Cash flow hedge balance as on March 31, 2020 and March 31, 2019 ₹ 52.27 Crore and ₹ 22.35 Crore respectively. The amounts retained in OCI at March 31, 2020 and March 31, 2019 are expected to mature and affect the statement of profit and loss of future years as follows:-

## Financial Year 2019-20

Financial Year	₹ in crore
2020-2021	12.64
2021-2022	8.78
2022-2023	10.40
2023-2024	7.24
2024-2025	7.05
2025-2026	6.16
<b>TOTAL</b>	<b>52.27</b>

## Financial Year 2018-19

Financial Year	₹ in crore
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
<b>TOTAL</b>	<b>22.35</b>

## NOTE 41 : CONTINGENT LIABILITIES

(To the extent not provided for)

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 Crore allegedly on account of items purchased and loss of profits. However, the Company had refuted the claim and made a counterclaim of ₹ 4.76 Crore 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 Other money for which the Company is contingently liable

Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February, 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 3 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2020

₹ in Crores

Statute	As at March 31, 2020	As at March 31, 2019
Sales tax matters (including CST appeal)	5.28	7.90
Excise matters	0.36	0.36
Service tax matters	-	0.72
Entry tax matters	0.25	0.35
<b>Total</b>	<b>5.89</b>	<b>9.33</b>

## 4 Guarantees Executed in favour of Corporate

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Guarantees Executed in Favour of Corporate	228.35	301.75
Less: Counter Guarantees Received	(55.60)	(91.58)
<b>Net Guarantees Executed in favour of Corporate</b>	<b>172.75</b>	<b>210.17</b>

## NOTE 42 : CAPITAL COMMITMENTS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated Amount of Capital Commitments remaining to be executed	12.18	27.02
Less: Advances Paid	(2.21)	(0.80)
<b>Net Capital Commitments</b>	<b>9.97</b>	<b>26.22</b>

## NOTE 43 A : CORPORATE SOCIAL RESPONSIBILITY

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Amount required to be spent during the year</b>	5.23	5.29
<b>Amount spent during the year</b>		
Construction of Asset (Refer 43.1)	4.71	5.02
for other purposes	0.25	0.38
<b>Total</b>	<b>4.96</b>	<b>5.40</b>

43.1 Represents contribution of ₹ 4.71 Crore (Previous Year : ₹ 5.02 Crore) made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

## NOTE 43 B : MANAGERIAL REMUNERATION

In terms of the Special Resolutions passed by the Shareholders at General Meeting of the Company at the time of their respective appointments of the Managing Director, Executive Director and Whole Time Director the remuneration of ₹ 8.05 crore to the Managing Director, the remuneration of ₹ 6.57 crore to the Executive Director and ₹ 1.13 crore to the Whole Time Director for the year ended March 31, 2020 is within the overall limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013; the Company has also sought legal advised with regard to the said remuneration



# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 44 : EARNINGS PER SHARE

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year as per Statement of Profit and Loss	67.17	177.71
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	2,13,51,147	2,13,51,147
<b>Earnings Per Share - Basic and Diluted</b>	<b>31.46</b>	<b>83.23</b>

## NOTE 45 : 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.

## NOTE 46 : 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

- i. **Foreign Currency Exchange Risk**
- ii. **Interest Rate Risk**
- iii. **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:

#### i. **Foreign Currency Exchange Risk**

The Company's functional currency is Indian Rupees (₹). The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. Volatility in exchange rates affects the Company's revenue from exports markets and the costs of imports, primarily in relation to sale of goods and term loan with respect to the EURO. Adverse movements in the exchange rate between the Rupee and the relevant foreign currency results in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt. In order to minimise adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Company's internal Forex Risk Management Policy, as approved by the management, and in accordance with the applicable regulations where the Company operates. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## Foreign Currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in (₹ in crores) :

Particulars	As at March 31, 2020			
	USD in Crore	₹ in Crore	EURO in Crore	₹ in Crore
<b>Financial Assets</b>				
Trade Receivables	3.98	299.98	2.74	227.02
EEFC Balances	0.83	62.40	0.40	32.84
<b>Derivative Assets</b>				
Foreign Exchange Forward Contracts				
Sell Foreign Currency	(1.47)	(110.75)	(1.55)	(128.90)
<b>Net Exposure to Foreign Currency Risk (Assets)</b>	<b>3.34</b>	<b>251.63</b>	<b>1.59</b>	<b>130.96</b>
<b>Financial Liability</b>				
<b>Foreign Currency Loan</b>				
Short-term	1.45	109.28	1.22	100.90
Long-term	0.49	36.67	5.34	443.57
PCFC	0.98	73.84	0.75	62.25
Trade Payables	0.62	46.45	0.06	4.71
<b>Derivative Liabilities</b>				
Foreign Exchange Forward Contracts				
Buy Foreign Currency		-	(0.63)	(52.25)
<b>Net Exposure to Foreign Currency Risk (Liability)</b>	<b>(3.52)</b>	<b>(266.24)</b>	<b>(6.74)</b>	<b>(559.18)</b>
<b>Net Exposure to Foreign Currency Risk Open</b>	<b>(0.18)</b>	<b>(14.61)</b>	<b>(5.15)</b>	<b>(428.22)</b>

Particulars	As at March 31, 2019			
	USD in Crore	₹ in Crore	EURO in Crore	₹ in Crore
<b>Financial Assets</b>				
Trade Receivables	3.26	225.66	2.12	164.21
EEFC Balances	0.53	36.37	0.07	5.41
<b>Derivative Assets</b>				
Foreign Exchange Forward Contracts				
Sell Foreign Currency	(0.28)	(19.37)	(1.18)	(91.41)
<b>Net Exposure to Foreign Currency Risk (Assets)</b>	<b>3.51</b>	<b>242.66</b>	<b>1.01</b>	<b>78.21</b>
<b>Financial Liabilities</b>				
<b>Foreign Currency Loan</b>				
Short-term	2.28	157.89	0.71	54.94
Long-term	0.58	39.98	5.54	429.58
PCFC	0.70	48.43	0.70	54.32
Trade Payables	(0.84)	(57.81)	0.22	17.36
<b>Derivative Liabilities</b>				
Foreign Exchange Forward Contracts				
Buy Foreign Currency	(0.62)	(43.01)	(0.55)	(42.87)
<b>Net Exposure to Foreign Currency Risk (Liability)</b>	<b>(2.10)</b>	<b>(145.48)</b>	<b>(6.62)</b>	<b>(513.33)</b>
<b>Net Exposure to Foreign Currency Risk Open</b>	<b>1.41</b>	<b>97.18</b>	<b>(5.61)</b>	<b>(435.12)</b>

### Note:

Company has also enter into Cash flow hedging for EURO term Loan, Company hedge all foreign currency EURO term loan and for USD Buyers Credit against Forecasted sale transactions in the respective currency.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

Currency	As at March 31, 2020		As at March 31, 2019	
	Amount in Foreign currency	₹ in Crore	Amount in Foreign currency	₹ in Crore
<b>Foreign currency forwards - Buy</b>				
USD	-	-	0.62	43.01
EURO	0.63	52.25	0.55	42.87
<b>Foreign currency forwards - Sell</b>				
USD	1.47	110.75	0.28	19.37
EURO	1.55	128.90	1.18	91.41

## Sensitivity :

The sensitivity of profit and loss before tax to change in the exchange rate arises mainly from foreign currency denominated financial instruments

Particulars	As at March 31, 2020		As at March 31, 2019	
	5% Strengthening	5% Weakening	5% Strengthening	5% Weakening
USD	(0.73)	0.73	4.86	(4.86)
EURO	(21.41)	21.41	(21.76)	21.76

## ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed rates and floating rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 on "Financial Instruments : Disclosures", since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	33.08	158.56
Fixed rate borrowing	1,107.76	1,070.22
<b>Total Borrowings</b>	<b>1,140.84</b>	<b>1,228.78</b>

## Sensitivity :

Profit and loss sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. If, the interest rates had been 100 basis points higher/lower and all other variable rate borrowings, the Company's profit before tax for the year ended March 31, 2020 would (decrease)/increase by ₹ 0.33 crore (for the year ended March 31, 2019 would (decrease)/increase by ₹ 1.59 crore)

## iii. Price Risk

The Company is exposed to equity price risk arising from equity investments. Equity Investments were held for strategic rather than trading purposes. The Company does not actively trade in these investments. The Company invests in Mutual Funds.

## Sensitivity :

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.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 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, 2020, March 31, 2019 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.

₹ in Crores

Currency	As at March 31, 2020		As at March 31, 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	178.18	402.41	156.99	483.92
Security Deposits	-	16.02	-	16.22
Working Capital Loans from Banks	560.26	-	587.87	-
Trade Payables	209.93	-	344.87	-
Other Financial Liabilities	78.28	4.54	103.99	4.35
<b>Total</b>	<b>1,026.65</b>	<b>422.96</b>	<b>1,193.72</b>	<b>504.49</b>

## 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. 20, Note no. 23 and Note no. 25 for the detailed terms and conditions of the collaterals pledged.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 47 : FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

### a. Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Financial Assets</b>		
Fair Value through Profit and Loss		
Investments (Other than in subsidiary and Joint Ventures)	2.53	0.67
Fair Value through Other Comprehensive Income		
Investments (Other than in Subsidiary and Joint Ventures)	13.17	13.54
Derivative Instruments not in Hedging Relationship		
Forward Contracts Receivable	2.89	1.55
Amortised Cost		
Loans	8.65	9.27
Trade Receivables	812.83	863.32
Cash and Cash Equivalents	133.12	134.03
Other Bank Balances	8.45	1.93
Other Financial Assets	11.04	11.91
<b>Total</b>	<b>992.68</b>	<b>1,036.22</b>
<b>Financial Liabilities</b>		
Fair Value through Profit and Loss		
Financial Guarantee Obligations	1.91	2.45
Derivative Instruments not in Hedging Relationship		
Forward Contracts Payable	4.00	2.74
Derivative Instruments in Hedging Relationship		
Term Loans	450.42	414.57
Buyer's Credit	84.04	69.64
Amortised Cost		
Borrowings	977.17	1,071.79
Trade Payable	211.41	344.85
Other Financial Liabilities	277.76	276.27
Lease Liabilities	5.82	-
<b>Total</b>	<b>2,012.53</b>	<b>2,182.31</b>

### b. Fair Value Hierarchy

The fair value of financial instruments as referred to in Note (a) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

**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).

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

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, 2020	As at March 31, 2019
<b>Financial Assets</b>		
Level 1		
Investment in Quoted Equity Shares	0.63	0.99
Mutual Fund Units	2.53	0.67
Level 2		
Derivative Financial Assets	2.88	1.55
Level 3		
Investment in Unquoted Equity Shares	12.54	12.55
<b>Total</b>	<b>18.58</b>	<b>15.76</b>
<b>Financial Liabilities</b>		
Level 2		
Derivative Financial Liabilities	4.00	2.74
Level 3		
Financial Guarantee Obligations	1.91	2.45
<b>Total</b>	<b>5.91</b>	<b>5.19</b>

## 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 cr. (₹ 0.63 cr. as on March 31, 2019) 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 ₹ 0.02 cr. (₹ 0.70 cr. as on March 31, 2019) and 1% decrease in Discount Rate will have an equal but opposite effect.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## c. Reconciliation of Level 3 Fair Value Measurement

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening Balance of Level 3 Financial Assets / (Liabilities)</b>	<b>10.09</b>	<b>(0.85)</b>
<b>Add / (Less): Changes during the year</b>		
Guarantee Commission recognised	0.70	0.30
New Investments made during the year	-	10.68
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through OCI	-	0.15
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	(0.17)	(0.19)
<b>Closing Balance of Level 3 Financial Assets / (Liabilities)</b>	<b>10.62</b>	<b>10.09</b>

## NOTE 48 : EMPLOYEE BENEFITS EXPENSE

### a. Defined contribution plans

#### Superannuation Fund

The Company has a superannuation plan for the benefit of some of its employees. Employees who are Members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The contributions are recognised as an expense and included in his monthly Cost-to-Company. Once this contribution is incurred the Company does not have any further obligations beyond this contribution. Superannuation Fund to which contributions are made is administered by Life Insurance Corporation of India."

#### Other Contribution Funds

Retirement benefit in the form of provident fund, Employee State Insurance Corporation (ESIC), Pension Fund and Maharashtra Labour Welfare Fund (MLWF) are defined contribution schemes. The Company has no obligation, other than the contribution payable to these funds/ schemes. The Company recognizes contribution payable to such schemes as an expense, when an employee renders the related service.

The Company has recognized the following amounts in the Statement of Profit and Loss under Contribution to Provident and Other Funds as under:

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Employer's Contribution to Employees' Provident Fund	8.06	8.21
Employer's Contribution to Employee Pension Fund	1.58	1.47
Employer's Contribution to Superannuation Fund	3.02	2.93
Employer's Contribution to ESIC	0.02	0.01
Employer's Contribution to MLWF	0.00	0.00
<b>TOTAL</b>	<b>12.68</b>	<b>12.62</b>

### b. Defined benefit plans

#### Retirement Gratuity

Gratuity is administered under the Group Gratuity Cash Accumulation (GGCA) Plan of Life Insurance Corporation of India to which the contributions are made. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

Summary of 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	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
<b>I</b>	<b>Change in present value of defined benefit obligation during the year</b>		
1	Present Value of defined benefit obligation at the beginning of the year	48.26	45.03
2	Interest cost	3.76	3.53
3	Current service cost	1.56	1.42
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)	(0.24)	-
8	(Gains)/ Losses on Curtailment	-	-
9	Liabilities Extinguished on Settlement	-	-
10	Benefits paid directly by the employer	-	-
11	Benefits paid from the fund	(22.62)	(2.55)
12	The Effect Of Changes in Foreign Exchange Rates	-	-
13	Actuarial changes arising from changes in demographic assumptions	0.69	-
14	Actuarial changes arising from changes in financial assumptions	0.86	0.04
15	Actuarial changes arising from changes in experience adjustments	(0.57)	0.79
16	<b>Present Value of defined benefit obligation at the end of the year</b>	<b>31.70</b>	<b>48.26</b>
<b>II</b>	<b>Change in fair value of plan assets during the year</b>		
1	Fair value of plan assets at the beginning of the year	28.03	27.18
2	Interest Income	2.18	2.13
3	Contributions paid by the employer	3.50	1.50
4	Transfer from other Company	-	-
5	Expected Contributions by the Employees	-	-
6	Assets Transferred In/ Acquisitions	-	-
7	Assets transferred out / divestments	-	-
8	Benefits paid from the fund	(22.62)	(2.55)
9	Assets Distributed on Settlements	-	-
10	Effects of Asset Ceiling	-	-
11	The Effect of Changes In Foreign Exchange Rates	-	-
12	Return on plan assets excluding interest income	(0.62)	(0.23)
13	<b>Fair value of plan assets at the end of the year</b>	<b>10.48</b>	<b>28.03</b>
<b>III</b>	<b>Net Asset / (Liability) recognised in the Balance Sheet</b>		
1	Present Value of defined benefit obligation at the end of the year	(31.70)	(48.26)
2	Fair value of plan assets at the end of the year	10.48	28.03
3	Funded Status (Surplus/ (Deficit))	(21.22)	(20.23)
4	<b>Net Asset / (Liability) recognised in the Balance Sheet</b>	<b>(21.22)</b>	<b>(20.23)</b>
<b>IV</b>	<b>Net Interest Cost for the year</b>		
1	Present Value of Benefit Obligation at the Beginning of the Period	48.26	45.03
2	Fair Value of Plan Assets at the Beginning of the Period	(28.03)	(27.18)
3	<b>Net Liability/(Asset) at the Beginning</b>	<b>20.23</b>	<b>17.85</b>
4	Interest Cost	3.76	3.53
5	Interest Income	(2.18)	(2.13)
6	Net Interest Cost for the year	1.58	1.40



# Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Sr. No.	Particulars	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
<b>V</b>	<b>Expenses recognised in the Statement of Profit and Loss for the year</b>		
1	Current service cost	1.56	1.42
2	Interest cost on benefit obligation (Net)	1.58	1.40
3	Past Service Cost - Non-Vested Benefit Recognised during the year	-	-
4	Past Service Cost - Vested Benefit Recognised 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	<b>Total expenses included in Employee Benefits Expense</b>	<b>3.14</b>	<b>2.82</b>
<b>VI</b>	<b>Recognised in Other Comprehensive Income for the year</b>		
1	Actuarial changes arising from changes in demographic assumptions	0.69	-
2	Actuarial changes arising from changes in financial assumptions	0.86	0.04
3	Actuarial changes arising from changes in experience adjustments	(0.57)	0.79
4	Return on plan assets excluding interest income	(0.62)	(0.23)
5	Change in Asset Ceiling	-	-
6	<b>Recognised in Other Comprehensive Income</b>	<b>1.60</b>	<b>1.06</b>
<b>VII</b>	<b>Cash Flow Projection: From the Fund</b>		
1	Within the next 12 months (next annual reporting period)	15.36	32.20
2	2nd following year	3.06	1.16
3	3rd following year	1.75	2.41
4	4th following year	1.57	2.49
5	5th following year	2.34	1.21
6	Sum of years 6 to 10	8.42	9.47
7	<b>Sum of years 11 and above</b>	<b>9.18</b>	<b>14.44</b>

The average duration of the defined benefit plan obligation as at March 31, 2020 is 5 years (March 31, 2019: 5 years).

₹ in Crores

Sr. No.	Particulars	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
<b>VII</b>	<b>Quantitative sensitivity analysis for significant assumption</b>		
	Projected Benefit Obligation on current assumptions	31.70	48.26
(i)	Delta Effect of +1% Change in Rate of Discounting	(0.90)	(1.03)
(ii)	Delta Effect of -1% Change in Rate of Discounting	1.00	1.16
(i)	Delta Effect of +1% Change in Rate of Salary Increase	1.02	1.20
(ii)	Delta Effect of -1% Change in Rate of Salary Increase	(0.93)	(1.08)
(i)	Delta Effect of +1% Change in Rate of Employee Turnover	0.14	0.29
(ii)	Delta Effect of -1% Change in Rate of Employee Turnover	(0.16)	(0.32)

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 2 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	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
<b>VIII</b>	<b>The major categories of plan assets as a percentage of total</b>		
	Insurer managed funds	100%	100%
<b>IX</b>	<b>Actuarial assumptions</b>		
1	Discount rate	6.83%	7.79%
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	5%	2%
6	Expected Return on Plan Assets	6.83%	7.79%

### c. Other Long Term Employee Benefits

The defined benefit obligations which are provided for but not funded as at March 31, 2020 :

₹ in Crores

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
<b>1</b>	<b>Leave Encashment</b>		
	Current	8.05	12.26
	Non-Current	10.12	9.47

## NOTE 49 : RELATED PARTY

### 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%)

### Joint Ventures (Extent of holding)

Indo baijin Chemicals Private Ltd (51%)  
Indo Reagens Polymer Additives Pvt Ltd (49.9%)

### Other Related Parties:

ICC Employee Provident Fund Trust

### Key Management Personnel (KMP)

#### Executive Director

Mr. Krishan Kumar Modi\*  
Dr. Bina Modi\*\*  
Ms. Charu Modi  
Mr. Atchutuni Rao

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 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 and Food Pvt. Ltd.  
Premium Merchants Ltd.  
Modi Rubber Ltd.  
KKM Management Centre Pvt. Ltd  
KKM Management Centre Middle East (FZC)  
Modi Stratford Enterprises Management Pvt Ltd  
Modi Innovative Education Society  
Utsavi Agritech  
Utsavi Biotech  
AMC Chemicals Pvt Ltd  
Vismita Industries  
Grace Breeding Nitrogen Fixation Technologies Ltd

## Non Executive Director

Ms. Aliya Modi  
Mr. Samir Modi  
Mr. Mahendra Naranji Thakkar  
Mr. Sunil Kumar Alagh  
Mr. Sanjay Buch  
Mr. Lakshminarayanan Subramanian  
Mr. Anil Garg (w.e.f from Sept 09, 2019)  
Mr. Sanjay Prasad (w.e.f from May 01, 2019)  
\*Ceased to exist from November 2, 2019 due to his sad demise  
\*\*Effective from November 14, 2019

## KMPs other than Director

Rajinder K. Malhotra- Chief Executive Officer\*\*\*  
Rajib Mukhopadhyay- Chief Financial Officer  
Devang R Mehta- Company Secretary  
\*\*\*Ceased to exist from April 21, 2020

₹ in Crores

Particulars	Subsidiaries and Joint Ventures	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Other Related Parties	Total 2019-20	Total 2018-19
<b>RECEIVING OF SERVICES</b>						
1. HMA Udyog Pvt. Ltd.	-	-	0.03	-	0.03	0.07
2. Beacon Travels Pvt. Ltd.	-	-	5.76	-	5.76	7.99
3. Bina Fashions N Food Pvt. Ltd.	-	-	0.75	-	0.75	0.44
4. EGO Obsession	-	-	0.04	-	0.04	0.03
5. Modi Care Ltd.	-	-	0.03	-	0.03	0.06
6. Modi Stratford Enterprises Management Pvt. Ltd.	-	-	0.85	-	0.85	0.57
7. Indo-Reagens Polymer Additives Pvt. Ltd.	2.78	-	-	-	2.78	-
8. Utsavi Agritech	-	-	1.54	-	1.54	-
9. Utsavi Biotech	-	-	10.83	-	10.83	-
10. Agrowin Bioscience s.r.l.	0.40	-	-	-	0.40	-
11. Godfrey Phillips India Ltd.	-	-	0.00	-	0.00	0.04
<b>Total</b>	<b>3.18</b>	<b>-</b>	<b>19.83</b>	<b>-</b>	<b>23.01</b>	<b>9.21</b>
<b>PURCHASE OF GOODS</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	100.60	-	-	-	100.60	105.68
2. AMC Chemicals Pvt. Ltd.	-	-	38.42	-	38.42	-
3. Vismita Industries	-	-	22.01	-	22.01	-
<b>Total</b>	<b>100.60</b>	<b>-</b>	<b>60.43</b>	<b>-</b>	<b>161.03</b>	<b>105.68</b>
<b>PURCHASE OF LICENSE</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	-	0.94
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.94</b>
<b>SALE OF LICENSE</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	0.13	-	-	-	0.13	-
2. Indo-Reagens Polymer Additives Pvt. Ltd.	0.05	-	-	-	0.05	-
<b>Total</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.18</b>	<b>-</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	Subsidiaries and Joint Ventures	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Other Related Parties	Total 2019-20	Total 2018-19
<b>SALE OF GOODS</b>						
1. Indofil Industries (Netherlands) B. V.	165.24	-	-	-	165.24	158.24
2. Indofil Industries DO Brasil LTDA	71.14	-	-	-	71.14	4.29
3. Indofil Philippines, Inc.	14.51	-	-	-	14.51	15.73
4. Indofil Bangladesh Industries Pvt. Ltd.	5.09	-	-	-	5.09	-
5. Indo-Reagens Polymer Additives Pvt. Ltd.	7.05	-	-	-	7.05	-
6. Agrowin Bioscience s.r.l.	0.73	-	-	-	0.73	3.52
<b>Total</b>	<b>263.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263.76</b>	<b>181.78</b>
<b>MANAGEMENT CONTRACTS</b>						
1. KKM Management Center Pvt. Ltd.	-	-	2.10	-	2.10	5.64
2. KKM Management Centre Middle East (FZC)	-	-	4.75	-	4.75	4.93
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.85</b>	<b>-</b>	<b>6.85</b>	<b>10.57</b>
<b>RENT EXPENSE</b>						
1. Premium Merchants Ltd.	-	-	0.06	-	0.06	0.07
2. Charu Modi	-	0.09	-	-	0.09	0.07
<b>Total</b>	<b>-</b>	<b>0.09</b>	<b>0.06</b>	<b>-</b>	<b>0.15</b>	<b>0.14</b>
<b>DIVIDEND PAID</b>						
Mr. Krishan Kumar Modi	-	0.17	-	-	0.17	0.17
Dr. Bina Modi	-	0.16	-	-	0.16	0.16
Mr. Samir Modi	-	0.02	-	-	0.02	0.02
<b>Total</b>	<b>-</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>0.35</b>
<b>CONTRIBUTION TO EMPLOYEES BENEFIT TRUST</b>						
ICC Employee Provident Fund Trust	-	-	-	16.93	16.93	16.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.93</b>	<b>16.93</b>	<b>16.81</b>
<b>DIVIDEND INCOME</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	-	4.37
2. Indofil Industries (Netherlands) B. V.	15.71	-	-	-	15.71	-
<b>Total</b>	<b>15.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.71</b>	<b>4.37</b>
<b>RENT INCOME</b>						
1. Modi Rubber Ltd.	-	-	0.06	-	0.06	0.07
2. Indo-Reagens Polymer Additives Pvt. Ltd.	0.28	-	-	-	0.28	-
<b>Total</b>	<b>0.28</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>0.34</b>	<b>0.07</b>
<b>GUARANTEE COMMISSION INCOME</b>						
1. Indofil Industries (Netherlands) B. V.	0.92	-	-	-	0.92	1.44
2. Indo Baijin Chemicals Pvt. Ltd.	0.70	-	-	-	0.70	0.58
3. Indofil Industries do Brasil	0.42	-	-	-	0.42	-
<b>Total</b>	<b>2.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.04</b>	<b>2.02</b>
<b>REIMBURSEMENT OF EXPENSES (RECEIVED)</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	0.29	-	-	-	0.29	0.95
2. Godfrey Phillips India Ltd.	-	-	-	-	-	0.16
3. Indofil Industries (Netherlands) B.V.	0.49	-	-	-	0.49	-
4. Indo-Reagens Polymer Additives Pvt. Ltd.	4.31	-	-	-	4.31	-
5. Indofil Industries do Brasil	0.06	-	-	-	0.06	-
<b>Total</b>	<b>5.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.15</b>	<b>1.11</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	Subsidiaries and Joint Ventures	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Other Related Parties	Total 2019-20	Total 2018-19
<b>CSR EXPENSES</b>						
1. Modi Innovative Education Society	-	-	4.71	-	4.71	5.02
<b>Total</b>	-	-	<b>4.71</b>	-	<b>4.71</b>	<b>5.02</b>
<b>INTEREST INCOME</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	0.29	-	-	-	0.29	-
2. Good Investments	-	-	-	-	-	-
<b>Total</b>	<b>0.29</b>	-	-	-	<b>0.29</b>	-
<b>LOANS GIVEN TO JOINT VENTURES</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>GURANTEES GIVEN TO SUBSIDIARIES / JV's OUTSTANDING</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	57.87	-	-	-	57.87	95.32
2. Indofil Industries (Netherland) B.V.	46.97	-	-	-	46.97	114.85
3. Indofil Industries DO Brasil LTDA	67.91	-	-	-	67.91	-
<b>Total</b>	<b>172.75</b>	-	-	-	<b>172.75</b>	<b>210.17</b>
<b>OUTSTANDING BALANCES</b>						
<b>Receivables</b>						
1. Indofil Industries (Netherland) B.V.	166.47	-	-	-	166.47	125.71
2. Indofil Industries DO Brasil LTDA	75.92	-	-	-	75.92	4.29
3. Indofil Philippines, Inc.	9.45	-	-	-	9.45	12.24
4. Indofil Bangladesh Industries Pvt. Ltd.	4.55	-	-	-	4.55	-
5. Indo-Reagens Polymer Additives Pvt. Ltd.	0.84	-	-	-	0.84	-
6. Beacon Travels Pvt. Ltd.	-	-	0.01	-	0.01	-
7. KKM Management Centre Middle East (FZC)	-	-	1.76	-	1.76	1.06
8. Agrowin Bioscience s.r.l	3.34	-	-	-	3.34	3.02
<b>Total</b>	<b>260.57</b>	-	<b>1.77</b>	-	<b>262.34</b>	<b>146.32</b>
<b>Payables</b>						
1. Modi Care Ltd.	-	-	-	-	-	-
2. Beacon Travels Pvt. Ltd.	-	-	-	-	-	0.25
3. KKM Management Center Pvt. Ltd.	-	-	0.97	-	0.97	1.19
4. Bina Fashion Pvt. Ltd.	-	-	-	-	-	-
5. EGO Obsession	-	-	0.00	-	0.00	0.00
6. Indofil Industries (Netherlands) B. V.	1.02	-	-	-	1.02	1.02
7. Indo Baijin Chemicals Pvt. Ltd.	3.83	-	-	-	3.83	6.67
8. HMA Udyog Pvt Ltd	-	-	-	-	-	0.01
9. Godfrey Phillips India Ltd.	-	-	-	-	-	-
10. AMC Chemicals Pvt. Ltd.	-	-	2.57	-	2.57	-
11. Vismita Industries	-	-	6.74	-	6.74	-
12. Utsavi Agritech	-	-	0.06	-	0.06	-
13. Utsavi Biotech	-	-	0.79	-	0.79	-
<b>Total</b>	<b>4.85</b>	-	<b>11.13</b>	-	<b>15.98</b>	<b>9.14</b>

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	Subsidiaries and Joint Ventures	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Other Related Parties	Total	Total
					2019-20	2018-19
<b>INVESTMENTS MADE DURING THE YEAR</b>						
1. Indofil Bangladesh Industries Pvt. Ltd.	-	-	-	-	-	1.77
2. Indofil Industries (International) B. V.	63.14	-	-	-	63.14	11.58
3. Indo Reagens Polymer Additives Pvt. Ltd.	19.46	-	-	-	19.46	0.50
4. Grace Breeding Nitrogen Fixation Technologies Ltd	-	-	-	-	-	10.68
<b>Total</b>	<b>82.60</b>	-	-	-	<b>82.60</b>	<b>24.53</b>
<b>Remuneration payable to KMP</b>	-	-	17.00	-	<b>17.00</b>	<b>28.84</b>
<b>Total</b>	-	-	<b>17.00</b>	-	<b>17.00</b>	<b>28.84</b>

## 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, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: Nil, March 31, 2019: 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.

## Remuneration payable to KMP

₹ in Crores

Particulars	For the Year Ended March 31, 2020			For the Year Ended March 31, 2019		
	Executive Directors	Non - Executive Directors	Total	Executive Directors	Non - Executive Directors	Total
<b>Executive Directors</b>						
Short-term employee benefits	12.29	0.70	12.99	23.41	1.75	25.16
Post-employment gratuity and medical benefits	3.46	-	3.46	3.25	-	3.25
Sitting Fees	-	0.55	0.55	-	0.43	0.43
	<b>15.75</b>	<b>1.25</b>	<b>17.00</b>	<b>26.66</b>	<b>2.18</b>	<b>28.84</b>

## NOTE 50 : Details of Loans given, Investments made and Guarantees given covered under section 186 (4) of the Companies Act, 2013:

### Loans

No loan given by the Company in favour of Corporates are outstanding as at March 31, 2020.

### Investments

Details required u/s 186 have been disclosed in Note 6 of the Financial Statements.

# Notes forming Part of Financial Statements

for the year ended March 31, 2020

## Guarantees

All Corporate Guarantees are given by the Company in respect of Loans as at March 31, 2020, except one Guarantee in form of Stand-by Letter of Credit which is given to bank for Indofil DO Brasil LTDA in respect of a Short Term Non-Funded Credit Guarantee (₹ 67.91 Crore)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Indo-Baijin Chemicals Pvt. Ltd. (net of counter guarantee)	57.87	95.32
Indofil Industries Netherlands B.V.	46.97	114.85
Indofil Industries DO Brasil LTDA	67.91	-

All the above Corporate Guarantees are given for business purpose.

**51** As per Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

**52** Figures in brackets indicate previous year's figures and have been regrouped / reclassified wherever necessary to conform with the current year's classification.

<b>CORPORATE INFORMATION</b>	<b>1</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>
<b>NOTES ON ACCOUNTS</b>	<b>3-52</b>

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

**PARESH H. CLERK**  
Partner  
Membership No.36148

Place: Mumbai  
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Dr. Bina Modi**  
Chairperson and Managing Director

**Charu Modi**  
Executive Director

**Devang R Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Directors**  
Mumbai, June 30, 2020

# Independent Auditor's Report

To the Members of  
The Indofil Industries Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of **Indofil Industries Limited** ("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries collectively referred to as "the Group"), its Joint Ventures which comprise the Consolidated Balance Sheet as at March 31, 2020, 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 the summary of 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 referred to in the Other Matters paragraph below, 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit and consolidated 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 specified under Section 143(10) of the Act (SA). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by The Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section 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, 2020 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
<p><b>Revenue Recognition : Rebates, Discounts and Incentives as also Estimated Sales Returns</b></p> <p>Revenue is measured based on transaction price, which is the consideration, after deduction of rebates, discounts and incentives (scheme allowances) as also estimated sales returns.</p> <p>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. Amounts involved for such rebates, etc. are material, voluminous and complex and also involve significant judgement and estimates</p> <p>Estimation of sales returns involves evaluating the assumption of expected returns; thus, it involves significant judgement and estimates due to its dependency on various internal and external factors.</p>	<p>Our audit procedures, among others, included the following :</p> <ul style="list-style-type: none"> <li>• Understanding the process and the basis followed by the Group to determine the amount of accrual of rebates, discounts and incentives as also sales returns;</li> <li>• Considered the appropriateness of the Group's accounting policies regarding revenue recognition as they relate to accounting for rebates, discounts and incentives as also sales returns;</li> <li>• Assessed the design and implementation of controls from the management relating to recording of rebates, discounts and incentives based on estimation of revenue, development of assumption of expected returns, and tested the operating effectiveness of such controls.</li> </ul>



The Key Audit Matter	How was the matter addressed in our audit
<p>In view of the amounts involved and significant judgement and estimates involved for such rebates, discounts and incentives as also for sales returns, the evaluation of accrual thereof is considered to be a key audit matter.</p> <p>[Refer Note 2.14 and Note 28 to the consolidated financial statements]</p>	<ul style="list-style-type: none"> <li>• Selecting samples of revenue transactions and marketing schemes/circulars to re-check that rebates, discounts and incentives are calculated in accordance with the eligibility criteria as per the related schemes announced.</li> <li>• Checking the completeness and accuracy of data/inputs used by the Group for liabilities recognised of rebates, discounts and incentives as also sales returns.</li> <li>• Verification of appropriate authorisation.</li> <li>• Analysed past trends by comparing actuals with the estimates of earlier periods.</li> </ul>
<p><b>Recognition of MAT Credit Entitlement</b></p> <p>The Group has recognised MAT Credit Entitlement in the current year and as also in earlier years and reflect the same as DTA.</p> <p>The recognition of MAT Credit ("tax credits") as DTA is on the basis that it is probable that future taxable profits will be available against which such tax credits can be utilised.</p> <p>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 Group.</p> <p>[Refer Note 9 to the consolidated financial statements]</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> <li>• Considered the Group's accounting policies with respect to recognition of unused tax credits in accordance with Ind AS 12 on "Income Taxes".</li> <li>• Evaluated the Group's tax positions by comparing it with prior years and past precedents.</li> <li>• 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 unused tax credits will be utilised.</li> <li>• Discussed with the management the future business plans and financial projections on which the estimate of profitability is made.</li> <li>• 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.</li> <li>• Assessed the disclosures in accordance with the requirements of Ind AS 12 on "Income Taxes".</li> </ul>
<p><b>Uncertain tax positions</b></p> <p><b>Indirect Taxes</b></p> <p>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.</p> <p>These matters are considered to be key audit matter given the uncertainty of potential outcome.</p> <p>[Refer Note 41 to the consolidated financial statements]</p>	<p><b>Indirect Taxes</b></p> <p>Our audit procedures, among others, include the following:</p> <ul style="list-style-type: none"> <li>• Obtained details of uncertain tax position and gained understanding thereof.</li> <li>• Obtained details of pending/completed assessments.</li> <li>• Read and analysed relevant communication with the authorities and legal consultants.</li> <li>• Considered the legal advice obtained by the management on possible outcome of litigations.</li> <li>• Discussed with senior management and evaluated management's assumptions regarding provisions made.</li> <li>• Assessed the disclosures in accordance with the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".</li> </ul>

**The Key Audit Matter****How was the matter addressed in our audit****Physical Verification of Inventories**

The Holding Company has inventories consist of raw materials, packing materials, work-in-progress, finished goods, stock-in-trade, stores and spares. The Holding Company has its inventories at its manufacturing plants at three locations; at depots and tolls located across India, the Holding Company has inventories of finished goods and stock-in-trade.

The Holding Company has adequate inventory records and system as also internal controls over inventory movements and records. The Holding Company has established procedures to carry out physical inventories count during the year and details thereof have been provided to us auditors.

Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but that was carried out by the management subsequent to the year-end at plants. At few depots and tolls, physical verification was carried out during the year. At the time of such subsequent verification, it was impracticable for us auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.

This matter is considered to be key audit matter given the circumstances of physical verification of inventories under COVID-19 vis-à-vis non-COVID-19 scenario.

[Refer Note 2.09 and Note 11 to the consolidated financial statements]

Since it was impracticable for us as auditors to attend in the physical verification of inventories, our alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories include the following:

- Evaluated the control design in respect of inventory process and testing (encompass the processes around inventory movements and physical verification) whether such controls have operated effectively during the period of audit;
- Obtained details/ documents of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end, as the case may be; Obtained related documents/confirmations for inventories, if any, lying with third parties.
- Rollback procedures were applied to inventories so verified by the management to arrive at the inventories as at the year-end;
- Compared the inventories so arrived for the year-end with book records and sought explanation/reconciliation for material differences, if any
- Related documents were verified that indirectly support and corroborate the existence of inventories at the year-end.
- Employed appropriate cut-off procedures as also verified documentary records for inventories in-transit.
- For finished goods or stock-in-trade subsequently despatched to third party warehouses, obtained direct confirmation of the inventories held by third party warehouses subsequent to the year end and performed roll back procedures

**Information Other than the consolidated financial statements and Auditor's Report Thereon**

The Holding Company's management and Board of Directors are responsible for 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 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, compare with the financial statements of the Subsidiary audited by the other auditors, to the extent it relates to the Subsidiaries and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our

knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Subsidiaries is traced from the financial statements audited by the other auditors.

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 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), the consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified 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 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 Board of Directors of the companies included in the Group 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 are also 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 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 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 and its Joint Ventures 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 included in the consolidated financial statements, of which we are the independent auditors. 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.

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 Group and its Joint Ventures 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 5 (Five) Subsidiaries located outside India, whose financial statements and financial information reflect total net assets of ₹ 371.08 crore as at March 31, 2020, total revenues of ₹ 383.89 crore, total net profit after tax of ₹ 28.96 crore, total comprehensive income ₹ (197.72) crore and net cash outflows amounting to ₹ 21.41 crore for the year ended on that date, as considered in preparation of consolidated financial statements. The financial statements/financial information of the Subsidiaries, which incorporated outside India have been prepared in accordance with accounting principles generally accepted in its respective country and 2 (Two) 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 2 (Two) 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

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 purpose 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 by the Company 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, 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 Ind AS specified under Section 133 of the Act, read with the 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, 2020 taken on record by the Board of Directors of the Holding Company and as reported by the Statutory Auditors of its Subsidiaries companies and Joint Venture, none of the Directors of the companies in the Group and Joint Ventures are disqualified as on March 31, 2020 from being appointed as a director of the respective Company in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls of the financial statements of the Group and its Joint Ventures and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
  - g. With respect to the matter 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 and based on the report 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 Subsidiaries and its Joint Ventures to its Directors, and, as has been legally advised, the remuneration paid during the current year by the Holding Company to its Directors are in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director of the Holding Company, its Subsidiaries and

its 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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 41 to the consolidated 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, as required under the applicable law or accounting standards. Accordingly, no such provision is reflected in the consolidated financial statements – Refer Note 40 to the consolidated financial statements;

- iii. There were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
UDIN: 20036148AAAABZ7575

Place : Mumbai.  
Date : June 30, 2020

## Annexure A To The Independent Auditor's Report – March 31, 2020

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 on the Consolidated Financial Statements for the year ended March 31, 2020.

### 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 Holding Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to the financial statements of **Indofil Industries Limited ("the Holding Company")**, and its Subsidiaries (collectively referred to as "the Group") and its Joint Ventures which are incorporated in India, are as at March 31, 2020.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group and its Joint Ventures, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Group and its Joint Ventures, which are 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 control with reference to 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 Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the financial statements of the Group and its Joint Ventures, which are incorporated in India.

#### 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 the preparation of the 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, to the best of our information and according to the explanations given to us, the Group and its Joint Ventures, which are incorporated in India, have, in all material respects, internal

financial controls with reference to the consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

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

**PARESH H. CLERK**

Partner

Membership No. 36148

UDIN: 20036148AAAABZ7575

Place : Mumbai.

Date : June 30, 2020

# Consolidated Balance Sheet

as at March 31, 2020

₹ in Crores

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3A	687.84	722.36
Capital Work-in-Progress	3B	12.32	14.90
Goodwill		10.20	9.56
Right-of-Use Assets	4	40.94	
Other Intangible Assets	5A	303.50	335.34
Intangible Assets under Development	5B	72.94	54.40
<b>Financial Assets</b>			
Investments	6	731.76	838.93
Loans	7	9.12	10.05
Other Financial Assets	8	10.33	9.70
Deferred Tax Assets	9	113.76	74.02
Income Tax Assets (Net)	9	26.38	14.53
Other Non-current Assets	10	6.62	42.16
<b>Total Non-current Assets</b>		<b>2,025.71</b>	<b>2,125.95</b>
<b>Current Assets</b>			
Inventories	11	459.82	640.39
<b>Financial Assets</b>			
Investments	12	1.96	-
Trade Receivables	13	772.03	823.94
Cash and Cash Equivalents	14	185.73	186.21
Other Bank Balances	15	8.45	1.99
Other Financial Assets	16	3.75	2.92
Other Current Assets	17	94.36	125.50
<b>Total Current Assets</b>		<b>1,526.10</b>	<b>1,780.95</b>
<b>TOTAL ASSETS</b>		<b>3,551.81</b>	<b>3,906.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	21.35	21.35
Other Equity	19	1,905.40	1,979.29
<b>Equity attributable to owners of the Company</b>		<b>1,926.75</b>	<b>2,000.64</b>
Non-controlling interests	19	0.27	0.31
<b>Total Equity</b>		<b>1,927.02</b>	<b>2,000.95</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	422.49	527.94
Lease Liabilities	39	4.59	
Other Financial Liabilities	21	20.43	20.55
Provisions	22	25.91	23.95
<b>Total Non - Current Liabilities</b>		<b>473.42</b>	<b>572.44</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	23	587.14	596.80
Trade Payables	24	248.17	374.93
Lease Liabilities	39	2.16	
Other Financial Liabilities	25	295.93	331.84
Other Current Liabilities	26	2.47	6.92
Provisions	27	13.49	18.01
Current Tax Liabilities (Net)		2.01	5.01
<b>Total Current Liabilities</b>		<b>1,151.37</b>	<b>1,333.51</b>
<b>Total Liabilities</b>		<b>1,624.79</b>	<b>1,905.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,551.81</b>	<b>3,906.90</b>
<b>CORPORATE INFORMATION</b>			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>NOTES ON ACCOUNTS</b>			
	1		
	2		
	3-54		

The accompanying Notes are an integral part of the Consolidated Financial Statements

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

**PARESH H. CLERK**  
Partner  
Membership No.36148

Place: Mumbai  
Date: June 30, 2020

For and on behalf of the Board of Directors

**Dr. Bina Modi**  
Chairperson and Managing Director

**Charu Modi**  
Executive Director

**Devang R Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Directors**  
Mumbai, June 30, 2020



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

₹ in Crores

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue from Operations	28	2,216.33	2,251.76
Other Income	29	19.55	12.44
<b>Total Income</b>		<b>2,235.88</b>	<b>2,264.20</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	30	979.07	1,205.95
Purchase of Stock-in-Trade	31	115.36	183.46
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	32	112.55	(242.36)
Employee Benefits Expense	33	221.54	212.50
Finance Costs	34	89.88	68.83
Depreciation and Amortisation Expense	35	118.10	91.36
Other Expenses	36	502.08	515.49
<b>Total Expenses</b>		<b>2,138.58</b>	<b>2,035.23</b>
<b>Profit before Tax and Exceptional Items</b>		<b>97.30</b>	<b>228.97</b>
<b>Less : Exceptional Items</b>	37	31.41	-
<b>Profit before Tax</b>		<b>65.89</b>	<b>228.97</b>
<b>Tax Expenses</b>			
Current Tax	9	16.23	49.46
Deferred Tax		(28.67)	(6.30)
(Excess)/ Short provision of Earlier Years		(0.35)	0.13
<b>Total Tax Expenses</b>		<b>(12.79)</b>	<b>43.29</b>
<b>Profit after Tax</b>		<b>78.68</b>	<b>185.68</b>
<b>Share of Profit/(Loss) of equity accounted investees (net of Income Tax)</b>		16.08	3.04
<b>Profit For The Year</b>		<b>94.76</b>	<b>188.72</b>
<b>Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Actuarial (Loss)/Gains on Defined Benefit Obligation		(1.60)	(1.06)
Fair Value changes of investments in equity shares		(142.71)	220.79
Income Tax on above items		0.56	0.37
<b>Total (A)</b>		<b>(143.75)</b>	<b>220.10</b>
<b>B. Items that will be reclassified to profit or loss</b>			
Share of OCI of Joint Ventures		-	-
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge		(29.92)	19.06
Foreign Currency Translation reserve (FCTR)		11.80	(5.80)
Income Tax on above item		10.46	(6.66)
<b>Total (B)</b>		<b>(7.66)</b>	<b>6.60</b>
<b>Total Other Comprehensive Income / (Loss) for the year (A+B)</b>		<b>(151.41)</b>	<b>226.70</b>
<b>Total Comprehensive Income for the year</b>		<b>(56.66)</b>	<b>415.42</b>
<b>Total Profit / (loss) for the year attributable to:</b>			
Owners of the Company		94.80	188.82
Non-controlling interests		(0.04)	(0.10)
		<b>94.76</b>	<b>188.72</b>
<b>Other Comprehensive Income / (loss) for the year attributable to:</b>			
Owners of the Company		(151.41)	226.70
Non-controlling interests		-	-
		<b>(151.41)</b>	<b>226.70</b>
<b>Total Comprehensive Income / (loss) for the year attributable to:</b>			
Owners of the Company		(56.61)	415.52
Non-controlling interests		(0.04)	(0.10)
		<b>(56.66)</b>	<b>415.42</b>
Earnings per equity share of nominal value ₹10 each- Basic and Diluted	44	44.37	88.40
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES ON ACCOUNTS</b>	3-54		

As per our report attached  
For **BANSI S. MEHTA and CO.**Chartered Accountants  
Firm Reg. No. 100991W**PARESH H. CLERK**  
Partner  
Membership No.36148Place: Mumbai  
Date: June 30, 2020

For and on behalf of the Board of Directors

**Dr. Bina Modi**  
Chairperson and Managing Director**Charu Modi**  
Executive Director**Devang R Mehta**  
Company Secretary**Rajib Mukhopadhyay**  
Chief Financial Officer**Directors**  
Mumbai, June 30, 2020

# Statement of Consolidated Cash Flow

for the year ended March 31, 2020

₹ in Crores

Particulars	year ended March 31, 2020	year ended March 31, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax	65.89	228.97
Add / (Less) : Adjustments for Non-Cash / Non-Operating Items :		
Depreciation and Amortisation Expense	118.10	91.36
Finance Costs	89.88	68.83
Interest Income	(7.02)	(1.05)
Rent Income	(0.34)	(0.07)
(Profit)/Loss on Sale of Current Investments	(0.94)	(1.09)
Guarantee Commission	(0.70)	(0.58)
Sundry Balances Written Back	(3.94)	(8.16)
(Profit) / Loss on Sale of Property, Plant and Equipment	(0.09)	(0.04)
(Gain) / Loss on Financial Assets measured at fair value through profit or loss	0.07	(0.35)
Loss arising from financial instruments designated as fair value through profit or loss	(25.30)	17.42
Provision for Doubtful Debts and Advances	14.14	10.05
Foreign Exchange Loss / (Gain)	33.70	(19.61)
<b>Operating Profit Before Changes in Working Capital</b>	<b>283.45</b>	<b>385.68</b>
<b>Adjustment for Changes in Working Capital</b>		
(Increase) / decrease in Trade Receivables	37.75	8.06
(Increase) / decrease in Inventories	180.58	(263.71)
(Increase) / decrease in Other Financial Assets	(1.46)	4.17
(Increase) / decrease in Other Non-Financial Assets	26.65	(23.40)
Increase / (decrease) in Trade Payables	(134.59)	132.25
Increase / (decrease) in Other Financial Liabilities	(19.95)	(20.91)
Increase / (decrease) in Current and Non-current Provisions	(2.57)	4.15
Increase / (decrease) in Other Non-Financial Liabilities	(6.05)	(8.86)
<b>Cash (Used) / Generated from Operations</b>	<b>363.82</b>	<b>217.43</b>
Less: Taxes Paid (Net of refund received)	(30.72)	(60.04)
<b>Net Cash (Used) / Generated from Operating Activities (A)</b>	<b>333.10</b>	<b>157.38</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(55.84)	(129.69)
Acquisition of new subsidiary	-	(11.19)
Investments made during the year	(18.68)	(5.95)
Proceeds from sale of current investments	0.94	3.09
Loans (Given) / Repaid	0.93	0.16
Interest received	6.54	0.86
Bank Deposits with maturity greater than 12 months	(4.81)	1.18
Rent Income	0.34	0.07
Guarantee Commission	0.70	0.58
<b>Net Cash (Used) / Generated from Investing Activities</b>	<b>(69.88)</b>	<b>(140.89)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>		
Receipt of Long term borrowings	115.00	210.42
Repayment of Long term borrowings	(275.99)	(96.51)
Increase / (Decrease) in Short term borrowings	(10.16)	9.10
Earmarked money with banks	(1.65)	(0.17)
Payment of Principal portion of Lease Liabilities	2.00	-
Payment of Interest portion of Lease Liabilities	(0.59)	-
Interest and other finance charges paid	(88.45)	(80.71)
Dividend Paid (including corporate dividend tax)	(15.64)	(19.53)
<b>Net Cash (Used) / Generated from Financing Activities (C)</b>	<b>(275.48)</b>	<b>22.60</b>

# Statement of Consolidated Cash Flow

for the year ended March 31, 2020

₹ in Crores

Particulars	year ended March 31, 2020	year ended March 31, 2019
Exchange Differences on Translation of Foreign Operations	11.80	(5.80)
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(0.46)	33.29
Add: Cash and Cash Equivalents at the Beginning of the year	186.21	152.91
Cash and Cash Equivalents at the end of the year (Refer Note 14)	185.73	186.21
CORPORATE INFORMATION	1	
SIGNIFICANT ACCOUNTING POLICIES	2	
NOTES ON ACCOUNTS	3-54	

**Notes :**

- Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**2. Disclosure pursuant to Ind AS 7 :**

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement.

₹ in Crores

Particulars	Opening Balance	Cash Flows	Non-cash Changes	Closing Balance
Short-term Borrowings	596.80	(10.16)	0.50	587.14
Long-term Borrowings (including Current maturities)	601.55	(85.99)	37.05	552.61
Debenture	150.00	(75.00)	-	75.00
Deposits held as margin money	0.33	-		0.33

- Purchase of Property, Plant and Equipment includes additions to other Intangible Assets and adjusted for movement in Capital Work-in-progress.
- Figures in brackets indicate Cash Outflow.
- Previous year figures have been regrouped wherever necessary.

As per our report attached  
For **BANSI S. MEHTA and CO.**

Chartered Accountants  
Firm Reg. No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No.36148

Place: Mumbai  
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Dr. Bina Modi**  
Chairperson and Managing Director

**Charu Modi**  
Executive Director

**Devang R Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Directors**  
Mumbai, June 30, 2020

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

## A. Equity Share Capital

Particulars	₹ in Crore
<b>Balance as on April 1, 2018</b>	21.35
Add: Changes in Equity Capital during the F.Y. 2018-19	-
<b>Balance as on April 1, 2019</b>	21.35
Add: Changes in Equity Capital during the F.Y. 2019-20	-
<b>Balance as on March 31, 2020</b>	21.35

## B. Other Equity

Particulars	Reserves and Surplus										Item of Other Comprehensive Income					Total
	Capital Reserve Consolidation	Capital Reserve on Premium	Capital Redemption Reserve	Securities Premium	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Special Economic Zone investment Reserve	Special Reserve	Retained Earnings	Equity Instruments through Comprehensive Income	Effective portion of gains and loss on hedging instruments on cash flow hedge reserve	Foreign Currency Translation Reserve	Share of Other Comprehensive Income in Joint Ventures	Non-controlling interest	
<b>Balance as on April 1, 2018</b>	0.01	6.30	108.04	5.08	-	51.70	-	9.74	1,192.02	249.31	(26.95)	(11.36)	(0.04)	-	1,583.87	
NCl 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	-	-	-	1.55	(39.05)	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	-	-	(0.69)	220.79	12.40	(5.80)	-	-	226.70	
Adjustment of Guarantee Commission given for Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	-	-	-	-	(0.28)	-	-	-	-	-	(0.28)	
Dividends on Equity Shares	-	-	-	-	-	-	-	-	(17.08)	-	-	-	-	-	(17.08)	
Dividend Distribution Tax	-	-	-	-	-	-	-	-	(2.61)	-	-	-	-	-	(2.61)	
<b>Balance As at March 31, 2019</b>	0.01	6.30	108.04	5.08	37.50	51.70	-	11.29	1,321.01	470.10	(14.55)	(17.16)	(0.04)	0.31	1,979.60	

₹ in Crores

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

## B. Other Equity (contd..)

₹ in Crores

Particulars	Reserves and Surplus							Item of Other Comprehensive Income					Non-controlling interest	Total	
	Capital Reserve Consolidation	Capital Reserve on Premium	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Special Economic Zone Re-investment Reserve	Special Reserve	Retained Earnings	Equity Instruments through Comprehensive Income	Effective portion of gains and loss on hedging instruments on cash flow hedge reserve	Foreign Currency Translation Reserve	Share of Other Comprehensive Income in Joint Ventures			
<b>Balance as on 1st April 2019</b>	0.01	6.30	108.04	5.08	37.50	51.70	-	11.29	1,321.01	470.10	(14.55)	(17.16)	(0.04)	0.31	1,979.60
Profit for the period	-	-	-	-	-	-	-	94.80	94.80	-	-	-	-	(0.04)	94.76
Transfer from Surplus	-	-	-	-	(30.00)	-	-	4.59	25.41	-	-	-	-	-	-
Transfer to SEZ Re-investment Reserve	-	-	-	-	-	-	50.00	(50.00)	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	(1.01)	(1.01)	(142.71)	(19.47)	11.80	-	-	(151.38)
Adjustment of Guarantee Commission given for Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on Shares	-	-	-	-	-	-	-	(17.08)	(17.08)	-	-	-	-	-	(17.08)
Dividend Distribution Tax	-	-	-	-	-	-	-	(0.21)	(0.21)	-	-	-	-	-	(0.21)
<b>Balance As at 31 March 2020</b>	<b>0.01</b>	<b>6.30</b>	<b>108.04</b>	<b>5.08</b>	<b>7.50</b>	<b>51.70</b>	<b>50.00</b>	<b>15.88</b>	<b>1,372.92</b>	<b>327.39</b>	<b>(34.02)</b>	<b>(5.36)</b>	<b>(0.04)</b>	<b>0.27</b>	<b>1,905.67</b>

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

## C. Dividends Paid / Proposed during the year

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Corporate Dividend Paid During the year		
Dividend Paid	17.08	17.08
Dividend Per Fully Paid Up Share (In ₹)	8.00	8.00
Corporate Dividend Proposed for the year		
Dividend Proposed	10.68	17.08
Dividend Per Fully Paid Up Share (In ₹)	5.00	8.00

### CORPORATE INFORMATION

1

### SIGNIFICANT ACCOUNTING POLICIES

2

### NOTES ON ACCOUNTS

3-54

As per our report attached

For and on behalf of the Board of Directors

For **BANSI S. MEHTA and CO.**

Chartered Accountants

Firm Reg. No. 100991W

**Dr. Bina Modi**

Chairperson and Managing Director

**PARESH H. CLERK**

Partner

Membership No.36148

**Charu Modi**

Executive Director

**Rajib Mukhopadhyay**

Chief Financial Officer

Place: Mumbai

Date: June 30, 2020

**Devang R Mehta**

Company Secretary

**Directors**

Mumbai, June 30, 2020

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 1: GROUP 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 400059, 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		100%
Indofil Bangladesh Industries Pvt. Ltd.	Bangladesh		100%
Indofil Costa Rica S.A.	Costa Rica		100%
Indofil Industries DO Brasil Ltda.	Brazil	Marketing and Distribution of Agrochemicals	100%
Indofil Philippines, Inc	Philippines		100%
PT Indofil Industries Indonesia	Indonesia		100%
Finkotech Private Limited	India		100%
Agrowin Biosciences S.r.l	Italy		80%
Indofil Industries (International) B.V.	The Netherlands	Holding Company	100%
Good Investment (India) Ltd.	India		100%
Quick Investment (India) Ltd.	India	Investment Company	100%

### b. Joint Ventures

Name of the Company	Country of Incorporation	Principal Activities	Proportion of Equity Interest (%)
Indobaijin Chemicals Pvt. Ltd.	India	Manufacture, Marketing and Distribution of Chemicals	51%
Indo Reagens Polymer Additives Pvt. Ltd.	India		49.90%

During the year, the Company has made additional investment of ₹ 19.46 crore in Indo Reagens Polymer Additives Private Limited holding 49.9% of the total equity interest.

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

### 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, 2020 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"
- 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

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

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 (₹) and all amounts are rounded off to nearest Crores (₹ '00,00,000) up to two decimals, except when otherwise indicated.

## 2.3 Use of Estimates and Judgments:

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 judgments 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 Obligations – Note 48
- \* Measurement and likelihood of occurrence of provisions and contingencies – Notes 22, 27 and 41.
- \* Recognition of Deferred Tax Assets / (Liabilities) – Note 9

- \* Key Assumptions used in Fair Valuation Methods of Financial Assets – Note 47
- \* Impairment of Financial Assets (Trade Receivables) – Note 13
- \* Leases – Note 39

## 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 Group’s operations being eight months and the expected realisation/settlement thereof within twelve months after the Balance Sheet date.

An asset is treated as “current” when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as “non-current”.

A liability is “current” when :

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as “non-current”.

Deferred tax assets and liabilities are classified as “non-current” assets and liabilities.

## 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.



# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

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 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 Materials and Packaging Materials – at weighted average cost or net realisable value whichever is lower.
- Work-in-progress – at weighted average cost of raw material and conversion cost.
- Finished Goods – at cost on first-in-first out basis or net realizable value whichever is lower.
- Stores and Spares – at weighted average cost or net realisable value whichever is lower.

## 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

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

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.

### • 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.

#### • Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

## 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

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

(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.

### 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 License Benefits on Exports are recognised in the year of utilisation of license.

### 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.

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

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 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contracts involve the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the right decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - o The Group has the right to operate the asset; or
  - o The Group designed the asset in a way that predetermined how and for what purpose it will be used

This policy is applied to all contracts entered into, or changed, on or after April 1, 2019.

### As a Lessee

The Group recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The ROU asset which was recognised is subsequently amortised using the straight-line method and for ROU asset recognised on Leased Vehicles is subsequently depreciated on written-down value method, from the commencement date to the earlier of the end of the useful life of ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of Property, Plant and Equipment. In addition, ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the Company's incremental borrowing method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of ROU asset, or is recorded in profit or loss if the carrying amount of ROU asset has been reduced to zero.

The Group presents ROU assets that meet the definition of investment property are presented under Investment Property, otherwise under "Property, Plant and Equipment" and lease liabilities under "Financial Liabilities" in the Balance Sheet.

### Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term lease that have a lease term of 12

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## As a Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When and if the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease component, the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other Income' in the Statement of Profit and Loss.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

## 2.16 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 are determined on actuarial basis using the projected unit credit method for the period of service to build up the final obligation.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market

yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and Loss.

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.

## 2.17 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.

## 2.18 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

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

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 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 3A : PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Description of Assets <sup>12</sup>	Freehold Land	Buildings	Road and Culvert	Office Equipment	Computers	Vehicles	Plant and Machinery	Furniture and Fixtures	Total
<b>I. Gross Block</b>									
Balance as at April 1, 2018	1.77	222.16	4.57	11.86	8.67	21.01	351.17	8.24	629.45
Additions	-	119.94	7.29	2.14	2.14	2.42	217.78	0.55	352.26
Disposals	-	-	-	(0.03)	(0.02)	(2.89)	(0.63)	(0.35)	(3.92)
Balance as at March 31, 2019	1.77	342.10	11.85	13.96	10.79	20.54	568.31	8.44	977.76
Additions	-	11.56	-	1.52	0.42	1.69	19.74	0.85	35.78
Disposals	-	-	-	(0.01)	(0.02)	(1.13)	(0.80)	-	(1.94)
Adjustments	-	-	-	0.00	0.01	0.03	-	0.00	0.05
Balance as at March 31, 2020	1.77	353.66	11.85	15.47	11.20	21.13	587.25	9.29	1,011.64
<b>II. Accumulated depreciation and impairment</b>									
Balance as at April 1, 2018	-	65.91	2.35	9.50	7.13	15.68	93.72	5.75	200.05
Depreciation for the year	-	17.96	1.86	1.40	1.35	1.65	33.66	0.67	58.55
Withdrawal on disposal	-	-	-	(0.02)	(0.02)	(2.64)	(0.28)	(0.29)	(3.25)
Adjustments	-	0.09	-	-	-	(0.01)	-	-	0.08
Balance as at March 31, 2019	-	83.96	4.21	10.87	8.46	14.68	127.10	6.14	255.43
Depreciation for the year	-	19.80	2.13	1.55	1.27	1.81	42.03	0.71	69.30
Withdrawal on disposal	-	-	-	(0.01)	(0.01)	(0.91)	-	-	(0.93)
Balance as at March 31, 2020	-	103.76	6.34	12.41	9.72	15.58	169.13	6.85	323.80
Net block (I-II)	1.77	249.90	5.51	3.06	1.48	5.55	418.12	2.44	687.84
Balance as on March 31, 2020	1.77	249.90	5.51	3.06	1.48	5.55	418.12	2.44	687.84
Balance as on March 31, 2019	1.77	258.14	7.64	3.09	2.34	5.87	441.21	2.30	722.36

### Notes:

1. Non - Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-
2. Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets ₹ 5.54 Crore (March 31, 2019 ₹ 1.81 crore) 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 ₹ 11 Crore (March 31, 2019 ₹ 7.82 Crore).
3. 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 Crore as at the year end.
4. For Property, plant and equipments given as security refer Note 20 and Note 23.

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### NOTE 3B : CAPITAL WORK-IN-PROGRESS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	14.90	253.60
Add: Additions	10.51	104.93
Less: Capitalised	13.09	343.63
<b>Balance at the end of the year</b>	<b>12.32</b>	<b>14.90</b>

### NOTE 4 : RIGHT-OF-USE ASSETS

Following are the changes in the carrying amount of Right of use Assets for the year ended March 31, 2020 :

₹ in Crores

Particulars	Prepaid Leasehold Land <sup>2</sup>	Vehicles	Factory Building	Total
<b>I. Gross Block</b>				
<b>Balance as at April 1, 2019</b>				
Transition to Ind AS 116	37.25	7.38	0.98	45.61
Additions	-	0.28	-	0.28
Disposals	-	-	-	-
<b>Balance as on March 31, 2020</b>	<b>37.25</b>	<b>7.66</b>	<b>0.98</b>	<b>45.89</b>
<b>II. Accumulated Depreciation</b>				
<b>Balance as at April 1, 2019</b>				
Additions	0.74	4.14	0.07	4.95
Disposals	-	-	-	-
Balance as on March 31, 2020	0.74	4.14	0.07	4.95
<b>Net Block as on March 31, 2020</b>	<b>36.51</b>	<b>3.52</b>	<b>0.91</b>	<b>40.94</b>
<b>Net Block as on April 1, 2019</b>	-	-	-	-

#### Notes:

- The aggregate depreciation expense amounting to ₹ 4.95 crores on ROU Assets is included under Depreciation and Amortisation Expense in the Statement of Profit and Loss.
- Prepaid Leasehold Land is reclassified on account of adoption of Ind AS 116

### NOTE 5A : OTHER INTANGIBLE ASSETS

₹ in Crores

Particulars	Software	Product Development	Total
<b>I. Gross Block</b>			
<b>Balance as at April 1, 2018</b>	<b>3.01</b>	<b>402.80</b>	<b>405.81</b>
Additions	3.00	72.21	75.21
Disposals	-	-	-
Adjustments	-	-	-
<b>Balance as at March 31, 2019</b>	<b>6.01</b>	<b>475.01</b>	<b>481.02</b>
Additions	0.45	11.52	11.97
Disposals	-	-	-
Adjustments	0.03	0.01	0.04
<b>Balance as at March 31, 2020</b>	<b>6.49</b>	<b>486.54</b>	<b>493.03</b>



# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 5A : OTHER INTANGIBLE ASSETS (CONTD..)

₹ in Crores

Particulars	Software	Product Development	Total
<b>II. Accumulated amortisation</b>			
Balance as at April 1, 2018	0.65	112.23	112.88
Amortisation for the year	0.56	32.24	32.80
Withdrawal on disposal	-	-	-
<b>Balance as at March 31, 2019</b>	<b>1.21</b>	<b>144.47</b>	<b>145.68</b>
Amortisation for the year	0.91	42.94	43.85
Withdrawal on disposal	-	-	-
<b>Balance as at March 31, 2020</b>	<b>2.12</b>	<b>187.41</b>	<b>189.53</b>
<b>Balance as on March 31, 2020</b>	<b>4.37</b>	<b>299.13</b>	<b>303.50</b>
<b>Balance as on March 31, 2019</b>	<b>4.80</b>	<b>330.53</b>	<b>335.34</b>

## NOTE 5B : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	54.33	101.37
Add: Additions	23.22	23.79
Less: Capitalised	4.61	70.76
<b>Balance at the end of the year</b>	<b>72.94</b>	<b>54.40</b>

## NOTE 6 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	₹ in Crore	Nos.	₹ in Crore
<b>Investments at cost</b>				
<b>Investments in Equity Instruments</b>				
<b>Unquoted</b>				
<b>(i) Joint Ventures</b>				
Indobaijin Chemicals Pvt. Ltd. (Face Value - ₹ 100 /- each)	43,66,096	72.48	43,66,096	56.13
Indo Reagens Polymer Additives Private Limited (Face Value - ₹ 10 /- each)	1,99,60,000	19.54	4,99,000	0.34
<b>Investments at Fair Value through Other Comprehensive Income</b>				
<b>Investments in Equity Instruments</b>				
<b>Quoted</b>				
Godfrey Philips India Limited (Face Value - ₹ 2 /- each)	65,45,020	615.56	65,45,020	758.63
Modi Rubber Ltd. (Face Value - ₹ 10 /- each)	2,15,311	0.63	2,15,311	0.99
<b>Investments at Fair Value through Profit and Loss</b>				
<b>Investments in Units of Mutual Funds</b>				

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	₹ in Crore	Nos.	₹ in Crore
<b>Unquoted</b>				
Union Balanced Advantage Regular Fund (Face Value - ₹ 10 /- each)	3,77,200	0.30	3,77,200	0.40
Union Largecap Fund Regular Growth (Face Value - ₹ 10 /- each)	2,49,990	0.27	2,49,990	0.27
ABSL Enhanced Arbitrage Fund-Dividend (Face Value - ₹ 10 /- each)	13,38,221	1.57	12,61,600	1.47
ICICI Prudential Equity Arbitrage Fund (Face Value - ₹ 10 /- each)	6,76,026	1.05	6,40,469	1.00
Aditya Birla Sun Life Enhanced Arbitrage Fund (Face Value - ₹ 10 /- each)	20,03,219	2.35	18,88,523	2.20
DSP Black Rock Equity- Saving Fund (Face Value - ₹ 10 /- each)	17,28,786	1.86	17,28,786	2.14
<b>Investments in Equity Instruments</b>				
<b>Unquoted</b>				
The Cosmos Co-Op. Bank Ltd (Face Value - ₹ 100 /- each)	14,250	0.77	14,250	0.76
Modi Spinning and Weaving Mills Co. Ltd. (Face Value - ₹ 10 /- each)	75,631	0.07	75,631	0.08
Less: Provision for Diminution in Value of Investment		(0.07)		(0.08)
Modi Industries Limited (Face Value - ₹ 10 /- each)	5,580	0.01	5,580	0.01
Less: Provision for Diminution in Value of Investment		(0.01)		(0.01)
KKM Management Centre Pvt. Ltd. (Face Value - ₹ 10 /- each)	3,38,100	1.09	3,38,100	1.10
KKM Management Centre Middle East (FZC) (Face Value - AED 1000 /- each)	192	1.49	192	0.74
Grace Breeding Nitrogen Fixation Technologies Ltd. (Face Value - NIS 0.001 /- each)	10,848	10.68	10,848	10.68
Investments in ITACA (Face Value - Euro 1 /- each)	30,000	0.58	30,000	0.49
International Research Park Laboratories (Face Value - ₹ 10 /- each)	50,000	0.05	50,000	0.15
Beacon Travels Pvt. Ltd. (Face Value - ₹ 10 /- each)	4,500	0.54	4,500	0.48
Agache Associates Limited (Face Value - ₹ 10 /- each)	6,250	0.01	6,250	0.01
Less: Diminution in Value of Investment		(0.01)		(0.01)

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	₹ in Crore	Nos.	₹ in Crore
Rajputana Fertilizer Limited (Face Value - ₹10 /- each)	15,126	-	15,126	-
Haryana Distillery Limited (Face Value - ₹ 10 /- each)	15,126	-	15,126	-
Rajputana Developers Limited (Face Value - ₹ 10 /- each)	15,126	-	15,126	-
<b>Others</b>				
Modi Spinning and Weaving Mills Co. Ltd. (Face Value - ₹ 100 /- each)	165	-	165	-
Less: Provision for Diminution in Value of Investment		-		-
Premium Tradelinks Pvt. Ltd. (Face Value - ₹ 10 /- each)	9,56,000	0.96	9,56,000	0.96
Modi Care Limited (Face Value - ₹ 10 /- each)	25,00,000	-	25,00,000	-
<b>Investments in Debentures</b>				
Modi Industries Limited (Face Value - ₹ 200 /- each)	328	0.01	328	0.01
Less: Provision for Diminution in Value of Investment		(0.01)		(0.01)
<b>TOTAL</b>		<b>731.76</b>		<b>838.93</b>
<b>Aggregate Amount of Quoted Investment and Market Value thereof</b>		<b>623.59</b>		<b>759.62</b>
<b>Aggregate amount of Unquoted Investments</b>		<b>108.17</b>		<b>79.31</b>
<b>Aggregate amount of impairment in value of Investments</b>		<b>0.10</b>		<b>0.11</b>

## NOTE 7 : FINANCIAL ASSETS - LOANS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured Considered Good</b>		
Security and Other Deposits	8.75	9.50
Loans to Employees	0.37	0.55
<b>TOTAL</b>	<b>9.12</b>	<b>10.05</b>

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### NOTE 8 : FINANCIAL ASSETS - OTHERS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Forward Contract Receivable (Refer 8.1)	-	0.28
Fixed Deposits maturing after 12 months	10.33	9.42
<b>TOTAL</b>	<b>10.33</b>	<b>9.70</b>

8.1 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. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

### NOTE 9 : CURRENT TAX ASSETS (NET)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income-tax (Net of provision for taxation)	26.38	14.53
<b>TOTAL</b>	<b>26.38</b>	<b>14.53</b>

#### a. Components of Income Tax Expense / (Income)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Income Tax recognised in the Statement of Profit and Loss</b>		
<b>Current Tax:</b>		
Current Tax on Profits for the year	16.23	49.46
Deferred tax	(28.67)	(6.30)
(Excess)/Short provision of Earlier Years	(0.35)	0.13
<b>TOTAL</b>	<b>(12.79)</b>	<b>43.29</b>

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax related to items recognised in Other Comprehensive Income</b>		
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	10.46	(6.67)
Remeasurement of defined benefit plans	0.56	0.37
	<b>11.02</b>	<b>(6.30)</b>

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## b. 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, 2020	As at March 31, 2019
<b>Profit before tax</b>	<b>65.89</b>	<b>228.97</b>
<b>Statutory tax rate</b>	<b>34.94%</b>	<b>34.94%</b>
Expected Income Tax expense at statutory tax rate	23.02	80.01
Tax effect of temporary difference	6.84	(5.74)
Tax effect of expenses not deductible	1.85	1.06
Tax effect of allowable items	(12.06)	(2.10)
Tax effect of differential tax rate	(2.85)	(0.11)
Tax effect of Income tax incentives	(18.39)	(26.84)
Entitlement of MAT credit arising in Current year	(10.86)	-
Reversal of excess provision	(0.35)	(2.99)
<b>Tax expense</b>	<b>(12.79)</b>	<b>43.29</b>
<b>Effective tax rate</b>	<b>(19.41%)</b>	<b>18.91%</b>

## c. Deferred Tax Assets / (Liabilities) Net

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Liabilities</b>		
Allowances on Property, Plant and Equipment and Other Intangible Assets	(54.33)	(51.29)
Fair Value changes of Equity Instruments through Profit and Loss	(0.05)	-
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	-	(6.67)
<b>Total Deferred Tax Liabilities</b>	<b>(54.38)</b>	<b>(57.96)</b>
<b>Deferred Tax Assets</b>		
Allowance for Doubtful Advances / Debts	18.36	13.42
Accrued Expenses deductible on cash basis	34.31	26.67
Payment under Voluntary Retirement Scheme	8.79	-
Defined benefit obligations	0.93	0.37
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	3.79	-
Due to JV profit	(2.53)	(4.59)
MAT Credit Entitlement	104.49	96.11
<b>Total Deferred Tax Assets</b>	<b>168.14</b>	<b>131.98</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>113.76</b>	<b>74.02</b>

c.1. Payment under Voluntary Retirement Scheme allowable over a period of 5 years under Income-tax Act, 1961

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### d. Movement during the year

₹ in Crores

Particulars	Balance as at April 1, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at March 31, 2020
Allowances on Property, Plant and Equipment and Other Intangible Assets	(51.29)	(3.04)	-	(54.33)
Fair Value changes of current investment through Profit and Loss	-	(0.05)	-	(0.05)
Allowance for doubtful advances / debts	13.42	4.94	-	18.36
Accrued Expenses deductible on cash basis	26.67	7.64	-	34.31
Payment under Voluntary Retirement Scheme	-	8.79	-	8.79
Defined Benefit Obligations	0.37	-	0.56	0.93
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(6.67)	-	10.46	3.79
Due to JV profit	(4.59)	2.06	-	(2.53)
MAT Credit Entitlement	96.11	8.38	-	104.49
<b>TOTAL</b>	<b>74.02</b>	<b>28.73</b>	<b>11.02</b>	<b>113.76</b>

### NOTE 10 : OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	2.21	0.80
Prepaid Leases (Refer Note 39)	-	36.51
Balances with Government Authorities under litigation	4.41	4.85
<b>TOTAL</b>	<b>6.62</b>	<b>42.16</b>

### NOTE 11 : INVENTORIES (At lower of cost or net realisable value)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	44.16	72.59
Raw Materials -in Transit	21.62	58.32
Packing Material	27.71	30.80
Work-in-progress	10.26	9.66
Finished Goods	301.59	398.97
Finished Goods -in Transit	8.74	3.09
Stock-in-Trade	37.07	58.48
Stores and Spares	8.67	8.48
<b>TOTAL</b>	<b>459.82</b>	<b>640.39</b>

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

- The cost of inventories recognised as an expense during the year was 1206.97 Crores (March 31, 2019 ₹ 1147.05 Crores)
- The cost of inventories recognised as an expense includes 3.59 Crore (March 31, 2019 NIL) in respect of adjustment of inventories to net realisable value/slow moving inventory.
- The products of the Company are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Company has assessed liquidation plan of near expiry products and provision of 3.59 Crore has been accounted which is included in point (ii) above. The Company does not foresee any further diminution in the net realisable value of inventories carried as at March 31, 2020 due to COVID-19.
- For mode of valuation of inventories [Refer Note 2.09].
- Certain Inventories are hypothecated against borrowings, details relating to which have been described in Notes 20 and 23.

## NOTE 12 : FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	₹ in Crore	Nos.	₹ in Crore
<b>Investments at fair value through Profit or Loss (FVTPL)</b>				
<b>Investment in mutual funds (Un-quoted At Fair Value)</b>				
Franklin India Ultra	7,13,327.82	1.96		-
(Face Value - ₹ 100 /- each)				
<b>TOTAL</b>		<b>1.96</b>		<b>-</b>
<b>Aggregate Amount of Quoted Investment and Market Value thereof</b>		<b>1.96</b>		
<b>Aggregate amount of Unquoted Investments</b>		-		-
<b>Aggregate amount of impairment in value of Investments</b>		-		-

## NOTE 13 : FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in Crores

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
Considered good – Secured		9.64		2.29
Considered good – Unsecured	762.39		821.65	
Trade Receivables – credit impaired	51.33		38.40	
	813.72		860.05	
Add: Allowance for bad and doubtful debts	(51.33)	762.39	(38.40)	821.65
<b>Total</b>		<b>772.03</b>		<b>823.94</b>

### Notes:

- The credit period ranges from 30 days to 270 days for customers.
- Trade Receivables considered Secured are secured against security deposit taken by the Company.
- No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a Member.
- Movement in the amount of credit impaired on debtors:

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	38.40	27.90
Add: Allowance for bad and doubtful debts	12.93	10.50
<b>Balance at the end of the year</b>	<b>51.33</b>	<b>38.40</b>

### NOTE 14 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks in Current Accounts	155.01	175.76
Cash on Hand	0.21	0.20
Fixed Deposits maturing within 3 months	30.51	10.25
<b>TOTAL</b>	<b>185.73</b>	<b>186.21</b>

### NOTE 15 : FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Earmarked balances</b>		
Unpaid Dividend Account	2.49	0.84
Margin Money Pledged with Banks	0.33	0.33
Fixed Deposits maturing between 3 to 12 months	5.63	0.82
<b>TOTAL</b>	<b>8.45</b>	<b>1.99</b>

### NOTE 16 : FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to Related Parties (Refer Note 49)	0.06	1.33
Interest Receivable	0.80	0.32
Forward Contract Receivable (Refer 16.1)	2.89	1.27
<b>TOTAL</b>	<b>3.75</b>	<b>2.92</b>

16.1 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. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.



# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 17 : OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at	
	March 31, 2020	March 31, 2019
Export Incentives Receivable	8.79	20.26
Prepaid Expenses	10.56	10.09
Other Advances	3.50	2.06
Balances with Indirect Tax Authorities	71.51	92.35
Prepaid Lease (Refer Note 39)	-	0.74
<b>TOTAL</b>	<b>94.36</b>	<b>125.50</b>

## NOTE 18 : EQUITY SHARE CAPITAL

₹ in Crores

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Authorised</b>		
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
<b>TOTAL AUTHORISED SHARE CAPITAL</b>	<b>50.00</b>	<b>50.00</b>
<b>Issued, Subscribed and Paid Up</b>		
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
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>21.35</b>	<b>21.35</b>

### a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Shares at the beginning of the year	2,29,58,222	21.35	2,29,58,222	21.35
Changes during the year	-	-	-	-
Add : Calls in arrears received during the year	-	-	-	-
Less: Shares Forfeited During the year	-	-	-	-
Add : Re-issue of Forfeited Shares	-	-	-	-
<b>Shares at the end of the year</b>	<b>2,29,58,222</b>	<b>21.35</b>	<b>2,29,58,222</b>	<b>21.35</b>

### b) Equity shares are entitled to one vote per share.

Equity shares have a par value of ₹ 10. Equity Shares 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.

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.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting, except in case of interim dividend.

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### c) Shareholders holding more than 5% shares each :

₹ in Crores

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	%	No. of Shares	%	No. of Shares
K.K.Modi Investment and Financial Services Pvt. Ltd.	44.75%	1,02,73,073	44.75%	1,02,73,073
APMS Investment Fund Ltd.(FIL)	7.13%	16,35,822	7.13%	16,35,822
U.P. State Indl. Dev. Corp. Ltd.	9.45%	21,69,956	9.45%	21,69,956
Rajputana Fertilizers Ltd.	8.35%	19,16,666	8.35%	19,16,666

### NOTE 19: OTHER EQUITY

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Capital Reserve</b>		
Opening Balance	0.01	0.01
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>0.01</b>	<b>0.01</b>
<b>Capital Reserve on Consolidation</b>		
Opening Balance	6.30	6.30
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>6.30</b>	<b>6.30</b>
<b>Securities Premium Account</b>		
Opening Balance	108.04	108.04
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>108.04</b>	<b>108.04</b>
<b>Capital Redemption Reserve</b>		
Opening Balance	5.08	5.08
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>5.08</b>	<b>5.08</b>
<b>Debenture Redemption Reserve</b>		
Opening Balance	37.50	-
Add: Transferred from Retained Earnings	-	37.50
Less: Transferred to Retained Earnings	(30.00)	-
<b>Closing Balance</b>	<b>7.50</b>	<b>37.50</b>
<b>General Reserve</b>		
Opening Balance	51.70	51.70
Add/ Less: Changes during the year	-	-
<b>Closing Balance</b>	<b>51.70</b>	<b>51.70</b>
<b>Special Economic Zone Re-investment Reserve</b>		
Opening Balance	-	-
Add: Transferred from Retained Earnings	50.00	-
<b>Closing Balance</b>	<b>50.00</b>	-
<b>Special Reserve</b>		
Opening Balance	11.29	9.74
Add: Transfer from Retained Earnings	4.59	1.55
<b>Closing Balance</b>	<b>15.88</b>	<b>11.29</b>

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Retained Earnings</b>		
Opening Balance	1,321.01	1,192.01
Add : Profit for the year	94.80	188.72
Add : Appropriation of profits	25.41	(39.05)
Less: Transferred to SEZ Re-investment Reserve	(50.00)	
Less : Remeasurements gains / (loss) on defined benefit plans	(1.01)	(0.69)
Less : Adjustment for Guarantee Commission given for Indo-baijin Chemicals Pvt. Ltd.	(17.08)	(0.28)
Less : Dividends on Shares paid during the year	(0.21)	(17.08)
Less : Dividend Distribution Tax paid during the year	- 51.91	(2.61) 129.00
<b>Closing Balance</b>	<b>1,372.92</b>	<b>1,321.01</b>
<b>Equity Instruments through Other Comprehensive Income</b>		
Opening Balance	470.10	249.31
Add/ (Less) : Fair value changes of Investments in equity instruments	(142.71)	220.79
<b>Closing Balance</b>	<b>327.39</b>	<b>470.10</b>
<b>Effective portion of gains and loss on hedging instruments in the cash flow hedge reserve</b>		
Opening Balance	(14.55)	(26.95)
Add/ (Less) : Loss on effective portion of cash flow hedge	(19.47)	12.40
<b>Closing Balance</b>	<b>(34.02)</b>	<b>(14.55)</b>
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	(17.16)	(11.36)
Add/ (Less) : Loss on effective portion of cash flow hedge	11.80	(5.80)
<b>Closing Balance</b>	<b>(5.36)</b>	<b>(17.16)</b>
<b>Share of Other Comprehensive Income in Joint Ventures</b>		
Opening Balance	(0.04)	(0.04)
Add/ (Less) : Loss on effective portion of cash flow hedge	-	-
<b>Closing Balance</b>	<b>(0.04)</b>	<b>(0.04)</b>
<b>Non-controlling interest</b>		
Opening Balance	0.31	-
Add : NCI on acquisition of subsidiary during the year	-	0.41
Add/ (Loss) : Profit for the period	(0.04)	(0.10)
<b>Closing Balance</b>	<b>0.27</b>	<b>0.31</b>
<b>TOTAL OTHER EQUITY</b>	<b>1,905.67</b>	<b>1,979.60</b>

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### Nature and Purpose of the Reserves

#### a. 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, 2013.

#### b. Securities Premium Account

Securities Premium Account is created when shares are issued at premium. A Company may utilise the Securities Premium Account as per the requirements of Companies Act, 2013.

#### c. Capital Reserve

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

#### d. Debenture Redemption Reserve

Debenture redemption reserve is created for repayment of Non-convertible Debenture.

#### e. 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, 2013.

#### f. 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

#### g. Special Economic Zone Re-investment Reserve

The Special Economic Zone Re-investment Reserve is created out of the profits of eligible SEZ unit in terms of the provision of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the SEZ unit for acquiring new assets for purpose of its business as per the terms of section 10AA(1)(ii) of the Income-tax Act, 1961.

#### h. Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to Shareholders.

#### i. Equity instruments through Other Comprehensive Income

The fair value change of the equity instruments measured at fair value through Other Comprehensive Income is recognised and reflected under Equity Instruments through Other Comprehensive Income. On disposal, the cumulative fair value changes on the said instruments are reclassified to Retained Earnings.

### NOTE 20 : FINANCIAL LIABILITIES (NON-CURRENT BORROWINGS)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured:</b>		
a. Non-Convertible Debentures	-	112.50
Less: Unamortised upfront fees	-	(0.39)
b. Rupee Term Loans	17.27	7.73
c. Foreign Currency Term Loans	405.22	408.10
<b>TOTAL</b>	<b>422.49</b>	<b>527.94</b>

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## A. Non Convertible Debentures :

1. Series B - 375 Non Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.87% p.a. repayable in September 2020.
2. Series C - 375 Non Convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.87% p.a. repayable in March 2021.

## B. Rupee Term Loans :

1. Term loan amounting to ₹ 25 crores carries interest at the rate of 9.95% p.a. as at year end and is repayable in 5 equal quarterly installments of ₹ 4.15 crores each and 6th Installment of ₹ 4.25 crores starting from May 2020.
2. Vehicle Loan amounting to ₹ 0.57 crores (₹ 1.03 crores) is repayable over 13 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, 2019).
2. Term loan amounting to ₹ 93.32 crores is repayable over 6 installments of ₹ 2.86 crores each and 16 installment of ₹ 4.76 crores.
3. Term loan amounting to ₹ 36.67 crores (₹ 39.98 crores as on March 31, 2019) is repayable over 3 quarterly installments of ₹ 1.72 crore each and 10 quarterly installments of ₹ 3.15 crores each.
4. Term loan amounting to ₹ 14.81 crores (₹ 18.88 crores as on March 31, 2019) is repayable over 11 quarterly installments of ₹ 1.35 crores each.
5. Term loans amounting to ₹ 221.53 crores (₹ 235.36 crores as on March 31, 2019) is repayable over 7 quarterly installments of ₹ 7.55 crores each and 16 quarterly installments of ₹ 10.07 crores each and one installment of ₹ 7.55 crores.
6. Term Loan amounting to ₹ 34.60 crores (₹ 46.17 crores as on March 31, 2019) is repayable over 9 quarterly installments of ₹ 3.70 crore each and 1 installment of ₹ 1.34 crores.
7. Term Loan amounting to ₹ 22.33 crores (₹ 28.46 crores as on March 31, 2019) is repayable over 11 quarterly installments of ₹ 2.03 crores each.
8. Term Loan amounting to ₹ 39.27 crores (₹ 46.50 crores as on March 31, 2019) is repayable over 15 quarterly installments of ₹ 2.62 crores each.
9. Term Loan amounting to ₹ 19.88 crores (₹ 24.79 crores as on March 31, 2019) is repayable over 8 semi-annually paid installments of ₹ 3.1 crores each.
10. Term loan amounting to ₹ 21.90 crores (₹ 32.17 crores as on March 31, 2019) is repayable over 7 installments of ₹ 3.13 crores each.
11. Term loan amounting to ₹ 25.12 crores (₹ 36.90 crores as on March 31, 2019) is repayable over 7 quarterly installments of ₹ 3.59 crores each.

## D. Security / Charges

1. Term Loan amounting to ₹ 93.32 crores is secured by first charge on the Andheri office property and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
2. Term Loan amounting to ₹ 98.26 crores is secured by first ranking *pari passu* charge on the present and future assets of old Dahej Plant (Unit-1) and Synthesis Plant (Unit-2) at Dahej, Gujarat and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
3. Term Loan amounting to ₹ 34.60 crores is secured by exclusive first charge on present and future Property, Plant and Equipment of SPCD plant at Dahej, Gujarat and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
4. Term Loan amounting to ₹ 221.53 crores is secured by first ranking *pari passu* charge on the EBDC plant at Dahej, Gujarat and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
5. The term loans amounting to ₹ 59.70 crores and Non-convertible Debentures amounting to ₹ 75 crores are secured by first *pari passu* charge on the present and future Property, Plant and Equipment 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.
6. An amount of ₹ 8.99 crores (₹ 8.99 crores as on March 31, 2019) has been held as Debt Service Reserve Account with Bank. (Refer Note 8 and Note 15).

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### E. Current Maturity

- Amounts falling due within one year in respect of all the above loans up to March 31, 2020 have been grouped under "Current maturities of Long Term Debts" under Note 25.

### NOTE 21 : FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits Received from Customers	16.02	16.22
Financial Guarantee Obligation	1.47	2.15
Forward Contracts Payable (Refer 21.1)	2.94	1.42
Others	-	0.76
<b>TOTAL</b>	<b>20.43</b>	<b>20.55</b>

21.1 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. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

### NOTE 22 : PROVISIONS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits (Refer Note 48)</b>		
Leave Encashment	10.12	9.47
Gratuity	15.79	14.48
<b>TOTAL</b>	<b>25.91</b>	<b>23.95</b>

### NOTE 23 : FINANCIAL LIABILITIES - BORROWINGS-CURRENT

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Working Capital Loans from Banks (Refer 23.1)	587.14	596.80
<b>TOTAL</b>	<b>587.14</b>	<b>596.80</b>

23.1 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 Property, Plant and Equipment, both present and future, *inter se* the Term Lenders.

### NOTE 24 : FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of creditors other than micro enterprises and small enterprise	247.73	374.93
Total outstanding dues of micro enterprises and small enterprises	0.44	-
<b>TOTAL</b>	<b>248.17</b>	<b>374.93</b>
<b>Additional disclosure in respect of dues to Micro, Small, Medium Enterprise</b>		
i. Principal amount remaining unpaid	0.44	-
ii. Interest accrued on the above amount and remaining unpaid	-	-
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
iv. Interest paid in terms of Section 16	-	-

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 24 : FINANCIAL LIABILITIES - TRADE PAYABLES (CONTD..)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
v. Interest due and payable for payments already made	-	-
vi. Interest accrued and remaining unpaid	-	-
vii. Amount of further interest remaining due and payable even in succeeding years	-	-

The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.

## NOTE 25 : FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Debts (Refer 25.1)	205.13	223.61
Interest Accrued but not due on Borrowings	2.75	1.91
Financial Guarantee Obligation	0.44	0.30
Forward Contracts Payable (Refer 25.2)	1.06	1.32
Unclaimed Dividend (Refer 25.3)	2.49	0.84
Liability for expenses	58.05	68.91
Other Liabilities	26.01	34.95
<b>TOTAL</b>	<b>295.93</b>	<b>331.84</b>

25.1 Current maturity of long term debts includes Non-convertible debentures of ₹ 75 cr. and unamortised upfront fee of ₹ 0.17 cr. (Debenture -₹ 37.50 cr. in March 2019)

25.2 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. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

25.3 There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

## NOTE 26 : OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Payables</b>		
- Advances from Customers	2.47	6.92
<b>TOTAL</b>	<b>2.47</b>	<b>6.92</b>

## NOTE 27 : PROVISIONS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits (Refer Note 48)</b>		
Leave Encashment	8.06	12.26
Gratuity	5.43	5.75
<b>TOTAL</b>	<b>13.49</b>	<b>18.01</b>

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### NOTE 28 : REVENUE FROM OPERATIONS

₹ in Crores

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
<b>Sale of Products*</b>				
Agrochemical	1,900.62		1,927.06	
Specialty and Performance Chemicals	272.34	2,172.96	296.90	2,223.96
Interest Income		0.60		0.19
Dividend Income		22.52		5.56
<b>Other Operating Income:</b>				
Export Incentives and Entitlements	18.83		21.01	
Scrap Sales	1.27		1.01	
Miscellaneous Income	0.15	20.25	0.03	22.05
<b>TOTAL</b>		<b>2,216.33</b>		<b>2,251.76</b>

\*Refer Note 38

### NOTE 29 : OTHER INCOME

₹ in Crores

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
<b>Interest Income</b>				
On Bank Deposit	1.41		0.76	
On Customers Overdues	4.61		-	
On Others	1.00	7.02	0.29	1.05
<b>Profit on Sale of Current Investments measured at Fair Value through Profit and Loss (FVTPL)</b>		0.94		1.09
<b>Other Non - Operating Income:</b>				
Guarantee Commission	0.70		0.58	
Rent	0.34		0.07	
Insurance Claims received	0.79		0.01	
Sundry balances / excess provisions written back	3.94		8.16	
Others	1.35	7.12	1.09	9.91
<b>Other Gains and Losses</b>				
Net gain on foreign currency transactions and translation		4.38		-
(Gain) / Loss on Financial Assets measured at fair value through profit or loss		-		0.35
Profit on Sale of property, plant and equipment (Net)		0.09		0.04
<b>TOTAL</b>		<b>19.55</b>		<b>12.44</b>

### NOTE 30 : COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
Raw Materials Consumed		891.12		1,114.13
Packing Materials Consumed		87.95		91.82
<b>TOTAL</b>		<b>979.07</b>		<b>1,205.95</b>



# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 31 : PURCHASE OF STOCK-IN-TRADE

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Stock-in-trade	115.36	183.46
(Purchase of Traded Goods)		
<b>TOTAL</b>	<b>115.36</b>	<b>183.46</b>

## NOTE 32 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Opening Stocks :</b>		
Finished Goods	402.07	164.01
Stock -in- trade	58.49	54.17
Work-in-progress	9.66 470.21	9.66 227.84
<b>Less : Closing Stocks :</b>		
Finished Goods	310.33	402.06
Stock -in- trade	37.08	58.48
Work-in-progress	10.26 357.67	9.66 470.20
<b>NET CHANGE IN INVENTORIES</b>	<b>112.55</b>	<b>(242.36)</b>

## NOTE 33 : EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Allowances	187.76	180.74
Contribution to Provident and Other Funds	13.62	13.04
Gratuity Expense	3.13	2.64
Staff Welfare Expenses	17.03	16.08
<b>TOTAL</b>	<b>221.54</b>	<b>212.50</b>

## NOTE 34 : FINANCE COSTS

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest Expenses On</b>		
Non-convertible Debenture	13.48	7.34
Long-term Borrowings	23.17	13.61
Short-term Borrowings	40.88	38.52
Ancillary Borrowing Costs	10.42	7.99
Lease Liabilities (Refer Note 39)	0.59	-
Others	1.34	1.37
<b>TOTAL</b>	<b>89.88</b>	<b>68.83</b>

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### NOTE 35 : DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of Property, Plant and Equipments	69.30	58.56
Amortisation on Right-of-Use Assets (Refer Note 39)	4.95	-
Amortisation on Intangible Assets	43.85	32.80
<b>TOTAL</b>	<b>118.10</b>	<b>91.36</b>

### NOTE 36 : OTHER EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores and Spares	15.85	15.49
Power, Fuel and Utilities	78.65	73.71
Processing Charges	58.55	50.15
Lease Rent / Hire Charges (Refer Note 39)	13.14	10.56
Repairs and Manitenance		
- Building	3.07	1.38
- Plant and Machinery	11.78	16.99
- Others	4.24	3.46
Other Repairs		
Insurance	12.34	11.30
Rates and Taxes	4.86	2.49
Pollution Control Expenses	9.91	10.71
Legal and Professional Fees	63.05	73.22
General Office Expenses	33.25	30.52
Foreign Exchange Fluctuation (Net)	-	1.79
Advertisement, Publicity and Sales Promotion	52.07	74.10
Outward Freight Charges	78.79	72.90
Loading and Unloading Charges	2.20	2.41
Provision for Doubtful Debts	12.68	10.05
Travelling and Conveyance	41.05	47.25
Payment to Auditors		
- Audit Fees	0.45	0.45
- Transfer Pricing Audit Fees	0.05	0.05
- Taxation and Other Advisory Matters	0.16	0.16
- Certification Charges and Others	0.05	0.05
- Reimbursement of Expenses	0.01	0.70
Director's sitting fees	0.55	0.43
Corporate Social Responsibility	4.96	5.40
Donations	0.32	0.48
(Gain) / Loss on Financial Assets measured at fair value through profit or loss	0.07	-
<b>TOTAL OTHER EXPENSES</b>	<b>502.08</b>	<b>515.49</b>

### NOTE 37 : EXCEPTIONAL ITEMS

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amounts paid under Voluntary Retirement Scheme (Refer 37.1)	31.41	-
<b>TOTAL</b>	<b>31.41</b>	<b>-</b>

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 37 : EXCEPTIONAL ITEMS (CONTD..)

37.1 The exceptional item is in respect of the Compensation paid under Voluntary Retirement Scheme to the Union employees related to shifting of Thane Plant Operations paid during the month of September 2019 and October 2019.

## NOTE 38 : IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

### Disaggregation of Revenue from Contracts with Customers

₹ in Crores

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Agro	Innovative Solutions	Others	Total	Agro	Innovative Solutions	Others	Total
<b>Sale of Products</b>								
India	889.77	248.75	-	1,138.52	978.53	274.51	-	1,253.05
Europe	390.18	0.07	-	390.25	322.84	-	-	322.84
South America	256.87	0.43	-	257.30	220.01	0.40	-	220.41
Others	363.81	23.08	-	386.89	405.68	21.98	-	427.66
Interest Income	-	-	0.60	0.60	-	-	0.19	0.19
Dividend Income	-	-	22.52	22.52	-	-	5.56	5.56
<b>Total (A)</b>	<b>1,900.62</b>	<b>272.33</b>	<b>23.12</b>	<b>2,196.08</b>	<b>1,927.06</b>	<b>296.89</b>	<b>5.75</b>	<b>2,229.71</b>
<b>Other Operating Revenue</b>								
Export Incentives and Entitlements	17.98	0.84	-	18.83	21.01	-	-	21.01
Scrap Sales	0.94	0.33	-	1.27	1.01	-	-	1.01
Others	0.15	-	-	0.15	-	-	0.03	0.03
<b>Total (B)</b>	<b>19.07</b>	<b>1.18</b>	<b>-</b>	<b>20.25</b>	<b>22.02</b>	<b>-</b>	<b>0.03</b>	<b>22.05</b>
<b>Revenue from Operations (A+B)</b>	<b>1,919.70</b>	<b>273.51</b>	<b>23.12</b>	<b>2,216.33</b>	<b>1,949.09</b>	<b>296.89</b>	<b>5.79</b>	<b>2,251.76</b>

### 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 recognised from Contracts with Customers in the Statement of Profit or Loss with the contracted price

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per Contract Price	2,392.93	2,490.64
<b>Adjustments made to contract price:</b>		
a) For Discounts/ Rebates/ Incentives	69.39	85.37
b) Sales Returns	127.46	175.56
<b>Revenue from contract with customer</b>	<b>2,196.08</b>	<b>2,229.71</b>
Other Operating Revenue	20.25	22.05
<b>Revenue from Operations</b>	<b>2,216.33</b>	<b>2,251.76</b>

### Impact of Covid-19

There was no material disruption due to The COVID-19 pandemic on operations of the Group. However, business operations mainly manufacturing and supply chain were impacted due to lockdown and other emergency measures imposed by the governments. Plants were shut in and around March 17, 2020 due to lockdown and labour shortage and supply chain impacted due to logistics issue during initial nationwide lockdown. The plants gradually started its operations from the third and last week of April. The Group continues with its operations in a phased manner in line with directives from the authorities. The Group has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions, other than some impact on recovery of its receivables, there is no material impact and adjustments required on its financial results as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material change to future economic conditions and its impact, if any.

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### NOTE 39 : Ind AS 116 on "Leases"

#### 1.1 Transition to Ind AS 116 :

The Group has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 and applied the Standard to its leases existing on April 1, 2019 by using modified retrospective approach with the cumulative effect of initially applying the Standard, recognised on the date of initial application, that is, April 1, 2019 and accordingly, comparative figures for the year ended March 31, 2019 have not been restated. The Group has recognised and measured Right-of-Use (ROU) Assets and a corresponding lease liability over the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. As a result, on the date of transition, the Group has recognised Right-of-Use (ROU) Assets of ₹ 8.36 Crore and a corresponding lease liability of ₹ 8.36 Crore as also has reclassified prepayment for leasehold land of ₹ 37.25 Crore as a ROU Asset.

For the year ended March 31, 2020, the nature of expenses of operating leases has changed from lease rent in previous periods to depreciation for ROU Assets and finance costs for interest accrued on lease liability. The effect of this adoption is ₹ 2.31 Crore on the profit or loss for the period and consequentially, that on earnings per share.

#### 1.2 Disclosures pursuant to Ind AS 116 :

##### As a Lessee :

Break-up of current and non-current lease liabilities as at March 31, 2020 :

Particulars	₹ in crore
Current lease liabilities	2.16
Non-current lease liabilities	4.59
<b>Total</b>	<b>6.75</b>

Movement in lease liabilities during the year ended March 31, 2020 :

Particulars	₹ in crore
<b>Balance as at April 1, 2019</b>	
Transition to Ind AS 116	8.36
Additions	0.28
Finance cost accrued	0.59
Deletions	-
Payment of lease liabilities	2.49
<b>Balance as at March 31, 2020</b>	<b>6.75</b>

The aggregate interest expense amounting to ₹ 0.59 crore on Lease Liabilities is disclosed separately under Note 34 on Finance Costs.

Details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis :

Particulars	₹ in crore
Less than one year	2.67
One to five years	5.39
More than five years	-
<b>Total</b>	<b>8.06</b>

The Group does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

Amounts recognised in the Statement of Profit and Loss for the year ended March 31, 2020 :

Particulars	₹ in crore
Depreciation charge on right-of-use assets	4.95
Interest expense on lease liabilities	0.59
Expense relating to short-term leases	0.29
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	12.85
Expense relating to variable lease payments not included in the measurement of lease liabilities	-

Total cash outflow for leases from Financing Activities recognised in the Statement of Cash Flows for the year ended March 31, 2020 is ₹ 2.48 crores.

## As a Lessor :

Details regarding the contractual maturities of lease payments to be received, on assets given on an operating lease as at March 31, 2020, on an undiscounted basis :

Particulars	₹ in crore
Less than one year	0.30
One to five years	0.75
More than five years	-
<b>Total</b>	<b>1.05</b>

Lease Income recognised in the Statement of Profit and Loss for the year ended March 31, 2020 is ₹ 0.34 crores.

## NOTE 40 : HEDGING ACTIVITIES AND DERIVATIVES

### Foreign Currency Risk

The Company has adopted hedge accounting. 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 instruments are given below :

Hedging Instrument	As at March 31, 2020			Maturity Date
	Amount outstanding in foreign currency (EUR in Crores)	Amount outstanding in foreign currency (USD in Crores)	Amount outstanding in local currency (₹ in Crore)	
Buyer's Credit	-	1.12	84.04	April 2020 to October 2020
Foreign Currency Term Loans	5.43	-	450.42	April 2020 to June 2026
<b>Total</b>	<b>5.43</b>	<b>1.12</b>	<b>534.46</b>	

The terms of the hedging instrument match the terms of the expected highly probable forecast transactions. Cash flow hedge reserves recycled to Profit or Loss during the FY 2019-20 is amounting to ₹ 2.16 Crore on account of Buyer's Credit and ₹ 5.94 Crore on account of Term loans.

The cash flow hedges of the expected future sales during the year ended March 31, 2020 were assessed to be highly effective and a net unrealised loss of ₹ 29.91 Crore, with a deferred tax asset of ₹ 10.45 Crore relating to the hedging instruments, is reflected under Other Comprehensive Income (OCI).

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

Cash flow hedge balance as on March 31, 2020 and March 31, 2019 ₹ 52.27 and ₹ 22.35 Crore respectively. The amounts retained in OCI at March 31, 2020 and March 31, 2019 are expected to mature and affect the statement of profit and loss of future years as follows:-

### Financial Year 2019-20

Financial year	₹ in crore
2020-2021	12.64
2021-2022	8.78
2022-2023	10.40
2023-2024	7.24
2024-2025	7.05
2025-2026	6.16
<b>TOTAL</b>	<b>52.27</b>

### Financial Year 2018-19

Financial year	₹ in crore
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
<b>TOTAL</b>	<b>22.35</b>

## NOTE 41 : CONTINGENT LIABILITIES

### (To the extent not provided for)

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 Crore allegedly on account of items purchased and loss of profits. However, the Company had refuted the claim and made a counterclaim of ₹ 4.76 Crore 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 Other money for which the Company is contingently liable

Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 3 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2020

₹ in Crores

Statute	As at March 31, 2020	As at March 31, 2019
Sales tax matters (including CST appeal)	5.28	7.90
Excise matters	0.36	0.36
Service tax matters	-	0.72
Entry tax matters	0.25	0.35
<b>Total</b>	<b>5.89</b>	<b>9.33</b>

## 4 Guarantees Executed in favour of Corporate

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Guarantees Executed in Favour of Corporate	113.47	186.91
Less: Counter Guarantees Received	(55.60)	(91.58)
<b>Net Guarantees Executed in favour of Corporate</b>	<b>57.87</b>	<b>95.33</b>

## NOTE 42 : CAPITAL COMMITMENTS

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated Amount of Capital Commitments remaining to be executed	12.18	27.02
Less: Advances Paid	(2.21)	(0.80)
<b>Net Capital Commitments</b>	<b>9.97</b>	<b>26.22</b>

## NOTE 43 A : CORPORATE SOCIAL RESPONSIBILITY

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Amount required to be spent during the year</b>	5.23	5.29
<b>Amount spent during the year</b>		
Construction of Asset*	4.71	5.02
for other purposes	0.25	0.38
<b>Total</b>	<b>4.96</b>	<b>5.40</b>

43.1 Represents contribution of ₹ 4.71 Crore (Previous Year : ₹ 5.02 Crore) made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

## NOTE 43 B : MANAGERIAL REMUNERATION

In terms of the Special Resolutions passed by the Shareholders at General Meeting of the Company at the time of their respective appointments of the Managing Director, Executive Director and Whole Time Director the remuneration of ₹ 8.05 crore to the Managing Director, the remuneration of ₹ 6.57 crore to the Executive Director and ₹ 1.13 crore to the Whole Time Director for the year ended March 31, 2020 is within the overall limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013; the Company has also sought legal advise with regard to the said remuneration.

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### NOTE 44 : EARNINGS PER SHARE

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year as per Statement of Profit and Loss	94.76	188.72
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	2,13,51,147	2,13,51,147
<b>Earnings Per Share - Basic and Diluted (in ₹)</b>	<b>44.38</b>	<b>88.40</b>

### NOTE 45 : 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.

### NOTE 46 : 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 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

- i. Foreign Currency Exchange Risk
- ii. Interest Rate Risk
- iii. 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:

#### i. Foreign Currency Exchange Risk

The Company's functional currency is Indian Rupees (₹). The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. Volatility in exchange rates affects the Company's revenue from exports markets and the costs of imports, primarily in relation to sale of goods and term loan with respect to the EURO. Adverse movements in the exchange rate between the Rupee and the relevant foreign currency results in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt. In order to minimise adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Company's internal Forex Risk Management Policy, as approved by the management, and in accordance with the applicable regulations where the Company operates. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:



# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## Foreign Currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in (₹ in crores) :

Particulars	As at March 31, 2020			
	USD in Crore	₹ in Crore	EURO in Crore	₹ in Crore
<b>Financial Assets</b>				
Trade Receivable	3.98	299.98	2.74	227.02
EEFC Balances	0.83	62.40	0.40	32.84
<b>Derivative Assets</b>				
Foreign Exchange Forward Contracts				
Sell Foreign Currency	(1.47)	(110.75)	(1.55)	(128.90)
<b>Net Exposure to Foreign Currency Risk (Assets)</b>	<b>3.34</b>	<b>251.62</b>	<b>1.58</b>	<b>130.96</b>
<b>Financial Liabilities</b>				
<b>Foreign Currency Loan</b>				
Short-term	1.45	109.28	1.22	100.90
Long-term	0.49	36.67	5.34	443.57
PCFC	0.98	73.84	0.75	62.25
Trade Payables	0.62	46.45	0.06	4.71
<b>Derivative Liabilities</b>				
Foreign Exchange Forward Contracts				
Buy Foreign Currency		-	(0.63)	(52.25)
<b>Net Exposure to Foreign Currency Risk (Liabilities)</b>	<b>(3.53)</b>	<b>(266.24)</b>	<b>(6.74)</b>	<b>(559.17)</b>
<b>Net Exposure to Foreign Currency Risk Open</b>	<b>(0.19)</b>	<b>(14.62)</b>	<b>(5.16)</b>	<b>(428.21)</b>

Particulars	As at March 31, 2019			
	USD in Crore	₹ in Crore	EURO in Crore	₹ in Crore
<b>Financial Assets</b>				
Trade Receivables	3.26	225.66	2.12	164.21
EEFC Balances	0.53	36.37	0.07	5.41
<b>Derivative Assets</b>				
Foreign Exchange Forward Contracts				
Sell Foreign Currency	(0.28)	(19.37)	(1.18)	(91.41)
<b>Net Exposure to Foreign Currency Risk (Assets)</b>	<b>3.51</b>	<b>242.66</b>	<b>1.01</b>	<b>78.20</b>
<b>Financial Liabilities</b>				
<b>Foreign Currency Loan</b>				
Short-term	2.28	157.89	0.71	54.94
Long-term	0.58	39.98	5.54	429.58
PCFC	0.70	48.43	0.70	54.32
Trade Payables	(0.84)	(57.81)	0.22	17.36
<b>Derivative Liabilities</b>				
Foreign Exchange Forward Contracts				
Buy Foreign Currency	(0.62)	(43.01)	(0.55)	(42.87)
<b>Net Exposure to Foreign Currency Risk (Liabilities)</b>	<b>(2.10)</b>	<b>(145.48)</b>	<b>(6.62)</b>	<b>(513.33)</b>
<b>Net Exposure to Foreign Currency Risk Open</b>	<b>1.40</b>	<b>97.18</b>	<b>(5.61)</b>	<b>(435.13)</b>

### Note :

Company has also enter into Cash flow hedging for EURO term Loan, Company hedge all foreign currency EURO term loan and for USD Buyers Credit against Forecasted sale transactions in the respective currency.

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

Currency	As at March 31, 2020		As at March 31, 2019	
	Amount in Foreign currency	₹ in Crore	Amount in Foreign currency	₹ in Crore
<b>Foreign currency forwards - Buy</b>				
USD	-	-	0.62	43.01
EURO	0.63	52.25	0.55	42.87
<b>Foreign currency forwards - Sell</b>				
USD	1.47	110.75	0.28	19.37
EURO	1.55	128.90	1.18	91.41

### Sensitivity :

The sensitivity of profit and loss before tax to change in the exchange rate arises mainly from foreign currency denominated financial instruments

Particulars	As at March 31, 2020		As at March 31, 2019	
	5% Strengthening	5% Weakening	5% Strengthening	5% Weakening
USD	(0.73)	0.73	4.86	(4.86)
EURO	(21.41)	21.41	(21.76)	21.76

### ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed rates and floating rates.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 on "Financial Instruments : Disclosures", since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	33.08	158.56
Fixed rate borrowing	1,107.76	1,070.22
<b>Total Borrowings</b>	<b>1,140.85</b>	<b>1,228.78</b>

### Sensitivity :

Profit and loss sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. If, the interest rates had been 100 basis points higher/lower and all other variable rate borrowings, the Company's profit before tax for the year ended March 31, 2020 would (decrease)/increase by ₹ 0.33 crore (for the year ended March 31, 2019 would (decrease)/increase by ₹ 1.59 crore)

### iii. Price Risk

The Company is exposed to equity price risk arising from equity investments. Equity Investments were held for strategic rather than trading purposes. The Company does not actively trade in these investments. The Company invests in Mutual Funds.

### Sensitivity :

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.

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 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, 2020, March 31, 2019 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.

₹ in Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	178.18	402.41	156.99	483.92
Security Deposits	-	16.02	-	16.22
Working Capital Loans from Banks	560.26	-	587.87	-
Trade Payables	209.93	-	344.87	-
Other Financial Liabilities	78.28	4.54	103.99	4.34
<b>Total</b>	<b>1,026.65</b>	<b>422.96</b>	<b>1,193.72</b>	<b>504.48</b>

## 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 20, Note 23 and Note 25 for the detailed terms and conditions of the collaterals pledged.

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### NOTE 47 : FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

#### a. Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Financial Assets</b>		
Fair Value through Profit and Loss		
Investments (Other than in subsidiary and Joint Ventures)	9.36	7.48
Fair Value through Other Comprehensive Income		
Investments (Other than in subsidiary and Joint Ventures)	632.35	774.98
Derivative Instruments not in Hedging Relationship		
Forward Contract Receivable	-	1.27
Amortised Cost		
Loans	9.12	0.55
Trade Receivables	772.03	823.94
Cash and Cash Equivalents	185.73	186.21
Bank Balance other than Cash and Cash Equivalents	8.45	2.00
Other Financial Assets	14.08	20.85
<b>Total</b>	<b>1,631.11</b>	<b>1,817.28</b>
<b>Financial Liabilities</b>		
Fair Value through Profit and Loss		
Financial Guarantee Obligation	1.91	2.45
Derivative Instruments not in Hedging Relationship		
Forward Contract Payable	1.06	1.32
Derivative Instruments in Hedging Relationship		
Term Loans	450.42	414.57
Buyer's Credit	84.04	69.64
Amortised Cost		
Borrowings	680.30	864.14
Trade Payable	248.17	374.93
Other Financial Liabilities	108.26	145.26
Lease Liabilities	6.75	-
<b>Total</b>	<b>1,580.91</b>	<b>1872.31</b>

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.

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## b. Fair Value Hierarchy

The fair value of financial instruments as referred to in Note (a) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

**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.

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, 2020	As at March 31, 2019
<b>Financial Assets</b>		
Level 1		
Investment in Quoted Equity Shares	-	759.62
Mutual Fund Units	9.36	7.48
Level 2		
Derivative Financial Assets	-	1.27
Level 3		
Investment in Unquoted Equity Shares	16.16	15.36
<b>Total</b>	<b>25.52</b>	<b>783.73</b>
<b>Financial Liabilities</b>		
Level 2		
Derivative Financial Liabilities	1.06	1.32
Level 3		
Financial Guarantee Obligations	1.91	2.45
<b>Total</b>	<b>2.97</b>	<b>3.77</b>

### Description of Significant Unobservable Input used in Fair Value measurement categorized 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 ₹ 0.77 crore (₹ 0.81 crore as on March 31, 2019) and 5% decrease will have equal but opposite effect.
Financial Guarantee Obligation	Discount Rate 5.51%	1% increase in Discount Rate will have Loss of ₹ 0.02 crore (₹0.07 crore as on March 31, 2019) and a 1% decrease in Discount Rate will have a equal but opposite effect.

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

### c. Reconciliation of Level 3 Fair Value Measurement

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening Balance of Level 3 Financial Assets / (Liabilities)</b>	<b>12.91</b>	<b>1.36</b>
<b>Add / (Less): Changes during the year</b>		
Guarantee Commission Income recognised	0.70	0.30
New Investments made during the year	-	11.17
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through OCI	0.64	0.27
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	(0.17)	(0.19)
<b>Closing Balance of Level 3 Financial Assets / (Liabilities)</b>	<b>14.08</b>	<b>12.91</b>

### NOTE 48 : EMPLOYEE BENEFITS EXPENSE

#### a. Defined contribution plans

##### Superannuation Fund

The Group has a superannuation plan for the benefit of some of its employees. Employees who are Members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The contributions are recognised as an expense and included in his monthly Cost-to-Company. Once this contribution is incurred the Group does not have any further obligations beyond this contribution. Superannuation Fund to which contributions are made is administered by Life Insurance Corporation of India.

##### Other Contribution Funds

Retirement benefit in the form of provident fund, Employee State Insurance Corporation (ESIC), Pension Fund and Maharashtra Labour Welfare Fund (MLWF) are defined contribution schemes. The Group has no obligation, other than the contribution payable to these funds/ schemes. The Group recognizes contribution payable to such schemes as an expense, when an employee renders the related service.

The Group has recognized the following amounts in the Statement of Profit and Loss under Contribution to Provident and Other Funds as under:

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Employer's Contribution to Employees' Provident Fund	9.00	8.62
Employer's Contribution to Employee Pension Fund	1.57	1.48
Employer's Contribution to Superannuation Fund	3.02	2.93
Employer's Contribution to ESIC	0.02	0.01
Employer's Contribution to MLWF	0.00	0.00
<b>TOTAL</b>	<b>13.61</b>	<b>13.04</b>

#### b. Defined benefit plans

##### Retirement Gratuity

Gratuity is administered under the Group Gratuity Cash Accumulation (GGCA) Plan of Life Insurance Corporation of India to which the contributions are made. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

Summary of 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	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
<b>I</b>	<b>Change in present value of defined benefit obligation during the year</b>		
1	Present Value of defined benefit obligation at the beginning of the year	48.26	45.03
2	Interest cost	3.76	3.53
3	Current service cost	1.56	1.42
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)	(0.24)	-
8	(Gains)/ Losses on Curtailment	-	-
9	Liabilities Extinguished on Settlement	-	-
10	Benefits paid directly by the employer	-	-
11	Benefits paid from the fund	(22.62)	(2.55)
12	The Effect Of Changes in Foreign Exchange Rates	-	-
13	Actuarial changes arising from changes in demographic assumptions	0.68	-
14	Actuarial changes arising from changes in financial assumptions	0.86	0.04
15	Actuarial changes arising from changes in experience adjustments	(0.57)	0.79
16	<b>Present Value of defined benefit obligation at the end of the year</b>	<b>31.70</b>	<b>48.26</b>
<b>II</b>	<b>Change in fair value of plan assets during the year</b>		
1	Fair value of plan assets at the beginning of the year	28.03	27.18
2	Interest Income	2.18	2.13
3	Contributions paid by the employer	3.50	1.50
4	Transfer from other Company	-	-
5	Expected Contributions by the Employees	-	-
6	Assets Transferred In/ Acquisitions	-	-
7	Assets transferred out / divestments	-	-
8	Benefits paid from the fund	(22.62)	(2.55)
9	Assets Distributed on Settlements	-	-
10	Effects of Asset Ceiling	-	-
11	The Effect of Changes In Foreign Exchange Rates	-	-
12	Return on plan assets excluding interest income	(0.62)	(0.23)
13	<b>Fair value of plan assets at the end of the year</b>	<b>10.48</b>	<b>28.03</b>
<b>III</b>	<b>Net Asset / (Liability) recognised in the Balance Sheet</b>		
1	Present Value of defined benefit obligation at the end of the year	(31.70)	(48.26)
2	Fair value of plan assets at the end of the year	10.48	28.03
3	Funded Status (Surplus/ (Deficit))	(21.22)	(20.23)
4	<b>Net Asset / (Liability) recognised in the Balance Sheet</b>	<b>(21.22)</b>	<b>(20.23)</b>
<b>IV</b>	<b>Net Interest Cost for the year</b>		
1	Present Value of Benefit Obligation at the Beginning of the Period	48.26	45.03
2	Fair Value of Plan Assets at the Beginning of the Period	(28.03)	(27.18)
3	<b>Net Liability/(Asset) at the Beginning</b>	<b>20.23</b>	<b>17.85</b>
4	Interest Cost	3.76	3.53
5	Interest Income	(2.18)	(2.13)
6	Net Interest Cost for the year	1.58	1.40

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Sr. No.	Particulars	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
<b>V</b>	<b>Expenses recognised in the Statement of Profit and Loss for the year</b>		
1	Current service cost	1.56	1.42
2	Interest cost on benefit obligation (Net)	1.58	1.40
3	Past Service Cost - Non-Vested Benefit Recognised during the year	-	-
4	Past Service Cost - Vested Benefit Recognised 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	<b>Total expenses included in Employee Benefits Expense</b>	<b>3.14</b>	<b>2.82</b>
<b>VI</b>	<b>Recognised in Other Comprehensive Income for the year</b>		
1	Actuarial changes arising from changes in demographic assumptions	0.68	-
2	Actuarial changes arising from changes in financial assumptions	0.86	0.04
3	Actuarial changes arising from changes in experience adjustments	(0.57)	0.79
4	Return on plan assets excluding interest income	0.62	0.23
5	Change in Asset Ceiling	-	-
6	<b>Recognised in Other Comprehensive Income</b>	<b>1.59</b>	<b>1.06</b>
<b>VII</b>	<b>Cash Flow Projection: From the Fund</b>		
1	Within the next 12 months (next annual reporting period)	15.36	32.20
2	2nd following year	3.06	1.16
3	3rd following year	1.75	2.41
4	4th following year	1.57	2.49
5	5th following year	2.34	1.21
6	Sum of years 6 to 10	8.42	9.47
7	Sum of years 11 and above	9.18	14.44

The average duration of the defined benefit plan obligation as at March 31, 2020 is 5 years (March 31, 2019: 5 years).

₹ in Crores

Sr. No.	Particulars	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
<b>VII</b>	<b>Quantitative sensitivity analysis for significant assumption</b>		
	<b>Projected Benefit Obligation on current assumptions</b>		
		31.70	48.26
(i)	Delta Effect of +1% Change in Rate of Discounting	(0.90)	(1.03)
(ii)	Delta Effect of -1% Change in Rate of Discounting	1.00	1.16
(i)	Delta Effect of +1% Change in Rate of Salary Increase	1.02	1.20
(ii)	Delta Effect of -1% Change in Rate of Salary Increase	(0.93)	(1.08)
(i)	Delta Effect of +1% Change in Rate of Employee Turnover	0.14	0.29
(ii)	Delta Effect of -1% Change in Rate of Employee Turnover	(0.16)	(0.32)



# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## 2 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	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
<b>VIII The major categories of plan assets as a percentage of total</b>			
	Insurer managed funds	100%	100%
<b>IX Actuarial assumptions</b>			
1	Discount rate	6.83%	7.79%
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	5%	2%
6	Expected Return on Plan Assets	6.83%	7.79%

### c. Other Long Term Employee Benefits

The defined benefit obligations which are provided for but not funded as at March 31, 2020 are as under :

₹ in Crores

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
<b>1 Leave Encashment</b>			
	Current	8.05	12.26
	Non-Current	10.12	9.47

## NOTE 49 : 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%)

#### Other Related Parties in which Directors are interested:

Godfrey Phillips India Ltd  
H.M.A. Udyog Pvt. Ltd.  
Modi Care Ltd.  
Beacon Travels Pvt. Ltd.  
Bina Fashions and Food Pvt. Ltd.  
Premium Merchants Ltd.  
Modi Rubber Ltd.  
KKM Management Centre Pvt. Ltd  
KKM Management Centre Middle East FZE  
Modi Innovative Education Society  
Grace Breeding Nitrogen Fixation Technologies Ltd  
Modi Stratford Enterprises Management Pvt Ltd  
Utsavi Agritech  
Utsavi Biotech  
AMC Chemicals Pvt Ltd  
Vismita Industries

#### Other Related Parties:

ICC Employee Provident Fund Trust

#### Key Management Personnel

##### Executive Director

Mr. Krishan Kumar Modi\*  
Dr. Bina Modi\*\*  
Ms. Charu Modi  
Mr. Atchutuni 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. Anil Garg (with effect from September 9, 2019)  
Mr. Sanjay Prasad (with effect from May 02, 2019)  
\*Ceased to exist from November 2, 2019 due to his demise  
\*\*Effective from November 14, 2019

#### KMPs other than Director

Rajinder K. Malhotra- Chief Executive Officer\*\*  
Rajib Mukhopadhyay- Chief Financial Officer  
Devang R Mehta- Company Secretary  
\*\*Ceased to exist from April 21, 2020

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Other Related Parties	Total 2019-20	Total 2018-19
<b>RECEIVING OF SERVICES</b>						
1. Godfrey Phillips India Ltd.			0.00		0.00	0.04
2. HMA Udyog Pvt. Ltd.			0.03		0.03	0.07
3. Beacon Travels Pvt. Ltd.			5.76		5.76	7.99
4. Bina Fashions N Food Pvt. Ltd.			0.75		0.75	0.44
5. EGO Obsession			0.04		0.04	0.03
6. Modi Care Ltd			0.03		0.03	0.06
7. Modi Stratford Enterprises Management Pvt. Ltd.			0.85		0.85	0.57
8. Indo-Reagens Polymer Additives Pvt. Ltd.	2.78				2.78	-
9. Utsavi Agritech			1.54		1.54	-
10. Utsavi Biotech			10.83		10.83	-
<b>Total</b>	<b>2.78</b>	<b>-</b>	<b>19.84</b>	<b>-</b>	<b>22.62</b>	<b>9.21</b>
<b>PURCHASE OF GOODS</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	100.60				100.60	105.68
2. AMC Chemicals Pvt. Ltd.			38.42		38.42	-
3. Vismita Industries			22.01		22.01	-
<b>Total</b>	<b>100.60</b>	<b>-</b>	<b>60.42</b>	<b>-</b>	<b>161.03</b>	<b>105.68</b>
<b>PURCHASE OF LICENSE</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	-				-	0.94
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.94</b>
<b>SALE OF LICENSE</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	0.13				0.13	-
2. Indo-Reagens Polymer Additives Pvt. Ltd.	0.05				0.05	-
<b>Total</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.18</b>	<b>-</b>
<b>SALE OF GOODS</b>						
1. Indo-Reagens Polymer Additives Pvt. Ltd.	7.05				7.05	-
<b>Total</b>	<b>7.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.05</b>	<b>-</b>
<b>MANAGEMENT CONTRACTS</b>						
1. KKM Management Center Pvt. Ltd.			2.10		2.10	5.64
2. KKM Management Centre Middle East (FZC)			4.75		4.75	4.93
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.85</b>	<b>-</b>	<b>6.85</b>	<b>10.57</b>
<b>RENT EXPENSE</b>						
1. Premium Merchants Ltd.			0.06		0.06	0.07
2. Charu Modi		0.09			0.09	0.07
<b>Total</b>	<b>-</b>	<b>0.09</b>	<b>0.06</b>	<b>-</b>	<b>0.15</b>	<b>0.14</b>
<b>DIVIDEND PAID</b>						
1. Mr. Krishan Kumar Modi		0.17			0.17	0.17
2. Dr. Bina Modi		0.16			0.16	0.16
3. Mr. Samir Modi		0.02			0.02	0.02
<b>Total</b>	<b>-</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>0.36</b>	<b>0.35</b>

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Other Related Parties	Total 2019-20	Total 2018-19
<b>CONTRIBUTION TO EMPLOYEES BENEFIT TRUST</b>						
1. ICC Employee Provident Fund Trust				16.93	16.93	16.81
<b>Total</b>	-	-	-	<b>16.93</b>	<b>16.93</b>	<b>16.81</b>
<b>DIVIDEND INCOME</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	-	4.37
<b>Total</b>	-	-	-	-	-	<b>4.37</b>
<b>RENT INCOME</b>						
1. Modi Rubber Ltd.			0.06		0.06	0.07
2. Indo-Reagens Polymer Additives Pvt. Ltd.	0.28				0.28	-
<b>Total</b>	<b>0.28</b>	-	<b>0.06</b>	-	<b>0.34</b>	<b>0.07</b>
<b>GUARANTEE COMMISSION INCOME</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	0.70				0.70	0.58
<b>Total</b>	<b>0.70</b>	-	-	-	<b>0.70</b>	<b>0.58</b>
<b>REIMBURSEMENT OF EXPENSES</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	0.29	-	-	-	0.29	0.95
2. Godfrey Phillips India Ltd.				-	-	0.16
3. Indo-Reagens Polymer Additives Pvt. Ltd.	4.31				4.31	
<b>Total</b>	<b>4.61</b>	-	-	-	<b>4.61</b>	<b>1.11</b>
<b>CSR EXPENSES</b>						
1. Modi Innovative Education Society	-	-	4.71		4.71	5.02
<b>Total</b>	-	-	<b>4.71</b>	-	<b>4.71</b>	<b>5.02</b>
<b>INTEREST INCOME</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	0.29				0.29	-
<b>Total</b>	<b>0.29</b>	-	-	-	<b>0.29</b>	-
<b>LOANS GIVEN DURING THE YEAR</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	-				-	-
<b>Total</b>	-	-	-	-	-	-
<b>DIVIDEND INCOME</b>						
1. Godfrey Phillips India Ltd.			22.25		22.25	5.24
<b>Total</b>	-	-	<b>22.25</b>	-	<b>22.25</b>	<b>5.24</b>
<b>LOANS GIVEN CLOSING BALANCE</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	-				-	-
<b>Total</b>	-	-	-	-	-	-
<b>GURANTEES GIVEN</b>						
1. Indo Baijin Chemicals Pvt. Ltd.	57.87				57.87	95.32
<b>Total</b>	<b>57.87</b>	-	-	-	<b>57.87</b>	<b>95.32</b>
<b>OUTSTANDING BALANCES</b>						
<b>Receivables</b>						
1. Godfrey Phillips India Ltd.	-			-	-	-
2. Indo-Reagens Polymer Additives Pvt. Ltd.	0.84				0.84	-
3. Beacon Travels Pvt. Ltd.			0.01		0.01	-
4. KKM Management Centre (Sharjah)			1.76		1.76	-
<b>Total</b>	<b>0.84</b>	-	<b>1.77</b>	-	<b>2.60</b>	-

## Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Other Related Parties	Total	Total
					2019-20	2018-19
<b>Payables</b>						
1. Modi Care Ltd.			-		-	-
2. Beacon Travels Pvt. Ltd.			-		-	0.25
3. KKM Management Center Pvt. Ltd.			0.97		0.97	1.19
4. Bina Fashion Pvt. Ltd.			-		-	-
5. Indo Baijin Chemicals Pvt. Ltd.	3.83				3.83	6.67
6. HMA Udyog Pvt Ltd			-		-	0.01
7. EGO Obsession			0.00		0.00	0.00
8. Godfrey Phillips India Ltd.			-		-	-
9. AMC Chemicals Pvt. Ltd.			2.57		2.57	-
10. Vismita Industries			6.74		6.74	-
11. Utsavi Agritech			0.06		0.06	-
12. Utsavi Biotech			0.79		0.79	-
13. Indo-Reagens Polymer Additives Pvt. Ltd.					-	-
<b>Total</b>	<b>3.83</b>	<b>-</b>	<b>11.14</b>	<b>-</b>	<b>14.96</b>	<b>8.12</b>
<b>INVESTMENTS MADE DURING THE YEAR</b>						
1. Indo Reagens Polymer Additives Pvt. Ltd.	19.46				19.46	0.50
2. Grace Breeding Nitrogen Fixation Technologies Ltd			-		-	10.68
<b>Total</b>	<b>19.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.46</b>	<b>11.18</b>
<b>Remuneration Payable to KMP</b>						
			20.82		20.82	32.69
<b>Total</b>	<b>-</b>	<b>-</b>	<b>20.82</b>	<b>-</b>	<b>20.82</b>	<b>32.69</b>

### 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, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: Nil, March 31, 2019: 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 utilized for the purpose it was granted.

₹ in Crores

Particulars	For the Year Ended March 31, 2020			For the Year Ended March 31, 2019		
	Executive Directors	Non - Executive Directors	Total	Executive Directors	Non - Executive Directors	Total
<b>Executive Directors</b>						
Short-term employee benefits	16.11	0.70	16.81	27.26	1.75	29.01
Post-employment gratuity and medical benefits	3.46	-	3.46	3.25	-	3.25
Sitting Fees	-	0.55	0.55	-	0.43	0.43
	<b>19.57</b>	<b>1.25</b>	<b>20.82</b>	<b>30.51</b>	<b>2.18</b>	<b>32.69</b>

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 50 : Details of Loans given, Investments made and Guarantees given covered under section 186 (4) of the Companies Act, 2013:

### Loans

No loan given by the Company in favour of Corporates are outstanding as at March 31, 2020 and March 31, 2019.

### Investments

Details required u/s 186 have been disclosed in Note 6 of the Financial Statements.

### Guarantees

All Corporate Guarantees given by the Company in respect of Loans as at March 31, 2020,

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Indo-Bajjin Chemicals Pvt. Ltd. (net of counter guarantee)	57.87	95.32

All the above Corporate Guarantees are given for business purpose.

## NOTE 51 : SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES

The Group has a 51% equity interest in Indobajjin Chemicals Pvt. Ltd. and a 49.9% stake in Indo Reagens Polymer Additive Private Limited. 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:

### Indobajjin Chemicals Pvt. Ltd.

#### A Summarised Balance Sheet :

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Current Assets	67.46	53.66
Non - Current Assets	241.33	249.65
Current Liabilities	80.47	81.40
Non - Current Liabilities	86.21	109.47
<b>Equity</b>	<b>142.10</b>	<b>112.44</b>
<b>Carrying Amount of Investment</b>	<b>72.48</b>	<b>56.13</b>

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## B Summarised Statement of Profit and Loss:

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	233.96	227.47
Cost Of Material Consumed	122.96	147.09
Employee benefit	9.92	10.16
Depreciation and amortization	19.24	19.12
Finance cost	8.36	11.04
Other expense	35.36	29.15
<b>Profit Before Tax</b>	<b>38.14</b>	<b>10.91</b>
Income Tax Expense	8.47	2.35
<b>Profit For The Year</b>	<b>29.67</b>	<b>8.56</b>
<b>Other Comprehensive Income</b>	-	-
<b>Total comprehensive income for the year</b>	<b>29.67</b>	<b>8.56</b>
<b>Group's Share of Profit For The Year</b>	<b>15.13</b>	<b>4.36</b>
<b>Group's Share of Other Comprehensive Income</b>	-	-

## Indo Reagens Polymer Additives Private Limited

### A Summarised Balance Sheet :

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Current Assets	21.06	0.95
Non - Current Assets	22.45	0.06
Current Liabilities	4.07	0.32
Non - Current Liabilities	0.29	-
<b>Equity</b>	<b>39.15</b>	<b>0.69</b>
<b>Carrying Amount of Investment</b>	<b>19.54</b>	<b>0.34</b>

### B Summarised Statement of Profit and Loss:

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	18.92	-
Cost Of Material Consumed	11.45	-
Employee benefit	3.98	0.12
Depreciation and amortization	0.07	-
Other expense	3.96	0.20
<b>Profit Before Tax</b>	<b>(0.55)</b>	<b>(0.32)</b>
Income Tax Expense	(0.01)	(0.00)
<b>Profit For The Year</b>	<b>(0.54)</b>	<b>(0.31)</b>
<b>Other Comprehensive Income</b>	-	-
<b>Total comprehensive income for the year</b>	<b>(0.54)</b>	<b>(0.31)</b>
<b>Group's Share of Profit For The Year</b>	<b>(0.27)</b>	<b>(0.16)</b>
<b>Group's Share of Other Comprehensive Income</b>	-	-

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

## NOTE 52 : 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 2019-20							
	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 and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
<b>Parent</b>								
Indofil Industries Ltd.	67.31%	1,296.94	70.91%	67.19	5.98%	(9.05)	(102.59%)	58.14
<b>Subsidiaries</b>								
Indian								
Quick Investment (India) Ltd.	1.58%	30.40	8.28%	7.85	32.28%	(48.87)	72.40%	(41.02)
Good Investment (India) Ltd.	3.85%	74.17	15.92%	15.09	62.24%	(94.24)	139.69%	(79.15)
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.48%	9.34	(0.22%)	(0.21)			0.37%	(0.21)
Indofil –Costa Rica S.A.	0.00%	-	0.00%	-				
Indofil Industries (Netherland) B. V.	7.36%	141.81	11.95%	11.32	(0.17%)	0.25	(20.42%)	11.57
Indofil Industries International	4.39%	84.56	(0.80%)	(0.76)	(0.17%)	0.25	0.90%	(0.51)
Indofil Industries DO Brasil Ltda	1.30%	25.02	(7.49%)	(7.10)	(0.17%)	0.25	12.09%	(6.85)
INDOFIL PHILIPPINES, INC.	0.29%	5.56	1.06%	1.00	0.00%		(1.76%)	1.00
Agrowin Bioscience S.r.l (80%)	0.07%	1.32	(0.23%)	(0.22)	0.00%		0.39%	(0.22)
<b>Joint Venture (as per Equity Method)</b>								
Indian								
Indobaijin Chemicals Pvt Ltd	3.76%	72.48	15.97%	15.13	0.00%	-	(26.70%)	15.13
Indo Reagens Polymer Additives Private Limited	1.01%	19.54	(0.28%)	(0.27)		-	0.48%	(0.27)
Inter Company Elimination	8.60%	165.61	(15.05%)	(14.26)	0.00%	-	25.17%	(14.26)
<b>Total</b>	<b>100.00%</b>	<b>1,926.75</b>	<b>100.00%</b>	<b>94.76</b>	<b>100.00%</b>	<b>(151.41)</b>	<b>100.00%</b>	<b>(56.66)</b>

₹ 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 and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
<b>Parent</b>								
Indofil Industries Ltd.	63.37%	1,267.89	94.16%	177.71	2.31%	5.25	44.04%	182.96
<b>Subsidiaries</b>								
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)
				-		-		-

# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ 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 and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
<b>Joint Venture (as per Equity Method)</b>								
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)
<b>Total</b>	<b>100.00%</b>	<b>2,000.68</b>	<b>100.00%</b>	<b>188.72</b>	<b>100.00%</b>	<b>226.70</b>	<b>100.00%</b>	<b>415.42</b>

## NOTE 53 : SEGMENT REPORTING

₹ in Crores

A Primary Segment (by Business Segment)	For the Year Ended March 31, 2020				For the Year Ended March 31, 2019			
	AGRO	SPCD	Investment	TOTAL	AGRO	SPCD	Investment	TOTAL
<b>a. Revenue :</b>								
External Sales	1,919.70	273.51	23.12	2,216.33	1,949.09	296.89	5.79	2,251.76
Inter Segment Sales Revenue	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>1,919.70</b>	<b>273.51</b>	<b>23.12</b>	<b>2,216.33</b>	<b>1,949.09</b>	<b>296.89</b>	<b>5.79</b>	<b>2,251.76</b>
<b>b. Result :</b>								
Segment Result	107.84	11.06	23.10	142.00	297.71	(7.47)	7.84	298.08
Unallocable Corporate Expenses				(2.86)				(2.95)
Unallocable Corporate Income				16.64				2.67
Profit before Interest and Tax	107.84	11.06	23.10	155.77	297.71	(7.47)	7.84	297.80
Less :- Finance Cost				89.88				68.83
<b>Profit Before Tax</b>				<b>65.89</b>				<b>228.97</b>
Provision for Tax and Deferred Taxes				(12.79)				43.29
<b>Profit After Tax</b>				<b>78.68</b>				<b>185.68</b>
Share of profit/ (Loss) of Joint Venture				16.08				3.04
<b>Profit For the Year</b>				<b>94.76</b>				<b>188.72</b>
<b>c. Other Information :</b>								
<b>Segment Assets</b>	3,157.92	204.32	30.68	3,392.91	3,776.82	11.85	8.01	3,796.68
Unallocable Assets				158.90				110.22
<b>Total Assets</b>				<b>3,551.81</b>				<b>3,906.90</b>
<b>Segment Liabilities</b>	803.64	100.70	0.01	904.35	715.91	81.96	0.02	797.89
Unallocable Liabilities				720.44				1,108.06
<b>Total Liabilities</b>				<b>1,624.79</b>				<b>1,905.95</b>
<b>Net worth</b>				<b>1,927.02</b>				<b>2,000.95</b>



# Consolidated Notes forming Part of Financial Statements

for the year ended March 31, 2020

₹ in Crores

B Secondary Segment Information (by Geographic Segments)	For the Year Ended March 31, 2020			For the Year Ended March 31, 2019		
	Domestic	Export	TOTAL	Domestic	Export	TOTAL
<b>Revenues</b>						
AGRO	890.86	1,028.84	1,919.70	979.56	969.53	1,949.09
SPCD	249.08	24.43	273.51	274.51	22.38	296.89
Investment	23.12	-	23.12	5.79	-	5.79
<b>TOTAL</b>	<b>1,163.06</b>	<b>1,053.27</b>	<b>2,216.33</b>	<b>1,259.85</b>	<b>991.91</b>	<b>2,251.76</b>

- The Group has identified three reportable business segments viz. Agrochemicals (AGRO), Specialty and 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.
- 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
- 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

**54** Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

<b>CORPORATE INFORMATION</b>	<b>1</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>
<b>NOTES ON ACCOUNTS</b>	<b>3-54</b>

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

**PARESH H. CLERK**  
Partner  
Membership No.36148

Place: Mumbai  
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Dr. Bina Modi**  
Chairperson and Managing Director

**Charu Modi**  
Executive Director

**Devang R Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Directors**  
Mumbai, June 30, 2020



**Disclaimer**

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forwardlooking statement, whether as a result of new information, future events, or otherwise.



### Registered Office

Kalpataru Square, 4th Floor, Kondivita Road,  
Off. Andheri Kurla Road, Andheri East,  
Mumbai - 400 059, India

### Contact

+91 22 66637373  
info@indofil.com | www.indofil.com

### CIN

U24110MH1993PLC070713

     /indofilofficial