

# HARVESTING HAPPINESS



“

Indofil has been successful in finding fast-growing market niches, staying ahead of the competition by identifying and developing products to satisfy unmet customer needs.



**K. K. Modi**  
Chairman & Managing Director

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## Journey So Far

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## Harvesting Happiness

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### Forward-looking Statement

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

Indofil provides high-quality crop care products to farmers and plays a significant role in helping them implement best practices in crop protection.

Indofil has been able to augment growth with a focus on Research and Development (R&D) based product development and structured business, coupled with appropriate technologies and distribution network. With our agro and specialty chemicals business, we walk with our clients on their journey forward and help them increase productivity.

We understand the challenges growers face; and are empowering farmers and transforming lives by creating integrated offers in the field. We believe in inclusive growth – a holistic ecosystem that encompasses both the Company and the community we work with. On one hand, we are pursuing opportunities to grow aggressively and helping farmers through tailored local solutions; while on the other hand, we are enabling the community to prosper in a sustainable manner.

**The seed of an idea called Indofil, which germinated over six decades ago, is today delivering a harvest of happiness, to the nation, in which every citizen has a rightful share.**

#### 2017-18 HIGHLIGHTS

**CONSOLIDATED TOTAL INCOME  
(NET OF EXCISE DUTY)**

₹2,030 crore

↑ 11%

**CONSOLIDATED PROFIT  
AFTER TAX (PAT)**

₹236 crore

↓ (9%)

**CONSOLIDATED  
EARNINGS PER SHARE (EPS)**

₹111

↓ (9%)

# Indofil at a Glance



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

Over the years, Indofil has provided best-in-class chemicals, both to the domestic and international markets. The products are accredited with international quality standards such as ISO 9001, OHSAS 18001 and ISO 14001. A consistent focus on innovation drives Indofil’s ambition to create an enterprise value of 2 billion dollars in the next three years.

## 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.

### KEY INDICATORS

#### R&D INVESTMENTS

₹42.45 crore

#### NO. OF PRODUCT BRANDS

100+

#### REGISTRATION APPLICATIONS FILED

96

#### GEOGRAPHICAL PRESENCE

95+ countries

#### NO. OF EMPLOYEES

1,090

#### NO. OF PATENTS HELD

8

## Enduring Values



### CUSTOMER SUCCESS

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



### KNOWLEDGE

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



### PROSPERITY

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



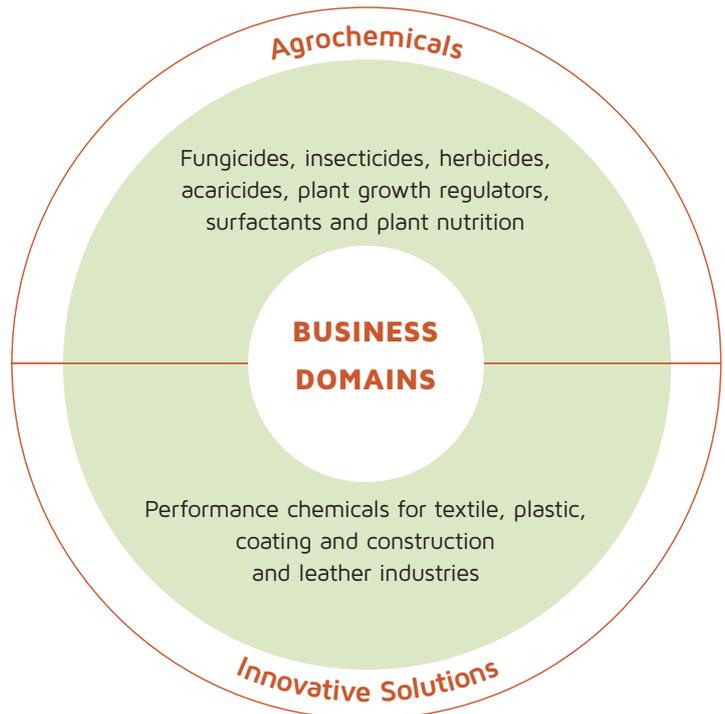
### TEAMWORK

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



### VELOCITY

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



### EXISTING CAPACITIES (TPA)

#### THANE, MAHARASHTRA

20,000

#### DAHEJ UNIT 1, GUJARAT

31,000

#### SYNTHESIS PLANT, DAHEJ UNIT 2, GUJARAT

4,000

### NEW CAPACITIES (TPA)

#### EBDC PLANT, GUJARAT INDUSTRIAL DEVELOPMENT CORPORATION (GIDC), DAHEJ, GUJARAT

35,000

#### INNOVATIVE SOLUTION PLANT, GIDC, DAHEJ, GUJARAT

35,000

# Key Differentiators

1

## **INTEGRATED BUSINESS MODEL**

Our end-to-end capabilities across R&D, manufacturing, product development, brand building, marketing and distribution and a strong customer connect based on partnership approach distinguishes us from our peers. Our strategic focus is on increasing and delivering solutions to help farmers meet and exceed the challenges of today and tomorrow. We are committed to boosting agricultural productivity through innovation and technology.

2

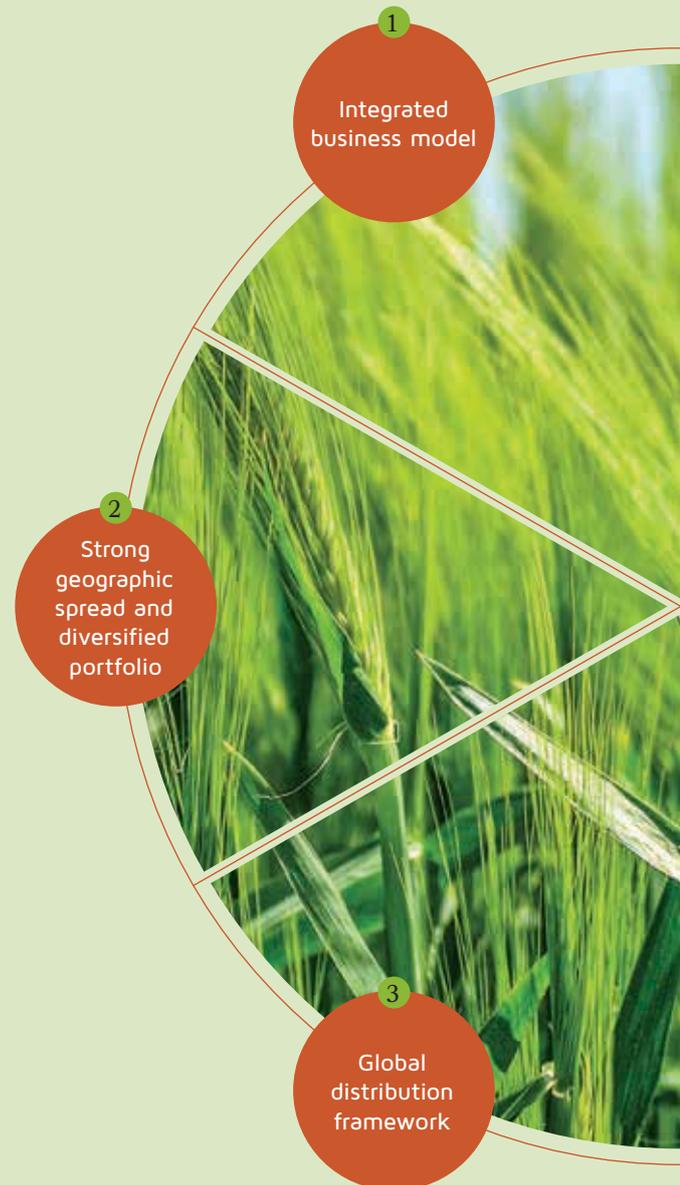
## **STRONG GEOGRAPHIC SPREAD AND DIVERSIFIED PORTFOLIO**

We have a well-established name in the agrochemicals, as well as specialty and performance chemicals businesses, for over six decades. We believe that diversifying in terms of geographies and product portfolio reduces the risks of an antagonistic market, seasonal variations or concentration and dependence on a single dominion.

3

## **GLOBAL DISTRIBUTION FRAMEWORK**

With an objective to increase our presence in the agrochemical value chain, we have set up our own offices and sales force in various countries. We believe that we have been able to establish ourselves in various countries due to the global presence of the third-party distributors and availability of our own sales force.



4



Long-standing relationship

4

**LONG-STANDING RELATIONSHIP**

We have built a reputation of trust and reliability with global innovators over the past several decades. We have encouraged a strong relationship with our farmers by providing reliable products and solutions to their needs.

5

World-class infrastructure

5

**WORLD-CLASS INFRASTRUCTURE**

Our research facilities, quality control (QC) laboratories and manufacturing units are equipped with state-of-the-art machinery, equipment, technology and processes. They also bear best-in-class certifications and accreditations such as ISO 9001, ISO 14001 and OHSAS 18001, ISO 17025, National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation and Good Laboratory Practice (GLP) certification.

6

Experienced board and management team

6

**EXPERIENCED BOARD AND MANAGEMENT TEAM**

The extensive domain knowledge and experience of our Board of Directors and Senior Management Team provide us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies/ventures.

## Our Journey So Far

Indofil Chemicals Limited was incorporated in 1962 as a subsidiary of Rohm and Haas Company, US. In 1985, the Company was merged with a listed company called Modipon Limited (MPL) and operated as a division of MPL till 2006. Thereafter, in 2007, Indofil was separated from MPL and transferred and vested with Indofil Organic Industries Limited (IOIL). Further, in 2010, IOIL was rechristened as Indofil Industries Limited (Indofil).

### 1965 TO 1994

In 1965, the first Ethylene based Dithiocarbamates (EBDC) plant was commissioned at Thane with a capacity of 1,500 MT for the production of Mancozeb, Zineb and Maneb. In 1972, the production capacity of the plant was increased to 3,000 MT in its first expansion. In 1983, the concept of product management was introduced and in 1986, a 'Crop Care Concept' was established with a sustained campaign of pesticide use in a large number of crops in India. In 1993, Indofil received the first international registration for the product, Indofil M-45, in Bangladesh. In the second expansion of the EBDC plant at Thane, the production capacity was increased to 14,000 MT in 1994.

### 1996

The first European registration was received in Belgium for Mancozeb 80 WP.

### 2002

The third expansion of the EBDC plant at Thane was carried out to produce 18,000 MT of EBDC.

### 2003

The first synthesis plant was commissioned with the production of Tricyclazole at Thane.

### 2004

Construction chemical was started as a new vertical in the Innovative Solutions division.



Unit 1 SEZ, Dahej (2009)

### 2009

The greenfield plant at Dahej, Gujarat was commissioned.

### 2008

- Redefined its growth strategy under the guidance of its Board of Directors and Senior Management Team.
- Cymoxanil was approved in the European Union (EU).

### 2006

- Mancozeb was approved in the review process in the EU.
- R&D facility received NABL accreditation for the analytical laboratory.



New EBDC and IIS plant, GIDC, Dahej (2018)

### 2011

Indobaijin Chemicals Private Ltd. (Indobaijin) was incorporated as a joint venture with Shanghai Baijin Chemical Group Company, China, as the other partner and technology provider to backward-integrate and manufacture Carbon Disulphide (CS<sub>2</sub>), a key raw material in Mancozeb.

### 2012

- The European Dithane business was acquired from Dow AgroSciences LLC, US, for increasing its footprint in the European markets.
- Indobaijin started construction of the CS<sub>2</sub> manufacturing plant at Dahej.
- Product Cemento (RDP) was launched by the Innovative Solutions division.

### 2014

The Company successfully set up a subsidiary in the Netherlands, shifting its Dithane business, thereby coming closer to its most strategic market.



Indobaijin plant, SEZ, Dahej (2012)

### 2017 AND 2018

- In addition to the focus on crop protection, renewed focus on providing total crop solution, resulted in the launch of a new vertical called 'Indolife Superspecialty Business'. This division specialises in plant nutrition.
- Construction of a new EBDC and Innovative Solutions Plant (ISP) [erstwhile Specialty & Performance Chemicals Division (SPCD)] completed successfully and is expected to commence commercial operations in Q2 of 2018-19.
- Subsidiary company started operations in Philippines in May 2018.

### 2016

The greenfield synthesis plant with a capacity of 4,000 MT of technical grade was successfully commissioned. The plant is equipped to handle different and complex processes and chemistries.



Unit 2, Synthesis plant, SEZ, Dahej (2016)

# Global Presence

## NEW REGISTRATIONS/ APPROVALS

During the year, the Company applied for 87 registrations overseas and got approvals for 56 of them.

## ACCREDITATIONS

In addition to being ISO 9001 certified, our facilities have the following accreditations:

- GLP certification for our R&D facility
- NABL accreditation for our R&D facility
- OHSAS 18001 and ISO 14001 for our Thane plant and Dahej plant, Unit 1





## Awards and Recognitions

1

Recognised among India's Top 10 Best Workplaces in Manufacturing: 2018, as per a study conducted by The Economic Times in partnership with the Great Place to Work® Institute, India.

2

Won a Silver award in the Coaching and Mentoring Category at the TISS-LeapVault CLO Awards held during the 5<sup>th</sup> edition of Chief Learning Officers Summit in Mumbai.

3

Dahej facility awarded the CII-ITC Sustainability Award, 2017, by The Confederation of Indian Industry (CII).

4

Thane plant awarded Maharashtra Safety Awards for its meritorious performance in industrial safety in the chemicals and fertilisers industry in September 2017 by National Safety Council – Maharashtra Chapter.

5

Dahej Unit 1 awarded for implementation of 6-S across the site by TUV SUD South Asia Pvt. Ltd.

6

Dahej Unit 1 received a Certificate of Appreciation from Federation of Indian Chambers of Commerce & Industry (FICCI) for Good Practices in Quality Systems.

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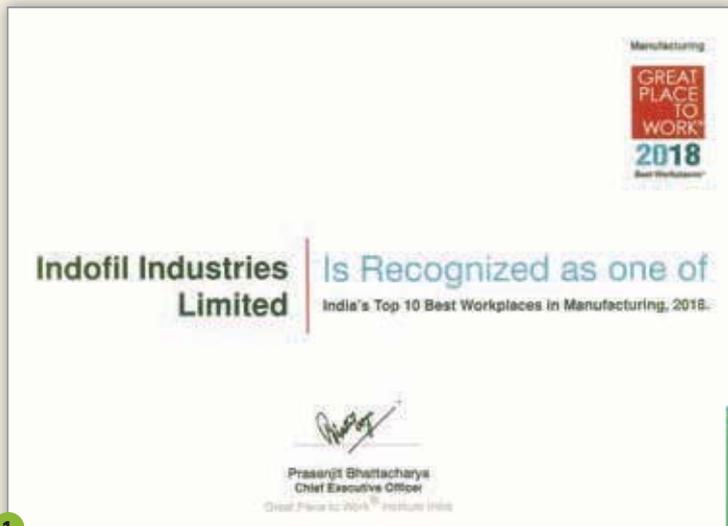
Indofil was one among the Promising Brand category, yet again, for the year 2018 in the Brand Book collated by The Economic Times.

8

Dahej Unit 1 awarded the Platinum category in the Apex India Excellence Award, 2017, by the Apex India Foundation.

9

Thane plant awarded the Platinum category in the Apex India Environment Excellence Award, 2017, for the chemical sector.



1



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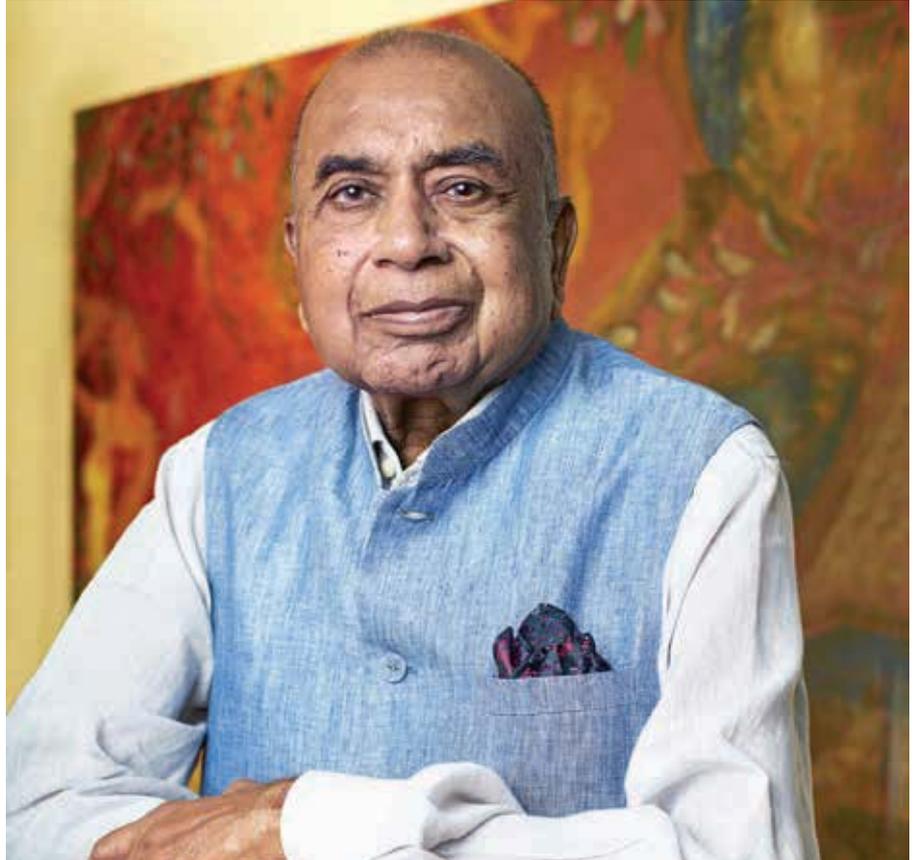


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## Chairman's Message

### A year of strong impetus

2017 marked the broadest synchronised global growth surge since 2010. India, in 2017, saw its GDP growth slumping to a 3-year low mainly due to destocking ahead of the Goods and Services Tax (GST) implementation in the first half of the year. However, the second half of the year saw a recovery from the soft patch and decisive policy actions taken by the Government of India. The GST is a major reform as it replaced various kinds of indirect taxes on goods and services. A favourable macro external environment backed by a series of policy stimulants initiated by the Government boosted India's economic growth.



The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agriculture infrastructure such as irrigation facilities, warehousing and cold storage. India is expected to be self-sufficient in pulses in the coming few years due to the concerted efforts of scientists to get early-maturing varieties of pulses and due to the increase in Minimum Support Price (MSP).

The Union Budget 2018-19 reiterated the Government's focus on rural areas and its commitment towards India's agriculture sector. The Government's measures to improve farm output, such as MSPs, improved market linkages and increased allocation towards the food-processing sector, seem to be the key highlight. The continued emphasis on irrigation and farm insurance will provide further stimulus to help farmers manage risks associated with the cultivation.

### OUR STRATEGIC FOCUS

We have a clear and differentiated strategy to deliver growth across our sectors and geographies. Indofil is successful in finding fast-growing market niches, staying ahead of the competition by identifying and developing products to satisfy unmet customer needs and creating new differentiation in competitive markets. During the year, total consolidated income (net of excise duty) stood at ₹2,030 crore, growing at 11% over the last year, and consolidated net profit after tax stood at ₹236 crore compared to ₹259 crore over the last year.

Pressures on the demand side and the rise in input cost due to the global surge in crude prices have mainly resulted in the reduction in margins over the last year. The Company has, however, strategically ensured that market share is maintained across its key business areas so that the benefits of growth in the sector would accrue to the Company.

We inaugurated our offices in Philippines and Brazil. Philippines has already commenced its marketing and sales operations in May 2018. Ground work and resource development are being undertaken in Brazil. Commercial activity is expected to start in 2018-19. These offices will facilitate the organisation and development of various agri business activities as well as bolster business development in these countries. The facilities mark a new beginning towards the expansion of our agrochemicals business. With these subsidiaries in operation, we have set eyes on Indonesia and Vietnam for expanding our network and regional presence.

We have started focusing the business in the Specialty & Performance Chemicals Division (SPCD), to provide technologically driven innovative solutions to our customers. Hence, the division is now re-christened as Indofil Innovative Solutions. We also worked towards optimising the supply chain by introducing automated technologies and new IT tools, which will enable us to significantly reduce lead times. The state-of-the-art manufacturing facility at Dahej is expected to significantly increase the Company's manufacturing strength, thereby expanding its product portfolio.

Human resources and talent are crucial to any company's growth. Our HR policies lean towards identifying and rewarding employees on their merit for their extraordinary efforts and provide deserving employees with opportunities for rapid advancement. As a learning organisation, we nurture the hunger to learn among our people. Our firm belief in our vision and the zeal with which we go about our work constantly motivates us to deliver and achieve as a team.

## OUTLOOK

We have entered 2018 with good momentum and a strong platform on which we expect to deliver long-term growth. In the year ahead, we intend to continue to invest in fast-growth technologies, R&D, improved operating capabilities and our people. We are confident of delivering continued progress in 2018.

I would like to put on record our sincere appreciation to all our employees, shareholders, customers, vendors, bankers and all stakeholders for their steadfast support that helped us meet industry standards and set new benchmarks. We look forward to a bright future of your Company in the years to come.

Regards,

**K. K. Modi**  
Chairman & Managing Director

Indofil is successful in finding fast-growing market niches, staying ahead of the competition by identifying and developing products to satisfy unmet customer needs and creating new differentiation in competitive markets.

**CONSOLIDATED TOTAL  
INCOME (NET OF EXCISE  
DUTY)**

**₹2,030 crore**

**CONSOLIDATED  
NET PROFIT AFTER TAX**

**₹236 crore**



In the year ahead, we intend to continue to invest in fast-growth technologies, R&D, improved operating capabilities and our people.

## Message from the Group Chief Executive Officer

### We are continuing to deliver

In 2017-18, we further developed our businesses with innovative and highly specialised products and services. It was a year of intense activity where we launched new products, expanded our product pipeline, increased our capability and strengthened our distribution channel and presence. We have broadened and integrated our business portfolio to deliver value progressively to all our stakeholders. Simultaneously, we have continued to reinforce our fundamental strengths, aligning them with the demanding business environment.



#### THE YEAR IN RETROSPECT

Our R&D team works closely with farmers in different regions to recognise and understand their needs and deliver customised solutions using our wide range of products. We strengthened our business across a number of fronts during the year under review. We continued to service key agriculture markets such as India, Brazil and Europe through the development of specialised products, in line with the farmers' emerging needs. We have set up subsidiaries/offices in Philippines and Myanmar. These offices will work as significant facility for coordinating and developing various agri business activities and boosting business development in these countries. These countries are the stepping stones towards our long-term target of replicating our distribution expertise in these geographies. Investment in Europe, Brazil and the Philippines will start giving returns in the coming years. We are also investing in technology start-ups in Israel. We will continue to invest in R&D to further improve and contribute towards the betterment of farmers and the growth of India's agriculture sector. The plant nutrition business, which was set up last year, has started giving positive results.

With the success and experience of the domestic markets, we will continue to explore newer geographies and build

newer relations while strengthening our existing markets and customer relations.

Apart from focusing on the agrochemical sector, for developing our Innovative Solutions business in plastics, paint, textile and leather and the construction chemicals sector, we have identified Asia Pacific (APAC) and the Middle East as potential regions. We are also exploring inorganic opportunities to augment our presence in international markets by acquiring products, technology or distribution network in the Agrochemical or Innovative Solutions segment. As part of our ambitious Lakshya 2x3 aspiration, we are launching a new way of working at Indofil called 'Micro-battles'. Micro-battles uses a data-driven approach and is driven by an empowered team and accountable front-line. To start with, we are using this approach on our most important strategic priorities across both Indian and international businesses. This is a well-tested approach that has given us tremendous success both in India and overseas.

#### FINANCIAL PERFORMANCE

During the year, our consolidated total income (net of excise duty) increased by 11% to ₹2,030 crore. Consolidated profit after tax stood at ₹236 crore. Our focus on growth market sectors, supported by continued innovation, capital investment and a commitment to the highest standards of health, safety and

sustainability, are important contributors to these strong results.

The Company did face some challenges on the operational front. The demand and supply side was stressed, resulting in the reduction in margins. Growth in international business has been almost stagnant due to slow growth from Brazil and other developing markets due to channel inventories. Prices of major raw material such as Ethylenediamine (EDA) and Carbon-di-Sulphide (CS<sub>2</sub>) have significantly increased during the year. As a result of these factors, our margins have witnessed a downfall compared to the earlier years. We expect to recoup these margins in the coming years.

## FOCUSED STRATEGY

Our key strategies focus on building a sound and robust product portfolio across categories and on exploring growth opportunities globally. We also strive to improve upon our operational efficacy, aggressively develop our customer reach, invest in brand-building activities and ensure customer satisfaction. Through our strategies, we aim to:

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

We are proud to be part of this growth journey in the agricultural space. We have embedded sustainability in

our business philosophy and practices. With a social, environmental and ethical approach to business, we believe in leveraging our assets to build an effective cycle of investing in communities and sustainable business practices. The Government of India wants to make agriculture remunerative by significantly enhancing the farmers' income within the next five years. This objective also provides Indofil with an opportunity to deploy the latest technologies and solutions to make the Indian farming community not only productive, but also profitable. It also gives us opportunities to partner with the Government since as a Company, we are constantly working to scale up the growers' capabilities and are ensuring that the farmers get the best inputs and solutions.

At Indofil, we continue to develop and leverage our people strength to nurture a strong bond on a collective goal of improving lives. Our focus is on improving the ways in which we work together on learning and growth opportunities and on leadership development. A robust Environment, Health & Safety (EHS) Management System is set up to ensure a safe and healthy workplace and a clean environment for both the employees as well as the adjoining community. We focus on environmental sustainability through our efforts towards reducing carbon footprint, energy and water conservation, usage of renewable energy and water recycling. We are happy that our products and services have enabled the country's farmers to prosper.

I am grateful for your support and continued investment in Indofil. I look forward to the next stage of growth and a stronger performance in 2018-19 and in the years to come.

Warm Regards,

**R. K. Malhotra**  
Group Chief Executive Officer

Our focus on growth market sectors, supported by continued innovation, capital investment and a commitment to the highest standards of health, safety and sustainability, are important contributors to these strong results.



We have embedded sustainability in our business philosophy and practices. With a social, environmental and ethical approach to business, we believe in leveraging our assets to build an effective cycle of investing in communities and sustainable business practices.

# Operational Highlights



1

Inaugurated subsidiary offices in Philippines and Brazil.



Team Indofil along with Mr. Wilfredo C. Roldan (Fertiliser and Pesticide Authority (FPA) Director) and Mr. Fernando Malveda (Crop Protection Association of the Philippines (CPAP) President)



From L-R: V. N. Rajesh, Eden Strauss (Sales Manager – Brazil), Daniel Dias (Country Head – Brazil), Narendra Rane, Pankaj Patil and Tarcisio Granja (Brazil Consultant)

2

New products launched during the year:

- IMPRESSION – a patented fungicide mixture having three way action - protective, curative and eradivative to control multiple paddy diseases.
- INDOLIZER, a specialised IndoLife Nutrient Enabler Technology (iNET) technology product in granular plant nutrition market.

3

Business operations began in a different vertical named 'Indolife', which consists of the plant nutrition business, and it turned profitable in its first year of operations.



4

Construction of a new EBDC and IIS plant (erstwhile SPCD) was completed successfully. The IIS plant started operations from June 30, 2018 and the EBDC plant is expected to commence commercial operation in Q2 of 2018-19.



5

Started a new project called Supply Chain Transformation to establish and streamline a robust supply chain organisation. In a competitive, seasonal and international market, supply chain can be a point of differentiation and competitive advantage.



6

Recognised by Great Place to Work® and ranked among Top 10 in the manufacturing sector in 2018.



# Business Review

## Agrochemicals

The Agrochemicals business follows the Crop Care Concept, which ensures the safety and health of crops by protecting them from infestations. A number of products, which include insecticides, herbicides, bactericides, acaricides, plant growth regulators and surfactants, are manufactured under the division's scope of offerings.

We are committed to excellence in product quality and service. Our focus is on ensuring the well-being of farmers, protecting crops and improving farm yield. The division is supported by agricultural graduates or doctorates and a strong marketing, technical, sales and logistics group. A productivity improvement programme is designed to educate farmers by demonstrating effective and economic ways of crop protection.

## Domestic operations

### KEY HIGHLIGHTS 2017-18

1

Introduced IMPRESSION, a patented fungicide mixture having three-way action – protective, curative and eradicated – to control multiple paddy diseases.

2

Strengthened its position in the granular plant nutrition market by introducing INDOLIZER, a specialised iNET technology product.

3

Introduced seven new products by way of co-marketing to support business growth and penetration; introduced Lobo (Azoxystrobin + Tebuconazole), Plumage (Azoxystrobin + Difenconazole), Bajao (Acephate + Imidacloprid), Jango (Profenofos + Cypermethrin), Indothion (Ethion), Nami (Bispyribac Sodium) and Munafa (Sodium Acifluorfen + Clodinafop Propargyl).



## Fungicides

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

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

## Herbicides

Herbicides play a major role in ensuring proper growth of the crops. They comprise a class of pesticides, popularly known as weed killers, which kill unwanted plants and weeds without harming the desired crop.

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

## Plant nutrition

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

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

## Surfactants and plant growth regulators

Surfactants and plant growth regulators are types of wetting agents that reduce interfacial tension between two liquids to facilitate easier dispersion of the sprayed material.

**Brands:** Indtron AE, Filwet Premium, Superfix, Ethefol and Banole

## Insecticides

Once crops are infected by insects, it becomes difficult to contain them naturally. They spread fast, causing considerable loss to crops. Our brands of insecticides kill insects or prevent their multiplication in the crop. They also help to significantly increase farm yield.

**Brands:** Token, Rimon, Click, Lift, Volax, Atom, Atom Power, Agent Plus, Agent Capsule, Blaze, Indothrin, Beacon GR, Beacon SP, Flash, Gem, Stalker GR, Stalker SC, Bemiron, Bajao, Jango, Indothion and Asset

## Acaricides

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

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



## KEY NUMBERS

### REGIONAL SALES OFFICES IN INDIA

9

### DISTRIBUTORS ACROSS INDIA

5,750+

### CONSOLIDATED TOTAL INCOME - DOMESTIC (NET OF EXCISE DUTY)

₹947 crore

### REVENUE SHARE

47%

### REVENUE GROWTH

21%

## International operations

### KEY HIGHLIGHTS 2017-18

1

Initiated good business from products synthesised in the newly commissioned synthesis plant both for technicals and formulations. This helped in improving engagement with existing customers and adding new ones and forging new alliances for mixtures.

2

Overall, the business went through a few challenges, including on the pricing front as anticipated on account of increased supply for our major products. The high inventory in channel in larger markets like Brazil and not-so-good fungicide season in Europe put some temporary pressure on sales. In spite of these challenges, we could maintain our volumes in most markets. Multi-site fungicides, including Mancozeb, in Brazil and other markets are projected to grow, which is a positive indicator for the future.

3

The business has increased focus on replicating the successful India model in its key overseas markets of Europe, Brazil, Bangladesh and Philippines.

**Europe:** The team is developing its organisation in the EU headquarters and also in planned countries to develop the distribution business. The additional portfolio identification based on manufacturing and strategic/ regulatory

alliances is progressing swiftly. Specific focus is being given to key accounts with a 360-degree approach to tap into their potential cooperation.

**Brazil:** Being one of the top markets, Brazil is a special focus for Indofil. The team has started to establish its footprint in the Brazilian market, with Mancozeb mainly as a resistant management product against soyabean rust, which is gaining high importance. Moreover, the team is working with its partners in establishing a marketing programme to promote its MANFIL brand. The Company has planned to enter the distribution space in the near future.

**Philippines:** The team is on the ground and has successfully commenced distribution operations in May 2018. Extensive plans for our operations in the raw crop and banana markets are being drawn out for execution in 2018-19.

**Bangladesh:** The team has started the brand expansion activity along with our distribution partners and are planning to extend this portfolio further.

4

The business has increased focus on improving its portfolio and registration footprint globally, with special focus on Brazil and Europe, apart from APAC and Latin American regions.

### International Offerings

Indofil's international business covers offerings from agrochemicals as well as specialty chemicals across over 95 countries.

### Technicals

- Mancozeb
- Cymoxanil
- Metalaxyl
- Tricyclazole
- Myclobutanil
- Maneb
- Zineb
- Dodine

### EBDC mixtures and formulations

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

### KEY NUMBERS

#### OVERSEAS SALES OFFICES

8

#### OVERSEAS DISTRIBUTORS

400+

#### CONSOLIDATED TOTAL INCOME - INTERNATIONAL

₹829 crore

#### REVENUE SHARE

41%

#### REVENUE GROWTH

(2%)

## Indofil Innovative Solutions Division (erstwhile SPCD)

The IIS division caters to the needs of the small, medium and large industrial manufacturers globally. The chemicals supplied are leveraged on technical capability to deliver application benefits to customers, through a network of regional offices and stock points at major centres.

With our state-of-the-art technologies and strong brand equity, we have emerged as the leading manufacturer and supplier in the industry. This, coupled with in-house product development with application know-how, delivered significant growth for dispersants, re-dispersible polymer powder and impact modifiers. We are enhancing our manufacturing capability with a new unit at Dahej. Along with a highly qualified and well-experienced sales team, our application technology teams work closely with customers involved in leather, coating, textile, plastics and construction industries.

### KEY HIGHLIGHTS 2017-18

The growth was driven by an increase in customer engagements by establishing new application laboratories in key customer demand zones. This has led to an increase in the number of end users for the products and partners, with enhanced geographic reach. The Company has successfully launched new products across the following industries:



#### Leather

Preservatives, Soaking and Wetting agents, Degreasing agents, Powder syntans, Acrylic syntans, Fatliquors, WR fats, Resin, Binders, Impegnation systems, Compact binders, Polyurethane (PU) binders, Protein binders, Lacquer and Lacquer emulsions, Waxes and Fillers



#### Plastic

Impact modifiers, Plasticisers, Processing aids, Heat stabilisers, Blowing agents and Lubricants



#### Textile

Acrylic binders, PU emulsions, Silicone emulsions, Water repellents, Fixing agents, Pigment emulsions, Customised compounds and Thickeners



#### Coatings and Construction

Water-based emulsions, Dispersing agents, Thickeners, Defoamers/ Wetting agents, Re-dispersible powders, Cement modifiers, Water-proofing chemicals and Rheology modifiers

### KEY NUMBERS

#### OFFICES

6

#### DISTRIBUTORS

68

#### CONSOLIDATED TOTAL INCOME (NET OF EXCISE DUTY)

₹243 crore

#### REVENUE SHARE

12%

#### REVENUE GROWTH

25%

# Financial Highlights

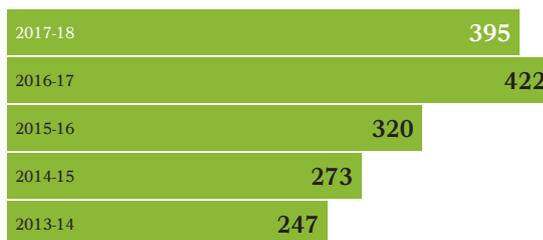
## Revenue and Profit Metrics

### Total Consolidated Income (₹ in crore) (Net of excise duty)



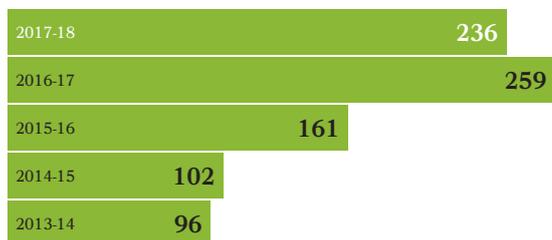
**₹2,030** crore

### Consolidated EBITDA (₹ in crore)



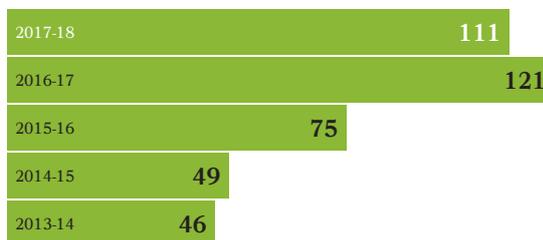
**₹395** crore

### Consolidated Net Profit (₹ in crore)



**₹236** crore

### Consolidated EPS (₹)



**₹111**

## Balance Sheet Metrics

### Consolidated Net Worth

(₹ in crore)

2017-18	1,605
2016-17	1,655
2015-16	1,433
2014-15	820
2013-14	459

**₹1,605\*** crore

### Return on Equity

(As per consolidated accounts)

(%)

2017-18	14
2016-17	17
2015-16	14
2014-15	16
2013-14	21

**14%**

### Book Value per Share

(As per consolidated accounts)

(₹)

2017-18	752
2016-17	775
2015-16	671
2014-15	394
2013-14	222

**₹752**

### Consolidated Gross Fixed Assets

(₹ in crore)

2017-18	1,390
2016-17	1,125
2015-16	923
2014-15	1,207
2013-14	1,074

**₹1,390** crore

\* Net worth reduced mainly due to Fair Value through Other Comprehensive Income (FVTOCI) loss on investment in securities in our Indian subsidiary companies.

## Social Metrics

### Employee Engagement

(Nos.)

2017-18	1,090
2016-17	904
2015-16	801
2014-15	753
2013-14	756

**1,090**

# Value-creation Model

We create long-term value through collaboration with our customers, our proactive and creative attitude and our ability to think differently. We believe in a strong partnership approach, which has been built over the years on the foundation of trust, integrity and Intellectual Property (IP) protection.



# Strategic Priorities

## Lakshya

As part of our ambitious Lakshya 2x3 aspiration, we are launching a new way of working at Indofil called 'Micro-battles'. Micro-battles uses a data-driven approach and is driven by an empowered team and accountable front-line.

To start with, we are using this approach to our most important strategic priorities across both Indian and international businesses. This is a well-tested approach that has seen tremendous success both in India and globally.

Lakshya prioritises the following:

- Leadership behaviour
- Priority micro-battles
- Future-ready capabilities
- Operating model
- Meeting effectiveness, governance and communication

## Driving innovation

Innovation plays a critical role in our business, with sector-specific R&D teams developing new ingredients in collaboration with our customers. Working with our open innovation partners identifies unique opportunities that add value to our customers' products and satisfies the needs of their consumers. A combination of our products and the way we operate enables our customers to build on our innovations so that together, we address the challenges of the agriculture industry. To increase the market share further and tap new markets, we will continue to focus on introducing new brands in the coming years.



## Delivering growth

Through our Business to Consumer (B2C) model, our people build close relationships with our customers, large and small, to target niche, rapidly growing markets where our innovative and sustainable approach is valued. We have a flexible and agile structure for growth that enables our people to stay loyal to our customers around the world. At the same time, we work together as one global team to respond quickly to the demands recognised by the changing demographics in a fragile world.

## Augmenting and modernising production capacities

Indofil has drawn up plans to modernise its production facility, particularly for the existing Innovative Solutions Division (erstwhile SPCD). We have improved application services and are now digitally connecting our distributors, direct dealers, and retailers with our sales teams through mobiles and tablets.

## Increasing international presence

Indofil is rapidly expanding its international business, along with Value Added Distribution (VAD) and collaboration, to capitalise on the growing opportunity.

# Harvesting Happiness for a Sustainable Future



Indofil derives its core competence from its in-depth R&D capabilities. We possess several patent rights, testifying to our perpetual drive for innovation. Driven by a strong and well-formulated research practice, we have boarded a solid platform that is not only committed towards delivering the best, but also focuses on enhancing the organisation's sustainability through customer delight.

We deliver happiness through the increased yield per hectare, reduced crop damage, enhanced plant adaptability and, more importantly, better living standards for the marginalised and poor farmers.



The depth and breadth of our technological and scientific proficiency enables us to develop breakthrough products at affordable prices. Our team of outstanding scientists is the single-most critical component in creating an innovative organisation focused on discovering and developing ground-breaking biotechnology solutions. Our focused expertise, interaction with international thought leaders and participation in technical forums enable knowledge creation and helps us concentrate our R&D efforts on cutting-edge biotechnology development.

We strive to stay connected with farmers constantly throughout the year and keep them informed of various developments

related to weather, sowing and harvesting time and modern agricultural practices. The aim is to improve their socio-economic status by facilitating the sale of their harvests at the right price and by providing any information that they may require. Our experts also assist farmers in enhancing their farm yields by providing solutions to improve soil quality and by helping them adopt sustainable agriculture practices.

Recently, our NABL and GLP certifications have been renewed, which also makes us confident that we are taking the right steps towards the right direction. We hope to take enormous strides towards innovation, which is the way forward for us, at Indofil.

#### Key initiatives undertaken during the year:

- Undertook process improvement
- Developed new formulations
- The R&D team has created proprietary technologies, which, in turn, have helped in developing better-quality hybrids, resulting in market leadership across various products in different regions

# Harvesting Happiness through Robust Infrastructure

Indofil's manufacturing facilities are quality-driven and state-of-the-art and we are constantly making investments to ensure we stay efficient, innovative and on the cutting edge. Our world-class facilities are equipped with pioneering equipment, large production capacities, fully automated processes, integrated high-quality safety measures, environmentally-compliant machines, superior throughput and safe working conditions.

## CAPACITY EXPANSION

The Company successfully set up the new EBDC and Innovative Solutions Plant at Dahej and maintained 100% safety and quality at the construction site. The increased production capacity has helped us in meeting enhanced demand levels.

The plant at Dahej is another landmark in the Company's journey towards manufacturing consistency, excellence, quality and efficiency.



## SUPPLY CHAIN EFFICIENCY

At Indofil, as part of our key strategic plan, we have developed a decentralised supply chain for production, processing, packaging and quality assurance.

Indofil is on a growth trajectory and supply chain is a key enabler and, when well-orchestrated, can act as a force multiplier. In a market that is competitive, seasonal and international, supply chain can be a point of differentiation and competitive advantage.

Our short-term priorities include:

- 1 Building world-class processes, systems and capabilities
- 2 Using these capabilities to help the business functions meet their sales target
- 3 Lowering inventory and cost

In the long term, drivers such as digitisation of the supply chain and group-level synergies will be explored.

Our supply chain proficiencies are achieved through well-organised logistic scheduling by making just-in-time supplies. Going forward, we aim to enhance our distribution network by making our supply chain and demand chain more efficient while maintaining the quality of services.



# Harvesting Happiness through Digital Transformation

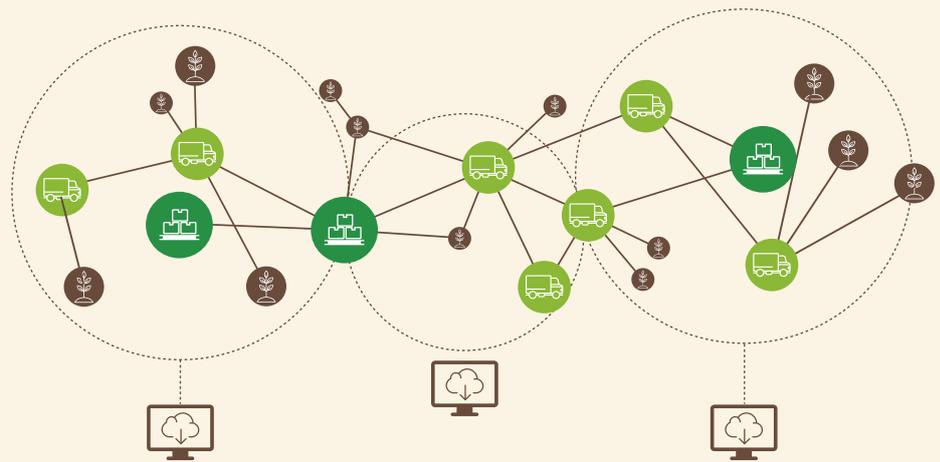
Technology advances are reshaping the world we live in, with digitalisation transforming consumer behaviour. Digital technologies make it easier for consumers' voices to be heard and increase the speed at which new trends are adopted. The evolution of the internet has enabled a significant advance in our ability to gather, analyse and distribute data and turn it into information and knowledge.

We are leveraging digital technology not only for internal processes, but also in serving our customers and farmers so that progress is assured, faster and sustainable for all.



During the year, we implemented the Lab Information Management System (LIMS) in our manufacturing sites, which helps labs provide accurate and timely results at a faster speed and with increased consistency. LIMS is closely integrated with SAP as well as all critical QC instruments, ensuring the highest quality and considerably improving overall lab efficiency and operations. In order to provide a robust platform for our applications and to ensure convenience and scalability, our network and infrastructure have been restructured for efficiency. The business processes are fully online and are governed by best practices within every function. SAP Enterprise Resource Planning (ERP) helps us to maintain the entire process, while observing the highest level of data security.

Digital transformation at all levels has significantly boosted the value to our customers with real-time tracking of accounts, billing and material movement. Further, these upgrades have improved our ability to monitor the performance of our sales force on a real-time basis. We have started a portal that provides near-to-live information of the overall business to all our sales force, enhancing the instant decision-making process and team collaboration. With the launch of the new mobile app, the field development assistants can guide the farmers on various crop diseases instantly.



● Distributors ● Retailers ● Farmers

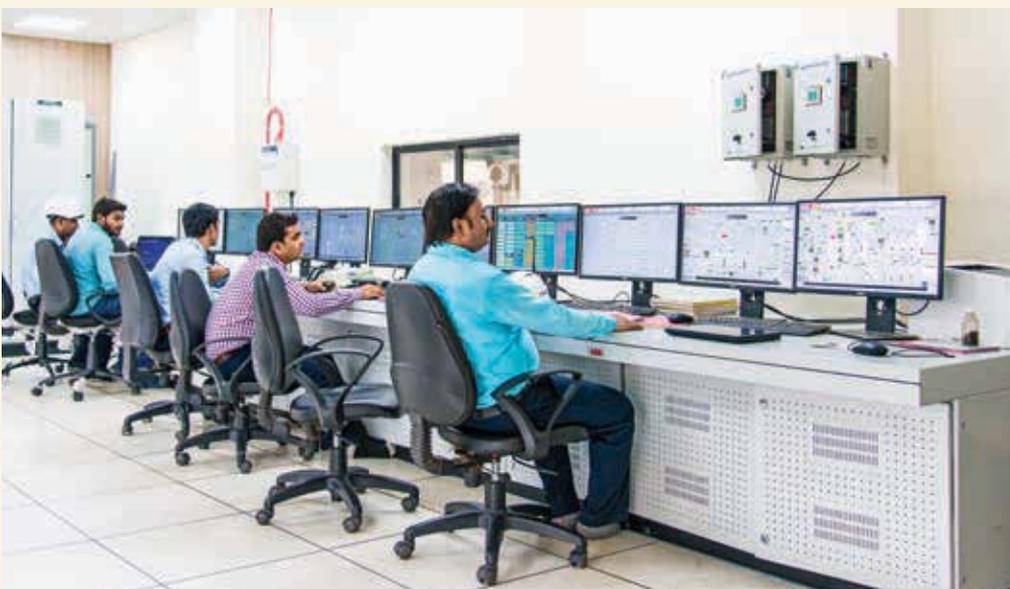
### GREATER TRANSPARENCY IN SUPPLY CHAIN

Our products are sold through a network of distributors and large and small retailers. This multi-level distribution pattern can affect the visibility of inventory, which, in turn, can affect the supply chain performance. During the year, by leveraging the latest IT tools, we have considerably augmented the prominence across the supply chain. We are significantly improving our service levels by ensuring that farmers get the hybrids they need at the right time and place.

### CUSTOMER CONNECT

We believe that investing in an improved customer experience forms the base of our business model. We leverage our extensive presence in the rural

areas effectively by combining the use of latest technology in our outreach programmes. Customer-centric and channel-engagement initiatives were taken forward during the year using technology tools and agri-extension services. We are introducing new digitally-enabled customer offerings, building on our new web platform and increasing the services we provide our customers. We are also setting up a call centre that will help distributors, retailers and farmers on various concerns instantly through outbound and inbound calling, SMS and voicemails.



# Sustainability

## Environment, Health and Safety (EHS)

Indofil is committed to creating a better planet by continuing its focus on safety, health and environmental sustainability through various measures. Pursuing sustainable value creation, we balance our business interests with those of the environment and social well-being of our employees, channel partners, communities and farmers.

On the manufacturing front, the focus has been on maintaining the highest EHS standards and improving process efficiencies. The Company has also implemented an online EHS management system for incident reporting and investigation, ensuring legal compliances and monitoring the health of the employees.

On the safety front, the Company introduced a new concept of offering seven days compulsory EHS training for new employees. Post this, the employees will also have to undergo a test where the passing marks is 80%. This training is an essential pre-training that is imparted before the employees undergo further training.

Total EHS concerns reported during the year is 520, which is 55% less than the previous year (2016-17). It is a great achievement for the Dahej Unit 3 team to complete the project without any lost-time accident. The project team implemented a multi-level safety check reward and recognition scheme to improve safety performance at the project site. Cumulative accident-free man-hours at Dahej Unit 1, Unit 2 and Unit 3 and at the plant in Thane are 8.07 million hrs, 0.18 million hrs,

4.00 million hrs and 3.58 million hrs, respectively, for 2017-18. This year, the Company spent more than 14,000 man-hours of training on safety (about 44% higher than 2016-17) for both permanent and contract employees. The Company is also mindful about the safety of the communities surrounding its operations. With support from the local administration and industries, the Company played a key role in successfully conducting off-site emergency mock drills involving the manufacturing plant at Dahej and the surrounding community.

Indofil is conscious of the global deliberation towards the reduction of Greenhouse Gas (GHG) emissions to reduce the menace of climate change. We not only monitor GHG emissions on a regular basis, but also constantly look for opportunities to reduce carbon footprint by judiciously using energy and incorporating all possible renewable energy sources fitting into our business processes. The total tCO<sub>2</sub>e emitted during 2017-18 was 23,105 tonnes, which is 1% less than the previous year (23,327 tonnes tCO<sub>2</sub>e). We also ensure minimum environmental footprint due to industrial activities.

We have set up two plants with zero liquid discharge to ensure that all wastewater generated from industrial activities is recycled. The 3R (Reduce, Reuse and Recycle) concept has been implemented for all manufacturing units to ensure minimum environmental footprint.

We received the Gold award in the Safety and Environment Excellence category from 'Ek Kaam Desh Ke Naam' in October 2017 for the best EHS performance among chemical manufacturing companies.

We have engaged the services of DuPont to conduct a safety perception survey and Process Safety Management (PSM) gap assessment in the year 2016. DuPont had assessed the performance of the Company on several PSM elements and submitted a gap assessment report. We are now looking at strengthening the PSM implementation in each of the plants using the gap assessment report as a basis.

Indofil implemented the following recommendations made by DuPont during 2017-18:

1

Top five risks of the organisation that have catastrophic effects were identified. Risk mitigation actions for all top five risks have been implemented to bring the risk at an acceptable level.

2

Pre-start-up Safety Review (PSSR) was conducted for the new facility, synthesis plant – Dahej Unit 2. PSSR has been completed for all new processes. The production of eight molecules was started at Dahej Unit 2 in 2017-18 and it has been commissioned without a single safety-related incident.

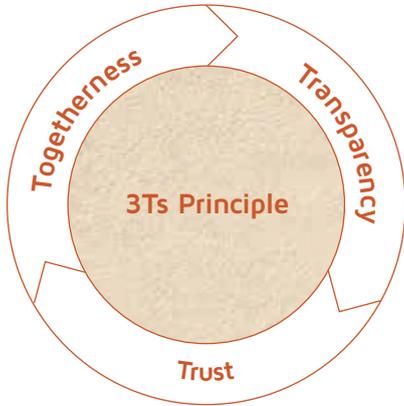
3

Process risk analysis review was conducted for all existing processes at Dahej Unit 1 and at the Thane plant as per the new risk assessment matrix provided by DuPont.

The Company has also engaged Chilworth for a period of two years to drive the implementation of the PSM in the plants within a defined time frame. Post the PSM implementation, Indofil would also like regular audits at pre-defined intervals. The PSM implementation project is planned for the four plants located in Thane and Dahej. Each of the PSM elements will be reviewed as part of the project, for each site will be compared with similar organisations operating globally. The strengths and the identified gaps will be marked based on their criticality and compared with the global sites in similar fields/ operations. This benchmarking will be updated every three months and will be documented and presented as the benchmarking report.



# People and Culture



Our employees are pivotal to the success of our Company and play a central role in ensuring sustainable business growth and future readiness. We actively create and foster a performance-oriented culture, which stands on the foundation of meritocracy.

The Company believes in the 3Ts principle, fostering transparency, togetherness and trust, which has helped in prioritising people above everything else. **Transparency** builds confidence, which is critical for long-term success; **Togetherness** ensures teamwork and lowers chances of making errors and **Trust** ensures that everyone is committed towards a common goal.

## LEADERSHIP CONNECT

To motivate its employees, the Company holds joint practice sessions, individual development plans and personalised trainings. The Company also has a higher education assistance programme and distinctive policies to promote wellness and well-being, among others. As part of our deep commitment to enhance the capabilities of our employees, targeted learning and development programmes continued during the year. Going forward, we intend to harness the power of technology to make the delivery of such programmes more efficient and employee-centric.

With an aim to develop potential leaders so that they can lead and impact the organisation through initiatives and innovation, we have formulated our flagship programme, Indofil Leadership Academy, in association with IIM Ahmedabad (IIMA). This is one of the premier programmes customised for our Middle Management. The programme comprises three modules spread across eight months (June 2017 to January 2018) for personal and professional growth. The academy comprises 25 managers identified through our rigorous process of Talent JPS. Also, our executives attend programmes such as Advanced Management Programme – Harvard,

3-tier Leadership programme – IIMA, linking HR strategy to business strategy – Indian School of Business (ISB), among others. We believe that our leadership development is not just aligned with our business strategy, but is an integral part of the same.

## RECOGNITION

Indofil focuses on creating a positive work environment by providing employees the necessary career value propositions and support, resulting in being consistently ranked among the best companies to work for globally. In 2018, Indofil was recognised by Great Place to Work® and was ranked among the Top 10 in the manufacturing sector.

## EMPLOYEE ENGAGEMENT

Indofil organises various events with the objective of enhancing employee engagement while focusing on individual development. The results of various internal and external surveys conducted by the Company indicate that we have a highly engaged workforce with the willingness to stretch and contribute more towards the growth of the organisation.

We expect to further augment our performance management processes to improve productivity, organisational motivation and engagement by establishing a connection with our business strategy in times to come.



## Giving Back to Society

Indofil's Corporate Social Responsibility (CSR) policy focuses on empowering the underprivileged by providing platforms for inclusive growth. We aim to provide a holistic, sustainable and socially-uplifting environment to the weaker sections of the society, thus enabling them to emerge as significant contributors to India's growth story. Scalability and sustainability form the crux of our social development plan. And the underscoring theme of our CSR philosophy is to create equality in society with our actions.

### CSR SPEND IN 2017-18



#### EDUCATION

₹4.26 crore  
spent

#### PUBLIC WELFARE

₹0.06 crore  
spent

#### OTHERS

₹0.02 crore  
spent

### ENSURING EDUCATIONAL OPPORTUNITIES

At the K. K. Modi Group, we believe that the strength of a nation lies in the hands of an empowered and enlightened society. In this regard, our CSR Committee's major focus is on promoting and supporting education programmes.

The Group has continued to follow its corporate credo and has been supporting philanthropic education for over six decades. It has set up multiple trusts that own and operate several educational institutes, schools, colleges and training centres, among others. These organisations have imparted education to over half a million students.

The Modi Innovative Education Society (MIES), Chhattisgarh, is a registered Society, engaged in educational activities. In 2002, the Education Society established a private university, K. K. Modi University, in Village Mahmara, District Durg, Chhattisgarh.

Indofil has made significant contributions to the MIES to ensure educational opportunities to the underprivileged. Samaj Kalyan Parishad, Ghaziabad, Uttar Pradesh, a Modi Group Society (registered in 1956) is assisting the MIES in this initiative. The institution, which has significant experience in educational initiatives, has been appointed as an implementing agency to conduct CSR initiatives and to exercise supervisory role for completing the said project. The said project is in accordance with Schedule VII of the Companies Act, 2013.



## Board of Directors

The Board remains dedicated to the highest standards of corporate governance and integrity. Our governance framework, which reinforces our ability to deliver our strategy and create long-term value for our shareholders, cascades from the Board across the Group. The Board has decisive responsibility for the overall leadership of the Group. In this role, it oversees the development of a strong Group strategy, monitors operational and financial performance against approved goals and objectives and ensures that appropriate controls and systems exist to manage risks.

### Board of Directors

#### Mr. K. K. Modi

**Chairman & Managing Director**  
– Indofil Industries Limited  
**President & Managing Director**  
– Godfrey Philips India Limited  
**Chairman** – Modi Enterprises

#### Mr. K. K. Modi's Vision

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

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

Mr. Modi has contributed significantly to India's industrial development. He has occupied numerous prestigious positions in various industry, trade,

education, sport and charitable organisations, including:

- President – Confederation of Asia Pacific Chambers of Commerce & Industry (CACCI) (2002-04 and 2004-06)
- President – FICCI (1997-98)
- President – PHD Chamber of Commerce and Industry (1983–84)
- Member of the Board of Governors – Indian Institute of Management, Lucknow
- Life Member – All India Heart Foundation, Delhi

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

### Ms. Charu Modi

#### Executive Director

– Indofil Industries Limited

#### Promoter and Shareholder

– K. K. Modi Group

#### Vice Chairperson and CEO

– Modi Academic International

Institute

#### Founder and Promoter

– Modi Healthcare Placement

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

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

### Mr. Samir Kumar Modi

#### Non-Executive and

#### Non-Independent Director

– Indofil Industries Limited

#### Executive Director

– Godfrey Philips India Limited

Mr. Samir Kumar Modi, son of Mr. K. K. Modi, has been instrumental in conceptualising, strategising, establishing and running the 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 – that are open 24 hours, seven days a week throughout the year.

He has been a part of the following institutions:

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

Apart from this, he also actively campaigns for the cause of HIV/AIDS and has established the Modicare Foundation to enhance awareness and dispel myths and misconceptions around AIDS.

### Ms. Aliya Modi

#### Non-Executive and

#### Non-Independent Director

– Indofil Industries Limited

Ms. Aliya Modi, grand daughter of Mr. K. K. Modi, has graduated from Brandeis University located in Waltham, Massachusetts, US. She holds a bachelor's degree in Arts and is a major in Art History, Criticism and Conservation. Given her international qualification, experience and credentials, the Board is confident that it will help Indofil enhance its international market. She joined the Board on March 18, 2016.

### Mr. Sunil K. Alagh

#### Non-Executive and Independent Director

– Indofil Industries Limited

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

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

- Non-executive Director – United Breweries Limited (Joint Venture of Heineken and Mallya Group)
- Non-executive Director – Gati Limited
- Chairman – SKA Advisors Private Limited
- Member of Board of Governors – IIM Bangalore
- Member of Governing Board of the Indian Music Group – St. Xavier's College, Mumbai
- Member of Round Table on Higher Education – Ministry of HRD, Government of India
- Member of Advisory Board – Jawaharlal Darda Institute of Engineering and Technology, Yavatmal
- Member of Advisory Board – Setco Automotive Limited
- Former Managing Director & 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

## Board of Directors

- Former Member of the Governing Council – National Institute of Design, Ahmedabad
- Former Member of the Board of IL&FS Investsmart Limited
- Former Member of the Indian Advisory Board of Schindler Management Limited, Switzerland

### Mr. M. N. Thakkar

#### Non-Executive and Independent Director

– Indofil Industries Limited

Mr. M. N. Thakkar is a practising 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 prestigious positions:

- Director – Samkrg Pistons & Rings Limited
- Director – Bangalore Softsell Limited

### Mr. Sanjay Buch

#### Non-Executive and Independent Director

– Indofil Industries Limited

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

He is practicing in the areas of Business & Corporate Laws, Mergers and Acquisitions and Corporate Laws, which include Indian Company Law, SEBI Laws and Regulations. SEBI Law and Regulations include Takeover Laws, Insider Trading, Limited Liability Partnerships, Foreign Exchange Management Laws, Competition Laws, Property Laws, Arbitration and Corporate

Litigation in commercial matters and the likes. For the past 25 years, he has been advising many Indian and multinational companies on a wide variety of legal issues. He is known for his business acumen and practical approach in solving complex legal issues and resolving family and business disputes.

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

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

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

### Mr. Rajesh Kumar Singh

#### Managing Director, Uttar Pradesh State Industrial Development Authority

#### Nominee Director

– Indofil Industries Limited

Mr. Rajesh Kumar Singh, IAS, is Nominee Director of UP State Industrial Development Corporation, now UP State Industrial Development Authority. Mr. Singh is B.Tech in Mechanical Engineering and has done Masters of Technology in Thermal Engineering from IIT Delhi. Presently, he is Principal Secretary, Infrastructure & Industrial Development Department, Non-Resident Indians, Department, besides functioning as the Managing Director, Uttar Pradesh State Industrial Development Authority. Prior to this, he had been on central deputation for

five years where he held the post of Joint Secretary, Department of Heavy Industries. He looked after several public sector enterprises and prepared proposals for revival/ restructuring of many sick Central Public Sector Enterprises (CPSEs). Besides this, Mr. Singh was also the Chief Managing Director of Scooters India Ltd. and is credited with reviving it by turning around the company in 2013. As the coordination head, he prepared proposals for the five-year plan, annual plan and budgetary matters of the department. He has rich and varied experience in the field of public administration and governance issues by virtue of his more than 27 years of experience in the various government departments like Land Revenue Management and District Administration, Environment and Forest, Youth Affairs and Sports, Urban Development, Labour and Employment, Human Resource Development, Agriculture and Cooperation, Water Resources, etc. Mr. Singh is credited with introducing many innovative schemes having path-breaking results in various districts of Uttar Pradesh and Agriculture Marketing Department of Uttar Pradesh.

### Mr. S. Lakshminarayanan, IAS (retd.)

#### Non-Executive and Independent Director

– Indofil Industries Limited

Mr. S. Lakshminarayanan has more than 36 years of service in the Indian Government. He holds a master's degree in Chemistry and did his postgraduate diploma from the University of Manchester (UK) in Advanced Social and Economic Studies. Mr. Lakshminarayanan was a member of the IAS (retired) and as such has held several senior positions in the Ministry of Home Affairs, Ministry of Communications and Information

Technology and Ministry of Information and Broadcasting of the Government of India and in the Department of Tourism, Culture and Public Relations and the Department of Mines, Mineral Resources, Revenue and Relief and Rehabilitation of the Government of Madhya Pradesh.

His last assignment with the Government was that of Secretary in the Union Ministry of Home Affairs. During his tenure with the Government of India, he travelled extensively all over the world. He has served as the Vice Chairman in UNESCO's Communication Development Programme in Paris for five years. He was also awarded the Honorary Doctorate Degree by Foro De Federaciones, Mexico, in March 2008.

At present, Mr. Lakshminarayanan holds the following positions:

- Chairman – Shriram Transport Finance Co. Ltd.
- Independent Director – Shriram Life Insurance Co. Ltd.
- Independent Director – 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 – Corporate Affairs, SUN Group
- Chairman – ELCOM Group

### Dr. Atchutuni L. Rao

#### Whole-time Director – Manufacturing, Operations and Safety

– Indofil Industries Limited

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

Dr. Rao holds a bachelor's degree in Chemical Technology from University Department of Chemical Technology (UCDT), Mumbai; an M. Tech degree from IIT, Delhi and a Ph.D. in Chemistry from South Gujarat University. He has attended the Advanced Management Programme at Harvard Business School, US. He joined the Board on March 18, 2016.

# Notice

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Indofil Industries Limited will be held on Wednesday, September, 26, 2018 at 11.00 a.m. at Emerald Hall, 1st Floor, Hotel Kohinoor Continental, Andheri - Kurla Road, J.B. Nagar, Andheri (East), Mumbai- 400 059 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, 2018 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, 2018 and the Report of Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions**:
    - (a) **“RESOLVED THAT** the Audited Financial Statement of the Company for the Financial Year ended March 31, 2018 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, 2018 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, 2018 and in this regard, pass the following resolution as an **Ordinary Resolution**:
 

**“RESOLVED THAT** a Dividend on Equity Shares of the Company at the rate of ₹8/- (Rupees Eight only) per Equity Share of ₹10/- (Ten Rupees) each Fully Paid-Up and ₹2.40 per Equity Share of ₹3/- (Three Rupees) (Partly Paid-Up), be and is hereby declared for the Financial Year ended March 31, 2018 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the Financial Year ended March 31, 2018”.
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 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 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”.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modifications(s) or re-enactment(s) thereof, for the time being in force), Messers Bansi S. Mehta & Co., Chartered Accountants (Firm Registration No.100991W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this 25th Annual General Meeting till the conclusion of the 27th Annual General Meeting to be held in 2020, at such remuneration as shall be fixed by the Board of Directors of the Company”.

## SPECIAL BUSINESS

6. To consider with or without modification, the following as an **Ordinary Resolution**:
 

**“RESOLVED THAT** Mr. Rajesh Kumar Singh, (DIN No. 06459343) who was appointed as an Additional Director by the Board of Directors and who holds office up to the date of this 25th Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and in respect of whom the Company has received under Section 160 of the Companies Act, 2013, a notice in writing from a Member proposing his candidature for Office of Directorship of the Company, be and is hereby appointed as Director of the Company”.
7. To re-appoint Ms. Charu Modi as Executive Director and in this regard, pass the following resolution as a **Special Resolution**:
 

**“RESOLVED THAT** Ms. Charu Modi (DIN:00029625) who was appointed as an Executive Director under the provisions of Companies Act, 2013 and whose term of appointment expires on 31st March, 2019, and in respect of whom the Company has received under Section 160 of the Companies Act, 2013, a notice in writing from

a Member proposing her candidature for the Office of Executive Directorship, be and is hereby re-appointed as an Executive Director of the Company in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and 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(s) thereof), for a further period of 5 (five) years from the expiry of her present term of office, i.e. with effect from 1st April, 2019 to 31st March, 2024 on the terms and conditions including remuneration as set out herein below:

- a. Salary : ₹30 lakhs Per Month, subject to revision upwards as may be permitted under Companies Act, 2013 and any amendment thereof and/or as may be approved by the Board (including the Nomination & Remuneration Committee of the Board.);
- b. Commission : Payment of Commission equivalent to 5% of the net profits of the Company, for each Financial Year, less salary and value of perquisites/allowances/benefits paid for each Financial Year, computed in the manner laid down under Section 198 and other applicable provisions of the Companies Act, 2013;
- c. Perquisites : In addition to salary and commission, she shall be entitled to the following perquisites:
  - I. Rent free, furnished accommodation owned / leased by the Company or house rent allowance in lieu thereof as per rules of the Company.
  - II. Re-imbursment of expenses on actual pertaining to gas, electricity, water and other expenses for upkeep, maintenance and security of residential accommodation.
  - III. Two personal attendants.
  - IV. Contribution to Provident Fund and Superannuation Fund up to such limits as may be prescribed under the Income-Tax Act and Rules.
  - V. Medical Expenses: Re-imbursment of all medical expenses including Mediclaim Insurance Premium incurred for self and members of her family.
  - VI. Club Fees : Fee of Clubs subject to a maximum of two Clubs.
  - VII. Leave Travel Concession: For self and family, in accordance with the Rules of the Company.
  - VIII. Gratuity at the time of retirement / cession of service as per Rules of Company.
- IX. Leave encashment of un-availed leave as per Rules of the Company.
- X. Company maintained Chauffer driven Car for use of Company's business and personal work.
- XI. Fees for Credit Cards.
- XII. Personal Accident Insurance Premium as per rules of the Company.
- XIII. Telecommunication facility at residence including mobile phone,internet facility and any other means of communication facility.
- XIV. Re-imbursment of entertainment, travelling and other expenses incurred for the business of the Company as per rules of the Company.
- XV. Re-imbursment of expenses incurred in connection with transfer as per rules of the Company.

**RESOLVED FURTHER THAT** the aggregate of the remuneration i.e. Salary, Commission, Perquisites, allowances and benefits etc. payable to Ms. Charu Modi for each of the Financial Years of her Executive Directorship shall be subject to overall ceiling of 5% of the Net Profits for one such managerial personnel and 10% of the net profits for all the managerial personnel in case of more than one such managerial personnel as computed in accordance with the relevant provisions of Companies Act, 2013.

**RESOLVED FURTHER THAT** where in any Financial Year during the term of office of Ms. Charu Modi as Executive Director, the Company makes no profits or the profits made are inadequate, the Company may pay Ms. Charu Modi the remuneration by way of salary, perquisites, allowances and benefits as may be agreed to by the Board of Directors and Ms. Charu Modi not exceeding the limits laid down in Section II of Part II of Schedule V and other applicable provisions of Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, unless permission from the Central Government is obtained for paying more.

**RESOLVED FURTHER THAT** Ms. Charu Modi shall not be paid any Sitting Fees for attending the meetings of the Board of Directors or any Committee thereof during the currency of her tenure as Executive Director of the Company.

**RESOLVED FURTHER THAT** subject to the supervision, overall control of the Chairman & Managing Director and the Board of Directors, Ms. Charu Modi in addition to carrying out such duties and exercising such powers as may be entrusted to her by the Chairman and Managing Director and / or the Board of Directors of the Company from time to time, continue to be responsible

## Notice continued

for setting-up the Company's international subsidiaries and provide strategic direction and support a range of strategic initiatives which initiatives may span a variety of areas including corporate strategy, business growth strategy, strategic planning, portfolio strategy, business restructuring etc.

**RESOLVED FURTHER THAT** in view of appointment of Dr. Atchutuni Rao, Director - Operations, as Occupier of all factories, manufacturing units and plants under Factories Act, 1948 and rules made there under, Ms. Charu Modi, as Executive Director of the Company, shall not be construed as in charge or responsible for the management or supervision or day to day affairs or operations of any of the factories / manufacturing units and plants of the Company.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall include the Nomination and Remuneration Committee) of the Company, be and is hereby authorised in consultations with her, to alter and amend the terms of her appointment and to do all acts and deeds and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2019 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 all 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 13th June, 2018 to conduct the audit of the Cost Records of the Company for the Financial Year ending March 31, 2019 be and is hereby fixed at ₹2,20,000/- (exclusive of all taxes)".

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

9. To consider and if thought fit to pass the following resolution with or without amendments a **Special Resolution**.

**"RESOLVED THAT** subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the consent of the shareholders

of the Company accorded at the 21st Annual General Meeting of the Company held on 22nd September, 2014 for borrowing upto ₹ 2000 Crores as per the provisions of Companies Act, 2013 as above mentioned, be and is hereby **renewed** in terms and as per contents hereof and the Board of Directors (including any Committee thereof), be and is hereby authorized to make unsecured and/or secured borrowings from time to time, from any Bank(s) and/ or Financial Institution(s) and/ or Foreign Lender(s) and/ or Body Corporate(s), NBFCs, Company(ies), Co-operative Society(ies), Trust(s), authority(ies) or from other body(ies) or entity(ies) or from such source(s) or with combination of two or more lenders, as may be deemed fit by the Board without issuance of / against issuance of securities such as Floating Rate Notes, Fixed Rate Notes, Syndicated Loans, Non Convertible Debentures, Bonds, Commercial Papers or any other instruments etc. which may or may not be listed on Stock Exchange(s) or which may not be listed either in Rupees and / or in Foreign Currencies and/or to provide securities and/or to issue guarantees in connection with its own borrowings or borrowings by any other companies and/or entities including its associates and subsidiaries as may be permitted by law provided that the aggregate of outstanding (excluding temporary loans and advances payable on call and demand) amount of borrowings comprising of amounts already borrowed, securities that may be already provided and guarantees already given by the Company and the amounts that may be borrowed by the Company and/or Guarantees that may be given and/or securities provided by the Company from time to time at any point in time shall not exceed ₹2000 Crores (Rupees Two Thousand Crores Only) or amount equivalent to ₹2000 Crores, notwithstanding that the aggregate of the amounts borrowed may exceed aggregate the Paid up Capital and Free Reserves of the Company and the limits prescribed by Companies Act, 2013 and rules made there under as may be amended from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

10. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 42,71 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014

(including any statutory modification or re-enactment thereto) ("the Act"), the Securities and Exchange Board of India (SEBI) (issue and listing of Debt Securities) Regulation, 2008 and other applicable SEBI Regulations and guidelines, Foreign Exchange Management Act & Reserve Bank of India (RBI) Guidelines, the Memorandum of Association and the Articles of Association of the Company and any other applicable laws, Rules and Regulations (including any statutory modifications of re-enactments thereof for the time being in force) and subject to such approval, consents, permissions and sanctions if and to the extent required of the SEBI, Government of India (GOI), RBI and all other appropriate and/or concerned authorities and subject to such condition and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted/ to be constituted by the Board) the consent of the Company be and is hereby accorded to the Board to offer, issue and allot Unsecured/ Secured Redeemable Non-Convertible Debentures/ Bonds ("NCDs") other instruments in one or more tranches to Investors whether India or Foreign (including residents, non-residents, institutions, banks, bodies corporate(s), Companies, mutual funds, venture capital funds, financial institutions, individuals, trustees, stabilizing agents or otherwise and/or any other institution/entities, whether or not such investors are Members of the Company) through Private Placement for an amount not exceeding ₹ 150 Crore (Rupees One Hundred Fifty Crore only) or equivalent thereof in one or more foreign currency and/or Indian rupee, during the period of one year from the date of passing of Special Resolution by the Members on such terms and conditions as the Board may, from time to time, deem fit, necessary and proper subject to total outstanding amounts of monies already borrowed by Company and that may be borrowed by Company from any bank(s), institution(s), NBFC(s), Company(ies), trustees, individual(s), corporate body(ies), other source(s) and against issuance of any non-convertible debentures, bonds and any other securities issued by the Company not exceeding the borrowing powers approved by the Members under Section 180(1)(c) of the Companies Act, 2013 and applicable rules made thereunder, notwithstanding that the aggregate of the amounts borrowed and amounts to be borrowed from time to time including against issuance of the aforesaid Debenture, bonds or other securities and all other borrowings may exceed aggregate the Paid up Capital and Free Reserves of the Company and the limits prescribed by Companies Act, 2013 and rules made there under as may be amended from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, invitation, issue or allotment through private placement or otherwise of NCDs, bonds or other instruments, the Board be and is hereby authorised on

behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, finalising the form/ placement documents/ offer letter, timing of the issue(s), including the class of investors to whom the NCD, bonds or other instruments are to be allotted, number of NCDs, bonds or instruments to be allotted in each tranche, issue price, security, creation/ modification of charges if any, listing of securities, redemption, rate of interest, redemption period, allotment of NCDs, appointment of lead managers, consultants, advisors, merchant bankers, Debenture trustees and other agencies, entering into any arrangements, in connection with the issue of securities, placement documents and to sign all deeds, agreements, memoranda, documents, undertakings, placement documents and to sign all deeds, agreements, memoranda, undertakings, promissory notes and such other writings and to pay any fees, remuneration, charges, expenses relating thereto and for any other related matters and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) of securities as it may, in its absolute direction, deem fit, from time to time."

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

**"RESOLVED THAT** in supersession of earlier resolutions passed in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and Rules framed thereunder including any amendments thereof from time to time, the consent of the Company be and is hereby accorded for creation of such charges, mortgages, encumbrance, hypothecation as the Company's Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board) may deem fit and appropriate in addition to the existing charges, mortgages and hypothecations already created by the Company on all or any of the present and/or future assets of the Company and in such manner as the Board may direct, in favour of and/or for benefit of all or any of the financial institutions/banks/NBFCs/insurance Companies/ individual(s), any other agency(ies)/ trustee(s), other(s) and/or in favour of or for benefit of the holding of Non-convertible, Redeemable Debentures, Bonds and other instruments, whether listed or not, whether issued by Private Placement or otherwise to secure grant of any amount, loans and/or subscription of Debentures and/or Bonds and/or other instruments, interest thereon, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies agreed and payable by the Company (collectively referred to as 'Loan').

## Notice continued

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary for creation of charges, mortgages, hypothecation and other encumbrances and if required for registration of the same with appropriate authorities and for the purpose of giving effect to this Resolution.”

By Order of the Board,  
For Indofil Industries Limited

Place: Mumbai

**CS. Devang Mehta**

Date : June 13, 2018 Head- Company Secretary and Legal

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself. The proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company. **The proxy form duly completed and signed should be deposited at the Company's Registered Office at Mumbai, not later than 48 hours before the time fixed for the meeting.**
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item nos 6, 7, 8, 9,10 and 11 which sets out details relating to Special Business at the meeting, is annexed hereto.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except on Saturdays between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
4. Members holding shares in Physical Form are requested to notify change of address or bank mandates, under their signatures to M/s. MAS Services Limited, the Registrars and Transfer Agents (RTA) of the Company, located at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020, quoting their Folio Numbers. Members holding shares in Electronic Form may update such details with their respective Depository Participants (DPs). All correspondence regarding Electronic Form / Transfer / Consolidation / Split of shares etc. should be directly addressed to them for expeditious disposal.
5. The Register of Members and Shares Transfer Books will remain closed from Thursday, September 20, 2018 to Wednesday, September 26, 2018 (both days inclusive) for the purpose of payment of dividend to those Members who hold shares in Physical Form and whose names stand on the Register of Members as on September 26, 2018. 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, the September 19, 2018 as per details furnished by the depositories for this purpose.
6. To avoid loss of Dividend Warrants in transit, undue delay and incidence of fraudulent encashment of the Dividend Warrants, the Company has provided a facility to the members for remittance of dividend through the National Electronic Clearing system (NECS). The NECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in Physical Form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents. In case of members holding shares in Demat Mode, they should furnish details in the prescribed format of their Depository Participants (DPs).
7. **Members/Proxies should bring duly filled Attendance Slip sent herewith and a valid Identity Proof for attending the meeting.**
8. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
9. Instructions for E-Voting:
  - (1) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as may be amended from time to time, the Company is pleased to offer e-voting facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - (2) The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
  - (3) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - (4) The remote e-voting period commences on Sunday, September 23, 2018 (9:00 am) and ends on September

25, 2018 (5:00 pm). During this period members of the Company, holding shares either in Physical Form or in Dematerialised Form, as on the cut-off date of September 19, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

- a. Initial Password is provided, as follows :  
EVEN (Electronic Voting Event Number) User ID  
Password/ PIN  
Provided in the Electronic Voting Particulars Portion of the Attendance Slip.
- b. Launch internet browser by typing the following;  
URL: <https://www.evoting.nsd.com/>
- c. Click on Shareholder - Login
- d. Insert User ID and Initial Password as noted in step (a) above and click 'Login'
- e. Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- f. Home page of remote e-voting will open. Click on remote e-voting - Active Voting Cycles.
- g. Select 'EVEN' (E-voting Event Number) of Indofil Industries Limited.
- h. Now you are ready for remote e-voting as 'Cast Vote' page opens.
- i. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- j. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, etc. together with attested Specimen Signature of the person(s) who are authorised to vote, to the Scrutiniser through e-mail

to [scrutiniserindofil@modi.com](mailto:scrutiniserindofil@modi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

(6) General Instructions:

- A. In case of any queries, please refer to the Frequently Asked Questions (FAQs) and the e-voting user manual for members available in the 'Downloads' section of <http://www.evoting.nsd.com>. You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- C. The voting rights of Members shall be in proportion to their share in the paid-up Equity Share Capital of the Company as on the cut-off date of 19th September, 2018.
- D. Member(s) can opt for only one mode of voting i.e. either physical voting through ballot or e-voting. In case a member has used both means then vote cast by e-voting will alone be treated as valid.
- E. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on cut-off date i.e. 19th September, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or our Registrar and Transfer Agent, MAS Services Limited at [info@masserv.com](mailto:info@masserv.com).

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

- F. Mr. Mukesh Siroya, proprietor, M/s. Mukesh Siroya & Co., Company Secretaries, (Regn No. 4157), having address at A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar Borivali (E), Mumbai - 400 066, has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- G. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by use of "Ballot Paper" for those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- H. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote

## Notice continued

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

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

### 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. 6

Mr. Ranvir Prasad was appointed by Uttar Pradesh State Industrial Development Corporation Limited (UPSID) as their nominee on Board of Directors of Company. The nomination of Mr. Ranvir Prasad was withdrawn by UPSID on 7th August, 2018 and in his place Mr. Rajesh Kumar Singh was nominated and has been accordingly appointed as an Additional Director on Company's Board. The Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose Mr. Rajesh Kumar Singh as a candidate for the office of Director.

Except Mr. Rajesh Kumar Singh none of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in passing of the resolution. The Board of Directors recommended the appointment of Mr. Rajesh Kumar Singh as a Director of the Company and passing of the Ordinary Resolution set out at the Item No. 6 of the Notice.

#### Item No. 7

Ms. Charu Modi is Executive Director of the Company. Her term as Executive Director expires on 31st March, 2019.

The Board of Directors of the Company ("the Board") at its meeting held on June 13, 2018 has, subject to approval of Members, has re-appointed Ms. Charu Modi (DIN: 00029625) as an Executive Director for a further period of 5 (five) years from April 1st, 2019 to 31st March, 2024 on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the "NRC"). The Members' approval for re-appointment of and remuneration payable to Ms Charu Modi as Executive Director of the Company is solicited as per the terms re-appointment and remuneration contained in the resolution at Item No. 7. The resolution read with this Explanatory Note may be treated as a written

memorandum setting out the terms of re-appointment of Ms. Charu Modi as required under Section 190 of the Act.

Ms. Charu Modi has travelled worldwide and has deep understanding of international market and economic conditions of various countries. It would be in the interest of the Company to continue to avail of her expertise and to re-appoint Ms. Charu Modi as Executive Director. Ms. Charu Modi satisfies all conditions set out in Part-I of Schedule V to the Act, as also conditions set out under Sub-Section (3) of Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr K K Modi and Mr. Sameer Modi are to be considered as interested in the resolution set out at Item No.7 of the Notice. The relatives of Ms. Charu Modi may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholdings in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 7 for approval by the Members.

#### Item No. 8

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 the recommendation of Audit Committee, the Board of Directors have approved the appointment of M/s S.N. Addagatla & Co., Cost Accountant, (Membership No. 103855) as the Cost Auditors of the Company to conduct audit of Cost Records maintained by the Company for the Financial Year 2018-19, at a remuneration of ₹2,20,000/- (exclusive of applicable taxes).

M/s S.N. Addagatla & Co., Cost Accountants, have furnished certificates regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditor has to be ratified by the shareholder of the Company.

Accordingly, consent of the members is sought for the aforesaid purpose. The Directors recommended the resolution at Item No.8 for approval of shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution.

#### Item No. 9

Keeping in view the Company and its subsidiaries existing and future financial requirement to support their business

operations, the Company needs to borrow from time to time additional funds and/or provide guarantees and/or securities in connection with its own borrowings and borrowings by subsidiaries. The Company has been raising finance from Banks, Financial Institutions, other lending institutions, Bodies Corporate and/ or such sources and/or issue guarantees and/ or provide securities as may be considered fit. The Company has sought approval of Members to borrow from time to time amounts such that the new borrowing to be made/securities to be provided and Guarantees to be issued together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) and guarantees given and securities already provided may exceed the aggregate of the paid up capital and the free reserves of the Company.

In terms of Section 180(1)(c) of the Companies Act, 2013 read with Rules made thereunder, the Members of the Company at their 21st Annual General meeting of the Company had permitted Company to borrow issue/provide securities and issue guarantees upto ₹2000 Crores.

Company proposes to **renew** the members consent in terms of the resolution at Item No. 9 read with this explanatory note for borrowing limits such that the aggregate of the outstanding amounts of loans availed, guarantees issued and securities provided and the amounts that may be borrowed guarantees that may be issued and securities that may be provided by the Company shall not at any point in time exceed ₹ 2000 Crores. The permission is sought in term of Section 180(1)(c) of Companies Act, 2013 to enable Company to borrow foresaid amounts not withstanding that the total borrowings of the Company may exceed the aggregate of its Paid Up capital and free Reserves and limits specified under Companies Act, 2013 and rules made thereunder, The Item requires approval of Members by way of a Special Resolution. The Board of Directors have recommended the resolution for Member's approval by passing the Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Special Resolution.

#### Item No. 10

In order to cater the financial requirement of the Company, it is proposed to issue Redeemable Non Convertible Debentures/ Bonds/ other Non Convertible Instruments to the tune of ₹ 150 Crores within the limits sanctioned by the Members in terms of Section 180(1)(c) of Companies Act, 2013 and Rules made thereunder. The Resolution proposes to provide authority to Board to take appropriate decisions and do needful in that regard.

The aforesaid securities are proposed to be offered on Private Placement basis during the period of one year from the date of passing of the Resolution. The amount so raised is proposed to be used for General provisions with objective to bring down the cost of borrowings. Approval of members is sought as per provisions of Section 42 and other applicable provisions of the Companies Act, 2013 and the rules prescribed thereunder. The proposal for issue of NCDs/Bonds/other securities requires Special Resolution to be passes by members of Company. The Directors recommend the resolution for your approval. None of the Directors and key Management Personnel of the Company or their respective relatives are concerned or interested in the passing of the Resolution.

#### Item No. 11

Pursuant to the provisions of the Section 180(1)(a) of the Companies Act, 2013 the power to create charge, mortgage, hypothecation or encumbrance on the Company's assets can be exercised by the Board with the consent of the Members by Special Resolution. Members have permitted the Company under Section 180(1)(c) and other applicable provisions of Companies Act, 2013 to borrow and/or issue guarantees and/ or provide securities at present upto outstanding amount not in excess of ₹2000 Crores. The bankers to the Company have requested the Company to renew the approval of Members to create charge, hypothecation, mortgage and encumbrance assets of the Company. The Board therefore has recommended Members for their approval to resolution at Item No. 11 to renew/to create mortgage, hypothecation, charge and encumbrances on assets of Company, to issue guarantees and to provide securities by passing the Special Resolution under Section 180(1)(a) of the Act and authorise Board to create charge to secure in aggregate, an outstanding amount upto ₹2,000 Crores including charges already created on assets of the Company and its subsidiaries/ associates.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are in any way concerned or interested in the Resolution at Item No. 11 of the accompanying Notice.

The Board recommends the Resolution at Item No. 11 of the accompanying Notice for acceptance by the Members.

By Order of the Board,  
For Indofil Industries Limited

Place: Mumbai  
Date : June 13, 2018

**CS. Devang Mehta**  
Head- Company Secretary and Legal

# Management Discussion and Analysis



Synthesis plant, Unit-2, Dahej

## ECONOMIC REVIEW

### Global Economy

Global growth augmented during fiscal 2018, with a harmonised recovery in the US, the eurozone, and Japan; even China seemed to be stabilising. The US economy persisted in robust shape, with growth in GDP, industrial production and investment holding up well. In 2017, the eurozone turned in its fastest pace of growth over the last

decade. The economy expanded by 2.5%, its strongest performance since the global financial crisis in 2007. Emerging markets contributed to the broad-based and coordinated global upturn in 2017 and many markets are on track to exhibit an even better growth performance in 2018. China's growth remained robust and well balanced across sectors and across categories of domestic demand.

### Global Growth

Particulars	Projections (%)			
	2016	2017	2018	2019
World Output	3.2	3.7	3.9	3.9
Advanced Economies	1.7	2.3	2.3	2.2
United States	1.5	2.3	2.7	2.5
Eurozone	1.8	2.4	2.2	2.0
Japan	0.9	1.8	1.2	0.9
United Kingdom	1.9	1.7	1.5	1.5
Other Advanced Economies*	2.3	2.7	2.6	2.6
Emerging Market and Developing Economies	4.4	4.7	4.9	5.0
China	6.7	6.8	6.6	6.4

\*Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and eurozone countries  
Source: International Monetary Fund (IMF)

“Going forward, a strong labour market, federal personal tax cuts, low interest rates and easy access to credit are few positive factors for the consumers.”

## Outlook

Going forward, a strong labour market, federal personal tax cuts, low interest rates and easy access to credit are few positive factors for the consumers. The International Monetary Fund (IMF) has raised its global growth estimates for 2018 and 2019 to 3.9% from 3.5% in 2017. Monetary policies around the world are expected to normalise over the next 2 years to restore liquidity and interest rates with the higher growth. Buoyant investments coupled with an increase in capital expenditure incurred by corporates will be the other drivers of global growth in 2018.

## INDIAN ECONOMY

According to Central Statistics Office (CSO), the Indian economy posted a growth rate of 7.7% during Q4 – January-March 2018, enabling the country to retain its position as the fastest growing major economy. India's GDP increased at the rate of 6.7% in 2017-18 and is expected to grow by 7.3% in 2018-19. This was on account of robust performance by manufacturing and service sectors as well as good farm output. India has positioned itself as the most dynamic emerging economy among the largest countries and is expected to remain the fastest growing on the back of robust private consumption and noteworthy domestic reforms gradually being implemented by the Government.

The domestic Consumer Price Index (CPI) for March 2018 declined for the third consecutive month and stood at 4.28% y-o-y compared to 4.44% y-o-y for February 2018. The cumulative industrial production growth for the period April-March 2017-18 over the corresponding period of the previous year stood at 4.3%. During 2017-18, the manufacturing sector recorded a growth of 4.5%, marginally up from 4.4% in 2016-17.

## Outlook

Going ahead, India is likely to see a steady growth on the back of improvement in rural economy, rising Government expenditure and higher disposable income in the hands of consumers. Due to the strong demographic dividend that India is observing, the economic growth and demand conditions in the country are expected to remain healthy for a long period. Furthermore, improvement in global growth, firming up of structural drivers of domestic market due to steady reform announcements and steady urban demand are likely to drive earnings.

## AGRICULTURE INDUSTRY

### Global

The world's population is expected to grow from 7.4 billion people in 2017 to 7.8 billion in 2022. The average annual increase in the world's population is around 88 million people. (Source: FAO). The global agriculture industry would need to improve its productivity to meet the global demand, notwithstanding reducing arable land and rural work force and nature's vagaries. Agriculture's share in the national Gross Domestic Product (GDP) and employment is declining at different paces for major agrarian countries, which, in turn, would affect their food availability and security. The need

for better-quality crop and farm productivity stands further intensified, thereby fuelling sustained demand growth for agrochemicals.

According to the Food and Agriculture Organization (FAO), global stocks of wheat and coarse grains are both poised to hit record levels in the current marketing year, of 272.7 million tonnes and 309.8 million tonnes, respectively. Global wheat utilisation in 2018-19 is set to increase for the third consecutive season, reaching 743 million tonnes, up by 0.8% from 2017-18. World rice utilisation is expected to expand by 5.2 million tonnes in 2018-19 to reach 509 million tonnes. Food use is again predicted to drive this growth, overriding likely declines in feed and industrial uses.

## India

The agriculture industry signifies an important component of the Indian economy, both in terms of its contribution to the GDP as well as a source of employment to the majority of the country's population. This sector is currently showing vast opportunities, with India presently being the world's third largest agricultural producer by value (after China and the US). Several transformations have taken place in this sector over the past few decades. These include rising penetration of the organised sector, growth in contract farming, agriculture becoming more mechanised, easy loan facilities, rise of exports, use of agrochemicals and high-yielding seeds and an increasing role of the private sector in processing, branding and marketing, etc.

According to the Economic Survey 2017-18, India's agriculture sector is likely to grow at 2.1% in 2017-18. The gross value added by agriculture, forestry and fishing combined was US\$252.82 billion in 2017 at constant prices. According to the advanced estimates of the Ministry of Statistics and Programme Implementation (MoSPI), agriculture and its allied sector recorded a CAGR rise of 7.09% during 2007-17.

### Gross value added by agriculture and allied sectors at constant 2011-12 prices

(US\$ billion)

2017-18**	274.23
2016-17*	266.37
2015-16	250.62
2014-15	249.21
2013-14	249.68
2012-13	236.51
2011-12	233.04

CAGR 2.75%

\* 1st revised estimates, \*\* 2nd advance estimates

Source: Ministry of Agriculture, Print Release, RBI, Aranca Research, MoSPI, Central Statistics Office (CSO)

## Management Discussion and Analysis continued

The Government has initiated reforms in the field of agricultural marketing, giving a big thrust to the use of technology in agriculture. It has also adopted the Direct Benefit Transfer (DBT) mode for opportune delivery of extension services, credit and other inputs to small and marginal farmers.

The second advance estimates for production of major crops for 2017-18 released by the Department of Agriculture, Cooperation & Farmers Welfare suggest record aggregate food grain production in 2017-18. The total food grain production estimates touch a record high of 277.49 million tonnes, which is higher by 2.37 million tonnes than the previous record production of 275.11 million tonnes. The record highs are on account of near-normal rainfall during monsoon 2017 and various policy initiatives undertaken by the Government.

Among the food grains, crops such as rice, coarse cereals, maize, pulses, gram and urad are expected to witness record high production level in 2017-18. Total oilseeds production in the country during 2017-18 is estimated at 29.88 million tonnes, which is lower by 1.39 million tonnes than the production of 31.28 million tonnes during 2016-17. However, the production of oilseeds during 2017-18 is marginally higher by 0.34 million tonnes than the average oilseeds production.

With a significant increase by 47.16 million tonnes over 2016-17, the total production of sugarcane in the country during 2017-18 is estimated at 353.23 million tonnes. The

production of sugarcane during 2017-18 is also higher by 11.19 million tonnes than the average sugarcane production of 342.04 million tonnes.



The Government has initiated reforms in the field of agricultural marketing, giving a big thrust to the use of technology in agriculture, and adopted the Direct Benefit Transfer (DBT) mode for timely delivery of extension services, credit and other inputs to small and marginal farmers.

Production of cotton is estimated at 33.92 million bales (of 170 kg each), higher than the previous year's production of 32.58 million bales. Further, it is also higher by 0.41 million bales than its average production of 33.50 million bales.

### Production data for food grains, oilseeds, cotton and sugarcane

Particulars	Estimated Production 2017-18 (million tonnes)	Production in 2016-17 (million tonnes)	Average Production in the last 5 years	% y-o-y increase/ (decrease)
<b>Food Grains</b>	<b>277.49</b>	<b>275.11</b>	<b>260.18</b>	<b>0.9%</b>
Rice	111.01	109.70	106.29	1.2%
Wheat	97.11	98.51	93.34	(1.4%)
Coarse Cereals	45.42	43.77	41.70	3.8%
Pulses	23.95	23.13	18.85	3.5%
<b>Oilseeds</b>	<b>29.88</b>	<b>31.28</b>	<b>29.54</b>	<b>(4.5%)</b>
<b>Cotton*</b>	<b>33.92</b>	<b>32.58</b>	<b>33.50</b>	<b>4.1%</b>
<b>Sugarcane</b>	<b>353.23</b>	<b>306.07</b>	<b>342.04</b>	<b>15.4%</b>

Source: Press Information Bureau, Government of India

\*cotton – in million bales (of 170kg each)

### Union Budget 2018-19

The Government has labelled agriculture as an enterprise and has restated its commitment to double farmers' income by 2022. The focus of the Government is on safeguarding good remuneration for farmers and generating productive and lucrative on-farm and non-farm employment for farmers and landless families. In this regard, the Government has undertaken various initiatives, which include:

**Linking Minimum Support Price (MSP) to production cost –** The Government has decided to implement MSP of at least a

one and a half times the cost for all the crops. Given that many product prices have been forced below MSP in recent times, the Budget reiterates the need for effective implementation of MSP. It has directed NITI Aayog to introduce a mechanism to ensure farmers get adequate price for their produce. The Budget has enhanced the food subsidy to the Food Corporation of India (FCI) by almost 35%.

**Agri market development –** The Government announced full implementation of the eNAM system (online agriculture marketplace) by March 2018, which would empower the

farmers with ample bargaining power to fetch justified prices. To facilitate the small farmer's access to these online platforms, the Government has announced plans and allocated ₹2,000 crore to upgrade rural haats or Gramin Agricultural Markets, which would be linked to eNAM.

**Crop insurance** – The 21% increased allocation towards crop insurance schemes, at ₹13,000 crore, will help in alleviating and stabilising farmer incomes and protecting farmers from the irregularities of weather, crop damage and market dynamics.

**Irrigation reforms** – The Government has allocated ₹2,600 crore towards irrigation reforms and announced incentives for rapid development and penetrations of farm irrigations systems. This initiative would help to reduce dependency on weather and monsoons.

**Increasing the subsidy for fertilisers** – The Budget has substantially enhanced the amount allocated towards fertiliser subsidies, both urea and nutrient based, by almost 8% to ₹70,000 crore, which would provide relief to urea and non-urea fertiliser companies. Moreover, this step would also help lubricate the pan-India DBT implementation.

**Liberalisation of agri exports** – The Finance Minister has announced the liberalisation of the agri export policy and enhancement of the testing facilities for exports. This step would boost the exports to their intended potential and improve farmers' incomes.

### Outlook

The various Government initiatives and higher allocation in the Union Budget 2018-19 place great emphasis on agriculture and rural India, with specific focus on water resources and irrigation. There is also an enhanced focus on soil health and yield improvement through sustainable means to promote the use of complex and specialty fertilisers. Going forward, the agriculture sector in India is expected to gain further momentum due to the increased investments in agricultural infrastructure.

## AGROCHEMICAL INDUSTRY

### Global

According to the report by WiseGuy, the agrochemicals market is projected to grow at a CAGR of 3.77% over the forecast period to reach US\$300.548 billion by 2022, from US\$249.745 billion in 2017. The demand for agrochemicals is growing due to an increasing demand for agricultural products. The agriculture industry is driven by global population and income growth and dietary changes that follow. Major benefits of agrochemicals include adapting the need of the crop to suit the changing weather pattern and increasing crop production through optimal use of scarce resources. As land is limited, agrochemicals represent the main recognised technique to increase yields in the agriculture industry.

The key drivers contributing to the growth of the global market include decreasing arable land, increasing global population and consequential requirement to improve crop yields. Further, new demand for agricultural products would also be created by the use of agricultural products for industrial applications, such as in fuel blending and polymer manufacturing, opening up new avenues of applications for agrochemicals.

Rapid growth in the acreage of Bt cotton hybrids, resulting in an improvement in the yield of cotton crop, is opening new opportunities for more consumption of pesticides to control pests that drain plants of their growth nutrients. The increase in demand for processed food and rising consumption of meat and dairy products is ensuing in higher demand for animal feed and is expected to boost the regional agrochemicals market growth over the next 5 years. Other factors such as improving logistics and higher implementation of the latest technologies will also contribute significantly to the market growth.



The key drivers contributing to the growth of the global market include decreasing arable land, increasing global population and consequential requirement to improve crop yields.

### India

The Indian agrochemical industry is valued at US\$4.7 billion in 2016 and is estimated to grow at a CAGR of 7.5% to reach US\$9 billion by 2025 (Source: Tata Strategic Analysis). The export market is expected to grow at 8.0% to reach US\$ 5.2 billion by 2025. India is the fourth largest producer of agrochemicals worldwide, after the US, Japan and China. Approximately 50% of the demand comes from domestic consumers while the rest goes towards exports. While the domestic demand is expected to grow at 6.5% per annum, exports are estimated to grow at 9% per annum by 2025.

The Indian crop protection industry is largely dominated by insecticides, which form about 65% of the industry share. Other segments such as herbicides, fungicides and others (rodenticides/nematocides) form 16%, 15% and 4%, respectively. The average per-hectare consumption of agrochemicals in India is comparatively lower compared to the consumption in the US, Japan and other developed countries. This augurs well for the industry in India. Rapid urbanisation coupled with

## Management Discussion and Analysis continued

rising disposable income and changing consumption pattern is driving the regional market growth.

### Growth Drivers

#### Awareness levels of farmers

Indian farmers have been long habituated to traditional agricultural methods and processes. Local government bodies, state agricultural universities and agrochemical companies have made significant efforts towards improving farmer awareness and acceptability of modern agriculture methods, including adequate use of agrochemicals.

#### Decreasing arable land coupled with increasing population

Decline in the availability of cultivable land in coincidence with the growing population will lead to a need for higher crop yields using the limited available resources. This is expected to result in higher consumption of pesticides.

#### Higher farm income fuelling investments in plant protection

The moderately increasing income of farmers is a crucial factor playing out in favour of the pesticides industry. Investments to boost yields at the farm level are linked directly to farmers' incomes.

#### Increasing adoption of modern agricultural practices driving growth

Quality seeds provide a direct, observable economic benefit to farmers. With the steadily improving quality of seeds across a wide range of crops, the demand for pesticides is expected to increase with greater use of better quality seeds. The main strategy used to boost yields across crops is the implementation of modern agricultural methods. Pesticides, in conjunction with fertilisers, mechanised farm equipment and irrigation are the basic components of modern agricultural practice across the world. The adoption of these modern practices has contributed to an increase in the use of agrochemical products in recent years.

#### Increase in irrigated area

High-value agricultural inputs are more likely to be used on an irrigated plot. With lower risk of water shortages, farmers are generally more contented making larger investments targeting higher yields on irrigated plots. Further, the inclination of a farmer to use chemical pest-control methods is higher when the initial investment is greater.

#### Government looks to maximise impact and the reach of irrigation investment

Aiming to unite irrigation investment at the field level to maximise its impact, the Government initiated the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) in 2015-16 with a spending target of ₹500 billion through 2020. The Government increased allocation to PMKSY by 33% to ₹40 billion (₹4,000 crore) from the revised estimate of ₹3,000 crore in 2017-18. The Pradhan Mantri Fasal Bima Yojana – Prime Minister's Crop Insurance Scheme – has been given a 22% budget boost, from the revised estimate of ₹106.98 billion (₹10,698 crore) in 2017-18 to ₹13,000 crore.

“

Local government bodies, state agricultural universities and agrochemical companies have made significant efforts towards improving farmer awareness and acceptability of modern agriculture methods, including adequate use of agrochemicals.

### Outlook

The Indian domestic agrochemicals market provides long-term growth opportunities. India is also emerging as a major exporter of generic agrochemicals, which is likely to further strengthen, with a significant number of agrochemicals worth ~US\$5 billion going off patent over 2015-2020. ~45% of the Indian agrochemical production is currently exported. The seasonal nature of the Indian domestic market and availability of low-cost skilled manpower are the key drivers of growth in exports. The Indian agrochemical market is fairly crowded with a large number of scaled-up players necessitating differentiation by innovative marketing strategies.

### SPECIALTY CHEMICALS INDUSTRY

#### Global

According to Statistics MRC, the global Specialty Chemicals Market accounted for US\$346.49 billion in 2015 and is expected to reach US\$530.9 billion by 2022, growing at a CAGR of 6.3% from 2015-2022. Increasing Research and Development (R&D) activities to develop new products and a rising demand from the Asia-Pacific region are some of the factors driving the market growth. However, volatile raw material prices and environmental regulations regarding the usage of chemicals are influencing the market growth. Furthermore, growing concerns regarding environment due to the manufacture, usage and wastage of these chemicals is anticipated to be a critical factor impacting the market. Government regulations on the usage of chemicals in the food processing and manufacturing industry may hamper the growth of the specialty chemicals industry in the near future.

Pesticides are a major type of specialty chemicals owing to diminishing arable land, increasing population and the need for upgradation in crop yields. Construction chemicals type is estimated to witness the highest growth rate during the forecast period due to the growing construction sector in emerging economies such as India, China, Brazil, Indonesia. Asia Pacific remains the largest market region led by the increasing industrial activities in emerging nations such as India and China. The region is also expected to register the highest CAGR as a

result of the growing end-user industries such as electronics, automotive, plastic and construction.

### India

The Chemical Industry is not only one of the oldest industries in India but also one of the fastest growing ones in the economy. India is the sixth largest producer of chemicals in the world and the third largest producer in Asia in terms of output. According to India Ratings and Research, the Indian chemicals sector is a market worth about US\$160 billion, with Specialty Chemicals representing about 20% of the value.

Buoyed by increasing demand from end-user industries and tight global supply due to rigorous environmental norms in China, the specialty chemicals sector in India is poised to grow by about 10% annually to almost double the market size by 2025. A growing middle class population with an increasing disposable income, spend on infrastructure and strong export will result in demand for construction and agriculture-related chemicals, driving the sector's growth.

### Opportunities for the industry

The increase in demand for bio-degradable polymers, performance plastics and other value-added chemical products have opened many doors for the Chemical Industry. Environmental concerns and awareness have led to an increasing need for value-added chemical products in the market. The 'Make In India' initiative is also playing a crucial role in boosting the growth of the Indian chemical industry. The increasing rate of development in countries such as Iran, Mozambique and Myanmar in Africa, the Middle East and Asia-Pacific presents another opportunity as India can set up its chemical plants in these countries to avail raw materials at cheap and affordable prices.

### Challenges for the industry

Some of the challenges that the chemical industry is facing today include the availability of key feedstock, infrastructure status, the scale of operations, and access to technology, energy security and ease of doing business. These issues have stalled industry growth and it needs Government interventions to achieve its true potential. Adoption of alternate feedstock, increasing investment in R&D and achieving scale through collaboration are some of the key levers that the industry can act upon to overcome these challenges. Other critical issues include adverse attitude towards the plastics and petrochemical sector, the need to exemplify regulations related to the environment, issues related to Free Trade Agreements (FTAs), etc.

There has been a positive feedback regarding the impact of the GST implementation on the chemical industry. The industry had long suffered from added taxation on their production capacity as well as their consumption demands. The older taxation ended up increasing the production costs, resulting in a hike in the prices of the end products, thus making them unaffordable for gross consumption. However, the GST implementation helps avoid double taxation at combined rates and keeps the rates of

state-level tariffs consistent throughout the country. This allows chemical manufacturers to produce chemicals and supply them to different states without any additional taxable duties.

### Future policies

The Department of Chemicals and Petrochemicals is now focusing all its efforts to achieve the objective of making the Indian chemical industry a US\$300 billion industry by 2025. The industry is also targeting chemical exports of US\$18 billion by 2020. The Department has announced that it is working on a draft chemical policy that would aim at increasing the demand for these chemicals in the domestic market and at the same time reduce our dependency on the imports. This means that the Department will focus on increasing the capacity of the industry to meet the internal needs.



A growing middle class population with an increasing disposable income, strong export demand and high domestic demand for construction and agriculture-related chemicals will drive the sector's growth.

### COMPANY OVERVIEW

Indofil Industries Limited (Indofil), a K K Modi group flagship Company, has been a well-established name in the agricultural chemicals as well as specialty and performance chemicals businesses for over 5 decades. The Company has significant presence in the international agricultural chemical market with an objective of being the most preferred supplier of Mancozeb and its footprint has expanded considerably since its foray in the international market several years ago. The Company believes in staying in tune with the customer's pulse, offering a wider range of quality products, technical and logistic support, customised packing and prompt delivery.

### Our businesses

- The agrochemicals segment includes major verticals such as fungicides, insecticides, herbicides, acaricides, plant growth regulators, surfactants and plant nutrition.
- The specialty and performance chemicals sector aims to provide customised solutions to our clients. We are involved in the manufacturing and marketing of textile, plastics, coating, leather chemicals and other auxiliaries, additives for the Polyvinyl Chloride (PVC) industry and chemicals for the construction industry.

## Management Discussion and Analysis continued



Indobaijin, SEZ, Dahej

### SWOT ANALYSIS

#### Strengths

- Robust distribution network
- Strong and diversified portfolio
- Experienced and professional management
- Increased international presence
- Modernised production facilities
- Strong applied R&D capabilities in every continent of operation

#### Weakness

- Less awareness among farmers
- Cumbersome product registration process

#### Opportunities

- Agriculture reforms targeted at doubling farmer income over next five years to support agri inputs consumption for improving crop yields
- Higher disposable income on account of improved Minimum Support Price (MSP) and augmented MGNREGA allocation
- Technology dissemination in rural India through JAM (Jan Dhan, Aadhar enablement and Mobile penetration) to improve farmer connect and improve marketing opportunities
- Good growth in used industries

#### Threats

- Unpredictable weather conditions
- Competition from national and international companies
- Lower commodity prices

### RESEARCH AND DEVELOPMENT

At Indofil, R&D is one of our key strengths and is an integral part of our business. We continue to build our capabilities and competencies in the field of chemistry. Our in-depth expertise in process research, process development and analytical references enables us to provide integrated solutions to our global customers. Our R&D facilities have a strong team of scientists and chemists who specialise in complex chemistry. Our infrastructure includes advanced R&D labs and kilo plants and pilot plants certified by National Accreditation Board for Testing and Calibration Laboratories (NABL).

### HUMAN RESOURCES

Indofil continues to put people strategy, capability and well-being at the forefront as key enablers to achieve the organisation's goals. All Human Resources (HR) initiatives are specifically designed to realise the Company's vision and focus on the areas that are critical for achieving the strategic plan.

The Company possesses a rich complement of competencies. We believe that the domain knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. The Company has hired qualified professional management and key personnel, which will enable us to run the Company independently.

### RISK MANAGEMENT

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



The Company has a well-defined delegation of power and relies on a system of control points, comprehensive budgetary controls and review systems to monitor its operations.

### Strategic risk

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

### Operational risk

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

### Financial risk

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

### IT risk

The Company has set up suitable redundancy at the hardware and software levels in the mission-critical information systems

such as the ERP to keep the business going in the event of any interruption. As an additional precaution, regular backup of data is taken to prevent any data loss in these critical applications.

### Regulatory risk

The Company has a robust and comprehensive framework of Compliance Manager (CM), which continuously verifies and monitors the Company's compliances with respect to various applicable laws. The Company has also robust on-time compliance management system to ensure continuous compliance of applicable statutes.

### INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company believes that the internal control system is one of its main pillars. The system covers the Company's financial and operating functions. The Company's internal control system ensures timely recording of important transactions and maintenance and optimal utilisation of the Company's assets. It has an expert control system team to manage and ensure all the internal audits are executed timely.

The Company very well ensures that effective control measures are taken in all the respective operational areas. It also certifies that the plan information is complete and accurate and its financial statements are reliable. Further, the Company also complies with all laws and regulations.

### CAUTIONARY STATEMENT

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

# Director's Report

Your Directors are pleased to present the 25th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended on March 31, 2018.

## FINANCIAL RESULTS

Particulars	₹ in Crores			
	For the year ended 31.03.2018		For the year ended 31.03.2017	
	Standalone	Consolidated	Standalone	Consolidated
Total Income (Net of excise duty)	1,977.31	2,030.28	1,773.99	1,835.62
Profit Before Interest, Depreciation, Extraordinary Items and Tax	353.27	394.60	362.37	421.87
Less: Interest and Finance Charges	55.35	62.70	34.65	41.32
Less: Depreciation	55.65	70.78	46.92	62.38
Profit Before Tax	242.27	261.11	280.80	318.17
Less: Provision for Taxation	28.35	36.10	62.75	75.20
Net Profit After Tax	213.92	225.01	218.04	242.98
Share of Profit / (Loss) of Joint Ventures	-	10.98	-	16.33
Profit For The Year	-	235.99	-	259.31

## OPERATIONS

### STATE OF COMPANY'S AFFAIRS AND OPERATIONS

During the year under review, the Company's consolidated total income (net of excise duty) was up from ₹1,835.62 Crores to ₹2,030.28 Crores, an increase of 11%. Consolidated Profit for the year stood at ₹235.99 Crores for the year under review as against ₹259.31 Crores for the previous year, registering decrease of 9%.

The Company's standalone total income (net of excise duty) was up from ₹1,773.99 Crores to ₹1,977.31 Crores, an increase of 11%. Standalone Profit after tax for the year stood at ₹213.92 Crores for the year under review as against ₹218.04 Crores for the previous year, registering decrease of 2% compared to last year mainly on account of rationalization of input cost of key raw materials, which were exceptionally lower in previous year.

The year under review was full of challenges starting with the after effects of demonetization and challenges in the implementation of GST. Despite these unusual factors, the Agro Domestic business achieved growth in terms of revenues as well as margins through its strategic product placements, co-marketing, etc.

On the international front, in its key market of Brazil, the Company had to face demand side pressures on account of large scale channel inventories and cut throat pricing competition from other market players which has ultimately affected the margins.

The Specialty & Performance Chemicals Division of the Company was re-christened as the Indofil Innovative Solution Business. The division has shifted gears from a value driven business to application / technology driven business strategy. The Company has been actively partnering with customers and technology experts in developing innovative solutions for customers. The manufacturing facility for this division is expected to commence Commercial Operation in Q2 of FY18-19 and is expected to significantly boost the prospects of this division in the years to come.

With a vision to become a global leader in growth, the Company had embarked upon a new initiative "Lakshya 2 x 3" which aims to drive Indofil's Enterprise Value to US\$2 billion in the next 3 years. The initiatives undertaken as part of these ambitious plans have been progressing well and are being monitored directly from the top through periodic steering committee meetings. Recently, the Company has also embarked upon a Supply Chain Transformation initiative across its divisions with the objective of achieving sustainable improvements in Processes and Capabilities, unlocking value efficiencies and ultimately achieving customer delight.

The efforts of the Company in becoming a global leader has been well recognized by external stakeholders and the Company has been bestowed with several prestigious recognition during the year which include "Promising Brands of 2018" by Economic Times, "Best Places to work 2018" in manufacturing sector.

Recently, the long term and short term credit rating of the Company was also upgraded by one notch to CRISIL A+ and CRISIL A1+ respectively.

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

### CAPACITY EXPANSION

The Company's ambitious Greenfield Agro Custom Synthesis Plant at Dahej SEZ, Gujarat had initiated Commercial Production in Financial Year 2016-17. The plant was fully operational through the Financial Year 2017-18. The Company has successfully stabilized four molecules at this facility and is in the process of completing the same from the remaining products in due course depending on the demand forecast for these products. During the year under review we successfully achieved backward integration of Tricyclazole from N-4 stage which was technically complex process. In the coming years, the Company is looking forward to optimize the cost of production at this facility.

The Company had also commissioned the construction of its state-of-the-art Greenfield Mancozeb (under Agro Business Division) and Specialty Chemicals Plant (under Innovative Solutions Division erstwhile reckoned as the Specialty & Performance Chemicals Division) at GIDC Bharuch, Gujarat. Construction of both these facilities was completed towards the end of Financial Year 2017-18 and are expected to start Commercial Production by Q2 of Financial Year 2018-19.

With Mancozeb production capacity of 35,000 TPA, this plant would be Indofil's biggest manufacturing facility. This state of the art infrastructure would contribute in a large way to Indofil's growth aspirations in the coming years. With this, the Company's annual production capacity now stood at 66,000 TPA.

The Specialty Chemicals Plant would be the first ever full-fledged in-house manufacturing facility for the Innovative Solutions business. This 35,000 TPA plant is with facilities for the manufacture of powder as well as emulsion products and will significantly reduce the dependency of this business on the contract manufactures. This will also improve the margins for business in the years to come. This division would now be in a position to partner with large multi-nationals for contract manufacturing of their requirements and thereby increase its overall share in the Company's revenue and profits.

Both the existing units of the Company at Dahej SEZ, Gujarat and Thane are already operating at full capacity and the Company is constantly striving to optimize the operational efficiency of these facilities.

These investments in the enhancement of infrastructure are in complete synchronization with the Company's overall long-term strategy and demand forecasts.

### SUBSIDIARIES OPERATIONS

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

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

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

With these objectives, the Company has already set up 8 overseas sales office. In 2014-15 Netherlands Subsidiary was incorporated. This Subsidiary holds the right to market Company's Dithane Fungicide Business in Europe. The entity has been in operations from the end of Financial Year 2015-16. During the year under review, the Subsidiary has achieved the profit before tax of Euro 2.26 million (₹17.04 Crores) compared to Euro 4.4 million (₹32.38 Crores) during the previous years. The rise in the cost of inputs has affected the operations of Netherlands Subsidiary with no corresponding increase in the Net Realizable Value (NRV) due to the overall market condition. This has impacted its profitability in the current period.

The Company has set up a step-down Subsidiary in Brazil during Financial Year 2016-17. The capital was however contributed during the Financial Year under review. There were no Commercial Operations during the year. The Company has mainly invested in creating the infrastructure and organisation structure necessary for the functioning of the Subsidiary. During the year under review, Brazil Subsidiary has incurred a loss of BRL 1.67 million (₹3.33 Crores). The entity is expected to start Commercial Operation during the Current Year. Brazil is one of the key markets for the Company and expected to be one of the major growth drivers for the Company in the years to come.

The Company has also set up a step down wholly owned Subsidiary in the Philippines during the year with name Indofil Philippines Inc. There were no Commercial Operations during the year under review and the entity has reported a Net Loss of Php 7.28 million (₹0.92 Crores). The entity has already commenced Commercial Operations in May 2018. This entity is expected to be a major growth drivers in the APAC region.

During the year under review, there were no Commercial Operations in Bangladesh and Costa Rica. The Company has entered into an MOU in Bangladesh for setting up of re-packing facilities in the country through its Subsidiary. We expect to complete this during the Financial Year 2018-19.

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

### JOINT VENTURE OPERATIONS

The Company had entered into a Joint Venture with Shanghai Baijin Group, China for the manufacture of Carbon – Di – Sulphide (CS<sub>2</sub>) as part of its backward integration strategy for key raw materials. The Joint Venture has ensured uninterrupted supply of this important raw material to Company, thus eliminating the need for import of CS<sub>2</sub> and saving on foreign exchange outflow. It has also optimized the cost of inputs. The Joint Venture has been successfully catering to the entire

## Director's Report continued

requirement of Indofil and is also actively catering to other customers in market. Considering the future demand forecast from Indofil and external markets, the Company has undergone a capacity expansion during the year under review.

During the year under review, the Joint Venture has generated profits before tax of ₹25.86 Crores against ₹37.35 Crores during the previous year despite an overall increase in the revenues. The reduction in margins is mainly on account of increase in the cost of inputs, mainly Natural Gas which is linked to global crude price increase.

### 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.

### 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 80% for the year ended March 31, 2018, i.e. ₹8/- for each fully paid up Equity Shares of ₹10 each and ₹2.40 for each partly paid up Equity Shares of ₹3 each.

### DEPOSITS

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

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

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

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONS

Pursuant to Sections 149 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory enactments thereof) your Directors seek the appointment of Mr. Rajesh Kumar Singh (IAS) a nominee of Uttar Pradesh Industrial Development Corporation (UPSIDC) in capacity of Independent Director. Details of the proposal for the appointment of Mr. Rajesh Kumar Singh (IAS)

are mentioned in the Explanatory Statement to the Notice as per Section 102 of the Companies Act, 2013.

Mr. Sunil Alagh, Mr. M. N. Thakkar, Mr. Lakshminarayanan, Mr. Sanjay Buch and Mr. Rajesh Kumar Singh (IAS) Directors of the Company, qualify to be Independent Directors within the meaning of Section 149 of the Companies Act, 2013 and the Company has received necessary declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

As per provisions of Sections 152 of the Companies Act, 2013, Ms. Aliya Modi and Ms. Charu Modi, shall retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Further, the term of Ms. Charu Modi as Executive Director ends on 31st March, 2019. The Board has proposed their re-appointment as Directors and re-appointment of Ms. Charu Modi as Executive Director as per the details contained in the Notice convening the 25th Annual General Meeting (AGM) of the Company and the Explanatory Statements thereto.

The Board recommends the above appointments for shareholder's approval at the ensuing AGM.

During the Financial Year under review, Mr. Chintamani Thatte, Head – Compliances and Company Secretary resigned w.e.f. 21st September, 2017. The management with the approval of Nomination and Remuneration Committee and confirmation of the Board have appointed Mr. Devang R. Mehta as Head - Company Secretary and Legal with effect from 7th March, 2018. Mr. Mehta is a Member of Institute of Company Secretaries of India (No. ACS 8930) and is a Law graduate. He also holds degree in Masters of Commerce and MBA in Finance. Mr. Devang R. Mehta holds post qualification experience of above 25 Years in Company Secretarial and Legal Matters.

### BOARD MEETINGS

The Board of Directors met 4 times during the Financial Year ended March 31, 2018, the details of which are given in the Corporate Governance Report that forms part of the Annual 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 had a separate meeting on March 23, 2018 in which they discussed and evaluated the performance of the Chairman, Executive Directors and KMPs and the Board as a whole through evaluation feedback forms and has noted its satisfaction on the outcome.

### NOMINATION AND REMUNERATION COMMITTEE

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

The Board has also 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 aforementioned detailed policy duly approved and adopted by the Board is appended as **Annexure I** to this Report.

### AUDIT COMMITTEE

The Audit Committee of the Board of Directors 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, an Independent Director on the Board of the Company and ex-Senior Partner of N M Raiji and Company, a renowned firm of Chartered Accounts. All the members of the Committee are financially literate. The composition, scope, and terms of reference of the Audit Committee as amended in accordance with the Act are detailed in the Corporate Governance Report.

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

### 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 violations of legal or regulatory requirements, 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 has been denied access to the Audit Committee during the Financial Year ended March, 31, 2018.

### RISK MANAGEMENT

The Board of Directors of the Company has defined a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business division and corporate functions. Key business risks and their mitigations are considered in periodic management reviews. The Corporate Governance Report, being the part of this Board

Report contains initiatives undertaken to manage Risks that may affect the organisation and it's working.

### 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 it's CSR initiated in accordance with the said policy. The details of such initiatives are prescribed in the CSR Report appended as **Annexure II** to this Report. The Report also contains the composition of the CSR Committee as per Section 135(2) of the Companies Act, 2013.

### REVISION OF FINANCIAL STATEMENTS

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

### DISCLOSURE OF ORDER PASSED BY REGULATORS/ COURTS/ TRIBUNALS

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 during the Financial Year under review along with the purposes for which such loans, guarantees, and securities are proposed to be utilized by the recipients thereof, is being 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, 2018, 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.

## Director's Report continued

- 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, 2018 and of the Profit / Loss of the Company for that year.
- c) Proper and sufficient care was taken for the maintenance of adequate Accounting Records and detecting fraud and other irregularities.
- d) The Annual Accounts of the Company have been prepared on a going concern basis.
- e) Internal Financial Controls have been laid down and to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.
- f) Proper systems have been devised ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### SECRETARIAL AUDIT

In terms of the provisions of Sections 204 read with Section 134(3) of the Companies Act, 2013 and the Rules made thereunder (including any statutory enactments thereof), the Board had appointed M/s. Ragini Chokshi Co., Company Secretaries (Membership No. 2390), to conduct the Secretarial Audit of the Company for the Financial Year 2017-18.

Secretarial Audit Report issued by M/s. Ragini Chokshi & Co. in Form MR-3 for the Financial Year 2017-18 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 2018-19.

### 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 of the Company by members of the Company at their AGM held on September 15, 2016 to hold office for a period of 3 years upto the conclusion of the ensuing Annual General Meeting.

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

The Board recommends re-appointment of M/s. Bansi Mehta and Company, Chartered Accounts as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 26th Annual General Meeting.

### AUDITORS' REPORT

The Auditors Report read with the relevant notes given in the Notes to Accounts for the year ended March 31, 2018 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, 2018.

### 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, 2018 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. Consequent upon which details as prescribed in Form AOC - 2 are not required to be disclosed. The 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) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the Financial Year under review, is given under the Notes to Accounts, which forms part of the Annual Report.

### CORPORATE GOVERNANCE REPORT

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

### CAUTIONARY STATEMENT

Statements in this Report, 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, Ministry of Corporate Affairs, Registrar of Companies, Reserve Bank of India, the Depositories, Bankers and Financial Institutions, the government at the Centre and States, as well as their respective departments and development authorities in India and abroad connected with the business of the Company for their co-operation and continued support. The Company expresses its gratitude to the customers for their trust and confidence in the Company.

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

On behalf of the Board  
For Indofil Industries Limited

Place: Mumbai  
Date : June 13, 2018

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

#### **Regd. Office:**

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## Annexure "I"

### NOMINATION AND REMUNERATION POLICY

#### 1. Preface

The Company understands the importance of attracting and retaining talented individuals at all levels of the organization. The Company and its management endeavor to recruit and retain employees who achieve operational excellence and 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.

#### 2. Objectives

The objective and purpose of this policy are:

- 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.
- To devise a policy on Board diversity.

#### 3. Definitions

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

'Board' means Board of Directors of the Company.

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

Company or the Company means Indofil Industries Limited.

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

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

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

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer
- (iv) 'Senior Management' means Senior Management personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

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

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

Part - A covers the appointment and nomination related policies.

Part - B covers remuneration related policies.

#### 4.1. Part A - Appointment and Nomination

##### 4.1.1 Criteria for Board Membership

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

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

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

## 4.2 Part B - Remuneration and Perquisites

### 4.2.1 Recommendation for Remuneration

The Committee shall recommend to the Board for their approvals, the remuneration to be paid to the Managing Director, Executive Director, Whole - Time Directors, KMP and Senior Management personnel. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration / compel / commission etc. shall be subject to the prior/post 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 Director may receive remuneration by way of Sitting Fees for attending meetings of Board or Committee thereof and compensation as approved by the Board and shareholders, provided that the same shall be subject to ceiling / 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

**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://indofilicc.com/profile/corporate-social-responsibility>.

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

2. Composition of the CSR Committee:

Mr. K.K. Modi, Chairman

Mr. Sunil Kumar Alagh, Independent Director

Mr. Ranvir Prasad, Nominee Director ‘

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

Average net profit: ₹212.98 Crores

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

The Company was required to spend ₹4.26 Crores towards CSR activities.

5. Details of CSR spend for the Financial Year:

a. Total amount spent for the Financial Year: ₹4.34 Crores

b. Amount unspent, if any: Nil

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

Sr. No.	Project Activities	Sector Locations	Locations District (State)	Amount spent on project programs [In Rupees] In FY 2017-18	Amount spent on project programs in FY 2016-17 [In Rupees]
1	Promoting Education: Establishing Private University	Education	Village Mahmara District: Durg Chhattisgarh	4.26 Crore	2.77 Crore
2	Public Welfare: Ballygunge Society for Environment & Development	Public Welfare	Village Gopinathpur Dist: Hooghly, West Bengal	0.06 Crore	0.08 Crore
3	Others	Education/ Public Welfare	Dahej Gujarat	0.02 Crore	0.21 Crore

\* Implementing Agency: Samaj Kalyan Parishad, Modi Nagar, Uttar Pradesh, in coordination with Modi Innovative Education Society, Chhattisgarh.

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

**K.K. Modi**

Chairman

DIN: 00029407

Place: Mumbai

Date: June 13, 2018

## 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

**K.K. Modi**

Chairman

DIN: 00029407

## Annexure "III"

### FORM NO MR-3 SECRETARIAL AUDIT REPORT FOR THE PERIOD 01.04.2017 TO 31.03.2018

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDOFIL INDUSTRIES LIMITED (CIN: U24110MH1993PLC070713)** (hereinafter called "the Company"). 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, 2017 to 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period 1st April, 2017 to 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable During The Period Of Audit)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable During The Period Of Audit)
- (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; (Not Applicable During The Period Of Audit)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,

1992 ('SEBI Act'):- (Not Applicable During The Period of Audit)

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (share based employees Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998.
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

1. Factories Act, 1948
2. Legal Metrology Act, 2009
3. Industrial Disputes Act, 1947
4. Employee State Insurance Act, 1948
5. Environment (Protection) Act, 1986
6. Water (Prevention and Control of pollution) Act, 1981
7. Air (Prevention and Control of pollution) Act, 1974
8. Hazardous Waste (Management and handling) Rules, 1989
9. Minimum Wages Act, 1948

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.

- b) The securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015. And the Listing Agreements entered into by the Company with Stock Exchanges. (Not Applicable During The Period of Audit)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except there was delay in filing few statutory forms with Ministry of Corporate Affairs.

**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.

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 reporting period, following changes took place in the management:

- (i) Mr. Ranvir Prasad (IAS) was appointed as Nominee Director of UPSIDC in lieu of Mr. Amit Kumar Ghosh.
- (ii) Mr. Chintamani D. Thatte – Company Secretary resigned from his post and Mr. Devang R. Mehta was appointed in his place.

**For Ragini Chokshi & Co.**

**Mrs. Ragini Chokshi**  
(Partner)

C.P.NO. 1436  
FCS NO. 2390

Date: 30/05/2018  
Place: Mumbai

## Annexure "IV"

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

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

#### A) CONSERVATION OF ENERGY

- 30000kl of water was recycled in our Mancozeb plant through the use of Multiple Effect Evaporation.
- The Company has received full bonus subsidy by achieving the power factor.
- Improved the manufacturing process for Agro technical products, especially in new Synthesis plant at Dahej.

#### B) TECHNOLOGY ABSORPTION

##### (i) R & D and technology absorption

- During the year under review:
  - Natural gas consumption was reduced in by modifying the airpreheater of spray Drying Units in our Thane Dahej plants.
  - To contril suspended particle matters in air. Electro Static Precipitators were installed in all our units Thane and Dahej.
  - A new cavitation process Technology was introduced in our Synthesis plant to treat the effluents to reduce the COD and BOD.
- 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.
- Enhanced the focus on newer technologies for agro-chemicals which satisfy the quality and cost

expectations besides meeting the requirement of zero liquid discharge.

- The R&D is accredited with NABL, GLP certification that speaks volumes of the capability of the department in terms of its ability to quantify with confidence and accuracy the composition of products, actives and their purity. The GLP accreditation endows the power of this department to generate data for five batch analysis that is mandatory for product registrations worldwide.
- R&D is also certified with ISO 9001 and ISO14000 requirements that allow maintaining discipline, order and clarity of all business activities and decisions taken.

##### (ii) Benefits from R & D:

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

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

##### (iii) Future plan:

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

Ongoing research on development of combination of existing and new fungicides

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

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Capital including Capital Work in Progress	3,074.47	1,647.66
Recurring	1,170.68	1,141.89
<b>TOTAL</b>	<b>4,245.15</b>	<b>2,789.55</b>
R & D Expenditure as a percentage of Revenue from Operation	2.1%	1.5%

#### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
i) Foreign Exchange Earned	80,563.66	80,705.51
ii) Foreign Exchange expensed	39,269.90	35,699.91

## Annexure "V"

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31.3.2018

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

#### I. REGISTRATION AND OTHER DETAILS:

i) CIN	U24110MH1993PLC070713
ii) Registration Date	09.02.1993
iii) Name of the Company	INDOFIL INDUSTRIES LIMITED
iv) Category/ Sub-Category of the Company	Company having Share Capital
v) Address of the Registered office and contact details	Kalpataru Square, 4th Floor, Kondivita Road, off Andheri Kurla Road, Andheri(East) Mumbai- 400059 Tel.No. 022-66637373
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	MAS Services Ltd, T-34, 2nd Floor, OkhlaIndl Area, Phase-II, New Delhi – 110 020 Telephone No. 011-26387281,26387282 Fax No 011-26837283 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:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Agro Chemicals	20,211	88%
2	Specialty & Performance chemicals	20,297	12%

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

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Good Investment (India)Ltd., A-1, Maharani Bagh New Delhi – 110065	U65993DL1979PLC010060	Subsidiary	100%	2(87)
2	Quick Investment (India)Ltd., A-1, Maharani Bagh, New Delhi – 110065	U65993DL1979PLC010018	Subsidiary	100%	2(87)
3	Indobaijin Chemicals Pvt.Ltd., Plot No. Z-7/1, SEZ Area, Dahej SEZ Ltd, Taluka Vagra, Disrict Bharuch, Gujarat 392130	U24233GJ2011PTC065293	Subsidiary	51%	2(87)
4	Indofil Bangladesh Industries Pvt. Ltd., 87, New Eskaton Road, Home Town Apartment Complex, 16th Floor, Ramna, Dhaka	Foreign Company	Subsidiary	100%	2(87)
5	Indofil Costa Rica S.A., Sanjose, Barrio Los Yoses, 10th Avenue, 37th Street, BufeteQuirosAbogados, 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	Foreign Company	Subsidiary	100%	2(87)
9	Indofil Philippines Inc.	Foreign Company	Subsidiary	100%	2(87)
10	HifilChemicals Private Ltd., Kalpataru Square, 4th Floor, Kondivita Road, Off. Andheri Kurla Road, Andheri (E) Mumbai 400059	U24110MH2009PTC198057	Associate	49%	2(6)

## Annexure "V" continued

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

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<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	-
Sub-total (A) (1):-	<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...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter</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>(A) = (A)(1)+(A)(2)</b>									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	450	1,050	1,500	0.007	450	1,050	1,500	0.007	-
b) Banks/FI	150	562	712	0.003	225	562	787	0.004	0.001
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	2,96,557	-	2,96,557	1.292	2,96,482	-	2,96,482	1.291	(0.001)
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	<b>24,67,113</b>	<b>1,612</b>	<b>24,68,725</b>	<b>10.754</b>	<b>24,67,113</b>	<b>1,612</b>	<b>24,68,725</b>	<b>10.754</b>	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	9,32,856	11,61,559	20,94,415	9.123	6,09,520	11,61,559	17,71,079	7.714	(1.409)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding Nominal Share Capital up to ₹1 lakh	8,98,972	4,78,074	13,77,046	5.998	9,90,846	4,33,639	14,24,485	6.205	0.207
ii) Individual shareholders holding Nominal Share Capital in excess of ₹1 lakh	2,68,560	1,83,343	4,51,903	1.968	5,05,810	2,03,341	7,09,151	3.089	1.121
c) Others (specify)									
i) NRI/OCB	22,62,130	75	22,62,205	9.854	22,62,252	75	22,62,327	9.854	-
ii) Clearing Member	413	-	413	0.001	18,940	-	18,940	0.083	0.082
iii) Trust	83	-	83	-	83	-	83	-	-
iv) Directors & their relatives	39,957	-	39,957	0.174	39,957	-	39,957	0.174	-
Sub-total (B)(2):-	<b>44,02,971</b>	<b>18,23,051</b>	<b>62,26,022</b>	<b>27.119</b>	<b>44,27,408</b>	<b>17,98,614</b>	<b>62,26,022</b>	<b>27.119</b>	-
<b>Total Public Shareholding</b>	<b>68,70,084</b>	<b>18,24,663</b>	<b>86,94,747</b>	<b>37.872</b>	<b>68,94,521</b>	<b>18,00,226</b>	<b>86,94,747</b>	<b>37.872</b>	-
<b>(B) = (B)(1) + (B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>1,99,33,976</b>	<b>30,24,246</b>	<b>2,29,58,222</b>	<b>100.00</b>	<b>1,99,58,413</b>	<b>29,99,809</b>	<b>2,29,58,222</b>	<b>100.00</b>	-

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share 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	Mrs. Bina Modi	2,18,607	0.952	-	2,18,607	0.952	-	-
9	Mr. Lalit K. Modi	10,455	0.046	-	10,455	0.046	-	-
10	Mr. Ruchir Modi	9,873	0.043	-	9,873	0.043	-	-
11	Mr. Samir K.Modi	25,765	0.112	-	25,765	0.112	-	-
12	IOIL Senior Executives(O) Benefit Trust	9,877	0.042	-	9,877	0.042	-	-
13	IOIL Senior Executives (O) Welfare Trust	2,39,144	1.042	-	2,39,144	1.042	-	-
14	IOIL Senior Executives (F) Welfare Trust	1,42,698	0.622	-	1,42,698	0.622	-	-
15	IOIL Junior Employees (O) Welfare Trust	1,42,698	0.622	-	1,42,698	0.622	-	-
16	IOIL Junior .Employees (F)Welfare Trust	1,75,805	0.766	-	1,75,805	0.766	-	-
17	IOIL Senior Executives(F) Benefit Trust	65,127	0.284	-	65,127	0.284	-	-
18	IOIL Junior Employees (O) Benefit Trust	25,914	0.113	-	25,914	0.113	-	-
19	IOIL 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.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1,42,63,475	62.128	1,42,63,475	62.128
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)				
3.	At the End of the year	1,42,63,475	62.128	1,42,63,475	62.128

## Annexure "V" continued

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

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of shares.	% of total shares of the company
<b>1</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				
	At the End of the year			16,35,822	7.125
<b>2</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				
	At the End of the year			21,69,956	9.452
<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				
	At the End of the year			10,50,000	4.574
<b>4</b>	<b>Status Mark Finvest Ltd</b>				
	At the beginning of the year	6,52,666	2.842		
	Date wise Increase/ (Decrease) in Shareholding during the year				
	14-APRIL-2017	(20,000)	(0.086)	6,32,666	2.756
	05-MAY-2017	(51,000)	(0.222)	5,81,666	2.534
	12-MAY-2017	(10,000)	(0.044)	5,71,666	2.490
	19-MAY-2017	(5,000)	(0.022)	5,66,666	2.468
	09-JUNE-2017	(10,000)	(0.043)	5,56,666	2.425
	23-JUNE-2017	(10,000)	(0.044)	5,46,666	2.381
	30-JUNE-2017	(15,000)	(0.065)	5,31,666	2.316
	14-JULY-2017	(10,000)	(0.044)	5,21,666	2.272
	28-JULY-2017	(20,000)	(0.087)	5,01,666	2.185
	04-AUGUST-2017	(5,000)	(0.022)	4,96,666	2.163
	11-AUGUST-2017	(10,000)	(0.043)	4,86,666	2.120
	01-SEPTEMBER-2017	(5,000)	(0.022)	4,81,666	2.098
	08-SEPTEMBER-2017	(12,500)	(0.054)	4,69,166	2.044
	15-SEPTEMBER-2017	(5,000)	(0.022)	4,64,166	2.022
	22-SEPTEMBER-2017	(5,000)	(0.022)	4,59,166	2.000
	06-OCTOBER-2017	(5,000)	(0.022)	4,54,166	1.978
	13-OCTOBER-2017	(15,000)	(0.065)	4,39,166	1.913
	20-OCTOBER-2017	(10,000)	(0.044)	4,29,166	1.869
	03-NOVEMBER-2017	(5,000)	(0.022)	4,24,166	1.847
	24-NOVEMBER-2017	(5,000)	(0.021)	4,19,166	1.826
	01-DECEMBER-2017	(28,000)	(0.122)	3,91,166	1.704
	08-DECEMBER-2017	(17,000)	(0.074)	3,74,166	1.630
	15-DECEMBER-2017	(5,000)	(0.022)	3,69,166	1.608
	26-JANUARY-2018	(15,000)	(0.065)	3,54,166	1.543
	02-FEBRUARY-2018	(2,500)	(0.011)	3,51,666	1.532
	16-FEBRUARY-2018	(10,000)	(0.044)	3,41,666	1.488
	02-MARCH-2018	(25,000)	(0.109)	3,16,666	1.379
	09-MARCH-2018	(3,900)	(0.017)	3,12,766	1.362
	23-MARCH-2018	(10000)	(0.043)	3,02,766	1.319
	At the End of the year			3,02,766	1.319
<b>5</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				
	At the End of the year			5,00,000	2.178
<b>6</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				
	At the End of the year			2,96,482	1.291

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of shares.	% of total shares of the company
<b>7</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				
	At the End of the year			1,11,678	0.486
<b>8</b>	<b>Govind Swaroop</b>				
	At the beginning of the year				
	Date wise Increase/ (Decrease) in Shareholding during the year	1,00,000	0.436		
	26-JUNE -2017	(10,000)	(0.44)		
	At the End of the year			90,000	0.392
<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				
	At the End of the year			62,394	0.272
<b>10</b>	<b>Shree Parasram Holding Pvt Ltd</b>				
	At the beginning of the year	79,053	0.436		
	Date wise Increase/ (Decrease) in Shareholding during the year				
	19-MAY-2017	(1500)		77,553	
	26-MAY-2017	2300		79,853	
	02-JUNE-2017	(3925)		75,928	
	09-JUNE-2017	6446		82,374	
	16-JUNE-2017	656		83,030	
	23-JUNE-2017	(14914)		68,116	
	14-JULY-2017	150		62,266	
	21-JULY-2017	225		68,491	
	28-JULY-2017	300		68,791	
	04-AUGUST-2017	675		69,466	
	30-SEPTEMBER-2017	150		69,616	
	27-OCTOBER-2017	(6034)		63,582	
	10-NOVEMBER-2017	225		63,807	
	24-NOVEMBER-2017	(5000)		58,807	
	01-DECEMBER-2017	(6000)		52,807	
	08-DECEMBER-2017	(2000)		50,807	
	15-DECEMBER-2017	(225)		50,582	
	22-DECEMBER-2017	8000		58,582	
	29-DECEMBER-2017	75		58,657	
	12-JANUARY-2018	375		59,032	
	26-JANUARY-2018	(5000)		54,032	
	09-FEBRUARY-2018	(2000)		52,032	
	23-FEBRUARY-2018	1050		53,082	
	02-MARCH-2018	3075		56,157	
	16-MARCH-2018	18400		74,537	
	23-MARCH-2018	75		74,632	
	30-MARCH-2018	150		74,782	
	31-MARCH-2018	(37,430)		37,352	
	Diif 75				
	At the End of the year			37,352	0.163
<b>11</b>	<b>Anupam Securities Pvt. Ltd</b>				
	At the beginning of the year	50,595	0.220		
	Date wise Increase/ (Decrease) in Shareholding during the year				
	At the End of the year			50,595	0.220
<b>12</b>	<b>Jaideep Narendra Sampat</b>				
	At the beginning of the year				
	Date wise Increase/ (Decrease) in Shareholding during the year				
	At the End of the year			55,611	0.242

## Annexure "V" continued

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

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of shares.	% of total shares of the company
<b>1</b>	<b>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>Ms. Charu Modi</b>	0	0		
	At the beginning of the year				
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
<b>3</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>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>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>6</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>7</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>8</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
<b>9</b>	<b>Mr. Ranvir Prasad and Mr. Rajesh Kumar Singh</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>10</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 PERSONEL:</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. 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
<b>3</b>	<b>Mr. Chintamani D Thatte</b>	30	0	30	0
	<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

**V. INDEBTEDNESS (₹ IN LAKHS)**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	₹ in lakhs Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	71,708.58	Nil	Nil	71,708.58
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	65.41	Nil	Nil	65.41
<b>Total (i+ii+iii)</b>	<b>71,773.99</b>	<b>Nil</b>	<b>Nil</b>	<b>71,773.99</b>
Change in Indebtedness during the Financial Year				
• Addition	43,971.97	Nil	Nil	43,971.97
• Reduction	(12,507.80)	Nil	Nil	(12,507.80)
<b>Net Change</b>	<b>31,464.17</b>	<b>Nil</b>	<b>Nil</b>	<b>31,464.17</b>
Indebtedness at the end of the Financial Year				
i) Principal Amount	103,172.75	Nil	Nil	103,172.75
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	190.79	Nil	Nil	190.79
<b>Total (i+ii+iii)</b>	<b>103,363.54</b>	<b>Nil</b>	<b>Nil</b>	<b>103,363.54</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and Executive Director**

Sl. No	Particulars of Remuneration	Name of MD/WTD/ED			Total Amount
		Mr. K.K. Modi Chairman & Managing Director	Ms. Charu Modi Executive Director	Dr. Atchutuni Rao - Whole Time Director	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	720.00	486.00	93.08	1,299.08
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	67.82	12.54	1.43	81.79
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	541.96	831.24	0	1,373.20
	- others, specify...			9.17	9.17
5.	Others, please specify				
	<b>Total (A)</b>	<b>1,329.78</b>	<b>1,329.78</b>	<b>103.68</b>	<b>2,763.24</b>
	Ceiling as per the Act				

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Sunil K Alagh	Mr. M.N. Thakkar	Mr. Sanjay Buch	Mr. S Iaxminarayanan	
1.	Independent Directors					
	• Fee for attending board committee meetings	12.25	10.75	9.25	4.50	36.75
	• Commission	25.00	25.00	25.00	25.00	100.00
	<b>Total</b>	<b>37.25</b>	<b>35.75</b>	<b>34.25</b>	<b>29.50</b>	<b>136.75</b>
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	1.00	1.00	4.50		6.50
	• Commission	25.00	25.00	25.00		75.00
	<b>Total</b>	<b>26.00</b>	<b>26.00</b>	<b>29.50</b>		<b>81.50</b>

## Annexure "VI"

### FORM NO. AOC-I

#### Part "A" : Subsidiaries

	₹ in lakhs								
	1	2	3	4	5	6	7	8	9
Name of the Subsidiary	Good Investment (India) Ltd	Quick Investments (India) Ltd	Indo Baijin Chemicals Pvt Ltd	Indofil Bangladesh Industries Pvt Ltd	Indofil Industries Netherlands BV	Indofil Industries (International) BV	Indofil Costa Rica SA	Indofil Industries DO Brasil LTDA	Indofil Philippines, Inc.
Reporting period for the Subsidiary concerned, if different from the holding company's reporting period	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 0.79 / BDT	EUR – INR 80.22 / EUR	EUR – INR 80.22 / EUR	Costa Rica Colon – INR 0.12 / Colon	BRL - INR 19.70 / BRL	PHP - INR 1.30 / PHP
Share capital	70.11	12.52	8560.97	251.29	80.22	401.11	0.01	400.78	132.51
Reserves & surplus	5254.88	2047.12	2,859.57	(235.91)	12,479.97	388.28	Nil	(327.18)	(66.65)
Total Assets	5325.36	2070.02	32,315.86	16.85	38332.36	796.33	0.01	105.66	165.70
Total Liabilities	0.37	10.38	20,895.31	1.46	25,772.16	6.94	Nil	32.06	99.83
Investments	5286.20	2054.06	Nil	Nil	11.96	646.15	Nil	10.95	Nil
Turnover (Total Revenue)	368.60	189.94	19,162.11	Nil	21082.54	Nil	Nil	0.88	Nil
Profit before Taxation	366.92	188.92	2586.40	(87.04)	1703.45	(12.88)	Nil	(332.59)	(92.46)
Provision for taxation	2.69	1.43	433.29	Nil	417.93	Nil	Nil	Nil	27.35
Profit after taxation	364.23	187.49	2153.11	(87.04)	1,285.53	(12.88)	Nil	(332.59)	(65.11)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	100%	51%	100%	100%	100%	100%	100%	100%

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

Indofil Bangladesh Industries Pvt Ltd  
Indofil Costa Rica SA  
Indofil Industries (International) BV  
Indofil Industries DO Brasil LTDA

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

NA

#### Part "B" : Associates and Joint Ventures

Name of Associates/ Joint Ventures	Hifil Chemicals Pvt. Ltd
1. Latest audited Balance Sheet Date	31/03/2018
2. Shares of associate/ Joint Venture held by Company on the year end	
No of shares	4900
Amount of investment in Associate / Joint Venture ( INR in Lakhs)	0.49
Extend of holding in %	49.00
3. Description of how there is significant influence	By virtue of holdings
4. Reason why associate / joint venture is not consolidated	NA
5. Networth attributable to shareholding as per latest audited Balance sheet ( INR in Lakhs)	(0.14)
6. Profit / Loss for the year	
Considered in consolidation ( INR in Lakhs)	
Not considered in consolidation ( INR in Lakhs)	NA

1. Names of associates or joint ventures which are yet to commence operations :

Hifil Chemicals Pvt Ltd

2. Names of associates or joint ventures which have been liquidated or sold during the year :

NA

## Annexure "VII"

### FORM NO. AOC – II

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

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

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis:

- (a) Name(s) of the related party and nature of relationship – Nil
- (b) Nature of contracts/arrangements/transactions – Nil
- (c) Duration of the contracts / arrangements/transactions – Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any – Nil
- (e) Justification for entering into such contracts or arrangements or transactions – Nil
- (f) Date(s) of approval by the Board – Not Applicable
- (g) Amount paid as advances, if any – Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 – Nil.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship : Nil
- (b) Nature of contracts/arrangements/transactions : Nil
- (c) Duration of the contracts / arrangements/transactions – Not applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not applicable
- (e) Date(s) of approval by the Board, if any : Not applicable
- (f) Amount paid as advances, if any : Nil

Place: Mumbai  
Date: June 13, 2018

**K.K. Modi**  
Chairman  
DIN: 00029407

## Annexure "VIII"

# Report on Corporate Governance

Your Directors are pleased to present the Company's Report on Corporate Governance.

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is directed at the enhancement of Shareholders' Value keeping in mind the interests of the other stakeholders, viz. Customers, Suppliers, Employees, Investors, Regulatory Bodies, Banks and Society at large since we believe that adhering to the standards of best Corporate Governance practice is essential to enhance Shareholders Value and achieve long term Corporate Goals. It is commitment of the Company to operate its business with high ethical values. The Company is committed to good Corporate Governance and as a part of its growth strategy, it places the highest importance on strengthening and further developing Corporate Governance initiatives.

## ii. Board Composition and Attendance

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

Name of the Directors	Nature of Directorship / Designation	DIN	No. of other Directorship	Membership and Chairmanship of Committees of the Board of other Companies (**)	
				Chairmanship	Memberships
<b>Promoters Directors</b>					
Mr. K.K. Modi	Chairman & Managing Director	00029407	7	NIL	1
Ms. Charu Modi	Executive Director	00029625	2	NIL	2
Ms. Aliya Modi	Promoter Director	07472942	Nil	NIL	NIL
Mr. Samir Modi	Promoter Director	00029554	4	NIL	NIL
<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	2	Nil	Nil
Mr. Lakshmi-narayanan	Independent	02808698	3	1	6
Mr. Sanjay Buch	Independent	391436	2	Nil	Nil
Mr. Ranvir Prasad	Independent (Nominee of UPSID)	006684884	3	Nil	Nil

Directorship held by the Directors mentioned above do not include Directorship 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 in respect of retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

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. Resolutions for their re-appointments as Directors are incorporated in the Notice of

## BOARD OF DIRECTORS

### i. Executive and Non Executive Directors

Pursuant to Section 149(4) of the Companies Act, 2013 read with Companies (Appointment and qualification of Directors) Rule, 2014, the Company has a balanced Board comprising of Executive and Non - Executive Directors which includes Independent professionals from diverse background relevant to the Company's business requirements and who have long standing experience and expertise in their respective fields. As per declaration received by the Company from each of the Directors, none of them is disqualified to be appointed as a Director 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 disclosures have been made by the Directors regarding their Chairmanships / membership of the mandatory Committees of the Board and that the same are within the permissible limits as stipulated under applicable status.

the ensuing Annual General Meeting. Ms. Charu Modi's term as Executive Director of the Company expires on March 31, 2019. It is proposed to re-appoint her as Executive Director of the Company w.e.f. April 1, 2019 for a period of 5 years till March 31, 2014.

### BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the Financial Year 2017-2018, four meetings of the Board of Directors were held. The necessary quorum was present for all the meetings. When deemed expedient, the Board also approves important and urgent items of business through resolution by circulation, which could not be deferred till the next Board Meeting.

Details of attendance of Directors in Board Meetings held during the Financial Year 2017-2018 and in the previous Annual General Meeting are as follows.

Name of the Director	Number of Board Meetings attended (Total held)	Attendance at last Annual General Meeting
Mr. K. K. Modi	4(4)	Yes
Ms. Charu Modi	4(4)	Yes
Ms. Aliya Modi	1(4)	Yes
Mr. Samir Modi	1(4)	Yes
Dr. Achutani Rao	4(4)	Yes
Mr. Sunil Alagh	4(4)	Yes
Mr. M.N. Thakkar	4(4)	Yes
Mr. Lakshminarayanan	3(4)	Yes
Mr. Sanjay Buch	4(4)	Yes
Mr. Ranvir Prasad	1(4)	-

The previous Annual General Meetings of the Company was held on 23rd September, 2017.

### Separate meetings of the Independent Directors

Pursuant to schedule IV of the Companies Act, 2013 read with the Rules made thereunder, Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management. All the Independent Directors of the Company shall strive to be present at such meeting and shall, inter - alia.

- Review the performance of Non - Independent Directors and the Boards as a whole.
- Review the performance of the chairperson of the Company, taking into account the views of Executive Directors and Non Executive Directors.
- Access the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Therefore in compliance with the aforesaid requirements Independent Directors of the Company met separately on March 23, 2018 without the presence of any Non - Independent Directors or representatives of management to review and discuss the performance of Non-Independent Directors, Executive Directors, Chairman of the Board and performance of the Board as a whole.

### Information available to the Board of Directors

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

- Annual operating Plans and Budgets and any updates thereto.
- Capital Budgets and any updates thereto.
- Quarterly Results for the Company and its Operating Divisions or Business Segments.
- Minutes of meetings of the Board and Board Committees, Resolutions passed by Circulations and Board Minutes
- 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.

- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- 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.
- Details of any Joint Venture or Collaboration Agreement.
- Transaction that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property (IP).
- Significant labour problems and their proposed solution. Any significant development in human resources / industrial relations front like signing of wages Agreement, implementation of voluntary retirement scheme etc.
- Sale of material nature of investments, subsidiaries, assets which is not in normal course of business.
- quarterly details of Foreign Exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material
- Non-compliance of any regulatory or Statutory requirements and shareholders service such as non payment of Dividend, delay in share transfer etc.

### BOARD PROCEDURES

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

### INDUCTION AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013 the Company has a an induction and familiarization process for Independent Directors that among others include providing and explaining background material, nature of the Industry in which the Company operates, Business Model of the Company, Independent Director's expected Roles, Rights and Responsibilities.

## Annexure "VIII" continued

The background material referred above includes all the relevant Documents, Broachers, Reports and Internal Policies and Procedures to enable them to understand the working of the Company. They are also given periodic presentation in the Board and Committee Meetings in order to provide details on the business and performance updates, Company's strategy and operating plans, key issues on Corporate Governance Report, code of business conduct, risk management issues etc.

### BOARD COMMITTEES

The Company has formulated

- I Audit Committee
- II Nomination and Remuneration Committee
- III Shares Transfer and Stakeholders Relationship Committee
- IV Corporate Social Responsibility Committee
- V Risk Management Committee

The Committees comprise of a mixture of promoters who are Business leaders and eminent Professionals from the Board of Directors and are constituted in accordance with applicable provisions. The details of each of the Committees are as under:

#### I. Audit Committees

##### Constitution

The Company's Board has an Audit Committee consisting of qualified members. As on March 31, 2018, the Committee comprised of one Executive and two Independent Non Executive Directors. All the members of the Audit Committee have the financial knowledge. Mr. M.N. Thakkar, Independent Director is the Chairman of the Committee. He is ex-Senior Partner of N M Rajji & Company, Chartered Accountant and has expertise in Accounting, Auditing, Taxation and Financial Management domain. The Company Secretary of the Company acts as the Secretary of the Committee.

##### Composition and Attendance

During the Financial Year 2018-19, 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)

##### Attendance

The Audit Committee invites such executives of the Company as it considers appropriate to be present at its meetings but on certain occasion it also meets without the presence of any executives of the Company. The Chief Financial Officer, the Company Secretary also remains

present at the meetings. Besides, Internal Auditors and the Statutory Auditors are also invited from time to time for discussion on matters pertaining to Audit Committee.

##### Terms of reference to Audit Committee

The terms of reference to the Audit Committee are in accordance with items listed in Section 177 of the Companies Act, 2013.

#### 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, 2018, the Committee comprises of non-executive Independent Directors. Mr. S. Lakshminarayanan is the Chairman of the Committee. The Company secretary acts as the Secretary of the Committee.

##### Composition and Attendance

During the Financial Year 2017-2018, two meetings of the Nomination and Remuneration Committee were held. The composition of the Nomination and Remuneration Committee and the number of meetings attended by each member is as follows.

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. S. Lakshminarayanan	Independent Director and Chairman of Committee	1(2)
Mr. Sunil Alagh	Independent Director	2(2)
Mr. M.N. Thakkar	Independent Director	2(2)

##### Nomination and Remuneration Policy

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

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

##### Compensation to Directors during FY 2017-2018

###### 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 decided by the Independent Directors remuneration Committee of the Board of Directors subject to the approval of members of the Company.

Details of the Sitting Fees and Commission paid to non-executive Directors during the year 2017-18 are as under:

₹ in lakhs		
Name of the Director	Sitting Fees paid	Commission Paid*
Mr. Sunil Alagh	12.25	25.00
Mr. M.N. Thakkar	10.75	25.00
Mr. Lakshminarayanan	4.50	25.00
Mr. Sanjay Buch	9.25	25.00
UPSIDC LIMITED	4.50	25.00

\* Based on the 1% of the Net Profit of the Company for Financial Year 2017-18, computed in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.

### Executive Directors

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

## III Shares Transfer and Stakeholders Relationship Committee

### Constitution

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

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

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

### Investor complaints

During the year 2018-19 the Company has resolved all complaints from shareholders / investors. There were no complaints pending as at the end of the year.

### Share Transfer in Physical Mode

Shares received for transfer in Physical Mode are generally registered and returned within stipulated time period, if the documents are clear in all respects.

## IV Corporate Social Responsibility Committee

### Constitution

In accordance with Section 135 of the Companies Act, 2013 the Board of Directors of the Company have formed a Corporate Social Responsibility Committees. 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 of intervention, 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 comprises of three Directors Viz. Mr K K Modi, Chairman, Mr. Ranvir Prasad and Mr. Sunil Alagh, Independent Directors. The Company Secretary of the Company acts as the Secretary to the Committee. CSR Report contained above and forming part of Director' Report details CSR activities of Company.

### Composition and Attendance

During the Financial Year 2017-2018, three meetings of Corporate Social Responsibility Committee were held. The present composition of the Corporate Social Responsibility Committee and the number of meetings attended by the Committee members are as under:

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. K.K. Modi	Chairman and Managing Director	3(3)
Mr. Ranvir Prasad*	Independent Director	1(3)
Mr. Sunil Alagh	Independent Director	3(3)

\* Ceased to be a Director.

## V. Risk Management Committee

The committee comprises of Mr. Sanjay Buch, independent director and senior management functional heads. The committee meets and evaluates various risk affecting Company, its business and business environment. The committee meets from time to time based on needs. The committee offers effective solutions and takes such steps as may be required to mitigate risk. The Company secretary acts as chief risk officer.

## COMPANY POLICIES

### 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

## Annexure "VIII" continued

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 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 report his / her concerns at highest levels.

### III. Indofil Nomination and Remuneration Policy

The Company understands the importance of attracting and retaining talented individuals at all levels of the organization. The Company and its management endeavor to recruit and retain employees who achieve operational excellence and 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.

### IV. Indofil Corporate Social Responsibility Policy

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. The CSR activities of the Company will be implemented pro-actively by the Company and engage with relevant stakeholders, understand their concerns and be responsive to their needs. The Company in doing so uses and promote systematic processes to engage with the stakeholders and address their issues in a just, fair and equitable manner.

### V. Indofil 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 involved in all activities of the various functions in the Company to maximize opportunities and minimize adversity. This policy is intended to assist in decision making processes that will minimize potential losses, improve the management of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives stated in the Policy

### VI. Indofil 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 operations of our systems and processes and, we consider Environment protection, health and safety as fundamental management concerns. 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, dissemination of information & effective communication. The Company assists 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 produced, 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 & Safety. Necessary steps for continuous improvement are taken even where no regulations exist.

## GENERAL BODY MEETINGS

### I. Annual General Meetings

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

Financial Year	Date	Time	Location of the meeting
2016-17	15.09.2017	11.00 am	Rama & Sundari Watumull Auditorium, K.C. College. Dinshaw Vachha Road, Churchgate, Mumbai -20
2015-16	23.08.2016	11.00 am	Hall of Culture, Nehru Centre, Dr. A.B. Road, Worli, Mumbai - 18
2014-15	16.08.2015	11.00 am	Hall of Culture, Nehru Centre, Dr. A.B. Road, Worli, Mumbai - 18

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

Financial Years	Particulars of special Resolutions Passed
2016-17	To appoint Mr. K.K. Modi (DIN : 00029407) as Chairman and Managing Director.
2015-16	-
2014-15	-

### II. Extra Ordinary General Meeting

During the year under review, no Extra - Ordinary General Meeting was held.

#### Share Transfer System

The Registrars and Share Transfer Agents of the Company receive applications for Transfer of Shares held in Physical Mode.

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.

Physical Shares received for Dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in

every respect. Bad deliveries are immediately returned to Depository(ies) / Shareholders.

Category wise Shareholding as at March 31, 2018 is as under:

Sr. No	Category	No. of shares held	%
1	Promoter and promoter group	1,42,63,475	62.128
2	Mutual Funds / UTI	2,287	0.011
3	Banks / Financial Institution	24,66,438	10.743
4	Foreign Intuitional Investors	0	0
5	Foreign Venture Capital Investors	0	0
6	Foreign Portfolio Investors (Corporate)	0	0
7	Non Residents	22,62,327	9.854
8	Private Bodies Corporate	17,71,079	7.714
9	Indian Public	21,33,636	9.294
10	Others (Directors and their Relatives, clearing members & trusts)	58,980	.257
<b>Total</b>		<b>2,29,58,222</b>	<b>100.00</b>

### Distribution of shareholding as at March 31,2018

No. of Equity Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
1 TO 5000	7561	93.996	719199	3.133
5001 TO 10000	215	2.673	165491	0.721
10001 TO 20000	96	1.193	140437	0.612
20001 TO 30000	41	0.51	106514	0.464
30001 TO 40000	16	0.199	57708	0.251
40001 TO 50000	20	0.249	94556	0.412
50001 TO 100000	32	0.398	227599	0.991
100001 AND ABOVE	63	0.783	21446718	93.416
<b>TOTAL</b>	<b>8044</b>	<b>100</b>	<b>229582220</b>	<b>100</b>

### 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

## Annexure "VIII" continued

The Company has not issued any GDRs / ADRS.

There were no outstanding Convertible Warrants as on March 31, 2018.

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 (in lakhs)

Financial Year	Rate of Dividend	Total pay-out (inclu DDT)	Amount paid to the shareholders (incl DDT)	Unclaimed amount as on March 31, 2018
2012-13	35%	₹8.46 Crs	₹8.39 Crs	₹0.07 crores
2013-14	40%	₹9.67 Crs	₹9.59 Crs	₹0.08 crores
2014-15	50%	₹12.55 Crs	₹12.44 Crs	₹0.11 crores
2015-16	60%	₹15.49 Crs	₹15.37 Crs	₹0.12 crores
2016-17	80%	₹20.65 Crs	₹20.49 Crs	₹0.16 crores

### 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, 2<sup>nd</sup> floor, Okhla Industrial Area, Phase –II, New Delhi – 110 020  
Tel. No.: (011) – 26387281-82-83 / (011) – 26387384  
E. Mail: info@masserv.com

For any other matters or in case of any query on Annual Report.

Indofil Industries Ltd.  
CIN: U24110MH1993PLC070713  
Regd. Office: Kalpataru Square, 4th Floor, Kondivita Road,  
Off Andheri Kurla Road, Andheri (East), Mumbai – 400 059  
Tel. No.: (022) – 66637373 / (022) – 28322272  
Investor-icc@modi.com

Place: Mumbai  
Date: June 13, 2018

**K K Modi**  
Chairman & Managing Director



**FINANCIAL STATEMENTS**

**STANDALONE FINANCIAL STATEMENTS** **86**

**CONSOLIDATED FINANCIAL STATEMENTS** **126**

# Independent Auditor's Report

TO THE MEMBERS OF INDOFIL INDUSTRIES LIMITED

## 1. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone Financial Statements of Indofil Industries Limited ("the Company"), comprising the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

## 2. 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 Companies Act, 2013 ("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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

## 4. OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2018, and its financial performance including Other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

## 5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

5.2 As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss and (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- e. On the basis of the written representations received from the Directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a Director of the Company in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as on March 31, 2018 on its financial position in its Standalone Financial Statements – Refer Note No. 38 to the Standalone Financial Statements;
- ii. The Company has long term contracts including derivative contracts. However, no provision is required to be made for any foreseeable loss in respect thereof. Accordingly, no such provision is reflected in Standalone Financial Statements;
- iii. There were no amounts which were required to be transferred as on March 31, 2018 to the Investor Education and Protection Fund by the Company.

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

**(H.G.BUCH)**

Partner

Membership No. 033114

PLACE : MUMBAI  
DATE : JUNE 13, 2018

## Annexure "A" to the Independent Auditor's Report

[Referred to in paragraph 5.1 of the Independent Auditor's Report of even date to the members of Indofil Industries Limited on the Standalone Financial Statements for the year ended March 31, 2018.]

On the basis of such checks, as we considered appropriate and in terms of information and explanations given to us, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of Immovable property 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. In our opinion, the frequency of such verification is reasonable. For stocks-in-transit at the year-end, the necessary documentary evidences have been obtained. In case of stocks lying with third parties, certificates confirming such stocks have been received in respect of stocks held as on March 31, 2018. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the size of operations of the Company and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provision of Clause (iii)(a),(iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- (iv) The Company has complied with the provisions of Section 185 and 186 of the Act with respect to the loans, investments, guarantees and securities made.
- (v) The Company has not accepted any deposits from the public during the year and hence, the question of complying with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under, does not arise.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under Section 148(1) of the Act in respect of its products 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 records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Professional Tax and other material statutory dues applicable to it with the appropriate authorities and there were no arrears of outstanding statutory dues as on March 31, 2018 for a period of more than six months from the date they became payable.
- (b) On the basis of the books and records examined by us, as applicable, given herein below are the details of dues of Sales-tax, Service Tax, Excise Duty and cess and Entry tax which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the Statute	Nature of dues	Financial years to which the matter pertains	Forum where matter is pending	Gross Liability (₹ in Lakhs)	Payment made (₹ in Lakhs)	Net Liability (₹ in Lakhs)
Madhya Pradesh VAT Act, 2002	Sales Tax MP	2012-13	Addl Comm.	189.64	18.96	170.68 <sup>1</sup>
Madhya Pradesh VAT Act, 2002	Sales Tax MP	2009-10	Addl Comm.	36.28	9.07	27.21
Maharashtra VAT Act, 2002	Sales Tax Maha	2005-06	Dy. Comm.	15.00	15.00	-
Madhya Pradesh Entry Tax Act	Entry Tax MP	2009-10/ 2012-13	Addl Comm.	88.15	28.29	59.86
Gujarat VAT Act, 2003	Sales Tax Gujarat	2011-12 / 2012-13	Hon. Tribunal/ Jt. Comm.	938.45	57.00	881.45 <sup>2</sup>
Central Sales Tax Act, 1956	Sales Tax	2000-01/ 2003-04/ 2004-05/ 2005-06/ 2006-07/ 2007-08/ 2008-09/ 2009-10/ 2011-12/ 2012-13	Dy. Comm/ Addl Comm / Jt. Comm./ Hon. Tribunal	660.10	173.82	486.28 <sup>3</sup>

Name of the Statute	Nature of dues	Financial years to which the matter pertains	Forum where matter is pending	Gross Liability (₹ in Lakhs)	Payment made (₹ in Lakhs)	Net Liability (₹ in Lakhs)
Central Excise Act,1944	Excise Duty	2004-05/ 2005-06/ 2008-09/ 2012-13	CESTAT / Asstt Comm. / Jt. Comm.	74.58	18.47	56.11
The Finance Act, 1994	Service Tax	2001-02/ 2005-06/ 2006-07/ 2008-09	Comm (Appeal) Asstt Comm/ CESTAT	109.96	-	109.96
<b>Total</b>				<b>2112.20</b>	<b>320.61</b>	<b>1791.50</b>

Note (1), (2) and (3) : As informed to us, liability to the extent of ₹170.68 Lakhs, ₹ 881.45 Lakhs and ₹ 325.44 Lakhs respectively is unlikely to materialise, as the necessary forms have been submitted to the respective authorities.

- (viii) The Company has not defaulted in the repayment of loans or borrowings to the bank.
- (ix) The term loans have been applied for the purpose for which they were obtained.
- (x) During the year there has been misappropriation of inventories of finished goods at Mansa territory in Punjab. Following the information from internal sources, the senior management has investigated the matter with the help of an Independent professional agency. Consequent loss of ₹665 lakhs has been accounted during the year. (Refer Note-36)
- (xi) The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Financial Statements, as required by the applicable Indian Accounting Standards.
- (xiv) As per the documents and records examined by us and the information and explanation given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The Company has not entered into any non-cash transaction during the year with Directors or persons connected with him as contemplated in Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 451A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**(H.G.BUCH)**

Partner

Membership No. 033114

PLACE : MUMBAI

DATE : JUNE 13, 2018

# Annexure “B” to the Independent Auditor’s Report of Even Date on the Standalone Financial Statements of Indofil Industries Limited

## 1. REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of INDOFIL INDUSTRIES LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

## 2. MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

## 3. AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgment, 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 system over financial reporting.

## 4. MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 authorizations of management and directors of the Company; and (3) 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 statement.

## 5. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting

to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## 6. OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the relevant criteria established

by the Company, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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

**(H.G.BUCH)**

Partner

Membership No. 033114

PLACE : MUMBAI  
DATE : JUNE 13, 2018

# Balance Sheet

as at March 31, 2018

₹ in lakhs

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	42,780.23	44,357.21
Capital Work - In - Progress	3	25,360.39	4,457.84
Other Intangible Assets	3	7,948.50	7,231.79
Intangible Assets under Development	3	10,137.03	9,196.83
<b>Financial Assets</b>			
(i) Investments	4	16,966.80	16,201.60
(ii) Loans	5	70.97	911.29
(iii) Others	6	2,050.19	836.59
Deferred Tax Assets	7	7,755.27	3,284.21
Non - Current Tax Assets	8	770.30	824.18
Other Non - Current Assets	9	5,159.09	4,396.82
<b>Total Non - Current Assets</b>		<b>118,998.77</b>	<b>91,698.37</b>
<b>Current Assets</b>			
Inventories	10	37,666.36	27,715.90
<b>Financial Assets</b>			
(i) Investments	11	-	4,553.74
(ii) Trade Receivables	12	84,479.78	60,434.73
(iii) Cash & Cash Equivalents	13	6,773.61	20,327.91
(iv) Bank Balance other than (iii) above	14	259.62	615.32
(v) Loans	15	-	555.00
(vi) Others	16	614.70	328.25
Other Current Assets	17	9,198.60	2,188.17
<b>Total Current Assets</b>		<b>138,992.67</b>	<b>116,719.02</b>
<b>TOTAL ASSETS</b>		<b>257,991.44</b>	<b>208,417.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	2,135.11	2,135.11
Other Equity		107,775.47	92,400.38
<b>Total Equity</b>		<b>109,910.58</b>	<b>94,535.49</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	19	43,623.06	39,418.10
(ii) Other Financial Liabilities	20	1,760.56	1,354.24
Provisions	21	648.77	1,024.52
<b>Total Non - Current Liabilities</b>		<b>46,032.39</b>	<b>41,796.86</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	22	53,641.02	28,413.64
(ii) Trade Payables	23	24,869.76	19,311.79
(iii) Other Financial Liabilities	24	20,970.04	19,599.60
Other Current Liabilities	25	1,471.27	4,065.89
Provisions	26	1,096.38	694.12
<b>Total Current Liabilities</b>		<b>102,048.47</b>	<b>72,085.04</b>
<b>Total Liabilities</b>		<b>148,080.86</b>	<b>113,881.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>257,991.44</b>	<b>208,417.39</b>
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
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As per our report attached  
For **BANSI S. MEHTA & CO.,**  
Chartered Accountants  
Firm Reg. No. 100991W

**K. K. Modi**  
Chairman and Managing Director

**Charu Modi**  
Executive Director

**R. K. Malhotra**  
Group CEO

**(H. G. BUCH)**  
Partner  
Membership No. 033114

**Devang Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar** Directors

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad** Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Statement of Profit and Loss

for the year ended March 31, 2018

₹ in lakhs			
Particulars	Note. No.	Year ended March 31, 2018	Year ended March 31, 2017
<b>INCOME</b>			
Revenue from Operations	27	199,325.50	189,296.37
Other Income	28	1,631.18	1,663.20
<b>Total Income</b>		<b>200,956.68</b>	<b>190,959.57</b>
<b>EXPENSES</b>			
Excise Duty on Sale of Goods		3,225.46	13,560.22
Cost of Material Consumed	29	86,956.73	74,618.30
Purchase of Stock In Trade	30	22,537.65	10,832.95
Changes in Inventories of Finished Goods / Stock in Trade	31	(5,749.64)	1,814.97
Employee Benefit Expenses	32	17,633.77	13,724.72
Finance Cost	33	5,534.52	3,464.69
Depreciation and Amortization	3	5,565.01	4,692.14
Other Expenses	34	41,025.78	40,171.90
<b>Total Expenses</b>		<b>176,729.28</b>	<b>162,879.89</b>
<b>Profit Before Tax and Exceptional Item</b>		<b>24,227.40</b>	<b>28,079.68</b>
<b>Profit Before Tax</b>		<b>24,227.40</b>	<b>28,079.68</b>
<b>Tax Expenses</b>			
Current Tax		4,900.00	6,175.23
Deferred Tax		(863.92)	(1,815.70)
MAT Credit (Entitlement) / Utilization		(1,577.39)	1,922.73
Short / (Excess) provision of Earlier Years		376.78	(6.79)
<b>Profit After Tax</b>		<b>21,391.93</b>	<b>21,804.21</b>
<b>Other Comprehensive Income</b>			
<b>(A) Items that will not be reclassified to profit or loss in subsequent years</b>			
Re-measurement of Gains / (Losses) on Defined Benefit Plans		(1,639.38)	(346.32)
Net Gain / (Loss) on FVTOCI Equity Securities		(13.70)	110.51
Income Tax relating to aforesaid items		582.40	97.15
<b>Total (A)</b>		<b>(1,070.68)</b>	<b>(138.66)</b>
<b>(B) Items that will be reclassified to profit or loss in subsequent years</b>			
The effective portion of gains / (loss) on hedging instruments	37	(4,141.89)	-
Income Tax relating to aforesaid item		1,447.34	-
<b>Total (B)</b>		<b>(2,694.55)</b>	<b>-</b>
<b>Total Other Comprehensive Income / (loss) for the year (A+B)</b>		<b>(3,765.23)</b>	<b>(138.66)</b>
<b>Total Comprehensive Income for the year</b>		<b>17,626.70</b>	<b>21,665.55</b>
Earnings Per Share - Basic & Diluted (₹)	41	100.19	102.12
CORPORATE INFORMATION	1		
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As per our report attached  
For **BANSI S. MEHTA & CO.,**  
Chartered Accountants  
Firm Reg. No. 100991W

**K. K. Modi**  
Chairman and Managing Director

**Charu Modi**  
Executive Director

**R. K. Malhotra**  
Group CEO

For and on behalf of the Board of Directors

**(H. G. BUCH)**  
Partner  
Membership No. 033114

**Devang Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar** } Directors

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad** } Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Statement of Cash Flow

for the year ended March 31, 2018

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (Loss) Before Tax</b>	24,227.40	28,079.68
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>		
Depreciation & Amortization	5,565.01	4,692.14
Finance Cost	5,534.52	3,464.69
Interest Income	(383.68)	(333.55)
Dividend Income	-	(1.14)
Rent Income	(7.20)	(7.20)
Profit on Sale of Investments	(93.57)	(67.38)
Guarantee Commission	(455.67)	(327.50)
Sundry Balances Written Back	(258.72)	(15.45)
(Profit) / Loss on Sale of Assets	(7.09)	3.69
(Gain) / Loss on Fair Valuation of Investments	(2.80)	(55.78)
Bad Debts	126.87	10.43
Provision for Bad and Doubtful Debts	800.00	701.12
<b>Operating Profit Before Changes in Working Capital</b>	<b>35,045.07</b>	<b>36,143.75</b>
<b>Adjustment for Changes in Working Capital</b>		
(Increase) / Decrease in Trade Receivables	(24,971.92)	(17,093.98)
(Increase) / Decrease in Inventories	(9,950.46)	(1,391.74)
(Increase) / Decrease in Other Financial Assets	(1,533.17)	107.31
(Increase) / Decrease in Other Non - Financial Assets	(7,772.70)	(1,511.77)
Increase / (Decrease) in Trade Payables	5,816.69	4,202.07
Increase / (Decrease) in Other Financial Liabilities	(575.55)	5,346.79
Increase / (Decrease) in Provisions	26.51	(83.77)
Increase / (Decrease) in Other Non - Financial Liabilities	(4,234.00)	605.97
<b>Cash Generated from Operations</b>	<b>(8,149.53)</b>	<b>26,324.63</b>
Less: Taxes Paid (Net of refund received)	(5,222.89)	(7,560.96)
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>(13,372.43)</b>	<b>18,763.68</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment and Intangible Assets	(26,540.40)	(11,170.23)
Investments during the year	3,871.21	(4,910.73)
Financial Assets - Loans (Made) / Repaid	1,395.32	1,776.52
Interest Received	416.80	396.10
Rent Received	7.20	7.20
Dividend Received	-	1.14
Guarantee Commission	455.67	327.50
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>(20,394.19)</b>	<b>(13,572.50)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>		
Receipt of Long Term Borrowings	14,716.93	26,123.69
Repayment of Long Term Borrowings	(12,507.81)	(4,643.56)
Increase / (Decrease) in Short Term Borrowings	25,113.15	(3,593.89)
Deposits and Margin Money	355.70	(401.93)
Finance Cost	(5,409.14)	(3,497.45)
Corporate Dividend (incl. Dividend Distribution Tax)	(2,056.52)	(1,540.08)
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>20,212.31</b>	<b>12,446.77</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>	<b>(13,554.30)</b>	<b>17,637.95</b>
Add: Opening Balance of Cash and Cash Equivalents	20,327.91	2,689.96
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>6,773.61</b>	<b>20,327.91</b>
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# Statement of Cash Flow

for the year ended March 31, 2018

## Change in Liability arising from financing activities

₹ in Lakhs

Particulars	As at April 1, 2017	Cash Flow	Foreign Exchange Movement	As at March 31, 2018
Borrowings - Non Current (Refer Note 19)	43,294.94	1,926.80	4,309.99	49,531.73
Borrowings - Current (Refer Note 22)	28,413.64	24,194.91	1,032.47	53,641.02
<b>TOTAL</b>	<b>71,708.58</b>	<b>26,121.71</b>	<b>5,342.46</b>	<b>103,172.75</b>

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

**(H. G. BUCH)**  
Partner  
Membership No. 033114

**K. K. Modi**  
Chairman and Managing Director

**Charu Modi**  
Executive Director

**Devang Mehta**  
Company Secretary

**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar**

Directors

For and on behalf of the Board of Directors

**R. K. Malhotra**  
Group CEO

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad**

Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Statement of Changes in Equity

for the year ended March 31, 2018

## A. EQUITY SHARE CAPITAL

₹ in lakhs	
Particulars	
<b>Balance as on 1st April 2017</b>	<b>2,135.11</b>
Add: Changes in Equity Capital during the FY. 2017-18	-
<b>Balance as on March 31, 2018</b>	<b>2,135.11</b>

## B. OTHER EQUITY

₹ in lakhs									
Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Remeasurements gains / (loss) on defined benefit plans	The effective portion of gains and loss on hedging instruments	Total
<b>Balance as on April 01, 2017</b>	508.00	10,804.26	1.36	4,972.79	76,422.53	140.23	(448.79)	-	92,400.38
Profit for the year					21,391.93				21,391.93
Other comprehensive income						(13.70)	(1,056.98)	(2,694.55)	(3,765.23)
Guarantee commission					(186.11)				(186.11)
Dividends on Shares paid during the year					(1,708.09)				(1,708.09)
Dividend Distribution Tax paid during the year					(357.42)				(357.42)
<b>As at March 31, 2018</b>	<b>508.00</b>	<b>10,804.26</b>	<b>1.36</b>	<b>4,972.79</b>	<b>95,562.84</b>	<b>126.53</b>	<b>(1,505.77)</b>	<b>(2,694.55)</b>	<b>107,775.47</b>

### Nature and Purpose of the Reserves

#### Capital Redemption Reserve

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

#### Securities Premium

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

#### Capital Reserve

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

#### General Reserve

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.

# Statement of Changes in Equity

for the year ended March 31, 2018

## C. DIVIDENDS PAID / PROPOSED DURING THE YEAR

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
<b>Corporate Dividend Paid During the year</b>			
Dividend Paid (₹ in lakhs)		1,708.09	1,281.07
Dividend Per Fully Paid Up Share		8.00	6.00
<b>Corporate Dividend Proposed for the year</b>			
Dividend Proposed (₹ in lakhs)		1,708.09	1,708.09
Dividend Per Fully Paid Up Share		8.00	8.00
CORPORATE INFORMATION	1		
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As per our report attached  
For **BANSI S. MEHTA & CO.,**  
Chartered Accountants  
Firm Reg. No. 100991W

**(H. G. BUCH)**  
Partner  
Membership No. 033114

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Company Secretary

**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar**

Directors

For and on behalf of the Board of Directors

**R. K. Malhotra**  
Group CEO

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad**

Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Notes forming part of Financial Statements

for the year ended March 31, 2018

## NOTE 1: CORPORATE INFORMATION

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

The Company is a public limited Company incorporated in India with its registered office at Kalpataru Square, 4th Floor, Kondivita Road, Off. Andheri Kurla Road, Andheri (East), Mumbai 400059, Maharashtra.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on June 13, 2018.

## 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, read with Section 133 of the Companies Act 2013 ("the Act") with effect from April 01, 2016.

The Financial Statements for the year ended March 31, 2018 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.

### 2.3 Use of Estimates and Judgements

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

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

- Measurement of Defined Benefit Obligation – Note No. 45
- Measurement and likelihood of occurrence of provisions and contingencies – Note No. 21, 26 and 38
- Recognition of Deferred Tax Assets / (Liabilities) – Note No. 7
- Key Assumptions used in Fair Valuation Methods of Financial Assets – Note No. 44
- Impairment of Financial Assets (Trade Receivables) – Note No. 9

### 2.4 Classification of Assets and Liabilities

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

### 2.5 Property, Plant and Equipment

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

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

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

Property, Plant and Equipment which are not ready for intended use as at the date of Balance Sheet are disclosed as "Capital Work in Progress"

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.

### 2.6 Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Subsequently, Intangible Assets

# Notes forming part of Financial Statements

for the year ended March 31, 2018

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 amortized 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.

## 2.7 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 capitalized and depreciated / amortized accordingly.

## 2.8 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 recognized in the Statement of Profit and Loss.

## 2.9 Inventories

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

## 2.10 Financial instruments

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

## Financial assets

### Initial recognition and measurement

On initial recognition, a financial asset is recognized at fair value. In case of Financial Assets which are recognized at fair value through profit and loss (FVTPL), its transaction costs are recognized 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

- Amortized 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 Amortized Cost

Financial Assets are subsequently measured at amortized 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 amortized cost or at Fair Value through Other Comprehensive Income on initial recognition.

# Notes forming part of Financial Statements

for the year ended March 31, 2018

## 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.

## Financial liabilities

### Initial recognition and measurement

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

### Subsequent measurement

Financial Assets are subsequently classified as measured at

- Amortized cost

- Fair Value through Profit and Loss (FVTPL)

Financial Liabilities are measured at amortized 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 recognized in the Statement of Profit and Loss.

### Derecognition

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

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.11 Hedge Accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is

designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values of cash flows of hedged items.

The effective portion of changes in the fair value of hedging instrument that are designated and qualify as cash flow hedges is recognised in the Other Comprehensive Income (OCI) in Cash Flow Hedge Reserve within Equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The profit or loss relating to the ineffective portion is recognised immediately in profit or loss.

The Company uses its Foreign Currency Borrowings and Buyer's Credit as hedging instrument of its exposure to foreign exchange risk on its highly probable forecasted sales. Amounts recognised in OCI will be transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.

## 2.12 Impairment

### Financial Assets (Other than at Fair Value)

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 recognizes 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.

### 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

# Notes forming part of Financial Statements

for the year ended March 31, 2018

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 recognized 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 recognized 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 recognized 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 Recognition

Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of the contracts, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably, the Company

retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will flow from the sale of goods.

Revenue is measured at fair value of the consideration received or receivable, net of returns, allowances, trade discounts and volume rebates. Revenue is recorded inclusive of excise duty but excluding any value added tax / GST as applicable.

Income from Export Benefit Entitlement under the Duty Drawback Scheme / Merchandise Exports from India Scheme (MEIS) of the Government of India are recognized in the year in which the Revenue from related Export Sales is accounted for. Advance License Benefits on Exports are recognized in the year of utilization of license.

Insurance claims are accounted upon acceptance of claims.

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

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.

## 2.15 Foreign Currencies

The Financial Statements of the Company are presented in Indian Rupee (INR), which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency, using the exchange rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from restatement of monetary assets and liabilities at the reporting date are recognized 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.

# Notes forming part of Financial Statements

for the year ended March 31, 2018

## 2.16 Employee Benefits

### Defined Contribution Plans

Company's contributions paid/payable during the year to Employees' Provident Fund, Family Pension Fund, ESIC, Labour Welfare Fund, Superannuation Fund are recognized in the Statement of Profit and Loss.

### Defined Benefit Plans

Company's accrued liabilities towards Gratuity and Leave Encashment are determined on actuarial basis using the projected unit credit method for the period of service to build up the final obligation.

Service Cost (Both Current and Past) and Net Interest Expenses or Income is recognized 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 recognized 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 recognized 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 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognized in the Statement of Profit

and Loss on a straight line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognized as an expense in line with the contractual term.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

## 2.19 Taxes

Income Tax expenses comprise of Current Tax and Deferred Tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to an item which is recognized directly in Equity or in Other Comprehensive Income, in which case, the same are recognized 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 recognized 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 recognized 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 recognized based on the expected realization or 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 recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred Tax Assets and Deferred Tax Liabilities are reviewed at each reporting date.

## 2.20 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.

# Notes forming part of Financial Statements

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2017	Additions / Transfers	Deductions	As At March 31, 2018	As At April 01, 2017	For The Year Deductions	On Deductions	As At March 31, 2018	As At March 31, 2017
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	176.54	-	-	176.54	-	-	-	176.54	176.54
Factory Buildings	10,938.21	223.05	-	11,161.26	2,597.58	794.23	-	3,391.81	7,769.45
Non-Factory Buildings <sup>1,3</sup>	10,341.52	286.79	-	10,628.31	2,557.43	436.94	-	2,994.37	7,633.94
Culverts	19.69	-	-	19.69	0.77	1.80	-	2.57	17.12
Plant & Machinery <sup>3</sup>	27,512.90	1,051.75	-	28,564.65	5,539.77	1,278.88	-	6,818.65	21,746.00
Other Plant Equipment	4,075.94	364.20	26.04	4,414.11	1,047.10	567.82	8.58	1,606.34	2,807.77
Electrical Installation & Equipment	1,157.58	-	-	1,157.58	124.20	195.57	-	319.77	837.81
Furniture & Fixture	723.15	23.77	26.21	720.71	509.19	61.34	21.34	549.19	171.52
Vehicles	2,061.61	127.63	161.37	2,027.87	1,562.16	149.60	148.11	1,563.65	464.22
Office Equipments	1,075.61	127.10	28.25	1,174.46	864.57	110.33	26.39	948.51	225.95
Roads	437.04	-	-	437.04	60.98	170.83	-	231.81	205.23
Computers	744.25	124.29	9.05	859.49	615.52	105.64	8.61	712.55	146.94
<b>Capital Expenditure On</b>									
<b>Research &amp; Development</b>									
Buildings	426.69	-	-	426.69	179.62	25.66	-	205.28	221.41
Plant & Machinery	881.19	92.30	-	973.49	560.65	61.44	-	622.08	351.41
Furniture & Fixture	23.54	-	-	23.54	19.10	1.10	-	20.20	3.34
Other Equipments	4.33	2.20	-	6.53	3.94	1.01	-	4.95	0.39
<b>Total - Tangible Assets</b>	<b>60,599.79</b>	<b>2,423.08</b>	<b>250.92</b>	<b>62,771.96</b>	<b>16,242.58</b>	<b>3,962.19</b>	<b>213.03</b>	<b>19,991.75</b>	<b>42,780.23</b>
<b>(B) INTANGIBLE ASSETS</b>									
Patents and Know-how in respect of Acquired Business	1,679.12	-	-	1,679.12	685.91	167.91	-	853.82	825.30
Scientific Research Expenditure for Product Development	10,174.37	2,134.27	-	12,308.64	4,021.34	1,398.46	-	5,419.81	6,888.83
Software Licenses	113.79	185.26	-	299.06	28.24	36.45	-	64.69	234.37
<b>Total - Intangible Assets</b>	<b>11,967.28</b>	<b>2,319.53</b>	-	<b>14,286.81</b>	<b>4,735.49</b>	<b>1,602.82</b>	-	<b>6,338.31</b>	<b>7,948.50</b>
<b>(C) CAPITAL WORK IN PROGRESS<sup>2</sup></b>	<b>4,457.84</b>	<b>24,800.53</b>	<b>3,897.98</b>	<b>25,360.39</b>	-	-	-	-	<b>25,360.39</b>
<b>(D) INTANGIBLES UNDER DEVELOPMENT</b>									
Scientific Research Expenditure for product under development	9,196.83	3,074.47	2,134.27	10,137.03	-	-	-	-	10,137.03
<b>Total - Intangibles Under Development</b>	<b>9,196.83</b>	<b>3,074.47</b>	<b>2,134.27</b>	<b>10,137.03</b>	-	-	-	-	<b>10,137.03</b>
<b>(E) INVESTMENT PROPERTY<sup>4</sup></b>									
<b>TOTAL(A)+(B)+(C)+(D)+(E)</b>	<b>86,221.74</b>	<b>32,617.61</b>	<b>6,283.17</b>	<b>112,556.18</b>	<b>20,978.08</b>	<b>5,565.01</b>	<b>213.03</b>	<b>26,330.06</b>	<b>65,243.67</b>
<b>Previous Year's Total</b>	<b>75,055.20</b>	<b>31,796.92</b>	<b>20,630.38</b>	<b>86,221.74</b>	<b>16,285.93</b>	<b>4,692.14</b>	-	<b>20,978.06</b>	<b>58,769.27</b>

<sup>1</sup> Non - Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-

<sup>2</sup> Includes Borrowing Cost of ₹ 637.21 lakhs (31 March 2017: ₹ 328.03 lakhs) capitalized during the year in terms of Para 8 of the "Indian Accounting Standard 23-Borrowing Costs" and Employee Cost of ₹ 376.27 lakhs (31 March 2017: ₹ 160.87 lakhs).

The Effective Interest Rate (EIR) used to determine the amount of borrowing cost eligible for capitalization is the EIR of the specific borrowing.

<sup>3</sup> Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets ₹ 282.33 lakhs (31 March 2017: ₹ 415.54 lakhs) capitalized during the year in terms of Para 7AA of "Indian Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates." Unamortized Amount as at the year end was ₹ 630.66 lakhs (March 31, 2017: ₹ 360.08 lakhs).

<sup>4</sup> Property at Sameer Vihar, Modi Nagar yielding rental income to the Company is not recognized 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 ₹ 3262.35 lakhs as at the year end.

# Notes forming part of Financial Statements

## NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
<b>Investment in Equity Instruments</b>				
<b>Investment in Subsidiaries (Unquoted At Cost)</b>				
Indofil Industries (Netherlands) B.V. (Face Value - Euro 1 /- each)	100,000	8,584.44	100,000	8,584.44
Indofil Industries (International) B.V. (Face Value - Euro 1 /- each)	500,000	730.97	100,000	70.28
Indofil Bangladesh Industries Pvt. Ltd. (Face Value - BDT 100 /- each)	319,993	354.86	319,993	264.45
Indofil Costa Rica, S.A. (Face Value - Costa Rican Colon 1000 /- each)	10	0.01	10	0.01
Quick Investment (India) Ltd. (Face Value - ₹ 100 /- each)	12,515	342.27	12,515	342.27
Good Investment (India) Ltd. (Face Value - ₹ 100 /- each)	70,105	2,173.26	70,105	2,173.26
<b>Investment in Joint Venture (Unquoted At Cost)</b>				
Indobaijin Chemicals Pvt. Ltd. (Face Value - ₹ 100 /- each)	4,366,096	4,366.10	4,366,096	4,366.10
Hifil Chemicals Pvt. Ltd. (Face Value - ₹ 10 /- each)	4,900	0.49	4,900	0.49
<b>Others (Quoted At Fair Value)</b>				
Modi Rubber Ltd. (Face Value - ₹ 10 /- each)	214,211	180.37	214,211	197.93
Union KBC MF- Asset Allocation Plan (Face Value - ₹ 10 /- each)	249,990	37.80	249,990	35.45
Union KBC MF- Regular Growth Plan (Face Value - ₹ 10 /- each)	249,990	25.45	-	-
<b>Others (Unquoted At Fair Value)</b>				
The Cosmos Co-Op. Bank Ltd (Face Value - ₹ 100 /- each)	14,250	68.22	14,250	70.79
KKM Management Centre Pvt. Ltd. (Face Value - ₹ 10 /- each)	338,100	102.56	338,100	96.13
<b>TOTAL</b>		<b>16,966.80</b>		<b>16,201.60</b>
Aggregate Amount of Quoted Investment & Market Value thereof		243.62		233.38
Aggregate amount of Unquoted Investments		16,723.18		15,968.22
Aggregate amount of Impairment in value of Investments		-		-

## NOTE 5: FINANCIAL ASSETS - LOANS (NON-CURRENT)

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Unsecured Considered Good</b>		
Loans to Related Parties	-	836.07
<b>Secured Considered Good</b>		
Loans to Employees	70.97	75.22
<b>TOTAL</b>	<b>70.97</b>	<b>911.29</b>

# Notes forming part of Financial Statements

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

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Security and Other Deposits	902.28	609.38
Forward Contract Receivable	230.28	-
Fixed Deposits maturing after 12 months	917.63	227.21
<b>TOTAL</b>	<b>2,050.19</b>	<b>836.59</b>

## NOTE 7: DEFERRED TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Deferred Tax Assets</b>		
Other items giving rise to temporary differences	3,593.69	1,401.91
MAT Credit Entitlement	7,954.97	6,377.58
	<b>11,548.66</b>	<b>7,779.49</b>
<b>Deferred Tax Liabilities</b>		
Accelerated depreciation for tax purposes	(3,793.39)	(4,495.28)
	<b>(3,793.39)</b>	<b>(4,495.28)</b>
<b>NET DEFERRED TAX ASSETS</b>	<b>7,755.27</b>	<b>3,284.21</b>

## Reconciliation of Deferred Tax Assets / (Liability) for the year

₹ in lakhs

Particulars	Deferred Tax Assets		Deferred Tax Liabilities
	MAT Credit Entitlement	Items giving rise to temporary differences	Accelerated Depreciation for Tax Purpose
<b>Balance as on 1st April 2017</b>	<b>6,377.58</b>	<b>1,401.91</b>	<b>(4,495.00)</b>
MAT Credit Entitlement / (Utilization) during FY. 2017-18	1,577.39	-	-
DTA on Items giving rise to temporary differences	-	2,191.77	-
DTA (DTL) on Accelerated Depreciation for tax purpose	-	-	702.00
<b>Balance as on 31st March 2018</b>	<b>7,954.97</b>	<b>3,593.68</b>	<b>(3,793.00)</b>

## NOTE 8: NON - CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current Tax Asset / (Liabilities) [Net]	770.30	824.18
<b>TOTAL</b>	<b>770.30</b>	<b>824.18</b>

# Notes forming part of Financial Statements

## 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:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Statutory Income Tax Rate</b>	34.61%	34.61%
<b>Differences due to:</b>		
Temporary Differences	-2.45%	-4.52%
Income Tax Incentives	-15.45%	-10.20%
Others	-5.00%	2.48%
<b>Effective Tax Rate</b>	<b>11.70%</b>	<b>22.37%</b>

## NOTE 9: OTHER NON-CURRENT ASSETS

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Long Term Trade Receivables	2,835.19	2,452.67
Less: Impairment Allowance	(2,835.19)	(2,452.67)
Capital Advances	1,221.73	2,416.66
Prepaid Leases	3,508.96	1,615.33
Balances with Govt. Authorities under litigation	428.40	364.83
<b>TOTAL</b>	<b>5,159.09</b>	<b>4,396.82</b>

## NOTE 10: INVENTORIES

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>At Lower of Cost or Net Realisable Value</b>		
Raw Materials	9,940.13	7,452.81
Raw Materials - Goods in Transit	5,302.55	3,789.23
Finished Goods*	16,072.37	12,879.82
Finished Goods - Goods In Transit	327.88	219.63
Stock in Trade	5,417.39	2,860.30
Stores and Spares	606.04	514.11
<b>TOTAL</b>	<b>37,666.36</b>	<b>27,715.90</b>

\* Refer Note No. 35

## NOTE 11: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
<b>Investment in Equity Instruments</b>				
<b>Others (Quoted At Fair Value)</b>				
Birla Sun Life Floating Rate Fund Short Term Plan (Face Value - ₹ 100 /- each)	-	-	1,121,940	2,426.06
LIC MF Fund - Growth Plan - LF - GP (Face Value - ₹ 1000 /- each)	-	-	65,443	1,922.98
HDFC Liquid Fund - Regular Plan (Face Value - ₹ 1000 /- each)	-	-	6,398	204.70
<b>TOTAL</b>				<b>4,553.74</b>
Aggregate Amount of Quoted Investment & Market Value thereof				4,553.74

# Notes forming part of Financial Statements

## NOTE 12: FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
<b>Trade Receivables at Amortized Cost</b>				
<b>Debts due for more than six months</b>				
Secured - Considered Good	199.33		113.44	
Unsecured - Considered Good	7,768.53	7,967.86	5,038.54	5,151.98
<b>Others</b>				
Secured - Considered Good	445.27		397.27	
Unsecured - Considered Good	76,066.65	76,511.92	54,885.48	55,282.75
<b>TOTAL</b>		<b>84,479.78</b>		<b>60,434.73</b>

## NOTE 13: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks in Current Accounts	6,741.09	20,274.05
Cash on Hand	14.78	51.90
Fixed Deposits maturing within 3 months	17.74	1.96
<b>TOTAL</b>	<b>6,773.61</b>	<b>20,327.91</b>

## NOTE 14: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unpaid Dividend Account	67.41	58.42
Margin Money Pledged with Banks	33.00	3.00
Fixed Deposits maturing between 3 to 12 months	159.21	553.90
<b>TOTAL</b>	<b>259.62</b>	<b>615.32</b>

## NOTE 15: FINANCIAL ASSETS - LOANS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Loans to Others	-	555.00
<b>TOTAL</b>	<b>-</b>	<b>555.00</b>

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

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Advances / recoverable to / from Related Parties	517.43	166.16
Export Incentives Receivable (Duty drawback)	34.70	15.75
Interest Receivable	9.94	43.06
Forward Contract Receivable	52.63	103.28
<b>TOTAL</b>	<b>614.70</b>	<b>328.25</b>

# Notes forming part of Financial Statements

## NOTE 17: OTHER CURRENT ASSETS

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Export Incentive Receivable (Licenses)	624.91	772.69
Prepaid Expenses	892.94	736.36
Other Advances	120.05	80.15
Balances with Indirect Tax Authorities	7,487.97	547.95
Prepaid Lease	72.73	51.02
<b>TOTAL</b>	<b>9,198.60</b>	<b>2,188.17</b>

## NOTE 18: EQUITY SHARE CAPITAL

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Authorised</b>		
4,40,00,000 (4,40,00,000) Equity shares of ₹ 10/- par value	4,400.00	4,400.00
6,00,000 (6,00,000) 6% Non Cumulative Redeemable Preference Shares of ₹ 100/- par value	600.00	600.00
<b>TOTAL AUTHORISED SHARE CAPITAL</b>	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
2,06,62,400 (2,06,62,400) Equity Shares ₹ 10/- par value fully paid - up	2,066.24	2,066.24
22,95,822 (22,95,822) Equity Shares of ₹ 10/- par value, ₹ 3/- called up	68.87	68.87
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>2,135.11</b>	<b>2,135.11</b>

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Shares at the beginning	22,958,222	2,135.11	22,958,222	2,135.11
Add: Rights Issue of Equity Share made 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</b>	<b>22,958,222</b>	<b>2,135.11</b>	<b>22,958,222</b>	<b>2,135.11</b>

### b) Equity shares are entitled to one vote per share.

### c) Shareholders holding more than 5% shares each:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of Shares	%
K.K.Modi Investment and Financial Services Pvt. Ltd.	10,273,073	44.75%	10,273,073	44.75%
APMS Investment Fund Ltd.(FII)	1,635,822	7.13%	1,635,822	7.13%
U.P. State Indl. Dev. Corp. Ltd.	2,169,956	9.45%	2,169,956	9.45%
Rajputana Fertilizers Ltd.	1,916,666	8.35%	1,916,666	8.35%

# Notes forming part of Financial Statements

## NOTE 19: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
<b>From Banks (Secured):</b>		
Rupee Term Loan	2,072.21	2,891.38
Foreign Currency Term Loan	41,550.85	36,526.72
<b>TOTAL</b>	<b>43,623.06</b>	<b>39,418.10</b>

### A Rupee Term Loans :

- 1 Term Loan amounting to ₹ 2,000 lakhs (₹ 3,000 lakhs as on March 31, 2017) carries interest at the rate of 11.75% p.a. (11.75% p.a. as on March 31, 2017) as at year end and is repayable in 8 Equal quarterly installments of ₹ 250 lakhs each.
- 2 Term Loan amounting to ₹ 375 lakhs (₹ 656.25 lakhs as on March 31, 2017) carries interest at the rate of 11.50% p.a. (11.95% p.a. as on March 31, 2017) as at year end and is repayable in 4 Equal quarterly installments of ₹ 93.75 lakhs each.
- 3 Term Loan amounting to ₹ 1372.45 lakhs (₹ 760.13 lakhs as on March 31, 2017) carries interest at the rate of 11.00% p.a. (11.00% p.a. as on March 31, 2017) as at year end and is repayable in 18 equal quarterly installments of ₹ 75 lakhs each and 19th Installment of ₹ 22.45 lakhs .
- 4 Vehicle Loan amounting to ₹ 139.40 lakhs (Nil) is repayable over 37 monthly installments of ₹ 4.30 lakhs each.

### B 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, 2017)
- 2 Term Loan amounting to ₹ 4114.30 lakhs (₹ 4,477.26 lakhs as on March 31, 2017 ) is repayable over 7 installments of ₹ 268.32 lakhs each and 1 installment of ₹ 2,236.03 lakhs.
- 3 Term Loan amounting to ₹ 1,325.83 lakhs has been repaid fully in this year
- 4 Term Loan amounting to ₹ 4,361.52 lakhs (₹ 4,936.69 lakhs as on March 31, 2017 ) is repayable over 11 quarterly installments of ₹ 148.69 lakhs each and 10 quarterly installments of ₹ 272.60 lakhs each.
- 5 Term Loan amounting to ₹ 5,307.21 lakhs has been repaid fully in this year
- 6 Term Loan amounting to ₹ 3,589.95 lakhs has been repaid fully this year

- 7 Term Loan amounting to ₹ 2,471.80 lakhs (₹ 1,016.64 lakhs as on March 31, 2017) is repayable over 19 quarterly installments of ₹ 130 lakhs each.
- 8 Term Loans amounting to ₹ 21,116.40 lakhs (₹ 18,224.97 lakhs as on March 31, 2017) is repayable over 11 quarterly installments of ₹ 633.49 lakhs each and 16 quarterly installments of ₹ 844.66 lakhs each and one installment of ₹ 633.49 lakhs starting from September 30, 2019.
- 9 Term Loan amounting to ₹ 5817.89 lakhs (Nil) is repayable over 23 quarterly installments of ₹252.95 lakhs each.
- 10 Term Loan amounting to ₹ 3725.19 lakhs (Nil) is repayable over 19 quarterly installments of ₹196.06 lakhs each.
- 11 Term Loan amounting to ₹ 4038.02 lakhs (Nil) is repayable over 20 quarterly installments of ₹201.90 lakhs each.

### C Security / Charges

All the above term loans, except loans amounting to ₹ 4253.70 lakhs (₹ 5,803.10 lakhs as on March 31, 2017) are secured by first pari passu charge on the present and future fixed assets of the Company (except those assets which have been specifically financed) and second pari passu charge on present and future current assets of the Company inter se the Working Capital Lenders.

Term Loan amounting to ₹ 4114.30 lakhs (₹ 5,803.10 as on March 31, 2017) are secured by specific assets financed by them.

Term Loan aggregating to ₹ 375 lakhs (₹ 656.25 lakhs as on March 31, 2017) have an additional exclusive pari passu charge on the assets financed by them.

An amount of ₹ 899.14 lakhs (₹ 592.40 lakhs as on March 31, 2017 ) has been held as Debt Service Reserve Account with Bank. (Refer Note No. 6, Note No. 13 and Note No. 14)

# Notes forming part of Financial Statements

## D Current Maturity

Amounts falling due within one year in respect of all the above loans upto March 31, 2018 have been grouped under "Current maturities of Long Term Debts" under Note No. 24

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

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposit Received from Customers	1,476.66	1,150.03
Financial Guarantee Obligation	207.47	127.78
Others	76.43	76.43
<b>TOTAL</b>	<b>1,760.56</b>	<b>1,354.24</b>

### NOTE 21: PROVISIONS (NON-CURRENT)

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits	648.77	1,024.52
<b>TOTAL</b>	<b>648.77</b>	<b>1,024.52</b>

### NOTE 22: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>At Amortized Cost (Secured)</b>		
Working Capital Loans from Banks (Secured by first pari passu charge, by way of hypothecation of Company's current assets and other movable assets and second pari passu charge on the fixed assets both present and future, inter se the Term Lenders)	53,641.02	28,413.64
<b>TOTAL</b>	<b>53,641.02</b>	<b>28,413.64</b>

### NOTE 23: FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>At Amortized Cost</b>		
Sundry Creditors for Goods & Services	24,869.76	19,311.79
<b>TOTAL</b>	<b>24,869.76</b>	<b>19,311.79</b>

Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2018 have been identified as relating to Micro and Small Enterprises referred to in the said Act.

### NOTE 24: FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Current Maturities of Long Term Debts	5,908.67	3,876.84
Interest Accrued on Borrowings	190.79	65.41
Financial Guarantee Obligation	48.69	63.32
Forward Contract Payable	4.94	-
Unclaimed Dividend*	67.41	58.42
Other Payables	14,749.54	15,535.61
<b>TOTAL</b>	<b>20,970.04</b>	<b>19,599.60</b>

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

# Notes forming part of Financial Statements

## NOTE 25: OTHER CURRENT LIABILITIES

₹ in lakhs			
Particulars		As at March 31, 2018	As at March 31, 2017
Other Payables		1,471.27	4,065.89
<b>TOTAL</b>		<b>1,471.27</b>	<b>4,065.89</b>

## NOTE 26: PROVISIONS (CURRENT)

₹ in lakhs			
Particulars		As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits		1,096.38	694.12
<b>TOTAL</b>		<b>1,096.38</b>	<b>694.12</b>

## NOTE 27: REVENUE FROM OPERATIONS

₹ in lakhs				
Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Sale of Products*				
Agrochemical	173,512.87		166,766.70	
Specialty & Performance Chemicals	24,434.85	197,947.72	21,358.25	188,124.95
<b>Other Operating Income:</b>				
Export Incentives & Entitlements		1,194.22		1,089.74
Scrap Sales		103.81		63.99
Miscellaneous Income		79.75		17.69
<b>TOTAL</b>		<b>199,325.50</b>		<b>189,296.37</b>

\* Refer note no. 35

## NOTE 28: OTHER INCOME

₹ in lakhs			
Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Interest Income		383.68	333.55
Dividend Income		-	1.14
Profit on Sale of Current Investments		93.57	67.38
Foreign Exchange Fluctuation		-	836.16
<b>Other Non - Operating Income:</b>			
Profit on Sale of Assets		7.09	3.69
Guarantee Commission		319.19	264.18
Rent Income		7.20	7.20
Insurance Claims		445.34	64.81
Sundry Balance Written Back		258.72	15.45
Gain on Fair Valuation of FVTPL Investments		2.80	55.78
Others		113.59	13.86
<b>TOTAL</b>		<b>1,631.18</b>	<b>1,663.20</b>

## NOTE 29: COST OF MATERIALS CONSUMED

₹ in lakhs			
Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Raw Material Consumed		79,042.92	67,677.53
Packing Material Consumed		7,913.81	6,940.77
<b>TOTAL</b>		<b>86,956.73</b>	<b>74,618.30</b>

# Notes forming part of Financial Statements

## NOTE 30: PURCHASE OF STOCK IN TRADE

₹ in lakhs		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	22,537.65	10,832.95
<b>TOTAL</b>	<b>22,537.65</b>	<b>10,832.95</b>

## NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

₹ in lakhs		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Opening Stocks :</b>		
Finished Goods	12,879.82	14,486.84
Stock In Trade	2,860.30	3,068.25
<b>Less : Closing Stocks :</b>		
Finished Goods	16,072.37	12,879.82
Stock In Trade	5,417.39	2,860.30
<b>NET CHANGE IN INVENTORIES*</b>	<b>(5,749.64)</b>	<b>1,814.97</b>

\* Refer note no. 35 and 36.

## NOTE 32: EMPLOYEE BENEFIT EXPENSES

₹ in lakhs		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	14,995.06	11,623.80
Contribution to Provident and Other Funds	1,160.47	883.83
Gratuity	135.26	115.31
Staff Welfare Expenses	1,342.98	1,101.78
<b>TOTAL</b>	<b>17,633.77</b>	<b>13,724.72</b>

## NOTE 33: FINANCE COST

₹ in lakhs		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses	4,554.24	2,907.43
Other Borrowing Costs	980.28	557.26
<b>TOTAL</b>	<b>5,534.52</b>	<b>3,464.69</b>

# Notes forming part of Financial Statements

## NOTE 34: OTHER EXPENSES

₹ in lakhs		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of Stores and Spares	740.81	904.90
Power, Fuel and Utilities	4,200.44	3,594.90
Processing Charges	4,326.35	4,706.67
Excise Duty *	-	84.65
Lease Rent / Hire Charges	775.94	569.14
Repairs to Building	173.31	293.67
Repairs to Plant and Machinery	1,186.35	1,285.05
Other Repairs	394.50	432.11
Insurance	730.23	527.43
Rates and Taxes	208.63	247.99
Pollution Control Expenses	653.30	526.46
Legal and Professional Fees	3,868.36	4,479.26
General Office Expenses	2,579.66	3,281.11
Foreign Exchange Fluctuation (Net)	118.27	-
Advertisement, Publicity & Sales Promotion	10,053.24	8,161.57
Outward Freight Charges	5,283.85	6,044.21
Loading and Unloading Charges	224.98	246.36
Royalty Expenses	-	229.68
Provision for Doubtful Debts	800.00	701.12
Traveling and Conveyance	3,876.86	3,128.85
Payment to Auditors		
- Audit Fees	25.00	25.00
- Transfer Pricing Audit Fees	4.50	4.50
- Taxation and Other Advisory Matters	15.50	17.25
- Certification Charges and Others	4.50	8.00
- Reimbursement of Expenses	0.50	0.50
Corporate Social Responsibility	433.90	306.29
Donations	219.93	354.80
Bad Debts	126.87	10.43
<b>TOTAL</b>	<b>41,025.78</b>	<b>40,171.90</b>

\* Represents the difference between the Excise Duty on Opening and Closing Stock of Finished Goods.

## NOTE 35:

The Government of India introduced the Goods and Service tax (GST) with effect from July 1, 2017. The Tax revenue is collected on behalf of the government and no economic benefit flows to the entity. The hitherto applicable excise duty was considered as part of revenue. Accordingly, sale of products upto June 30, 2017, are accounted inclusive of applicable excise duty and thereafter excluding applicable GST. Consequently, the sales for the year are not comparable to corresponding sales of the previous year. Year end inventories as at March 31, 2018 are valued excluding GST as against inventory as at March 31, 2017 inclusive of applicable excise duty

## NOTE 36: MIS APPROPRIATION OF INVENTORIES

During the year under review, the management of the Company discovered a fraud committed by a sales officer of the Company located in Mansa territory, Mohali, Punjab. The accused sales officer has allegedly misappropriated finished goods belonging to the Company costing of ₹ 665 lakhs by forging sales orders / delivery receipts, etc. of existing customers of the Company allegedly without their knowledge. Post discovery of the alleged fraud, the Company has conducted a detailed investigation with forensic audit with the help of an independent advisor who is an expert in this field of investigation. Based on the findings of the audit, the Company has initiated legal action against the accused sales officer and is currently pursuing the same. Further, based on the recommendation of independent advisor, the existing internal controls and credit controls already in place have been further strengthened and necessary checks have been implemented. The aforesaid loss of finished goods has been accounted for and is included in note no. 31

# Notes forming part of Financial Statements

## NOTE 37: HEDGING ACTIVITIES AND DERIVATIVES

### Foreign Currency Risk

The Company has adopted hedge accounting from April 1, 2017. Non-derivative financial liabilities (i.e. borrowings) are designated as hedging instruments in cash flow hedges of forecast sales in US dollar and Euro. These forecast transactions are highly probable. The Company's total expected yearly export sales for FY 18-19 is ₹ 83,503.63 lakhs.

Carrying value and maturity of foreign currency borrowing designated as hedging instrument is stated in below table:

Particulars	As at March 31, 2018		Maturity Date
	Assets	Liabilities	
Buyer's Credit	-	114.23	April 2018 to October 2018
Foreign Currency Term Loans	-	4,027.66	April 2018 to June 2026
<b>Total</b>		<b>4,141.89</b>	

The terms of the hedging instrument match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

The cash flow hedges of the expected future sales during the year ended March 31, 2018 were assessed to be highly effective and a net unrealised loss of ₹4,141.89 lakhs, with a deferred tax asset of ₹1,447.34 lakhs relating to the hedging instruments, is included in OCI.

Since the Company has adopted hedge accounting from April 1, 2017, there was no cash flow hedge existing during the year ended March 31, 2017. The amounts retained in OCI at March 31, 2018 are expected to mature and affect the statement of profit and loss of future years as follows:-

Financial Year	Amount
2018-2019	351.29
2019-2020	632.42
2020-2021	514.74
2021-2022	543.65
2022-2023	651.21
2023-2024	465.49
2024-2025	462.63
2025-2026	433.71
2026-2027	86.74
<b>Total</b>	<b>4,141.88</b>

There were no reclassification of gains or losses included in OCI to profit or loss during the year.

## NOTE 38: CONTINGENT LIABILITIES

1 Consequent to termination of the contract by the erstwhile Indofil Chemicals Company (Division of Modipon Ltd.), a toll manufacturer filed a suit against the Chemical Division preferring claim for ₹ 314.50 lakhs allegedly on account of items purchased and loss of profits. However, the Company had refuted the claim and had, on the contrary made a counterclaim of ₹ 476.31 lakhs against the said toll manufacturer in respect of the cost of machinery, cost of raw materials, yield losses, loss of market etc. Based on the merits, the Management is of the view that the counterclaim is likely to succeed and will be adjusted/ accounted for in the year of final settlement/receipt.

### 2 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2018

₹ in lakhs

Statute	As at March 31, 2018	As at March 31, 2017
Sales tax matters	200.07	262.51
Excise matters	56.11	56.11
Service tax matters	109.96	109.96
Other matters	59.86	59.86
<b>TOTAL</b>	<b>426.00</b>	<b>488.44</b>

# Notes forming part of Financial Statements

## 3 Guarantees Executed in favour of Corporates

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Guarantees Executed in Favour of Corporates	36,094.04	37,307.72
Less: Counter Guarantees Received	(9,801.69)	(9,755.62)
<b>Net Guarantees Executed in favour of Corporates</b>	<b>26,292.35</b>	<b>27,552.10</b>

On evaluation of individual cases, the Management is of the view that no provision in respect of the above is called for.

### NOTE 39: CAPITAL COMMITMENTS

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Estimated Amount of Capital Commitments remaining to be executed	3,858.62	8,269.72
Less: Advances Paid	(1,221.73)	(2,776.15)
<b>Net Capital Commitments</b>	<b>2,636.89</b>	<b>5,493.57</b>

### NOTE 40: CORPORATE SOCIAL RESPONSIBILITY

₹ in lakhs		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Paid</b>		
Construction of Asset* for other purposes	426.00 7.90	274.00 32.29
<b>Total Paid</b>	<b>433.90</b>	<b>306.29</b>
<b>To be paid</b>	-	-
<b>Gross Total</b>	<b>433.90</b>	<b>306.29</b>

\*Represents contribution of ₹ 426 lakhs (₹ 274 lakhs) made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

### NOTE 41: EARNINGS PER SHARE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year as per Statement of Profit & Loss (₹ in lakhs)	21,391.93	21,804.21
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	21,351,147	21,351,147
<b>Earnings Per Share - Basic &amp; Diluted ₹</b>	<b>100.19</b>	<b>102.12</b>

### NOTE 42: 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 43: 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 minimize potential adverse effects on its financial performance. The Company has an established Risk Management Policy 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. A Risk Management Committee (RMC) is formed which comprises of the Executive Management which reports to the Audit Committee of the Directors.

# Notes forming part of Financial Statements

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

## (a) Management of Market Risks

The Company's size and operation results in it being exposed to the following market risks that arise from its use of financial instruments

### Currency Risk

### Interest Rate Risk

### Price Risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below:

Potential Impact of Risk	Management Policy	Sensitivity to Risk
<p><b>1 Currency Risk</b> The Company is subject to risk that changes in foreign currency values impact the Company's export revenue and imports of raw material and Property, Plant and Equipments primarily with respect to USD and Euro</p> <p>As at March 31, 2018, the net unhedged exposure to the Company on holding Financial Assets (Trade Receivables &amp; Other Advances) and Financial Liabilities (Trade Payables and Other Payables) other than in functional currency amounted to USD 17.18 lakhs payable and Euro 624.85 Lakhs payable [₹ 51,232.18 lakhs net payable] (USD 100.49 lakhs payable and Euro 435.20 lakhs payable [₹ 23,599.89 lakhs net payable] as on March 31, 2017)</p>	<p>The Company manages currency exposures through use of Forward Exchange Contracts and effecting netting and matching of Foreign Currency Inflows and Outflows. The aim of the Company's approach to management of Currency Risk is to leave the Company with minimal residual risk.</p>	<p>A 5% strengthening of INR against key currencies to which the Company is exposed (Net) would have led to approximately an additional ₹ 2,536.87 lakhs gain in the Statement of Profit &amp; Loss (2016-17 ₹ 1,179.99 lakhs). A 5% weakening of INR against key currencies would have led to an equal but opposite effect.</p>
<p><b>2 Interest Rate Risk</b> The Company is mainly exposed to Interest Rate risk due to its Long Term and Short Term Borrowings. The interest rate risk arises due to uncertainties about prevailing base rates in future.</p> <p>As at March 31, 2018 the exposure to the Company on account of borrowings is ₹ 1,03,182.04 lakhs (₹ 71,708.58 as on March 31, 2017)</p>	<p>The group manages its Interest Rate Risk by having a balanced portfolio of floating rate loans based on Euribor, Libor and INR Base Rate.</p>	<p>A 0.25% decrease in interest rate would have led to approximately an additional ₹ 257.97 lakhs gain in the Statement of Profit &amp; Loss (2016-17 ₹ 179.27 lakhs). A 0.25% increase in interest rates would have led to an equal but opposite effect.</p>
<p><b>3 Price Risk</b> The Company has investments in listed units of Mutual Funds reflecting its temporary surplus of funds. As at March 31, 2018 the next exposure to the Company on account of these investments is ₹ Nil (₹ 4,553.75 lakhs as on March 31, 2017)</p> <p>However, a substantial part of the Company's investments are in Equity Instruments of Subsidiaries, Joint Ventures, Group Companies and other investments mandated by lenders to the Company. These being strategic investments, the Company does not evaluate the equity price risk of such investments.</p>	<p>The Company manages the Equity Price Risk of such investments through diversification and by placing limits on individual investments</p>	<p>A 5% increase in prices would have led to approximately and additional ₹ Nil gain in the Statement of Profit &amp; Loss. A 5% decrease in prices would have led to an equal but opposite effect.</p>

## (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.

# Notes forming part of Financial Statements

The Company's maximum exposure to Credit Risk as at March 31, 2018, March 31, 2017 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 optimize cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

Particulars	₹ in lakhs			
	As at March 31, 2018		As at March 31, 2017	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	5,908.67	43,623.06	3,876.84	39,418.10
Security Deposits	-	1,476.66	-	1,150.03
Working Capital Loans from Banks	53,641.02	-	28,413.64	-
Trade Payables	24,869.76	-	19,311.79	-
Other Financial Liabilities	15,061.37	283.90	15,722.76	204.21
	<b>99,480.82</b>	<b>45,383.62</b>	<b>67,325.03</b>	<b>40,772.34</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. 19 and Refer Note No. 22 for the detailed terms and conditions of the collaterals pledged.

## NOTE 44: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

### (a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Financial Assets</b>		
<b>Fair Value through Profit &amp; Loss</b>		
Investments (Other than in Subsidiary and joint ventures)	63.25	4,589.18
<b>Fair Value through Other Comprehensive Income</b>		
Investments (Other than in Subsidiary and joint ventures)	351.15	364.86
<b>Derivative Instruments not in Hedging Relationship</b>		
Forward Contract Receivable	282.91	103.28
<b>Amortised Cost</b>		
Loans	70.97	1,466.29
Trade Receivables	84,479.78	60,434.73
Cash & Cash Equivalents	6,773.61	20,327.92
Other Bank Balances	259.62	615.33
Other Financial Assets	2,381.98	1,061.55
<b>Total</b>	<b>94,663.27</b>	<b>88,963.14</b>

# Notes forming part of Financial Statements

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Financial Liabilities</b>		
<b>Fair Value through Profit &amp; Loss</b>		
Financial Guarantee Obligation	256.16	191.10
<b>Derivative Instruments not in Hedging Relationship</b>		
Forward Contract Payable	4.94	-
<b>Derivative Instruments in Hedging Relationship</b>		
Term Loan	4,027.66	-
Buyer's Credit	114.23	-
<b>Amortised Cost</b>		
Borrowings	99,030.86	67,831.74
Trade Payable	24,869.76	19,311.79
Other Financial Liabilities	16,560.83	20,762.74
<b>Total</b>	<b>144,864.44</b>	<b>108,097.37</b>

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2018 & March 31, 2017 approximate the fair value because of the short term nature.

## (b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

**Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

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 is determined using 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 summarized below:

# Notes forming part of Financial Statements

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Financial Assets</b>		
<b>Level 1</b>		
Investment in Quoted Equity Shares	180.37	197.93
Mutual Fund Units	37.80	4,589.19
<b>Level 2</b>		
Derivative Financial Assets	282.91	103.28
<b>Level 3</b>		
Investment in Unquoted Equity Shares	170.78	166.92
<b>Total</b>	<b>671.86</b>	<b>5,057.32</b>
<b>Financial Liability</b>		
<b>Level 2</b>		
Derivative Financial Liability	4.94	-
<b>Level 3</b>		
Financial Guarantee Obligation	256.16	191.10
<b>Total</b>	<b>261.10</b>	<b>191.10</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 ₹ 8.54 lakhs (₹ 8.35 lakhs as on March 31, 2017) and 5% decrease will have an equal but opposite effect.
Financial Guarantee Obligation	Discount Rate 5.51%	1 % increase in Discount Rate will have P&L Loss of ₹ 7.93 lakhs (₹ 1.24 lakhs as on March 31, 2017) and 1% decrease in Discount Rate will have an equal but opposite effect.

## (c) Reconciliation of Level 3 Fair Value Measurement

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Opening Balance of Level 3 Financial Assets / (Liability)</b>	(24.18)	(100.73)
<b>Add / (Less): Changes during the year</b>		
Guarantee Commission recognized	(49.63)	63.32
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through OCI	3.87	7.58
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	(15.43)	5.65
<b>Closing Balance of Level 3 Financial Assets / (Liability)</b>	<b>(85.37)</b>	<b>(24.18)</b>

## NOTE 45: EMPLOYEE BENEFITS

### (a) Defined contribution plans

Retirement benefit in the form of provident fund, Employee State Insurance Corporation (ESIC), Pension, Super Annuation Fund and 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.

# Notes forming part of Financial Statements

Amount recognized and included in Note No. 32, "Employee Benefits Expenses" of Statement of Profit and Loss ₹ 1160.47 lakhs (₹ 883.83 lakhs).

## (b) Defined benefit plans

Gratuity is administered under the GGCA scheme of Life Insurance Corporation of India to which the contributions are made.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Sr. No.	Particulars	₹ in lakhs	
		FY 2017-18 (Funded)	FY 2016-17 (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	2,839.10	2,401.45
2	Interest cost	204.42	193.08
3	Current service cost	122.12	97.78
4	Past Service Cost - Non-Vested Benefit Incurred During the Period	-	-
5	Past Service Cost - Vested Benefit Incurred During the Period	-	-
6	Liability Transferred In/ Acquisitions	-	-
7	Liability Transferred out / Divestment	-	-
8	(Gains)/ Losses on Curtailment	-	-
9	Liabilities Extinguished on Settlement	-	-
10	Benefits paid directly by the employer	-	-
11	Benefits paid from the fund	(295.73)	(182.56)
12	The Effect Of Changes in Foreign Exchange Rates	-	-
13	Actuarial changes arising from changes in demographic assumptions	-	-
14	Actuarial changes arising from changes in financial assumptions	(67.94)	78.29
15	Actuarial changes arising from changes in experience adjustments	1,701.05	251.06
<b>16</b>	<b>Present Value of defined benefit obligation at the end of the year</b>	<b>4,503.02</b>	<b>2,839.10</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	2,509.72	2,183.41
2	Interest Income	180.70	175.55
3	Contributions paid by the employer	329.38	350.29
5	Expected Contributions by the Employees	-	-
6	Assets Transferred In/ Acquisitions	-	-
7	Assets transferred out / divestments	-	-
8	Benefits paid from the fund	(295.73)	(182.56)
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	(6.27)	(16.97)
<b>13</b>	<b>Fair value of plan assets at the end of the year</b>	<b>2,717.80</b>	<b>2,509.72</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	(4,503.02)	(2,839.10)
2	Fair value of plan assets at the end of the year	2,717.80	2,509.72
3	Funded Status (Surplus/ (Deficit))	(1,785.22)	(329.38)
<b>4</b>	<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(1,785.22)</b>	<b>(329.38)</b>
<b>IV</b>	<b>Net Interest Cost for Current Period</b>		
1	Present Value of Benefit Obligation at the Beginning of the Period	2,839.10	2,401.45
2	Fair Value of Plan Assets at the Beginning of the Period	(2,509.72)	(2,183.41)
3	Net Liability/(Asset) at the Beginning	329.38	218.04
4	Interest Cost	204.42	193.08
5	Interest Income	(180.70)	(175.55)
6	Net Interest Cost for Current Period	23.72	17.53

# Notes forming part of Financial Statements

		₹ in lakhs	
Sr. No.	Particulars	FY 2017-18 (Funded)	FY 2016-17 (Funded)
<b>V</b>	<b>Expenses recognised in the statement of profit and loss for the year</b>		
1	Current service cost	122.12	97.78
2	Interest cost on benefit obligation (Net)	23.72	17.53
3	Past Service Cost - Non-Vested Benefit Recognized During the year	-	-
4	Past Service Cost - Vested Benefit Recognized During the year	-	-
5	Expected Contributions by the Employees	-	-
6	(Gains)/Losses on Curtailments And Settlements	-	-
7	Net Effect of Changes in Foreign Exchange Rates	-	-
<b>8</b>	<b>Total expenses included in employee benefits expense</b>	<b>145.84</b>	<b>115.31</b>
<b>VI</b>	<b>Recognised in other comprehensive income for the year</b>		
1	Actuarial changes arising from changes in demographic assumptions	-	-
2	Actuarial changes arising from changes in financial assumptions	(67.94)	78.29
3	Actuarial changes arising from changes in experience adjustments	1,701.05	251.06
4	Return on plan assets excluding interest income	6.27	16.97
5	Change in Asset Ceiling	-	-
<b>6</b>	<b>Recognised in other comprehensive income</b>	<b>1,639.38</b>	<b>346.32</b>
<b>VII</b>	<b>Cash Flow Projection: From the Fund</b>		
1	Within the next 12 months (next annual reporting period)	3,050.66	1,547.45
2	2nd following year	95.31	78.70
3	3rd following year	143.38	132.28
4	4th following year	219.93	112.25
5	5th following year	218.62	153.19
6	Sum of years 6 to 10	825.88	766.13
7	Sum of years 11 and above	1,406.97	1,261.38
	The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (31 March 2017: 5 years).		
<b>VII</b>	<b>Quantitative sensitivity analysis for significant assumption</b>		
	<b>Projected Benefit Obligation on Current Assumptions</b>	4,503.02	2,839.10
(i)	Delta Effect of +1% Change in Rate of Discounting	(97.85)	(92.32)
(ii)	Delta Effect of -1% Change in Rate of Discounting	110.38	104.49
(i)	Delta Effect of +1% Change in Rate of Salary Increase	113.54	106.83
(ii)	Delta Effect of -1% Change in Rate of Salary Increase	(102.16)	(95.86)
(i)	Delta Effect of +1% Change in Rate of Employee Turnover	28.92	22.78
(ii)	Delta Effect of -1% Change in Rate of Employee Turnover	(32.11)	(25.29)
<b>2</b>	<b>Usefulness and Methodology adopted for Sensitivity Analysis</b>		
	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.		
<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	7.83%	7.20%
2	Salary escalation	4%	4%
3	Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	N.A.	N.A.
5	Rate of Employee Turnover	2%	2%
7	Expected Return on Plan Assets	7.83%	7.20%



# Notes forming part of Financial Statements

₹ in lakhs

Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2017-18	Total 2016-17
<b>RECEIVING OF SERVICES</b>					
1. Godfrey Phillips India Ltd.	-	-	0.45	0.45	1.05
2. HMA Udyog Pvt. Ltd.	-	-	4.02	4.02	6.73
3. Beacon Travels Pvt. Ltd.	-	-	693.04	693.04	657.49
4. Bina Fashions and Food Pvt. Ltd.	-	-	73.10	73.10	77.09
5. Modi Care Ltd	-	-	7.39	7.39	5.54
<b>Total</b>	-	-	<b>777.99</b>	<b>777.99</b>	<b>747.90</b>
<b>PURCHASE OF GOODS</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	9,256.89	-	-	9,256.89	8,843.01
<b>Total</b>	<b>9,256.89</b>	-	-	<b>9,256.89</b>	<b>8,843.01</b>
<b>PURCHASE OF OTHER ASSETS</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	12.21	-	-	12.21	10.57
<b>Total</b>	<b>12.21</b>	-	-	<b>12.21</b>	<b>10.57</b>
<b>SALE OF GOODS</b>					
1. Indofil Industries (Netherlands) B. V.	16,272.19	-	-	16,272.19	14,894.01
<b>Total</b>	<b>16,272.19</b>	-	-	<b>16,272.19</b>	<b>14,894.01</b>
<b>ROYALTY EXPENSE</b>					
1. Indofil Industries (Netherlands) B. V.	-	-	-	-	229.68
<b>Total</b>	-	-	-	-	<b>229.68</b>
<b>MANAGEMENT CONTRACTS</b>					
1. KKM Management Center Pvt. Ltd.	-	-	810.15	810.15	777.40
<b>Total</b>	-	-	<b>810.15</b>	<b>810.15</b>	<b>777.40</b>
<b>RENT EXPENSE</b>					
1. Premium Merchants Ltd.	-	-	6.18	6.18	5.17
2. Charu Modi	-	6.72	-	6.72	6.22
<b>Total</b>	-	<b>6.72</b>	<b>6.18</b>	<b>12.90</b>	<b>11.39</b>
<b>RENT INCOME</b>					
1. Modi Rubber Ltd.	-	-	6.48	6.48	7.20
<b>Total</b>	-	-	<b>6.48</b>	<b>6.48</b>	<b>7.20</b>
<b>GUARANTEE COMMISSION INCOME</b>					
1. Indofil Industries (Netherlands) B. V.	281.82	-	-	281.82	200.86
2. Indo Baijin Chemicals Pvt. Ltd.	136.48	-	-	136.48	63.32
<b>Total</b>	<b>418.30</b>	-	-	<b>418.30</b>	<b>264.18</b>
<b>REIMBURSEMENT OF EXPENSES</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	30.21	-	-	30.21	27.46
2. Godfrey Phillips India Ltd.	-	-	18.57	18.57	-
3. Indofil Industries (Netherlands) B. V.	94.18	-	-	94.18	-
<b>Total</b>	<b>124.38</b>	-	<b>18.57</b>	<b>142.95</b>	<b>27.46</b>
<b>INTEREST INCOME</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	92.67	-	-	92.67	182.40
2. Good Investments	-	-	-	-	17.71
<b>Total</b>	<b>92.67</b>	-	-	<b>92.67</b>	<b>200.10</b>
<b>LOANS GIVEN TO JOINT VENTURES</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	5,788.50	-	-	5,788.50	-
<b>Total</b>	<b>5,788.50</b>	-	-	<b>5,788.50</b>	-
<b>LOANS GIVEN CLOSING BALANCE</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	860.80
<b>Total</b>	-	-	-	-	<b>860.80</b>

# Notes forming part of Financial Statements

₹ in lakhs

Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2017-18	Total 2016-17
<b>ADVANCE GIVEN TO SUBSIDIARIES</b>					
1. Indofil Industries (Netherlands) B. V.	-	-	-	-	655.64
2. Good Investments India Ltd	-	-	-	-	-
3. Hifil Chemicals Pvt. Ltd	-	-	-	-	0.68
<b>Total</b>	-	-	-	-	<b>656.32</b>
<b>ADVANCES CLOSING BALANCE</b>					
1. Indofil Industries (Netherlands) B. V.	-	-	-	-	140.76
2. Good Investments India Ltd	-	-	-	-	-
3. Hifil Chemicals Pvt. Ltd	0.68	-	-	0.68	0.68
<b>Total</b>	<b>0.68</b>	-	-	<b>0.68</b>	<b>141.43</b>
<b>GURANTEES GIVEN TO SUBSIDIARIES / JV</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	10,201.76	-	-	10,201.76	10,153.81
2. Indofil Industries (Netherlands) B.V.	16,090.59	-	-	16,090.59	17,398.29
<b>Total</b>	<b>26,292.35</b>	-	-	<b>26,292.35</b>	<b>27,552.10</b>
<b>OUTSTANDING BALANCES</b>					
<b>Receivables</b>					
1. Indofil Industries (Netherlands) B.V.	9,195.39	-	-	9,195.39	7,605.57
2. Godfrey Phillips India Ltd.	-	-	-	-	18.11
<b>Total</b>	<b>9,195.39</b>	-	-	<b>9,195.39</b>	<b>7,623.68</b>
<b>Payables</b>					
1. Modi Care Ltd.	-	-	0.48	0.48	0.48
2. Beacon Travels Pvt. Ltd.	-	-	-	-	50.83
3. KKM Management Center Pvt. Ltd.	-	-	57.75	57.75	96.75
4. Bina Fashion Pvt. Ltd.	-	-	-	-	17.94
5. Indofil Industries (Netherlands) B. V.	102.37	-	-	102.37	102.37
6. Indo Baijin Chemicals Pvt. Ltd.	391.03	-	-	391.03	633.82
7. HMA Udyog Pvt Ltd	-	-	-	-	0.61
8. Godfrey Phillips India Ltd.	-	-	0.40	0.40	-
<b>Total</b>	<b>493.40</b>	-	<b>58.62</b>	<b>552.02</b>	<b>902.80</b>
<b>Investments</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	4,366.10	-	-	4,366.10	4,366.10
2. Indofil Bangladesh Industries Pvt. Ltd.	354.86	-	-	354.86	264.45
3. Indofil - Costa Rica SA	0.01	-	-	0.01	0.01
4. Quick investment (India) Ltd.	342.27	-	-	342.27	342.27
5. Good Investment (India) Ltd.	2,173.26	-	-	2,173.26	2,173.26
6. KKM Management Center Pvt. Ltd.	-	-	102.56	102.56	96.13
7. Hifil Chemicals Pvt. Ltd.	0.49	-	-	0.49	0.49
8. Indofil Industries (Netherlands) B. V.	8,584.44	-	-	8,584.44	8,584.44
9. Indofil Industries (International) B. V.	730.97	-	-	730.97	70.28
10. Modi Rubber Ltd.	-	-	180.37	180.37	197.93
<b>Total</b>	<b>16,552.38</b>	-	<b>282.93</b>	<b>16,835.31</b>	<b>16,095.35</b>
<b>Remuneration payable to KMP</b>	-	3,218.50	-	3,218.50	1502.41
<b>Total</b>	-	<b>3,218.50</b>	-	<b>3,218.50</b>	<b>1,502.41</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 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: INR Nil, 31st March 2017: Nil). This assessment is undertaken each Financial Year through examining the financial position of the related party and the market in which the related party operates.

# Notes forming part of Financial Statements

## Loan to Joint Venture:

The loan granted to Indo Bajjin 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 and was repaid during the year.

## Remuneration to KMP

₹ in lakhs

Particulars	For the Year Ended March 31, 2018			For the Year Ended March 31, 2017		
	Executive Directors	Non - Executive Directors	Total	Executive Directors	Non - Executive Directors	Total
Short-term employee benefits	2,659.56	175.00	2,834.56	1,158.88	175.00	1,333.88
Post-employment gratuity and medical benefits	339.85	-	339.85	125.40	-	125.40
Sitting Fees	-	43.35	43.35	-	38.13	38.13
	<b>2,999.41</b>	<b>218.35</b>	<b>3,217.76</b>	<b>1,284.28</b>	<b>213.13</b>	<b>1,497.41</b>

## NOTE 48: SEGMENT REPORTING

As per Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

- 49** Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.
- 50** Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation
- 51** Figures in brackets indicate previous year's figures and have been regrouped / reclassified wherever necessary to confirm to Current Year's classification.

<b>CORPORATE INFORMATION</b>	1
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2
<b>NOTES ON ACCOUNTS</b>	3-51

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

**(H. G. BUCH)**  
Partner  
Membership No. 033114

**K. K. Modi**  
Chairman and Managing Director

**Charu Modi**  
Executive Director

**R. K. Malhotra**  
Group CEO

**Devang Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar** Directors

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad** Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Independent Auditor's Report

TO THE MEMBERS OF INDOFIL INDUSTRIES LIMITED

## 1. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of INDOFIL INDUSTRIES LIMITED (herein after referred to as "the Holding Company") its Subsidiary Companies and the Joint Ventures (the Holding Company, its Subsidiary Companies and the Joint Ventures together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

## 2. MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors (BoD) is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (herein after referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under. The respective BoD of the companies included in the Group 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 judgments 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

## 3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We have taken into account the provisions of the Act, the relevant accounting and auditing standards and matters which are required to be included in the Audit Report

under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the relevant Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's BoD, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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 paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## 4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditor on the financial statements of the Subsidiary Companies and joint ventures, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at March 31, 2018, and its consolidated financial performance (including other comprehensive income), its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## 5. OTHER MATTERS

We did not audit the financial statements and financial information of the Subsidiary Companies, whose financial statements and financial information reflect total assets

of ₹ 46,208.96 lakhs and net assets of ₹ 20,889.07 lakhs as at March 31, 2018, total revenue of ₹ 21,641.96 lakhs and net cash outflows of ₹725.25 lakhs for the year ended on that date, as considered in the preparation of the Consolidated Financial Statements. These financial statements and financial information have been audited by other auditors whose Reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiary Companies and our Report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid Subsidiary Companies, are based solely on the Reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our Report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the Reports of the other auditors including the respective financial statements.

## 6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion and as reported by the auditors of the Subsidiary Companies, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the respective Companies included in the Group, so far as it appears from the examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the statement of other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant financial statements adopted by the BoD of respective Companies and the related working statements maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the relevant Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under.
- e. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2018 taken on record by the BoD of the Holding Company and as reported by the statutory auditors of its Subsidiary Companies incorporated in India, none of the directors of the Group are disqualified as on March 31, 2018 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 over financial reporting of the Holding Company and its Subsidiary Companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of a Subsidiary, as noted in the 'Other Matter' paragraph :
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group - Refer Note 38 to the Consolidated Financial Statements;
  - ii. The Holding Company have long term contracts including derivative contracts. However, no provision is required to be made for any foreseeable loss in respect thereof. Accordingly, no such provision is reflected in the Consolidated Financial Statements;
  - iii. There were no amounts which were required to be transferred as on March 31, 2018 to the Investor Education and Protection Fund by the Holding Company, its Subsidiary Companies and the joint ventures incorporated in India.

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

**(H. G. BUCH)**

Partner

Membership No. 033114

PLACE : MUMBAI  
DATE : JUNE 13, 2018

# Annexure 'A' to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Indofil Industries Limited

## 1. REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of INDOFIL INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company"), its Subsidiary Companies, which are Companies incorporated in India (the Holding Company and its Subsidiary Companies together referred to as "the Group"), as of that date (Refer paragraph 7 below on "Other Matters").

## 2. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors (BoD) of the Group, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the respective company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

## 3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 Group Companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

## 4. MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## 5. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### 6. OPINION

In our opinion, the Group Companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the respective Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI (Refer paragraph 7 below on “Other Matters”).

#### 7. OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to two Subsidiary Companies, which are Companies incorporated in India and which have been considered for consolidation, is based on the corresponding reports in that regards of the auditors of such Companies.

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

PLACE : MUMBAI  
DATE : JUNE 13, 2018

**(H. G. BUCH)**  
Partner  
Membership No. 033114

# Consolidated Balance Sheet

as at March 31, 2018

₹ in lakhs

Particulars	Note. No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	42,938.71	44,357.52
Capital Work - In - Progress	3	25,360.39	4,457.84
Other Intangible Assets	3	29,293.36	30,024.71
Intangible Assets under Development	3	10,137.03	9,196.83
<b>Financial Assets</b>			
(i) Investments	4	60,794.87	79,472.36
(ii) Loans	5	70.97	911.29
(iii) Others	6	2,543.32	1,258.18
Deferred Tax Assets	7	7,289.88	3,164.09
Non - Current Tax Assets (Net)	8	770.30	824.18
Other Non - Current Assets	9	5,159.09	4,396.82
<b>Total Non - Current Assets</b>		<b>184,357.92</b>	<b>178,063.82</b>
<b>Current Assets</b>			
Inventories	10	37,667.36	27,715.90
<b>Financial Assets</b>			
(i) Investments	11	-	4,553.74
(ii) Trade Receivables	12	84,204.51	60,573.31
(iii) Cash & Cash Equivalents	13	9,380.50	22,209.56
(iv) Bank Balance other than (iii) above	14	300.40	724.32
(v) Loans	15	-	555.00
(vi) Others	16	100.26	191.42
Other Current Assets	17	9,232.60	3,477.74
<b>Total Current Assets</b>		<b>140,885.63</b>	<b>120,000.99</b>
<b>TOTAL ASSETS</b>		<b>325,243.55</b>	<b>298,064.81</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	2,135.11	2,135.11
Other Equity		158,386.70	163,387.32
<b>Total Equity</b>		<b>160,521.81</b>	<b>165,524.43</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	19	55,045.43	52,857.41
(ii) Other Financial Liabilities	20	1,828.35	1,354.24
Provisions	21	648.77	1,024.52
<b>Total Non - Current Liabilities</b>		<b>57,522.55</b>	<b>55,236.17</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	22	53,641.02	28,413.64
(ii) Trade Payables	23	24,879.68	19,226.96
(iii) Other Financial Liabilities	24	25,235.08	24,529.29
Other Current Liabilities	25	1,471.24	4,065.90
Provisions	26	1,108.51	694.12
Current Tax Liabilities (Net)	8	863.66	376.30
<b>Total Current Liabilities</b>		<b>107,199.19</b>	<b>77,306.21</b>
<b>Total Liabilities</b>		<b>164,721.74</b>	<b>132,542.38</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>325,243.55</b>	<b>298,064.81</b>
GROUP INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3-51		

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

**K. K. Modi**  
Chairman and Managing Director

**Charu Modi**  
Executive Director

**R. K. Malhotra**  
Group CEO

**(H. G. BUCH)**  
Partner  
Membership No. 033114

**Devang Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar**

Directors

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad**

Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

₹ in lakhs			
Particulars	Note. No.	Year ended March 31, 2018	Year ended March 31, 2017
<b>INCOME</b>			
Revenue from Operations	27	204,808.02	195,677.94
Other Income	28	1,445.68	1,444.64
<b>Total Income</b>		<b>206,253.70</b>	<b>197,122.58</b>
<b>EXPENSES</b>			
Excise Duty on Sale of Goods		3,225.46	13,560.22
Cost of Material Consumed	29	87,065.98	74,773.42
Purchase of Stock In Trade	30	22,537.65	10,832.95
Changes in Inventories of Finished Goods / Stock in Trade	31	(5,858.88)	1,659.85
Employee Benefit Expenses	32	18,149.71	13,954.79
Finance Cost	33	6,270.01	4,131.60
Depreciation and Amortization	3	7,078.46	6,237.75
Other Expenses	34	41,674.05	40,154.85
<b>Total Expenses</b>		<b>180,142.44</b>	<b>165,305.43</b>
<b>Profit Before Tax and Exceptional Item</b>		<b>26,111.26</b>	<b>31,817.15</b>
<b>Profit Before Tax</b>		<b>26,111.26</b>	<b>31,817.15</b>
<b>Tax Expenses</b>			
Current Tax		5,322.05	6,860.10
Deferred Tax		(511.25)	(1,251.87)
MAT Credit (Entitlement) / Utilization		(1,577.39)	1,918.33
Short / (Excess) provision of Earlier Years		376.78	(6.92)
<b>Profit After Tax</b>		<b>22,501.07</b>	<b>24,297.51</b>
<b>Share of Profit / (Loss) of Joint Ventures</b>		<b>1,098.09</b>	<b>1,633.06</b>
<b>Profit For The Year</b>		<b>23,599.16</b>	<b>25,930.57</b>
<b>Other Comprehensive Income</b>			
<b>(A) Items that will not be reclassified to profit or loss in subsequent years</b>			
Re-measurement of Gains / (Losses) on Defined Benefit Plans		(1,639.38)	(346.32)
Net Gain / (Loss) on FVTOCI Equity Securities		(20,431.46)	(3,444.90)
Income Tax relating to aforesaid items		572.86	97.15
<b>Total (A)</b>		<b>(21,497.98)</b>	<b>(3,694.07)</b>
<b>(B) Items that will be reclassified to profit or loss in subsequent years</b>			
Share of OCI of Joint Ventures		-	(3.89)
The effective portion of gains and loss on hedging instruments		(4,141.89)	-
Foreign Currency Translation reserve (FCTR)		(2,155.68)	1,529.00
Income Tax relating to aforesaid items		1,447.34	-
<b>Total (B)</b>		<b>(4,850.23)</b>	<b>1,525.11</b>
<b>Total Other Comprehensive Income for the year</b>		<b>(26,348.21)</b>	<b>(2,168.96)</b>
<b>Total Comprehensive Income for the year</b>		<b>(2,749.05)</b>	<b>23,761.61</b>
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>		110.53	121.45
GROUP INFORMATION	1		
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As per our report attached  
For **BANSI S. MEHTA & CO.**,  
Chartered Accountants  
Firm Reg. No. 100991W

**K. K. Modi**  
Chairman and Managing Director

**Charu Modi**  
Executive Director

**R. K. Malhotra**  
Group CEO

**(H. G. BUCH)**  
Partner  
Membership No. 033114

**Devang Mehta**  
Company Secretary

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**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar** Directors

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad** Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Consolidated Statement of Cash Flow

for the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (Loss) Before Tax</b>	26,111.29	31,817.15
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>		
Depreciation & Amortization	7,078.46	6,237.75
Finance Cost	6,270.02	4,131.59
Interest Income	(383.69)	(315.85)
Dividend Income	-	(1.14)
Rent Income	(7.20)	(7.20)
Profit on Sale of Investments	(93.57)	(67.38)
Sundry Balances Written Back	(258.72)	(15.45)
(Profit) / Loss on Sale of Assets	(7.09)	(3.69)
(Gain) / Loss on Fair Valuation of Investments	11.97	(46.63)
Bad Debts	126.87	10.43
Provision for Bad and Doubtful Debts	800.00	701.12
	13,537.06	10,623.56
<b>Operating Profit Before Changes in Working Capital</b>	<b>39,648.34</b>	<b>42,440.70</b>
<b>Adjustment for Changes in Working Capital</b>		
(Increase) / Decrease in Trade Receivables	(24,558.07)	(16,902.70)
(Increase) / Decrease in Inventories	(9,951.46)	(1,327.23)
(Increase) / Decrease in Other Financial Assets	(1,228.25)	(78.98)
(Increase) / Decrease in Other Non - Financial Assets	(6,517.13)	(2,788.96)
Increase / (Decrease) in Trade Payables	5,911.44	4,207.87
Increase / (Decrease) in Other Financial Liabilities	(1,749.24)	6,636.50
Increase / (Decrease) in Provisions	38.65	(83.78)
Increase / (Decrease) in Other Non - Financial Liabilities	(4,234.06)	605.97
	(42,288.12)	(9,731.30)
<b>Cash Generated from Operations</b>	<b>(2,639.78)</b>	<b>32,709.40</b>
Less: Taxes Paid (Net of refund received)	(5,174.53)	(7,593.32)
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>(7,814.31)</b>	<b>25,116.08</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment & Intangible Assets	(26,763.95)	(11,127.52)
Sale of Property, Plant & Equipment & Intangible Assets	-	3.69
Investments during the year	(667.86)	(5,184.61)
Sale Proceeds from Investments	4,647.31	73.83
Financial Assets - Loans (Made) / Repaid	1,395.31	1,501.52
Interest Received	417.97	361.71
Rent Received	7.20	7.20
Dividend Received	-	1.14
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>(20,964.01)</b>	<b>(14,363.03)</b>

# Consolidated Statement of Cash Flow

for the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>		
Receipt of Long Term Borrowings	14,716.93	26,123.69
Repayment of Long Term Borrowings	(13,954.97)	(9,417.09)
Increase / (Decrease) in Short Term Borrowings	25,113.15	(3,593.89)
Deposits and Margin Money	423.92	(310.65)
Finance Cost	(6,137.58)	(4,172.95)
Corporate Dividend (incl. Dividend Distribution Tax)	(2,056.51)	(1,540.08)
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>18,104.94</b>	<b>7,089.03</b>
Exchange Differences on Translation of Foreign Operations	(2,155.68)	1,529.00
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>	<b>(12,829.06)</b>	<b>19,371.07</b>
Add: Opening Balance of Cash & Cash Equivalents	22,209.56	2,838.48
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>9,380.50</b>	<b>22,209.56</b>
GROUP INFORMATION	1	
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## Change in Liability arising from financing activities

₹ in Lakhs

Particulars	As at April 1, 2017	Cash Flow	Foreign Exchange Movement	As at March 31, 2018
Borrowings - Non Current (Refer Note 19 & 24)	60,318.07	479.63	4,309.99	65,107.69
Borrowings - Current (Refer Note 22)	28,413.64	24,194.91	1,032.47	53,641.02
<b>TOTAL</b>	<b>88,731.71</b>	<b>24,674.54</b>	<b>5,342.46</b>	<b>118,748.71</b>

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

**K. K. Modi**  
Chairman and Managing Director

**Charu Modi**  
Executive Director

**R. K. Malhotra**  
Group CEO

For and on behalf of the Board of Directors

**(H. G. BUCH)**  
Partner  
Membership No. 033114

**Devang Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar** Directors

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad** Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

## A. EQUITY SHARE CAPITAL

Particulars	₹ in lakhs
<b>Balance as on 1st April 2017</b>	<b>2,135.11</b>
Add: Changes in Equity Capital during the FY. 2017-18	-
<b>Balance as on March 31, 2018</b>	<b>2,135.11</b>

## B. OTHER EQUITY

Particulars	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Capital Reserve	Special Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Foreign Currency Translation Reserve	Remeasurements gains / (loss) on defined benefit plans	Share of OCI in Joint Ventures	The effective portion of gains and loss on hedging instruments	Total
<b>Balance as on April 01, 2017</b>	629.54	508.00	10,804.26	1.36	863.39	5,170.27	99,480.20	45,362.93	1,020.05	(448.79)	(3.89)	-	163,387.32
Profit for the period							23,599.19						23,599.19
Transfer from Surplus					110.36		(110.36)						-
Other comprehensive income							(20,431.46)	(2,155.68)	(1,066.51)		(3.89)	(2,694.55)	(26,348.20)
Guarantee commission							(186.11)						(186.11)
Dividends on Shares							(1,708.09)						(1,708.09)
Dividend Distribution Tax							(357.42)						(357.42)
<b>Balance As at March 31, 2018</b>	<b>629.54</b>	<b>508.00</b>	<b>10,804.26</b>	<b>1.36</b>	<b>973.75</b>	<b>5,170.27</b>	<b>120,717.41</b>	<b>24,931.47</b>	<b>(1,135.63)</b>	<b>(1,515.30)</b>	<b>(3.89)</b>	<b>(2,694.55)</b>	<b>158,386.69</b>

### Nature and Purpose of the Reserves

#### Capital Redemption Reserve

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

#### Securities Premium

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

#### Capital Reserve

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

#### General Reserve

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013.

#### Special Reserve

Special Reserve created by transfer from Surplus of Statement of Profit & Loss in terms of Section 45-IC of the Reserve Bank of India Act, 1934

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

## C. DIVIDENDS PAID / PROPOSED DURING THE YEAR

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Corporate Dividend Paid During the year</b>		
Dividend Paid (₹ in lakhs)	1,708.09	1,281.07
Dividend Per Fully Paid Up Share	8.00	6.00
<b>Corporate Dividend Proposed for the year</b>		
Dividend Proposed (₹ in lakhs)	1,708.09	1,708.09
Dividend Per Fully Paid Up Share	8.00	8.00

GROUP INFORMATION	1
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As per our report attached  
For **BANSI S. MEHTA & CO.,**  
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**K. K. Modi**  
Chairman and Managing Director

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Executive Director

For and on behalf of the Board of Directors

**R. K. Malhotra**  
Group CEO

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**Mr. Samir Modi**  
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**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar** } Directors

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad** } Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

# Notes forming part of Financial Statements

for the year ended March 31, 2018

## 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 & 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	Marketing & Distribution of Agrochemicals	100%
Indofil Bangladesh Industries Pvt. Ltd.	Bangladesh		100%
Indofil Costa Rica S.A.	Costa Rica		100%
Indofil Industries DO Brasil Ltda.	Brazil		100%
Indofil Philippines, Inc	Philippines	Holding Company	100%
Indofil Industries (International) B.V.	The Netherlands		100%
Good Investment (India) Ltd.	India	Investment Company	100%
Quick Investment (India) Ltd.	India		100%

Two overseas subsidiaries were formed during the year namely Indofil Industries DO Brasil Ltda and Indofil Philippines, Inc. in Brasil and Philippines respectively. Share Capital of Indofil Industries (International) B.V. has been subscribed during the year. There is no change during the year ended March 31, 2018 and March 31, 2017 in the proportion of Equity Interest (%) in any other subsidiaries.

### b) Joint Ventures

Name of the Company	Country of Incorporation	Principal Activities	Proportion of Equity Interest (%)
Indobaijin Chemicals Pvt. Ltd.	India	Manufacture, Marketing &	51%
Hifil Chemicals Pvt. Ltd.	India	Distribution of Chemicals	49%

There is no change during the year ended March 31, 2018 and March 31, 2017 in the proportion of Equity Interest (%) in any of the Joint Ventures.

## 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 read with Section 133 of the Companies Act 2013 with effect from April 01, 2016, the Consolidated Financial Statements for the year ended March 31, 2018 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 upto the same reporting date as the Holding Company. The CFS 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 unrealized 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 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 net assets at the time of acquisition of shares in the Subsidiary

# Notes forming part of Financial Statements

for the year ended March 31, 2018

Companies are recognized in the CFS 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 recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee after the acquisition date. The unrealized profits/losses on transactions with the associate company are eliminated by reducing the carrying amount of investments.
- The difference between the cost of investment in the Joint Ventures and the share of net asset at the time of acquisition of shares in the Joint Ventures is identified in the CFS as Goodwill or Capital Reserve as the case may be.
- The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company’s Standalone Financial Statement (“SFS”), except as specified

## 2.3 Use of Estimates and Judgements

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

the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the carrying amounts of assets and liabilities within the next Financial Year are included in the following notes:

- Measurement and likelihood of occurrence of provisions and contingencies – Note No. 21, 26 and 38
- Recognition of Deferred Tax Assets / (Liabilities) – Note No. 7
- Key Assumptions used in Fair Valuation Methods of Financial Assets – Note No. 43
- Impairment of Financial Assets (Trade Receivables) – Note No. 12

## 2.4 Intangible Assets

The Intangible Assets in Indofil Industries (Netherlands) B.V. are amortized on Straight Line Method over a period of twenty years

## 2.5 Other Significant Accounting Policy and Additional Information’s

The other Significant Accounting Policies are set out in Significant Accounting Policies as given in the SFS. Additional information and notes not impacted by consolidation are set out in the SFS.

# Notes forming part of Financial Statements

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT; CAPITAL WORK-IN-PROGRESS, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2017	As At March 31, 2018	As At April 01, 2017	For The Year 2018	Adjustments	On Deductions	As At March 31, 2018	As At March 31, 2017	As At March 31, 2017
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	176.54	176.54	-	-	-	-	176.54	176.54	176.54
Factory Buildings	10,938.21	11,161.26	223.05	794.23	-	-	7,769.45	7,769.45	8,340.63
Non-Factory Buildings <sup>1,3</sup>	10,341.52	10,628.31	286.79	436.94	-	-	2,994.37	7,633.94	7,784.10
Culverts	19.69	19.69	-	1.80	-	-	2.57	17.12	18.91
Plant & Machinery <sup>3</sup>	27,512.90	28,564.65	1,051.75	1,278.88	-	-	6,818.65	21,746.00	21,973.13
Other Plant Equipment	4,075.94	4,414.10	364.20	567.82	-	8.58	1,606.34	2,807.76	3,028.83
Electrical Installation & Equipment	1,157.58	1,157.58	-	195.57	-	-	319.77	837.81	1,033.38
Furniture & Fixture	723.15	801.54	104.59	68.56	0.15	21.34	556.56	244.98	213.96
Vehicles	2,061.61	2,101.45	201.21	153.92	(0.07)	148.11	1,567.90	533.55	499.45
Office Equipments	1,075.61	1,186.15	138.78	111.32	0.02	26.39	949.52	236.63	211.05
Roads	437.04	437.04	-	170.83	-	-	231.81	205.23	376.05
Computers	744.63	865.01	129.44	106.06	(0.01)	8.61	713.04	151.97	129.03
<b>Capital Expenditure On Research &amp; Development</b>									
Buildings	426.69	426.69	-	25.66	-	-	205.28	221.41	247.07
Plant & Machinery	881.19	973.49	92.30	61.44	-	-	622.09	351.40	320.54
Furniture & Fixture	23.54	23.54	-	1.10	-	-	20.20	3.34	4.44
Other Equipments	4.33	6.53	2.20	1.01	-	-	4.95	1.58	0.39
<b>Total - Tangible Assets</b>	<b>60,600.17</b>	<b>62,943.57</b>	<b>2,594.31</b>	<b>3,975.14</b>	<b>0.09</b>	<b>213.03</b>	<b>20,004.86</b>	<b>42,938.71</b>	<b>44,357.50</b>
<b>(B) INTANGIBLE ASSETS</b>									
Patents & Know - How In Respect Of Acquired Business	27,908.01	27,956.95	49.28	1,668.18	(0.10)	-	5,799.24	22,157.71	23,786.14
Scientific Research Expenditure for Product Development	10,187.36	12,323.04	2,135.68	1,398.53	-	-	5,423.58	6,899.46	6,153.03
Software Licences	113.79	301.04	187.25	36.61	-	-	64.85	236.19	85.55
<b>Total - Intangible Assets</b>	<b>38,209.16</b>	<b>40,581.03</b>	<b>2,372.21</b>	<b>3,103.32</b>	<b>(0.10)</b>	-	<b>11,287.67</b>	<b>29,293.36</b>	<b>30,024.72</b>
<b>(C) CAPITAL WORK IN PROGRESS<sup>2</sup></b>	<b>4,457.84</b>	<b>24,800.53</b>	<b>3,897.98</b>	-	-	-	-	<b>25,360.39</b>	<b>4,457.84</b>
<b>(D) INTANGIBLES UNDER DEVELOPMENT</b>									
Scientific Research Expenditure for Product Under Development	9,196.83	10,137.03	3,074.47	-	-	-	-	10,137.03	9,196.83
<b>(E) INVESTMENT PROPERTY<sup>4</sup></b>									
<b>TOTAL(A)+(B)+(C)+(D)+(E)</b>	<b>112,464.00</b>	<b>139,022.02</b>	<b>32,841.52</b>	<b>7,078.46</b>	<b>(0.01)</b>	<b>213.03</b>	<b>31,292.53</b>	<b>107,729.49</b>	<b>88,036.89</b>
<b>Previous Year's Total</b>	<b>101,336.67</b>	<b>112,464.00</b>	<b>31,757.71</b>	<b>6,237.75</b>	<b>(0.19)</b>	-	<b>24,427.10</b>	<b>88,036.90</b>	<b>83,147.13</b>

1 Non - Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-

2 Includes Borrowing Cost of ₹ 637.21 lakhs (31 March 2017: ₹ 328.03 lakhs) capitalized during the year in terms of Para 8 of the "Indian Accounting Standard 23 - Borrowing Costs" and Employee Cost of ₹ 376.27 lakhs (31 March 2017: ₹ 160.87 lakhs). The Effective Interest Rate (EIR) used to determine the amount of borrowing cost eligible for capitalization is the EIR of the specific borrowing

3 Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets ₹ 282.33 lakhs (31 March 2017: ₹ 415.54 lakhs) capitalized 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 ₹ 630.66 lakhs (March 31, 2017: ₹ 360.08 lakhs)

4 Property at Sameer Vihar, Modi Nagar yielding rental income to the Company is not recognized 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 ₹ 3262.35 lakhs as at the year end.

# Notes forming part of Financial Statements

## NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
<b>Investment in Equity Instruments</b>				
<b>Investment in Joint Venture (Unquoted)</b>				
Indobaijin Chemicals Pvt. Ltd. (Face Value - ₹ 100 /- each)	4,366,096	5,824.48	4,366,096	4,726.39
Hifil Chemicals Pvt. Ltd. (Face Value - ₹ 10 /- each)	4,900	-	4,900	-
<b>Others (Quoted At Fair Value)</b>				
Godfrey Philips India Limited (Face Value - ₹ 2 /- each)	6,545,020	53,731.34	6,545,020	74,158.35
Modi Rubber Ltd. (Face Value - ₹ 10 /- each)	215,311	181.29	215,311	198.95
Modi Spinning & Weaving Mills Co. Ltd. (Face Value - ₹ 10 /- each)	-	-	75,631	7.60
Less: Provision for Diminution in Value of Investment	-	-	-	(7.60)
Modi Industries Limited (Face Value - ₹ 10 /- each)	-	-	5,580	0.88
Less: Provision for Diminution in Value of Investment	-	-	-	(0.88)
Union KBC MF- Asset Allocation Plan (Face Value - ₹ 10 /- each)	249,990	37.80	249,990	35.45
Union KBC MF- Regular Growth Plan (Face Value - ₹ 10 /- each)	249,990	25.45	-	-
ABSL Enhanced Arbitrage Fund-Dividend (Face Value - ₹ 10 /- each)	1,191,958	131.61	-	-
ICICI Prudential Equity Arbitrage Fund (Face Value - ₹ 10 /- each)	606,710	87.63	-	-
Aditya Birla Sun Life Enhanced Arbitrage Fund (Face Value - ₹ 10 /- each)	1,784,273	197.00	-	-
DSP Black Rock Equity- Saving Fund (Face Value - ₹ 10 /- each)	1,654,985	186.53	-	-
<b>Others (Unquoted At Fair Value)</b>				
The Cosmos Co-Op. Bank Ltd (Face Value - ₹ 100 /- each)	14,250	68.22	14,250	70.79
Modi Spinning & Weaving Mills Co. Ltd. (Face Value - ₹ 10 /- each)	75,631	7.60	-	-
Less: Provision for Diminution in Value of Investment	-	(7.60)	-	-
Modi Industries Limited (Face Value - ₹ 10 /- each)	5,580	0.88	-	-
Less: Provision for Diminution in Value of Investment	-	(0.88)	-	-
KKM Management Centre Pvt. Ltd. (Face Value - ₹ 10 /- each)	338,100	102.56	338,100	96.13
KKM Management Centre Middle East (FZC) (Face Value - AED 1000 /- each)	192	45.29	-	-
International Research Park Laboratories (Face Value - ₹ 10 /- each)	50,000	39.73	50,000	51.78
Beacon Travels Pvt. Ltd. (Face Value - ₹ 10 /- each)	4,500	40.32	4,500	38.90
Modi Care Limited (Face Value - ₹ 2.5 /- each)	8,000,000	200.00	8,000,000	200.00
Less: Diminution in Value of Investment	-	(200.00)	-	(200.00)
Agache Associates Limited (Face Value - ₹ 10 /- each)	6,250	0.63	6,250	0.63

# Notes forming part of Financial Statements

## NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT) (CONTD.)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Less: Diminution in Value of Investment		(0.62)		(0.62)
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>Investment in Preference Shares</b>				
<b>Others (Quoted At Fair Value)</b>				
Modi Spinning & Weaving Mills Co. Ltd. (Face Value - ₹ 100 /- each)	165	0.17	165	0.17
Less: Provision for Diminution in Value of Investment		(0.16)		(0.16)
<b>Others (Unquoted At Fair Value)</b>				
Premium Tradelinks Pvt. Ltd. (Face Value - ₹ 10 /- each)	956,000	95.60	956,000	95.60
Modi Care Limited (Face Value - ₹ 10 /- each)	2,500,000	-	2,500,000	-
<b>Investment in Debentures</b>				
Modi Industries Limited (Face Value - ₹ 200 /- each)	328	0.66	328	0.66
Less: Provision for Diminution in Value of Investment		(0.66)		(0.66)
<b>TOTAL</b>		<b>60,794.87</b>		<b>79,472.36</b>
Aggregate Amount of Quoted Investment & Market Value thereof		54,578.66		74,393.00
Aggregate amount of Unquoted Investments		6,216.21		5,079.60
Aggregate amount of impairment in value of Investments		209.92		209.92

## NOTE 5: FINANCIAL ASSETS - LOANS (NON-CURRENT)

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Unsecured Considered Good</b>		
Loans to Related Parties	-	836.07
<b>Secured Considered Good</b>		
Loans to Employees	70.97	75.22
<b>TOTAL</b>	<b>70.97</b>	<b>911.29</b>

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

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Security and Other Deposits	917.62	618.72
Forward Contract Receivable	230.28	-
Fixed Deposits maturing after 12 months	1,395.42	639.46
<b>TOTAL</b>	<b>2,543.32</b>	<b>1,258.18</b>

# Notes forming part of Financial Statements

## NOTE 7: DEFERRED TAX ASSETS

₹ in lakhs			
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>Deferred Tax Assets</b>			
Other items giving rise to temporary differences	3,628.44	1,401.91	
MAT Credit Entitlement	7,959.37	6,381.98	
	<b>11,587.81</b>	<b>7,783.89</b>	
<b>Deferred Tax Liabilities</b>			
Undistributed Profits of Joint Ventures	(504.55)	(124.52)	
Accelerated depreciation for tax purposes	(3,793.39)	(4,495.28)	
	<b>(4,297.94)</b>	<b>(4,619.80)</b>	
<b>NET DEFERRED TAX ASSETS</b>	<b>7,289.88</b>	<b>3,164.09</b>	

### Reconciliation of Deferred Tax Assets / (Liability) for the year

₹ in lakhs				
Particulars	Deferred Tax Assets / (Liability)			
	MAT Credit Entitlement	Items giving rise to temporary differences	Accelerated Depreciation for Tax Purpose	Undistributed Profits / (Losses)
<b>Balance as on April 1, 2017</b>	<b>6,381.98</b>	<b>1,401.91</b>	<b>(4,495.28)</b>	<b>(124.52)</b>
MAT Credit Entitlement / (Utilization) during FY. 2017-18	1,577.39			
DTA on Items giving rise to temporary differences		2,241.71		
(DTL) DTA on Accelerated Depreciation for tax purpose			686.71	
DTA on Undistributed Losses of Joint Ventures				(380.03)
<b>Balance as on March 31, 2018</b>	<b>7,959.37</b>	<b>3,643.62</b>	<b>(3,808.57)</b>	<b>(504.55)</b>

## NOTE 8: INCOME TAX ASSETS / (LIABILITIES)

₹ in lakhs			
Particulars	As at March 31, 2018	As at March 31, 2017	
Tax Asset	770.30	824.18	
Tax Liabilities	(863.66)	(376.30)	

### 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:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Indian Statutory Income Tax Rate</b>	<b>34.94%</b>	<b>34.61%</b>
<b>Differences due to:</b>		
Temporary Differences	-0.79%	0.23%
Income Tax Incentives	-15.45%	-12.03%
Tax on Income at Different Rates	-0.66%	
Others	-4.65%	-0.16%
<b>Effective Tax Rate</b>	<b>13.39%</b>	<b>22.65%</b>

# Notes forming part of Financial Statements

## NOTE 9: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2018		As at March 31, 2017	
Long Term Trade Receivables	2,835.19		2,452.67	
Less: Impairment Allowance	(2,835.19)	-	(2,452.67)	-
Capital Advances		1,221.73		2,416.66
Prepaid Leases		3,508.96		1,615.33
Balances with Govt. Authorities under litigation		428.40		364.83
<b>TOTAL</b>		<b>5,159.09</b>		<b>4,396.82</b>

₹ in lakhs

## NOTE 10: INVENTORIES

Particulars	As at March 31, 2018		As at March 31, 2017	
<b>At Lower of Cost or Net Realisable Value</b>				
Raw Materials		9,940.13		7,452.81
Raw Materials - Goods in Transit		5,302.55		3,789.23
Finished Goods		16,073.37		12,879.82
Finished Goods in Transit		327.88		219.63
Stock in Trade		5,417.39		2,860.30
Stores and Spares		606.04		514.11
<b>TOTAL</b>		<b>37,667.36</b>		<b>27,715.90</b>

₹ in lakhs

## NOTE 11: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
<b>Investment in Equity Instruments</b>				
<b>Others (Quoted At Fair Value)</b>				
Birla Sun Life (Face Value - ₹ 100 /- each)	-	-	1,121,939.54	2,426.06
LIC Liquid Fund (Face Value - ₹ 1000 /- each)	-	-	65,442.83	1,922.98
HDFC Liquid Fund (Face Value - ₹ 1000 /- each)	-	-	6,397.71	204.70
<b>TOTAL</b>				<b>4,553.74</b>
Aggregate Amount of Quoted Investment & Market Value thereof				4,553.74
Aggregate amount of Unquoted Investments				-
Aggregate amount of impairment in value of Investments				-

## NOTE 12: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2018		As at March 31, 2017	
<b>Trade Receivables at Amortized Cost</b>				
<b>Debts due for more than six months</b>				
Secured - Considered Good	199.33		113.44	
Unsecured - Considered Good	7,768.53	7,967.86	5,038.54	5,151.98
<b>Others</b>				
Secured - Considered Good	445.27		397.27	
Unsecured - Considered Good	75,791.38	76,236.65	55,024.06	55,421.33
<b>TOTAL</b>		<b>84,204.51</b>		<b>60,573.31</b>

₹ in lakhs

# Notes forming part of Financial Statements

## NOTE 13: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks in Current Accounts	9,347.79	22,155.70
Cash on Hand	14.97	51.90
Fixed Deposits maturing within 3 months	17.74	1.96
<b>TOTAL</b>	<b>9,380.50</b>	<b>22,209.56</b>

## NOTE 14: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unpaid Dividend Account	67.41	58.42
Margin Money Pledged with Banks	33.00	3.00
Unpaid Matured Fixed Deposits and Interest Accrued thereon	199.99	662.90
<b>TOTAL</b>	<b>300.40</b>	<b>724.32</b>

## NOTE 15: FINANCIAL ASSETS - LOANS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Loans to Others	-	555.00
<b>TOTAL</b>	<b>-</b>	<b>555.00</b>

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

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Advances to Related Parties	0.68	25.85
Export Incentives Receivable	34.70	15.75
Interest Receivable	12.25	46.54
Forward Contract Receivable	52.63	103.28
<b>TOTAL</b>	<b>100.26</b>	<b>191.42</b>

## NOTE 17: OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Export Incentives Receivable	624.91	772.69
Prepaid Expenses	899.59	736.59
Other Advances	132.80	84.72
Balances with Excise and VAT Authorities	7,502.57	1,832.72
Prepaid Lease	72.73	51.02
<b>TOTAL</b>	<b>9,232.60</b>	<b>3,477.74</b>

# Notes forming part of Financial Statements

## NOTE 18: EQUITY SHARE CAPITAL

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Authorised</b>		
44,000,000 (44,000,000) Equity shares of ₹ 10/- par value	4,400.00	4,400.00
600,000 (600,000) 6% Non Cumulative Redeemable Preference Shares of ₹ 100/- par value	600.00	600.00
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
20,662,400 (20,662,400) Equity Shares ₹ 10/- par value fully paid - up	2,066.24	2,066.24
2,295,822 (2,295,822) Equity Shares of ₹ 10/- par value, ₹ 3/- called up	68.87	68.87
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>2,135.11</b>	<b>2,135.11</b>

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Shares at the beginning	22,958,222	2,135.11	22,958,222	2,135.11
Add: Rights Issue of Equity Share made 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</b>	<b>22,958,222</b>	<b>2,135.11</b>	<b>22,958,222</b>	<b>2,135.11</b>

### b) Equity shares are entitled to one vote per share.

### c) Shareholders holding more than 5% shares each:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of Shares	%
K.K.Modi Investment and Financial Services Pvt. Ltd.	10,273,073	44.75%	10,273,073	44.75%
APMS Investment Fund Ltd.(FII)	1,635,822	7.13%	1,635,822	7.13%
U.P. State Indl. Dev. Corp. Ltd.	2,169,956	9.45%	2,169,956	9.45%
Rajputana Fertilizers Ltd.	1,916,666	8.35%	1,916,666	8.35%

## NOTE 19: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>From Banks (Secured):</b>		
Rupee Term Loan	2,072.21	2,891.38
Foreign Currency Term Loan	52,973.22	49,966.03
<b>TOTAL</b>	<b>55,045.43</b>	<b>52,857.41</b>

# Notes forming part of Financial Statements

## A Rupee Term Loans :

- 1 Term Loan amounting to ₹ 2,000 lakhs (₹ 3,000 lakhs as on March 31, 2017) carries interest at the rate of 11.75% p.a. (11.75% p.a. as on March 31, 2017) as at year end and is repayable in 8 Equal quarterly installments of ₹ 250 lakhs each.
- 2 Term Loan amounting to ₹ 375 lakhs (₹ 656.25 lakhs as on March 31, 2017) carries interest at the rate of 11.50% p.a. (11.95% p.a. as on March 31, 2017) as at year end and is repayable in 4 Equal quarterly installments of ₹ 93.75 lakhs each.
- 3 Term Loan amounting to ₹ 1372.45 lakhs (₹ 760.13 lakhs as on March 31, 2017) carries interest at the rate of 11.00% p.a. (11.00% p.a. as on March 31, 2017) as at year end and is repayable in 18 equal quarterly installments of ₹ 75 lakhs each and 19th Installment of ₹ 22.45 lakhs .
- 4 Vehicle Loan amounting to ₹ 139.40 lakhs (Nil) is repayable over 37 monthly installments of ₹ 4.30 lakhs each.

## B 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, 2017)
- 2 Term Loan amounting to ₹ 4,114.30 lakhs (₹ 4,477.26 lakhs as on March 31, 2017 ) is repayable over 7 installments of ₹ 268.32 lakhs each and 1 installment of ₹ 2,236.03 lakhs.
- 3 Term Loan amounting to ₹ 1,325.83 lakhs has been repaid fully in this year
- 4 Term Loan amounting to ₹ 4,361.52 lakhs (₹ 4,936.69 lakhs as on March 31, 2017) is repayable over 11 quarterly installments of ₹ 148.69 lakhs each and 10 quarterly installments of ₹ 272.60 lakhs each.
- 5 Term Loan amounting to ₹ 5,307.21 lakhs has been repaid fully in this year
- 6 Term Loan amounting to ₹ 3,589.95 lakhs has been repaid fully this year
- 7 Term Loan amounting to ₹ 2,471.80 lakhs (₹ 1,016.64 lakhs as on March 31, 2017) is repayable over 19 quarterly installments of ₹ 130 lakhs each.
- 8 Term Loans amounting to ₹ 21,116.40 lakhs (₹ 18,224.97 lakhs as on March 31, 2017) is repayable over 11 quarterly installments of ₹ 633.49 lakhs each and 16 quarterly installments of ₹ 844.66 lakhs each

and one installment of ₹ 633.49 lakhs starting from September 30, 2019.

- 9 Term Loan amounting to ₹ 5817.89 lakhs (Nil) is repayable over 23 quarterly installments of ₹252.95 lakhs each.
- 10 Term Loan amounting to ₹ 3725.19 lakhs (Nil) is repayable over 19 quarterly installments of ₹196.06 lakhs each.
- 11 Term Loan amounting to ₹ 4038.02 lakhs (Nil) is repayable over 20 quarterly installments of ₹201.90 lakhs each.
- 12 Term Loan amounting to ₹ 5,838.03 lakhs (₹ 6,380.45 lakhs as on March 31, 2017) is repayable over 7 quarterly installments of ₹ 389.20 lakhs each and 1 installments of ₹ 3,113.63 lakhs each.
- 13 Term Loan amounting to ₹ 4,535.55 lakhs (₹ 4,957.00 lakhs as on March 31, 2017) is repayable over 15 quarterly installments of ₹ 302.37 lakhs each.
- 14 Term Loan amounting to ₹ 5,202.34 lakhs (₹ 5,685.69 lakhs as on March 31, 2017 ) is repayable over 15 quarterly installments of ₹ 346.82 lakhs each.

## C Security / Charges

All the above Term Loans, except loans amounting to ₹ 4,253.70 lakhs (₹ 5,803.10 lakhs as on March 31, 2017) are secured by first pari passu charge on the present and future fixed assets of the Company (except those assets which have been specifically financed) and second pari passu charge on present and future current assets of the Company inter se the Working Capital Lenders.

Term Loan amounting to ₹ 4,114.30 lakhs (₹ 5,803.10 as on March 31, 2017) are secured by specific assets financed by them.

Term Loan aggregating to ₹ 375 lakhs (₹ 656.25 lakhs as on March 31, 2017) have an additional exclusive pari passu charge on the assets financed by them.

An amount of ₹ 899.14 lakhs (₹ 592.40 lakhs as on March 31, 2017 ) has been held as Debt Service Reserve Account with Bank. (Refer Note No. 6, Note No. 13 and Note No. 14)

## D Current Maturity

Amounts falling due within one year in respect of all the above loans upto March 31, 2018 have been grouped under "Current maturities of Long Term Debts" under Note No. 24

# Notes forming part of Financial Statements

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

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposit Received from Customers	1,544.45	1,150.03
Financial Guarantee Obligation	207.47	127.78
Others	76.43	76.43
<b>TOTAL</b>	<b>1,828.35</b>	<b>1,354.24</b>

## NOTE 21: PROVISIONS (NON-CURRENT)

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits	648.77	1,024.52
<b>TOTAL</b>	<b>648.77</b>	<b>1,024.52</b>

## NOTE 22: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>At Amortized Cost (Secured)</b>		
Working Capital Loans from Banks (Secured by first pari passu charge, by way of hypothecation of Company's current assets and other movable assets and second pari passu charge on the fixed assets both present and future, inter se the Term Lenders)	53,641.02	28,413.64
<b>TOTAL</b>	<b>53,641.02</b>	<b>28,413.64</b>

## NOTE 23: FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>At Amortized Cost</b>		
Sundry Creditors for Goods & Services	24,879.68	19,226.96
<b>TOTAL</b>	<b>24,879.68</b>	<b>19,226.96</b>

Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2018 have been identified as relating to Micro and Small Enterprises referred to in the said Act.

## NOTE 24: FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Current Maturities of Long Term Debts	10,062.26	7,460.66
Interest Accrued but not due on Borrowings	243.65	111.21
Financial Guarantee Obligation	48.69	63.32
Forward Contract Payable	4.94	-
Unclaimed Dividend*	67.41	58.42
Other Payables	14,808.13	16,835.68
<b>TOTAL</b>	<b>25,235.08</b>	<b>24,529.29</b>

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

# Notes forming part of Financial Statements

## NOTE 25: OTHER CURRENT LIABILITIES

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Other Payables	1,471.24	4,065.90
<b>TOTAL</b>	<b>1,471.24</b>	<b>4,065.90</b>

## NOTE 26: PROVISIONS (CURRENT)

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits	1,108.51	694.12
<b>TOTAL</b>	<b>1,108.51</b>	<b>694.12</b>

## NOTE 27: REVENUE FROM OPERATIONS

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products		
Agrochemical	178,435.98	172,595.63
Specialty & Performance Chemicals	24,434.85	21,358.25
Interest Income	6.40	15.59
Dividend Income	545.43	518.08
Profit on Sale of Current Investments	6.71	18.97
<b>Other Operating Income:</b>		
Export Incentives & Entitlements	1,194.22	1,089.74
Scrap Sales	103.81	63.99
Miscellaneous Income	80.62	17.69
<b>TOTAL</b>	<b>204,808.02</b>	<b>195,677.94</b>

## NOTE 28: OTHER INCOME

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income	383.69	315.85
Dividend Income	-	1.14
Profit on Sale of Current Investments	93.57	67.38
Foreign Exchange Fluctuation (Net)	-	836.16
<b>Other Non - Operating Income:</b>		
Profit on Sale of Assets	7.09	3.69
Guarantee Commission	136.48	63.32
Rent Income	7.20	7.20
Insurance Claims	445.34	64.81
Sundry Balance Written Back	258.72	15.45
Gain on Fair Valuation of FVTPL Investments	-	55.78
Others	113.59	13.86
<b>TOTAL</b>	<b>1,445.68</b>	<b>1,444.64</b>

# Notes forming part of Financial Statements

## NOTE 29: COST OF MATERIALS CONSUMED

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Raw Material Consumed	79,152.17	67,832.65
Packing Material Consumed	7,913.81	6,940.77
<b>TOTAL</b>	<b>87,065.98</b>	<b>74,773.42</b>

## NOTE 30: PURCHASE OF STOCK IN TRADE

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	22,537.65	10,832.95
<b>TOTAL</b>	<b>22,537.65</b>	<b>10,832.95</b>

## NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Opening Stocks :</b>		
Finished Goods	13,099.46	14,551.36
Stock In Trade	2,860.30	3,068.25
<b>Less : Closing Stocks :</b>		
Finished Goods	16,401.25	13,099.46
Stock In Trade	5,417.39	2,860.30
<b>NET CHANGE IN INVENTORIES</b>	<b>(5,858.88)</b>	<b>1,659.85</b>

## NOTE 32: EMPLOYEE BENEFIT EXPENSES

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	15,493.07	11,840.04
Contribution to Provident and Other Funds	1,171.11	892.84
Gratuity	135.26	115.31
Staff Welfare Expenses	1,350.27	1,106.60
<b>TOTAL</b>	<b>18,149.71</b>	<b>13,954.79</b>

## NOTE 33: FINANCE COST

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses	5,097.50	3,548.66
Other Borrowing Costs	1,172.51	582.94
<b>TOTAL</b>	<b>6,270.01</b>	<b>4,131.60</b>

# Notes forming part of Financial Statements

## NOTE 34: OTHER EXPENSES

₹ in lakhs		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of Stores and Spares	740.81	904.90
Power, Fuel and Utilities	4,200.44	3,594.90
Processing Charges	4,326.35	4,706.67
Excise Duty *	-	84.65
Lease Rent / Hire Charges	852.51	616.90
Repairs to Building	173.31	293.67
Repairs to Plant and Machinery	1,186.35	1,285.05
Other Repairs	394.50	432.11
Insurance	734.24	529.77
Rates and Taxes	210.17	248.33
Pollution Control Expenses	653.30	526.46
Legal and Professional Fees	4,166.05	4,520.19
General Office Expenses	2,727.98	3,353.83
Foreign Exchange Fluctuation (Net)	123.11	-
Advertisement, Publicity & Sales Promotion	10,054.99	8,161.85
Outward Freight Charges	5,283.85	6,044.21
Loading and Unloading Charges	224.98	246.36
Provision for Doubtful Debts	800.00	701.12
Travelling and Conveyance	3,964.16	3,175.40
Payment to Auditors		
- Audit Fees	39.28	26.71
- Transfer Pricing Audit Fees	4.50	4.50
- Taxation and Other Advisory Matters	15.50	17.25
- Certification Charges and Others	4.50	8.00
- Reimbursement of Expenses	0.50	0.50
Corporate Social Responsibility	433.90	306.29
Donations	219.93	354.80
Loss on Fair Valuation of FVTPL Investments	11.97	-
Bad Debts	126.87	10.43
<b>TOTAL OTHER EXPENSES</b>	<b>41,674.05</b>	<b>40,154.85</b>

\* Represents the difference between the Excise Duty on Opening and Closing Stock of Finished Goods.

## NOTE 35

The Government of India introduced the Goods and Service tax (GST) with effect from July 1, 2017. The tax revenue is collected on behalf of the government and no economic benefit flows to the entity. The hitherto applicable excise duty was considered as part of revenue. Accordingly, sale of products upto June 30, 2017, are accounted inclusive of applicable excise duty and thereafter excluding applicable GST. Consequently, the sales for the year are not comparable to corresponding sales of the previous year. Year end inventories as at March 31, 2018 are valued excluding GST as against inventory as at March 31, 2017 inclusive of applicable excise duty

## NOTE 36: MISAPPROPRIATION OF INVENTORIES

During the year under review, the management of the Company discovered a fraud committed by a sales officer of the Company located in Mansa territory, Mohali, Punjab. The accused sales officer has allegedly misappropriated finished goods belonging to the Company costing of ₹ 665 lakhs by forging sales orders / delivery receipts, etc. of existing customers of the Company allegedly without their knowledge. Post discovery of the alleged

fraud, the Company has conducted a detailed investigation and forensic audit with the help of an independent advisor who is an expert in this field of investigation. Based on the findings of the audit, the Company has initiated legal action against the accused sales officer and is currently pursuing the same. Further, based on the recommendation of independent advisor, the existing internal controls and credit controls already in place have been further strengthened and necessary checks have been implemented. The aforesaid loss of finished goods has been accounted for and is included in note no. 31

## NOTE 37: HEDGING ACTIVITIES AND DERIVATIVES

### Foreign Currency Risk

The Company has adopted hedge accounting from April 1, 2017. Non-derivative financial liabilities (i.e. borrowings) are designated as hedging instruments in cash flow hedges of forecast sales in US dollar and Euro in Indofil Industries Limited only. These forecast transactions are highly probable. The Company's total expected export sales for FY 18-19 is ₹ 83,503.63 lakhs.

# Notes forming part of Financial Statements

Carrying value and maturity of foreign currency borrowing designated as hedging instrument is stated in below table:

Particulars	As at March 31, 2018		Maturity Date
	Assets	Liabilities	
Buyer's Credit	-	114.23	April 2018 to October 2018
Foreign Currency Term Loans	-	4,027.66	April 2018 to June 2026
<b>Total</b>		<b>4,141.89</b>	

The terms of the hedging instrument match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

The cash flow hedges of the expected future sales during the year ended March 31, 2018 were assessed to be highly effective and a net unrealised loss of ₹4141.89 lakhs, with a deferred tax asset of ₹1447.34 lakhs relating to the hedging instruments, is included in OCI.

Since the Company has adopted hedge accounting from April 1, 2017, there was no cash flow hedge existing during the year ended March 31, 2017. The amounts retained in OCI at March 31, 2018 are expected to mature and affect the statement of profit and loss of future years as follows:-

Financial Year	Maturity Amount
2018-2019	351.29
2019-2020	632.42
2020-2021	514.74
2021-2022	543.65
2022-2023	651.21
2023-2024	465.49
2024-2025	462.63
2025-2026	433.71
2026-2027	86.74
<b>Total</b>	<b>4,141.88</b>

There were no reclassification of gains or losses included in OCI to profit or loss during the year.

## NOTE 38: CONTINGENT LIABILITIES

1 Consequent to termination of the contract by the erstwhile Indofil Chemicals Company (Division of Modipon Ltd.), a toll manufacturer filed a suit against the Chemical Division preferring claim for ₹ 314.50 lakhs allegedly on account of items purchased and loss of profits. However, the Company had refuted the claim and had, on the contrary made a counterclaim of ₹ 476.31 lakhs against the said toll manufacturer in respect of the cost of machinery, cost of raw materials, yield losses, loss of market etc. Based on the merits, the Management is of the view that the counterclaim is likely to succeed and will be adjusted/ accounted for in the year of final settlement/receipt.

## 2 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax, Income Tax etc as at March 31, 2018

₹ in lakhs

Statute	As at March 31, 2018	As at March 31, 2017
Sales tax matters	304.37	367.43
Service tax matters	122.38	132.38
Income Tax matters	1,551.11	-
Excise matters	56.11	56.11
Other matters	124.94	124.94
<b>TOTAL</b>	<b>2,158.91</b>	<b>680.86</b>

# Notes forming part of Financial Statements

## 3 Guarantees Executed in favour of Corporate

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Guarantees Executed in Favour of Corporate	20,003.44	19,909.43
Less: Counter Guarantees Received	(9,801.69)	(9,755.62)
<b>Net Guarantees Executed in favour of Corporate</b>	<b>10,201.75</b>	<b>10,153.81</b>

On evaluation of individual cases, the Management is of the view that no provision in respect of the above is called for.

### NOTE 39: CAPITAL COMMITMENTS

₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Estimated Amount of Capital Commitments remaining to be executed	3,858.62	8,269.72
Less: Advances Paid	(1,221.73)	(2,776.15)
<b>Net Capital Commitments</b>	<b>2,636.89</b>	<b>5,493.57</b>

### NOTE 40: EARNINGS PER SHARE

Particulars	As at March 31, 2018	As at March 31, 2017
Profit for the year as per Statement of Profit & Loss (₹ in Lakhs)	23,599.16	25,930.57
Weighted Average No. of Equity Shares of Face Value ₹ 10 each	21,351,147	21,351,147
<b>Earnings Per Share - Basic &amp; Diluted</b>	<b>110.53</b>	<b>121.45</b>

### NOTE 41: 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 42: FINANCIAL RISK MANAGEMENT AND POLICIES

The Group's activities expose 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 minimize potential adverse effects on its financial performance. The Group has an established Risk Management Policy towards risk identification, analysis & prioritization of risks, development of risk mitigation plans & reporting on the risk environment of the respective business segments in the Group.

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

# Notes forming part of Financial Statements

## (a) Management of Market Risks

The Group's size and operation results in it being exposed to the following market risks that arise from its use of financial instruments

### Currency Risk

### Interest Rate Risk

### Price Risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below:

Potential Impact of Risk	Management Policy	Sensitivity to Risk
<p><b>1 Currency Risk</b></p> <p>The Group is subject to risk that changes in foreign currency values impact the Group's revenue and imports of raw material and Property, Plant and Equipments primarily with respect to USD and Euro</p> <p>As at March 31, 2018, the net unhedged exposure to the Group on holding Financial Assets (Trade Receivables &amp; Other Advances) and Financial Liabilities (Trade Payables and Other Payables) other than in functional currency amounted to USD 17.18 lakhs payable and Euro 798.47 Lakhs payable [₹ 65,173.31 lakhs net payable] (USD 100.49 lakhs receivable and Euro 654.01 lakhs payable [₹ 38,745.74 lakhs net payable] as on March 31, 2017)</p>	<p>The Group manages currency exposures through use of Forward Exchange Contracts and effecting netting and matching of Foreign Currency Inflows and Outflows. The aim of the Group's approach to management of Currency Risk is to leave the Group with minimal residual risk.</p>	<p>A 5% strengthening of INR against key currencies to which the Group is exposed (Net) would have led to approximately an additional ₹ 3,258.67 lakhs gain in the Statement of Profit &amp; Loss (2016-17 ₹ 1,937.29 lakhs). A 5% weakening of INR against key currencies would have led to an equal but opposite effect.</p>
<p><b>2 Interest Rate Risk</b></p> <p>The Group is mainly exposed to Interest Rate risk due to its Long Term and Short Term Borrowings. The interest rate risk arises due to uncertainties about prevailing base rates in future.</p> <p>As at March 31, 2018 the exposure to the Group on account of borrowings is ₹ 118,748.71 lakhs (₹ 88,744.57 lakhs as on March 31, 2017)</p>	<p>The Group manages its Interest Rate Risk by having a balanced portfolio of floating rate loans based on Euribor, Libor and Base Rate.</p>	<p>A 0.25% decrease in interest rate would have led to approximately an additional ₹ 296.87 lakhs gain in the Statement of Profit &amp; Loss (2016-17 ₹ 221.86 lakhs). A 0.25% increase in interest rates would have led to an equal but opposite effect.</p>
<p><b>3 Price Risk</b></p> <p>The Group has investments in listed units of Mutual Funds reflecting its temporary surplus of funds. As at March 31, 2018 the net exposure to the Group on account of these investments is ₹ Nil (₹ 4,553.75 lakhs as on March 31, 2017)</p> <p>However, a substantial part of the Group's investments are in Equity Instruments / Preference Instruments / Debentures of Subsidiaries, Joint Ventures, Group Companies and other investments mandated by lenders to the Group. These being strategic investments, the Group does not evaluate the equity price risk of such investments.</p>	<p>The Group manages the Equity Price Risk of such investments through diversification and by placing limits on individual investments.</p>	<p>A 5% increase in prices would have led to approximately and additional ₹ Nil gain in the Statement of Profit &amp; Loss (2016-17 ₹ 227.69 lakhs) A 5% decrease in prices would have led to an equal but opposite effect.</p>

## (b) Credit Risk

Credit Risk is the risk of financial loss to the Group if a customer or a counter party fails to meet its contractual obligation.

### Trade Receivables and Other Financial Assets

Concentration of Credit Risk with respect to Trade Receivables are limited, due to Group's customer base being large and diverse. All Trade Receivables and other Financial Assets are reviewed and assessed for default on monthly basis. Our historical experience of collecting all receivables is that their Credit Risk is low.

# Notes forming part of Financial Statements

The Group's maximum exposure to Credit Risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of Financial Asset.

## (c) Liquidity Risk

Liquidity Risk is the risk that the Group will face in meeting its obligation associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Group regularly monitors the rolling forecast to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required) and any excess is invested in any highly marketable equity instruments to optimize cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date.

Particulars	₹ in lakhs			
	As at March 31, 2018		As at March 31, 2017	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	10,062.26	55,045.43	7,460.66	52,857.41
Security Deposits	-	1,544.45	-	1,150.03
Working Capital Loans from Banks	53,641.02	-	28,413.64	-
Trade Payables	24,879.68	-	19,226.96	-
Other Financial Liabilities	15,172.81	283.90	17,068.62	204.21
	<b>103,755.77</b>	<b>56,873.78</b>	<b>72,169.88</b>	<b>54,211.65</b>

## (d) Collateral

The Group has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Group. Refer Note No. 19 and Refer Note No. 22 for the detailed terms and conditions of the collaterals pledged.

## NOTE 43: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

### (a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Financial Assets</b>		
<b>Fair Value through Profit &amp; Loss</b>		
Investments (Other than in Subsidiary and joint ventures)	666.02	4,589.20
<b>Fair Value through Other Comprehensive Income</b>		
Investments (Other than in Subsidiary and joint ventures)	54,304.36	74,710.49
<b>Derivative Instruments not in Hedging Relationship</b>		
Forward Contract Receivable	52.63	103.28
<b>Amortised Cost</b>		
Loans	70.97	1,466.29
Trade Receivables	84,204.51	60,573.31
Cash & Cash Equivalents	9,380.50	22,209.56
Other Bank Balances	300.40	724.32
Other Financial Assets	2,590.94	1,346.32
<b>Total</b>	<b>151,570.33</b>	<b>165,722.77</b>

# Notes forming part of Financial Statements

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Financial Liabilities</b>		
<b>Fair Value through Profit &amp; Loss</b>		
Financial Guarantee Obligation	256.15	191.10
<b>Derivative Instruments not in Hedging Relationship</b>		
Forward Contract Payable	4.94	-
<b>Derivative Instruments in Hedging Relationship</b>		
Term Loan	4,027.66	-
Buyer's Credit	114.23	-
<b>Amortised Cost</b>		
Borrowings	118,748.67	88,731.71
Trade Payable	24,879.68	19,226.96
Other Financial Liabilities	12,598.18	18,231.76
<b>Total</b>	<b>160,629.51</b>	<b>126,381.53</b>

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2018 and March 31, 2017 approximate the fair value because of the short term nature.

In case of Investments in Equity Instruments / Preference Shares / Debentures designated as Fair Value through Other Comprehensive Income, which have been provided for, the Group continues to estimate their fair value on the balance sheet date as Nil.

## (b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

**Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** - Inputs are not based on observable market data (unobservable inputs).

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.

# Notes forming part of Financial Statements

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 summarized below:

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Financial Assets</b>		
<b>Level 1</b>		
Investment in Quoted Equity Shares	53,912.63	74,357.30
Mutual Fund Units	666.02	4,589.20
<b>Level 2</b>		
Derivative Financial Assets	52.63	103.28
<b>Level 3</b>		
Investment in Unquoted Equity Shares	391.72	353.20
<b>Total</b>	<b>55,023.00</b>	<b>79,402.98</b>
<b>Financial Liability</b>		
<b>Level 2</b>		
Derivative Financial Liability	4.94	-
<b>Level 3</b>		
Financial Guarantee Obligation	256.15	191.10
<b>Total</b>	<b>261.09</b>	<b>191.10</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 ₹ 19.52 lakhs (₹ 27.13 lakhs as on March 31, 2017) and 5% decrease will have equal but opposite effect.
Financial Guarantee Obligation	Discount Rate 5.51%	1 % increase in Discount Rate will have P&L Loss of ₹ 7.93 lakhs (₹ 1.24 lakhs as on March 31, 2017) and a 1% decrease in Discount Rate will have a equal but opposite effect.

## (c) Reconciliation of Level 3 Fair Value Measurement

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Opening Balance of Level 3 Financial Assets / (Liability)</b>	162.10	81.40
<b>Add / (Less): Changes during the year</b>		
Guarantee Commission Income recognized	(49.63)	63.32
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through OCI	38.53	11.73
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	(15.43)	5.65
<b>Closing Balance of Level 3 Financial Assets / (Liability)</b>	<b>135.57</b>	<b>162.10</b>

## NOTE 44: LEASES

The Group has entered into Operating Leases on Immovable Properties and Plant & Machinery. There are no escalation clauses in the lease arrangements for which Lease Rent is provided on straight line basis.

# Notes forming part of Financial Statements

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

			₹ in lakhs		
Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017		
(a)	In respect of operating lease on Immovable properties and Plant & Machineries lease payments recognized in Statement of Profit and Loss.	852.51	616.90		
(b)	Future minimum lease payments under operating leases				
	For a period not later than one year	632.81	245.45		
	For the period later than one year and not later than five years	1,398.90	417.33		

## Assets Given on Lease

			₹ in lakhs		
Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017		
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	7.20	7.20		
(b)	Future minimum lease payments under operating leases				
	For a period not later than one year	7.20	7.20		
	For the period later than one year and not later than five years	28.80	28.80		

## NOTE 45: RELATED PARTY

### List of related parties

Joint Ventures (Extent of holding)	Key Management Personnel
Indo baijin Chemicals Private Ltd (51%)	<b>Executive Director</b>
Hifil Chemicals Private Ltd (49%)	Mr. Krishan Kumar Modi
	Ms. Charu Modi
	Mr Atuchutni Rao
<b>Other Related Parties in which directors are interested:</b>	<b>Non Executive Director</b>
Godfrey Phillips India Ltd	Ms. Aliya Modi
H.M.A. Udyog Pvt. Ltd.	Mr. Samir Modi
Modi Care Ltd.	Mr. Mahendra Naranji Thakkar
Beacon Travels Pvt. Ltd.	Mr. Sunil Kumar Alagh
Bina Fashions & Food Pvt. Ltd.	Mr. Sanjay Buch
Premium Merchants Ltd.	Mr. Lakshminarayanan Subramanian
Modi Rubber Ltd.	Mr. Ranvir Prasad
KKM Management Centre Pvt. Ltd	Mr. Daniel Fontes Dias
KKM Management Centre Middle East FZE	Mr. Pankaj Amrit Patil
	Mr. Narendra Sagrolikar

						₹ in lakhs	
Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2017-18	Total 2016-17		
<b>RECEIVING OF SERVICES</b>	-	-					
1. Godfrey Phillips India Ltd.	-	-	8.41	8.41	1.05		
2. HMA Udyog Pvt. Ltd.	-	-	4.02	4.02	6.73		
3. Beacon Travels Pvt. Ltd.	-	-	693.04	693.04	657.49		
4. Bina Fashions and Food Pvt. Ltd.	-	-	65.13	65.13	77.09		
5. Modi Care Ltd	-	-	7.39	7.39	5.54		
<b>Total</b>	-	-	<b>777.99</b>	<b>777.99</b>	<b>747.90</b>		

# Notes forming part of Financial Statements

₹ in lakhs

Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2017-18	Total 2016-17
<b>PURCHASE OF GOODS</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	9,256.89	-	-	9,256.89	8,843.01
<b>Total</b>	<b>9,256.89</b>	-	-	<b>9,256.89</b>	<b>8,843.01</b>
<b>PURCHASE OF LICENSE</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	12.21	-	-	12.21	10.57
<b>Total</b>	<b>12.21</b>	-	-	<b>12.21</b>	<b>10.57</b>
<b>MANAGEMENT CONTRACTS</b>					
1. KKM Management Center Pvt. Ltd.	-	-	810.15	810.15	777.40
<b>Total</b>	-	-	<b>810.15</b>	<b>810.15</b>	<b>777.40</b>
<b>RENT EXPENSE</b>					
1. Premium Merchants Ltd.	-	-	6.18	6.18	5.17
2. Charu Modi	-	6.72	-	6.72	6.22
<b>Total</b>	-	<b>6.72</b>	<b>6.18</b>	<b>12.90</b>	<b>11.39</b>
<b>RENT INCOME</b>					
1. Modi Rubber Ltd.	-	-	6.48	6.48	7.20
<b>Total</b>	-	-	<b>6.48</b>	<b>6.48</b>	<b>7.20</b>
<b>GUARANTEE COMMISSION INCOME</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	136.48	-	-	136.48	63.32
<b>Total</b>	<b>136.48</b>	-	-	<b>136.48</b>	<b>63.32</b>
<b>REIMBURSEMENT OF EXPENSES</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	30.21	-	-	30.21	27.46
2. Godfrey Phillips India Ltd.	-	-	18.57	18.57	-
<b>Total</b>	<b>30.21</b>	-	<b>18.57</b>	<b>48.78</b>	<b>27.46</b>
<b>INTEREST INCOME</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	92.67	-	-	92.67	182.40
<b>Total</b>	<b>92.67</b>	-	-	<b>92.67</b>	<b>182.40</b>
<b>LOANS GIVEN DURING THE YEAR</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	5,788.50	-	-	5,788.50	-
<b>Total</b>	<b>5,788.50</b>	-	-	<b>5,788.50</b>	-
<b>DIVIDEND INCOME</b>					
1. Godfrey Phillips India Ltd.	-	-	523.60	523.60	518.08
<b>Total</b>	-	-	<b>523.60</b>	<b>523.60</b>	<b>518.08</b>
<b>LOANS GIVEN CLOSING BALANCE</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	-	-	-	-	860.80
<b>Total</b>	-	-	-	-	<b>860.80</b>
<b>ADVANCE GIVEN DURING THE YEAR</b>					
1. Hifil Chemicals Pvt. Ltd.	-	-	-	-	0.68
<b>Total</b>	-	-	-	-	<b>0.68</b>
<b>ADVANCES CLOSING BALANCE</b>					
1. Hifil Chemicals Pvt. Ltd.	0.68	-	-	0.68	0.68
<b>Total</b>	<b>0.68</b>	-	-	<b>0.68</b>	<b>0.68</b>
<b>GURANTEES GIVEN</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	10,201.76	-	-	10,201.76	10,153.81
<b>Total</b>	<b>10,201.76</b>	-	-	<b>10,201.76</b>	<b>10,153.81</b>

# Notes forming part of Financial Statements

₹ in lakhs

Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2017-18	Total 2016-17
<b>OUTSTANDING BALANCES</b>					
<b>Receivables</b>					
1. Godfrey Phillips India Ltd.	-	-	17.71	17.71	18.11
<b>Total</b>	-	-	<b>17.71</b>	<b>17.71</b>	<b>18.11</b>
<b>Payables</b>					
1. Modi Care Ltd.	-	-	0.48	0.48	0.48
2. Beacon Travels Pvt. Ltd.	-	-	-	-	50.83
3. KKM Management Center Pvt. Ltd.	-	-	57.75	57.75	96.75
4. Bina Fashion Pvt. Ltd.	-	-	-	-	17.94
5. Indo Baijin Chemicals Pvt. Ltd.	391.03	-	-	391.03	633.82
6. HMA Udyog Pvt Ltd	-	-	-	-	0.61
<b>Total</b>	<b>391.03</b>	-	<b>58.23</b>	<b>449.25</b>	<b>800.43</b>
<b>INVESTMENTS</b>					
1. Indo Baijin Chemicals Pvt. Ltd.	5,824.48	-	-	5,824.48	4,366.10
2. Godfrey Phillips India Ltd.	-	-	53,731.34	53,731.34	74,158.35
3. Modi Rubber Ltd	-	-	181.29	181.29	198.95
4. Premium Trade Link Private Ltd	-	-	95.60	95.60	95.60
5. Modi Care Ltd(Equity)	-	-	200.00	200.00	200.00
6. Modi Care Ltd (Preference)	-	-	250.00	250.00	250.00
7. International Research Park Laboratories Ltd	-	-	39.73	39.73	51.78
8. Beacons Travel	-	-	38.90	38.90	34.76
9. Modi Industries Ltd (Equity)	-	-	0.88	0.88	0.88
10. Modi Industries Ltd (Debentures)	-	-	0.66	0.66	0.66
11. Modi Spinning and Weaving Mills Co Ltd (Equity)	-	-	7.60	7.60	7.60
12. Modi Spinning and Weaving Mills Co Ltd (Preference)	-	-	0.17	0.17	0.17
13. KKM Management Center Pvt. Ltd.	-	-	102.56	102.56	96.13
14. Hifil Chemicals Pvt. Ltd.	0.49	-	-	0.49	0.49
15. KKM Management Centre Middle East FZE	-	-	45.29	45.29	-
<b>Total</b>	<b>5,824.97</b>	-	<b>54,694.02</b>	<b>60,518.99</b>	<b>79,461.45</b>
<b>Remuneration Payable to KMP</b>	-	3,221.26	-	3,221.26	1,464.28
<b>Total</b>	-	<b>3,221.26</b>	-	<b>3,221.26</b>	<b>1,464.28</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 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Nil, 31st March 2017: Nil). This assessment is undertaken each Financial Year through examining the financial position of the related party and the market in which the related party operates.

# Notes forming part of Financial Statements

## 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.

## Remuneration to KMP

Particulars	For the Year Ended March 31, 2018			For the Year Ended March 31, 2017		
	Executive Directors	Non - Executive Directors	Total	Executive Directors	Non - Executive Directors	Total
	Short-term employee benefits	2,659.56	178.50	2,838.06	1,158.88	175.00
Post-employment gratuity and medical benefits	339.85	-	339.85	125.40	-	125.40
Sitting Fees	-	43.35	43.35	-	38.13	38.13
	<b>2,999.41</b>	<b>221.85</b>	<b>3,221.26</b>	<b>1,284.28</b>	<b>213.13</b>	<b>1,497.41</b>

₹ in lakhs

## NOTE 46: SUMMARIZED FINANCIAL INFORMATION FOR JOINT VENTURE

The Group has a 51% equity interest in Indobaijin Chemicals Pvt. Ltd. and 49% equity interest in HIFIL Chemicals Pvt. Ltd, joint ventures involved in Manufacture, Marketing and Distribution of Chemicals. The Group's interest in both of 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. Summarized Financial Information of the Joint Venture, based on its Financial Statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

### Indobaijin Chemicals Pvt. Ltd.

#### A Summarized Balance Sheet :

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Current Assets	5,987.12	4,623.40
Non - Current Assets	26,281.88	26,645.30
Current Liabilities	7,423.51	10,042.23
Non - Current Liabilities	13,427.66	11,959.03
<b>Equity</b>	<b>11,417.83</b>	<b>9,267.44</b>
<b>Carrying Amount of Investment</b>	<b>5,824.48</b>	<b>4,726.39</b>

#### B Summarized Statement of Profit and Loss:

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	19,167.80	18,689.09
Cost Of Material Consumed	9,789.61	8,472.30
Employee benefit	905.33	779.16
Depreciation & amortization	1,788.49	1,852.62
Finance cost	1,229.47	1,598.61
Other expense	2,868.49	2,251.37
<b>Profit Before Tax</b>	<b>2,586.40</b>	<b>3,735.04</b>
Income Tax Expense	433.29	532.61
<b>Profit For The Year</b>	<b>2,153.11</b>	<b>3,202.43</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>(7.62)</b>
<b>Total comprehensive income for the year</b>	<b>2,153.11</b>	<b>3,194.81</b>
<b>Group's Share of Profit For The Year</b>	<b>1,098.09</b>	<b>1,633.24</b>
<b>Group's Share of Other Comprehensive Income</b>	<b>-</b>	<b>(3.89)</b>

# Notes forming part of Financial Statements

## Hifil Chemicals Pvt. Ltd.

### A Summarized Balance Sheet :

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Current Assets	0.43	0.44
Non - Current Assets	-	-
Current Liabilities	0.72	0.71
Non - Current Liabilities	-	-
<b>Equity</b>	<b>(0.28)</b>	<b>(0.27)</b>
<b>Carrying Amount of Investment</b>	<b>-</b>	<b>-</b>

### B Summarized Statement of Profit and Loss:

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	-	-
Other expense	0.01	0.63
<b>Profit Before Tax</b>	<b>(0.01)</b>	<b>(0.63)</b>
Income Tax Expense	-	-
<b>Profit For The Year</b>	<b>(0.01)</b>	<b>(0.63)</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(0.01)</b>	<b>(0.63)</b>
<b>Group's Share of Profit For The Year</b>	<b>0.00</b>	<b>(0.31)</b>
<b>Group's Share of Other Comprehensive Income</b>	<b>-</b>	<b>-</b>

### NOTE 47: ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARY / ASSOCIATES / JOINT VENTURES

Name of the Enterprise	FY 2017-18							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
<b>Parent</b>								
Indofil Industries Ltd.	68.47%	109,910.60	90.65%	21,391.95	22.47%	(5,920.90)	(562.78%)	15,471.05
<b>Subsidiaries</b>								
<b>Indian</b>								
Quick Investment (India) Ltd.	1.28%	2,059.64	0.79%	187.49	26.48%	(6,977.93)	247.01%	(6,790.44)
Good Investment (India) Ltd.	3.32%	5,324.99	1.54%	364.23	51.08%	(13,459.80)	476.37%	(13,095.57)
<b>Foreign</b>								
Indofil Bangladesh Industries Pvt. Ltd.	0.01%	15.39	(0.37%)	(87.04)	-	-	3.17%	(87.04)
Indofil –Costa Rica S.A.	0.00%	0.01	0.00%	-	-	-	-	-
Indofil Industries (Netherlands) B. V.	7.82%	12,560.19	5.45%	1,285.53	(0.01%)	3.48	(46.89%)	1,289.01
Indofil Industries International	0.49%	789.39	(0.05%)	(12.88)	(0.01%)	3.48	0.34%	(9.40)
Indofil Industries DO Brasil Ltda	0.05%	73.60	(1.41%)	(332.59)	(0.01%)	3.48	11.97%	(329.11)
Indofil Philippines, Inc.	0.04%	65.86	(0.28%)	(65.11)	0.00%	-	2.37%	(65.11)

# Notes forming part of Financial Statements

₹ in lakhs

Name of the Enterprise	FY 2017-18							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
<b>Joint Venture (as per Equity Method)</b>								
<b>Indian</b>								
Indobaijin Chemicals Pvt Ltd	3.63%	5,824.48	4.65%	1,098.09	0.00%	-	(39.94%)	1,098.09
HIFIL Chemicals Pvt. Ltd.	0.00%	(0.14)	0.00%	-	-	-	0.00%	-
Inter Company Elimination	14.89%	23,897.80	(0.98%)	(230.48)	0.00%	0.00	8.38%	(230.48)
<b>Total</b>	<b>100.00%</b>	<b>160,521.81</b>	<b>100.00%</b>	<b>23,599.16</b>	<b>100.00%</b>	<b>(26,348.21)</b>	<b>100.00%</b>	<b>(2,749.05)</b>

₹ in lakhs

Name of the Enterprise	FY 2016-17							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
<b>Parent</b>								
Indofil Industries Ltd.	57.11%	94,535.49	84.09%	21,804.21	3.75%	(138.66)	97.43%	21,665.55
<b>Subsidiaries</b>								
<b>Indian</b>								
Quick Investment (India) Ltd.	15.39%	25,471.79	0.80%	208.31	31.63%	(1,168.32)	(4.32%)	(960.01)
Good Investment (India) Ltd.	29.60%	48,993.29	1.27%	328.19	64.62%	(2,387.09)	(9.26%)	(2,058.90)
<b>Foreign</b>								
Indofil Bangladesh Industries Pvt. Ltd.	0.01%	14.20	(0.35%)	(90.04)	0.00%	-	(0.40%)	(90.04)
Indofil Costa Rica S.A.	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Indofil Industries (Netherland) B. V.	5.83%	9,657.66	9.88%	2,560.96	(41.39%)	1,529.00	18.39%	4,089.96
Indofil Industries International	0.04%	69.22	0.00%	-	0.00%	-	0.00%	-
<b>Joint Venture (as per Equity Method)</b>								
<b>Indian</b>								
Indobaijin Chemicals Pvt Ltd	2.86%	4,726.39	6.30%	1,633.24	0.11%	(3.89)	7.33%	1,629.35
HIFIL Chemicals Pvt. Ltd.	0.00%	(0.13)	0.00%	(0.31)	0.00%	-	0.00%	(0.31)
Inter Company Elimination	(10.84%)	(17,945.48)	(1.98%)	(513.98)	41.29%	(1,525.11)	(9.17%)	(2,039.09)
<b>Total</b>	<b>100.00%</b>	<b>165,522.44</b>	<b>100.00%</b>	<b>25,930.58</b>	<b>100.00%</b>	<b>(3,694.07)</b>	<b>100.00%</b>	<b>22,236.51</b>

# Notes forming part of Financial Statements

## NOTE 48: SEGMENT REPORTING

₹ in lakhs

A Primary Segment (by Business Segment)	For the year ended March 31, 2018				For the year ended March 31, 2017			
	AGRO	Innovative Solution (erstwhile SPCD)	Investment	TOTAL	AGRO	Innovative Solution (erstwhile SPCD)	Investment	TOTAL
<b>a) Revenue :</b>								
External Sales and other Income	180,392.79	24,830.92	558.54	205,782.25	174,702.85	21,404.27	552.63	196,659.76
Inter Segment Sales Revenue	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>180,392.79</b>	<b>24,830.92</b>	<b>558.54</b>	<b>205,782.25</b>	<b>174,702.85</b>	<b>21,404.27</b>	<b>552.63</b>	<b>196,659.76</b>
<b>b) Result :</b>								
Segment Result	30,246.46	1,414.06	555.84	32,216.36	34,268.96	992.36	548.61	35,809.93
Unallocable Corporate Expenses				(306.51)				(323.98)
Unallocable Corporate Income				471.46				462.79
Profit before Interest and Tax	30,246.46	1,414.06	555.84	32,381.30	34,268.96	992.36	548.61	35,948.73
Less :- Finance Cost				6,270.02				4,131.60
<b>Profit Before Tax</b>				<b>26,111.29</b>				<b>31,817.14</b>
Provision for Tax & Deferred Taxes				3,610.18				7,519.64
<b>Profit After Tax</b>				<b>22,501.10</b>				<b>24,297.50</b>
Share of profit(Loss) of Joint Venture				1,098.09				1,633.06
<b>Profit For the Year</b>				<b>23,599.19</b>				<b>25,930.56</b>
<b>c) Other Information :</b>								
<b>Segment Assets</b>	218,610.45	18,357.43	54,746.17	291,714.05	165,948.11	11,047.32	74,470.30	251,465.73
Unallocable Assets				33,529.46				46,599.07
<b>Total Assets</b>				<b>325,243.52</b>				<b>298,064.81</b>
<b>Segment Liabilities</b>	25,799.44	2,379.04	1.44	28,179.92	19,580.35	3,263.41	0.76	22,844.52
Unallocable Liabilities				136,541.78				109,697.85
<b>Total Liabilities</b>				<b>164,721.70</b>				<b>132,542.37</b>
<b>Capital Expenditure during the Year</b>	20,170.34	6,593.61	-	26,763.95	10,940.97	186.55	-	11,127.52
Depreciation & Amortization	6,663.44	108.51	-	6,771.95	5,807.05	106.72	-	5,913.77
Unallocable Depreciation				306.51				323.98
Non-Cash Expense other than Depreciation				800.00				701.12

# Notes forming part of Financial Statements

₹ in lakhs

B Secondary Segment Information (by Geographic Segments)	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Domestic	Export	TOTAL	Domestic	Export	TOTAL
<b>Revenues</b>						
AGRO	97,452.98	82,939.80	180,392.79	90,140.82	84,562.03	174,702.85
Innovative Solution	22,283.95	2,546.97	24,830.92	18,552.69	2,851.59	21,404.27
Investment	558.54	-	558.54	552.63	-	552.63
<b>TOTAL</b>	<b>120,295.48</b>	<b>85,486.77</b>	<b>205,782.25</b>	<b>109,246.14</b>	<b>87,413.62</b>	<b>196,659.76</b>

## Notes:

The Group has identified three reportable business segments viz. Agrochemicals (AGRO), Innovative Solution Division 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.

- i. 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".
  - ii. 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".
- 49** Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.
- 50** Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation
- 51** Figures in brackets indicate previous year's figures and have been regrouped / reclassified wherever necessary to confirm to Current Year's classification.

GROUP INFORMATION	1
SIGNIFICANT ACCOUNTING POLICIES	2
NOTES ON ACCOUNTS	3-51

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

**K. K. Modi**  
Chairman and Managing Director

**Charu Modi**  
Executive Director

**R. K. Malhotra**  
Group CEO

**(H. G. BUCH)**  
Partner  
Membership No. 033114

**Devang Mehta**  
Company Secretary

**Rajib Mukhopadhyay**  
Chief Financial Officer

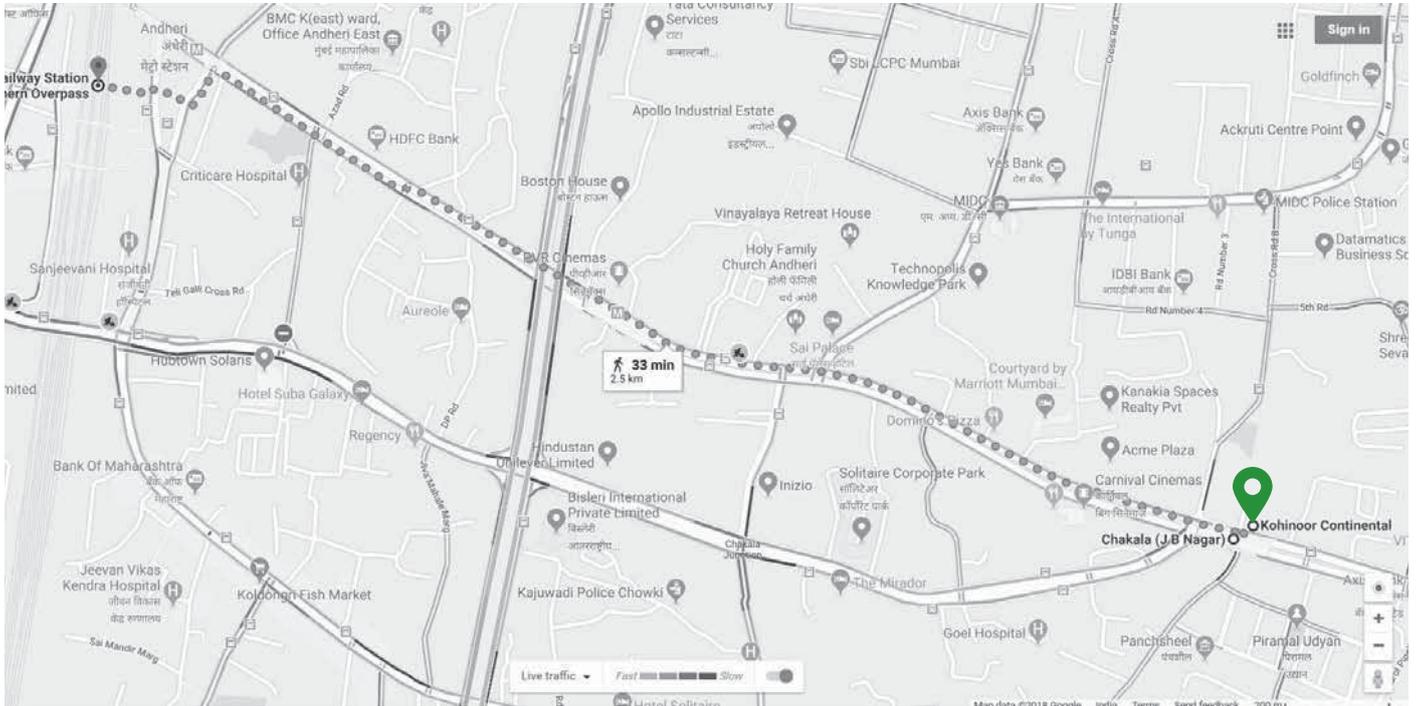
**Mr. Samir Modi**  
**Ms. Aliya Modi**  
**Mr. Atchutuni L. Rao**  
**Mr. M. N. Thakkar** } Directors

**Mr. Sunil Alagh**  
**Mr. Sanjay Buch**  
**Mr. S. Lakshminarayanan**  
**Mr. Ranvir Prasad** } Directors

Mumbai, June 13, 2018

Mumbai, June 13, 2018

**ROUTE MAP TO THE VENUE OF THE 25TH ANNUAL GENERAL MEETING OF INDOFIL INDUSTRIES LIMITED**





# INDOFIL INDUSTRIES LIMITED

Form No. MGT-11

CIN.U24110MH1993PLC070713

Registered Office: Kalpataru Square, 4th Floor, Kondivita Road, Andheri East, Mumbai-400059.

Website : www.indofilcc.com Email ID: indofil@modi.com

Telephone : 022 – 66637373, Fax: 022-28322272

## Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) : \_\_\_\_\_

Registered Address: \_\_\_\_\_

E.Mail Id : \_\_\_\_\_ Folio No./Client Id: \_\_\_\_\_ DP ID \_\_\_\_\_

I/We, being the members(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name : \_\_\_\_\_

Address: \_\_\_\_\_

e-mail ID : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her

2. Name : \_\_\_\_\_

Address: \_\_\_\_\_

e-mail ID : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her

3. Name : \_\_\_\_\_

Address: \_\_\_\_\_

e-mail ID : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 26th September, 2018 at 11.00 A.M. at Hotel Kohinoor Continental, Andheri - Kurla Road, J B Nagar, Andheri East, Mumbai, Maharashtra 400059 at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business: Resolution No. 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_

Special Business: 5. \_\_\_\_\_ 6. \_\_\_\_\_ 7. \_\_\_\_\_ 8. \_\_\_\_\_

9. \_\_\_\_\_ 10. \_\_\_\_\_ 11. \_\_\_\_\_

(For Resolutions, Explanatory Statement and notes, please refer to the Notice of 25<sup>th</sup> Annual General Meeting).

Signed this \_\_\_\_\_ day of September, 2018.

\_\_\_\_\_  
Signature of shareholder / Signature of Proxy holder(s)

**Affix  
Revenue  
Stamp**

**Note:** This form of proxy , in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.









# Corporate Information

## BOARD OF DIRECTORS

### Mr. K. K. Modi

Chairman and Managing Director

### Ms. Charu Modi

Executive Director

### Mr. Samir Kumar Modi

Non-Executive, Non Independent Director

### Ms. Aliya Modi

Non-Executive, Non Independent Director

### Mr. M. N. Thakkar

Independent Director

### Mr. S. K. Alagh

Independent Director

### Mr. Sanjay Buch

Independent Director

### Mr. S. Lakshminarayanan, IAS (Retd.)

Independent Director

### Mr. Rajesh Kumar Singh

Nominee Director - UPSIDCL

### Dr. Atchutuni Rao

Director - Manufacturing, Operations and Safety

### Mr. R. K. Malhotra

Group Chief Executive Officer

### Mr. Devang Mehta

Head Compliance & Company Secretary

### Mr. Rajib Mukhopadhyay

Chief Financial Officer

## STATUTORY AUDITORS

**M/s. Bansi S. Mehta & Co.**

## INTERNAL AUDITORS

**M/s. Aneja Associates**

## COST AUDITORS

**M/s. Kalpana P. Mehta & Co.**

## SOLICITORS

**M/s. Crawford Bayley & Co.**

## BANKERS

Union Bank of India

Indusind Bank Ltd.

Rabo Bank Plc

Export Import Bank of India

ICICI Bank Ltd.

Syndicate Bank

Hongkong and Shanghai Banking Corporation Ltd.

South Indian Bank Ltd

DBS Bank Ltd.

RBL Bank Limited

HDFC Bank Ltd.

Cosmos Co-op Bank Ltd.

## REGISTRAR AND SHARE TRANSFER AGENT

### MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area

Phase - II, New Delhi - 110 020.

Tel. No.: 011 2638 7281 - 82 - 83

Fax No.: 011 2638 7384

E-mail: info@masserv.com

## REGISTERED OFFICE

Kalpataru Square, 4th Floor,

Kondivita Road,

Off Andheri-Kurla Road,

Andheri (East), Mumbai - 400 059.

CIN No. U24110MH1993PLC070713

Tel. No.: +91 22 6663 7373

Fax No.: +91 22 2832 2272

E-mail: indofil@modi.com

Website: www.indofilcc.com

## WORKS

1. Off S.V. Road, Azad Nagar, Sandoz Baug, P. O. Thane - 400 607. Maharashtra. Tel. No.: +91 22 6799 9100 Fax No.: +91 22 2589 8357
2. Plot No. Z8, SEZ Area, Dahej SEZ Limited, Taluka Vagra, Dist. Bharuch, Gujarat - 392 130. Tel No.: +91 2641 677201 Fax No.: +91 2641 304126
3. Plot No. 212, SEZ Area, Dahej SEZ Limited, Taluka Vagra, Dist; Bharuch, Gajara - 392 130 Tel. No.: +91 2641 282501 Fax No.: +91 2641 304126



**Registered Office**

Kalpataru Square, 4th Floor,  
Kondivita Road,  
Off. Andheri Kurla Road,  
Andheri East,  
Mumbai 400 059  
India

**Contact**

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indofil@modi.com | www.indofilcc.com

**CIN**

U24110MH1993PLC070713