

23rd ANNUAL REPORT
2015-16

POISED
FOR
GROWTH



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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 verbal, 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 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 statements, whether as a result of new information, future events or otherwise.

We are suitably positioned at a time of interesting change. India is now at the cusp of significant transformation with renewed focus on agricultural output and rural welfare. Besides, consistent economic growth and the Government's focus on across-the-board reforms are creating more opportunities for businesses. In this context, we see a larger role for ourselves in helping enhance India's agricultural output and farmer well-being.

We are focusing on incremental innovation to integrate customer insights, improve our processes and reduce time to market. At the same time, we are expanding our global footprint to touch unexplored markets and create value for a wider customer cross-section.

In our journey towards building a sustainable value-creating enterprise, we believe collaboration is as much important as competition. Therefore, we are entering into new partnerships and strategic alliances to strengthen the value proposition of our brand. We are also investing in nurturing critical talent, and building leadership for the next lap of the journey.

Our initiatives are translating into measurable outcomes. The current financial year saw us deliver our best ever performance till date; and in a year in which the agrochemical industry grappled with major challenges.

We have drawn up a definite roadmap for the future to emerge as a global leader in the agro and speciality chemicals business with focus on customer satisfaction.

Supported by our key corporate tenets of Energize, Empathize and Engage, we are poised for exponential growth.



VALUE CREATION FOR DECADES

INDOFIL INDUSTRIES LIMITED (INDOFIL) IS A RESEARCH-LED, FULLY INTEGRATED MULTI- PRODUCT CHEMICAL COMPANY, OPERATING UNDER THE AEGIS OF K. K. MODI GROUP OF COMPANIES.

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 & Performance Chemicals Business for over five decades. Focused on improving the well-being of farmers in India and globally, it has the ambition "To become a Global Leader in Growth with Customer Success".

The Company has significant presence in international agricultural chemical market to emerge as a preferred supplier of Mancozeb. Its footprint has expanded considerably since its foray into the international market several years ago. The Company believes in staying in tune with customer's pulse, offering a wide range of quality products, technical and logistics support, customized packing and prompt delivery.

Indofil owns and operates one of the most modern production facilities in the industry at Dahej SEZ, Gujarat and Thane, Maharashtra.

The facilities are ISO 9001, ISO 14001 and OHSAS 18001 certified; and the processes are fully automated with advanced equipment and environmentally-compliant machines, ensuring faster throughput and safe working conditions. Along with these two multi-product, state-of-the-art, manufacturing facilities, Indofil has multiple contract manufacturing units across various locations in India.

At Indofil, we believe that our partnership in manufacturing, marketing, along with research & development initiatives globally will catalyze our future growth and help us realize our vision.

₹ 1,638 CR

Standalone Net
Revenue from
Operation
[FY 2015-16]

801

Employees as at
March 31, 2016

₹ 28 CR

R&D Investment
[FY 2015-16]

20,000 MT

Capacity at Thane,
Maharashtra

28,000 MT

Capacity at Dahej,
Gujarat

OUR VISION

To be a global leader in growth with customer success.

OUR MISSION

Our mission is to achieve leadership in Growth Rate. We will leverage our efficient R&D, Registration, Manufacturing and Marketing competencies through our committed and proficient team.

We will strive to make our customers successful by providing high-quality products, services and solutions in domestic and global markets. To expedite growth, we will use collaborations, acquisitions and manufacturing proximity to the market in the segments of crop care, specialty and performance chemicals.

ENDURING VALUES

Customer success

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

Knowledge

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

Prosperity

Winning, doing better than others through exploiting new opportunities and enhancing the interests of every employee, shareholder and stakeholder. To be recognized 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.

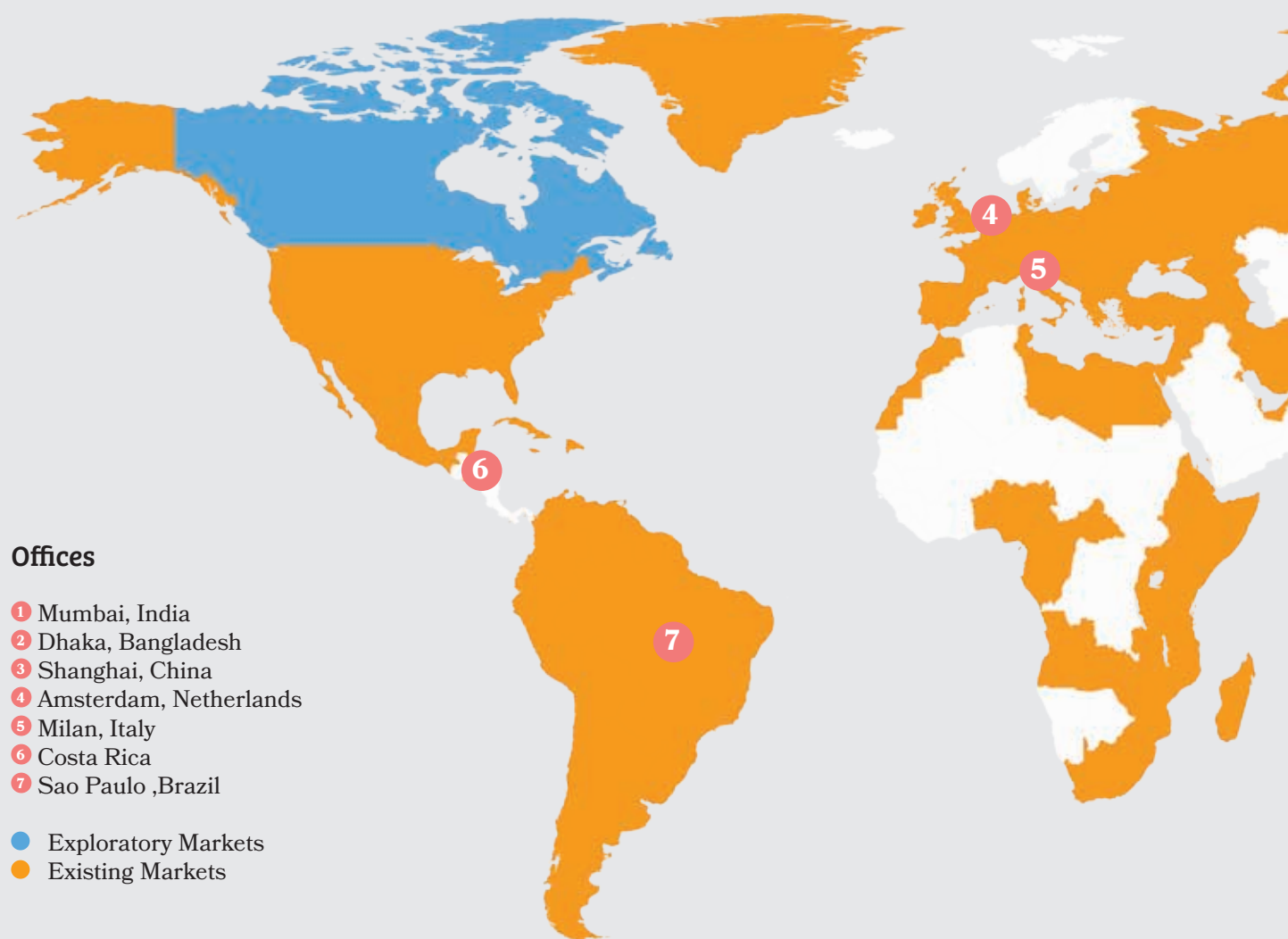
Velocity

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

BUSINESS DOMAINS

- **Agrochemicals Business**
Fungicides, Insecticides, Herbicides, Acaricides, Plant growth regulators, surfactants, Plant nutrition
- **Specialty and Performance Chemicals Business**
Textile, Plastic, Coating and Leather Chemicals

OPERATIONAL HIGHLIGHTS FY 2015-16



6

Overseas
Offices

95

Presence in
Countries

NEW REGISTRATIONS/APPROVALS

- Submitted 59 applications for International registrations.
- Received 55 overseas registrations.

ACCREDITATIONS

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

- Good Laboratory Practices (GLP) Certification for our R&D Analytical Laboratory facility.
- National Accreditation Board for Testing and Calibration Laboratories (NABL) for our R&D Analytical Laboratory facility.
- OHSAS 18001 and ISO 14001 for Dahej Plant.



HIGHLIGHTS FY 2015-16

- For the first time achieved Profit Before Tax (PBT) of more than ₹ 200 Crores on a Standalone basis.
- With a 10% growth in Revenues, our Profit before Tax and Exceptional Items has increased by more than 90% over last year.
- Due to sustained efforts on all fronts to improve productivity, our Operating Performance improved significantly with EBITDA margins increased 18% as compared to 16.3% a year ago.
- Construction Activity for New Synthesis Plant at Dahej SEZ, Gujarat in full swing. Commercial Production to start from October 2016.

AWARDS & RECOGNITION

- Recognized as '100 most valuable brands', an award from World Consulting and Research Corporation.
- Recognized as the 'Fast 50 – Indias fastest growing brand-2016' by World Consulting and Research Corporation.
- 'Krishi Sanman' - Inspiration Award for Farmer's Welfare Work.
- Thane plant received Safety Award from Greentech Foundation.
- Syngenta Supplier Award 2016 for Partnership.

KEY PERFORMANCE INDICATORS

Total Revenue (₹ in lacs)

5 year CAGR **14%**

| | |
|---------|----------|
| 2015-16 | 1,64,430 |
| 2014-15 | 1,49,906 |
| 2013-14 | 1,36,640 |
| 2012-13 | 1,12,977 |
| 2011-12 | 98,302 |

Gross Fixed Assets (₹ in lacs)

| | |
|----------|--------|
| 2015-16 | 75,637 |
| 2014-15* | 58,366 |
| 2013-14 | 81,758 |
| 2012-13 | 72,836 |
| 2011-12 | 63,025 |

* Pursuant to sale of Assets to WOS

Profit After Tax (₹ in lacs)

5 year CAGR **39%**

| | |
|----------|--------|
| 2015-16 | 16,329 |
| 2014-15* | 10,264 |
| 2013-14 | 9,095 |
| 2012-13 | 6,231 |
| 2011-12 | 4,345 |

* Before Exceptional Items

Net Profit Margin (%)

| | |
|----------|------|
| 2015-16 | 9.93 |
| 2014-15* | 6.85 |
| 2013-14 | 6.66 |
| 2012-13 | 5.52 |
| 2011-12 | 4.42 |

* Before Exceptional Items



Book Value Per Share (₹)

| | |
|---------|-----|
| 2015-16 | 342 |
| 2014-15 | 279 |
| 2013-14 | 209 |
| 2012-13 | 169 |
| 2011-12 | 163 |

EBITDA (₹ in lacs)

5 year CAGR **26%**

| | |
|----------|--------|
| 2015-16 | 29,575 |
| 2014-15* | 24,506 |
| 2013-14 | 23,486 |
| 2012-13 | 13,258 |
| 2011-12 | 11,750 |

* Before Exceptional Items

Net Worth (₹ in lacs)

5 year CAGR **26%**

| | |
|---------|--------|
| 2015-16 | 72,960 |
| 2014-15 | 58,180 |
| 2013-14 | 43,125 |
| 2012-13 | 34,998 |
| 2011-12 | 29,317 |

EBITDA Margin (%)

| | |
|----------|----|
| 2015-16 | 18 |
| 2014-15* | 16 |
| 2013-14 | 17 |
| 2012-13 | 12 |
| 2011-12 | 12 |

* Before Exceptional Items

Earnings Per Share (₹)

| | |
|----------|----|
| 2015-16 | 76 |
| 2014-15* | 49 |
| 2013-14 | 44 |
| 2012-13 | 30 |
| 2011-12 | 24 |

* Before Exceptional Items

BUSINESS REVIEW

AGROCHEMICALS

Indofil's portfolio of agrochemicals includes fungicides, insecticides, herbicides, plant nutrition, acaricides, as well as surfactants. The division has the ability to develop and deliver innovative active ingredients and formulations that enhance crop health and lead to a better farm output.

At Indofil, we are committed to excellence in product quality and service. Our focus is on ensuring the well-being of farmers by protecting crops and ensuring better

yields. The division is supported by agricultural graduates, postgraduates and doctorates, as well as a strong technical, marketing, sales and logistics group. Our productivity improvement programme is designed to educate farmers through demonstrations for effective and economic ways of crop protection and production.

DOMESTIC

5,200
Distributors

6
Offices

₹ 732 CR
Revenue

45%
Revenue share

Highlights FY 2015-16

- Launched new product offerings in the Plant Nutrition segment.
- Launched killog and Zechor under the Herbicide segment.



Fungicides

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

Brand

Indofil M-45, Indofil Z-78, Avtar, Sprint, Merger, Indofil's Baan, Baan Gold, Matco 8-64, Moximate, Companion, Debut, Boon, Noor, Benfil, Captra, Dhan, Eurofil-NT, Sitara, Sitara Plus, Sulfil, Trucop, Captra, Manfil, Share

Insecticides

Once crops are infected by insects, it becomes difficult to contain the pests naturally. They spread fast, causing considerable loss to crops. Insecticides offered by us kill or prevent multiplication of insects in the crop. These also help to significantly increase farm yield.

Brand

Rimon, Token, Beacon GR, Atom, Atom power, Agent plus, Agent Capsule, Lift, Gem, Blaze, Stalker SC, Stalker GR, Click, Flash, Dash, Asset, Raze, Beacon SP, Bemiron, Indothrin.

Herbicides

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

Brand

Society, Oxygold, Passport, Gromate, Flatt, Chase, Offset, Clean up, Atrafil, Speed, Pixo, Overtake

Acaricides

The Acaricides help stop the spread of pests in the crops. This chemical is used to kill or prevent the spread of pests, such as ticks and mites, which belong to the Acari group.

Brand

Mitex, Colonel-S, Raze

Surfactants & Plant Growth Regulators

A kind of wetting agent to reduce interfacial tension between two liquids to facilitate easier dispersion of sprayed material.

Brand

Indtron AE, Filwet Premium, Ethefol, Superfix, Banole

Plant Nutrition

Plant Nutrition Portfolio includes patented technology products in collaboration with a US Company. These are Amino acid based bio simulants that can be used on any crop for productivity improvement.

Brand

Indolife Crop Energy, Indolife Fruit Energy, Indolife Vital Energy, Indolife Green Energy, Indolife Zinc



BUSINESS REVIEW

INTERNATIONAL



Highlights FY 2015-16

- Highest ever gross and operating margins for the business.
- Our wholly owned subsidiary (WOS) Indofil Industries (Netherlands) B.V. catering to the European market commenced operations during the year.
- With a long-term perspective entered the Brazilian Agrochemical market through Indofil Industries DO BRASIL LTDA, a step down subsidiary of our Company.

International Offerings

Indofil's International Business covers offerings from Agrochemicals as well as Specialty Chemicals across over 95 countries.

Mancozeb, Tricyclazole, Myclobutanil, Maneb, Zineb, Dodine Ethylene-bis dithiocarbamates (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

SPECIALTY AND PERFORMANCE CHEMICALS (SPCD)

The Specialty and Performance Chemicals (SPC) division caters to the needs of small, medium and large industrial manufacturers in India as well as in few selected countries through a network of zonal, regional offices, depots and distributors at major industrial centres.

We have three manufacturing facilities in Thane, Vashi and Vapi which are supported by a highly qualified and well-experienced sales team. The primary industries to whom we supply consists of leather, coating, textile, plastics and construction.

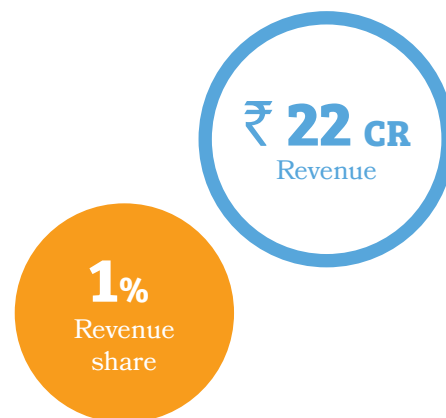
Highlights FY 2015-16

- Increase in Overall Gross Margins from 17% in FY 2014-15 to 23% in FY 2015-16.
- Entry into Technical Textiles Segment, launch of Specialty Fat Liquor in Leather vertical and Lubricants in Plastic vertical.

SPCD DOMESTIC



SPCD INTERNATIONAL



| Industry | Product Category |
|---------------------------|--|
| Leather | Preservatives, Soaking and Wetting Agents, Degreasing Agents, Powder Syntans, Acrylic Syntans, Fatliquors, WR Fats, Resin Binders, Impegnation systems, Compact Binders, PU Binders, Protein Binders, Lacquer and Lacquer Emulsions, Waxes and Fillers |
| Textile | Acrylic Binders, PU Emulsions, Silicone Emulsions, Water Repellents, Fixing Agents, Pigment Emulsions, Customized Compounds, Thickeners |
| Plastic | Impact modifiers, Plasticisers, Processing aids, Heat stabilisers, Blowing Agents & lubricants |
| Coatings and Construction | Water Based Emulsions, Dispersing Agents, Thickeners, Defoamers/ Wetting Agents, Re- Dispersible Powders, Cement Modifiers, Water Proofing Chemicals, Rheology Modifiers |

INCREMENTAL INNOVATION TO DRIVE GROWTH

At Indofil, we focus on consistent research and development (R&D) initiatives that keep us abreast of changing customer requirements in a dynamic industry scenario. Our products are the result of our keen desire to innovate and grow sustainably.

Incremental innovation reduces the time cycle between customer feedback and product development. This enables us to meet evolving customer requirements by delivering best-in-class products. We are constantly adopting and attuning to innovative practices, with our strong focus on R&D, new business propositions and people engagement.

We applied for 59 international registrations last year and received 55 registrations. Companies need to be technically competent and financially sound to be able to apply for that many registrations. It is a matter of pride for us that our strength lies in both.

During the year, the synthesis team was engaged in developing processes for new products. To bring in velocity to New Product Concept to Customer (NPCC) process, certain products were also outsourced to Contract Research Organisation (CRO). This in turn, will ensure a healthy pipeline of products for future launches. The formulations team, besides improving existing products, worked on new technologies like extruded granules, OS formulation, micro encapsulation and various combination products. Our aim is

to meet the requirements of diverse geographies. Initiatives are also being undertaken to expand the range of fat liquor for shoe and gloves, and high performance binder and compact.

We have been formulating certain in-house products, while continuing to work on emerging and advanced techniques. Our purpose is to deliver better formulations, which would effectively bolster agricultural production.

In addition to robust in-house R&D efforts, we also outsource some of our research initiatives and further expand our product portfolio. Innovation catalyses our business and the aim is to provide the best solution to our customers.

Recently, our NABL and GLP certifications for analytical laboratory have been renewed, a testament to our commitment to R&D excellence.



55

Product Registrations
received during
the year

We believe in constant innovation
and reducing the time cycle between
customer feedback and product
development.

A MANDATE FOR CONSISTENT VALUE CREATION

For over five decades, we have honed our industry expertise and our rich experience in all these years have helped us create a robust roadmap for sustainable value creation. We have set definite priorities, and we are committed to work on them aggressively.

Our key strategies focus on building a strong product portfolio across categories and explore growth opportunities globally. We also strive to improve upon operational efficacy, develop our customer reach, invest in brand-building activities and ensure customer satisfaction.

SHIFT IN BUSINESS MODEL

We aim to focus on expanding our direct marketing through B2C business model. Although it is a prolonged and complicated process, it will ensure that we directly reach our customers and build branded and retail business. We have mastered this model in India with considerable success and hope to replicate it in other countries across Asia, Europe and South America. This will provide us with a multi-fold growth opportunity, going forward.

LAKSHYA 2X3

This year, after successfully reaching our Lakshya 1 goal, we have taken a step forward with Lakshya 2X3. Through Lakshya 2X3, we are aiming at becoming a 2-billion-dollar company (enterprise value) within the next three years. Our strategic priorities are in line with this vision; and we are confident that we will be able to achieve our goal again. Our endeavour is to emerge as a global leader in agro and speciality chemicals business with focus on customer

satisfaction. For making Lakshya 2X3 successful, we have identified three key priority pillars or '3 Es' – Energize, Empathize and Engage.

We are partnering with farmers and channel partners to transform our vision into reality. We have taken all necessary steps towards the realization of our goals. We are certain that we will create greater value by achieving our objectives, going forward.

LEADERSHIP DEVELOPMENT

At Indofil, we value our people and we believe that great leaders are created with incremental learning and training. Our concept of leadership pipeline aims at tapping the natural talent of our team. We provide our people with adequate learning opportunities to transform proven leaders into global executives. We nominated few key business leaders for the 'Advanced Management Program (AMP)' at Harvard. Many of the second-line leaders have also been sent for trainings in premier Indian Institutes such as IIMs and ISB, among many others.

Our leadership development programme recognizes high potential employees and gives them parallel assignments, while providing necessary support during the implementation phase. This strategy provides greater growth opportunities for individuals.



Aim to be
US \$

2

billion
Enterprise
in 3 years

We have identified three
key priority pillars, the 3
Es – Energize, Empathize
and Engage.

A COMMITMENT TO GROW GLOBALLY

We are committed to gradually grow our International Business and strengthen our value proposition. Our International Business, which started way back in 1992, gained momentum in the last few years. It is now one of our strongest pillars, contributing around 45% to our total revenues.

We are already present in over 95 countries and associated with more than 300 distributors. Our aim is to further strengthen our global footprint. We are constantly exploring and evaluating multiple opportunities to increase our worldwide customer base and reach.

Europe remains one of our strategic markets. We acquired the European Dithane Fungicide Business of Dow AgroSciences in 2012 to strengthen our presence in the region. Since then, we established our presence through our wholly owned subsidiary (WOS) namely, Indofil Industries (Netherlands) B.V., which started commercial operations during the year. The WOS is the Company's gateway to further consolidate its position in Europe and successfully implement its 'Growth Model'.

With the objective to foray into Latin America, the world's largest and fastest growing agrochemical market, we established a step down subsidiary in Brazil namely, Indofil Industries DO Brasil LTDA. The entity, besides holding key product registrations will act as the centre of future expansion initiatives in that region.

Going forward, we intend to strengthen our presence in the Asia Pacific Region, one of the major markets for us besides Europe and Latin America. Since the last few years, we have our presence in Bangladesh, where extensive groundwork and market research are being done.

Our endeavour will be to leverage the full potential of all these markets and drive our next phase of growth. Supported by our encouraging success in domestic markets, we will continue to explore new geographies and build new relationships, while strengthening our position in existing markets.



We will continue to explore new geographies and build new relations while strengthening our position in existing market.

6

Overseas Offices

A FIRM FOCUS ON COLLABORATION

Today's fast-paced marketplace requires mutually beneficial partnerships to leverage creativity, experience and resources. This will help us innovate with speed. Collaboration is no longer just a strategy; it is a key to long-term business growth and competitiveness. In order to succeed in the new global economy, collaboration is the need of the hour.

Cooperating with competitors may have been counterintuitive years ago; but today it is a necessity for a successful business. With this approach, we entered into a joint venture (JV) with the Shanghai Baijin Group of China to set up a state-of-the-art CS₂ manufacturing plant at Dahej Sez, Gujarat. The plant, which was commissioned in 2014 under Indobaijin Chemicals Pvt. Ltd. (JV Company), is the first-of-its-kind in India to use green technology. It uses natural gas in contrast to the traditional charcoal-based CS₂ manufacturing plants. The JV caters to a wide spectrum of external customers – both in India and overseas. During the financial year ended March 31, 2016, the JV registered a turnover of ₹ 139 Crores with an EBITDA of ₹ 28 Crores, at an average margin of 22%.

We have also established strategic relationship with Hisun Chemicals Group to form a JV in India. The primary objective was to register exclusive imports of agriculture chemicals; and to distribute formulations. The data generation for the registration is in progress; and Hifil Chemicals Pvt. Ltd. (JV Company) is soon expected to commence operations.

Over the last few years, we have also made significant progress in making co-marketing alliances with key accounts in India. This has enabled the distribution of patented mixture formulations (buying and selling) and introduce them in other Asian countries.

We believe in the power of collaboration rather than competition, and hence, this year has seen some major alliances. These alliances will benefit Indofil and all those associated with the Company in the long run.

We have largely focused on plant nutrition portfolio to provide sustainable solutions to farmers. In collaboration with a US company, we have made arrangements for a patented technology called 'Metalosate'. We have entered into an exclusive agreement to introduce this technology in the country, which will strengthen our product portfolio to a large extent.

We have also launched imported products from South Korea like rice herbicide, 'Zechor', which is expected to increase farm yield.



Collaboration is no longer just a strategy; it is a key to long-term business success and competitiveness.

STRENGTHENING HUMAN CAPITAL

AT INDOFIL, WE STRIVE TO FOSTER AN INSPIRING WORKPLACE, WITH A CULTURE OF ATTRACTING, NURTURING AND RETAINING THE BEST TALENT. OUR AMBITIOUS GROWTH PLANS HELP CREATE OPPORTUNITIES FOR OUR PEOPLE AND HELP THEM EMERGE AS FUTURE LEADERS.



**NURTURING
TALENT**



**MOTIVATING
DIVERSE
WORKFORCE**



**LEARNING
ENVIRONMENT**

In line with our '2x3 vision', we are developing our leaders within our organization. We have been consistently investing in leadership development to strengthen existing skills and build new ones. Our executives rigorously attend various curriculum-based programmes including the Advanced Management Programme – Harvard, 3 Tier Leadership Programme - IIM A and Linking HR Strategy to Business Strategy – ISB, among others. We believe that our leadership development is part of the business strategy, not just aligned with the strategy.

Our strategies to nurture talent are now expanding on a global scale. We are working towards accelerating business growth in emerging economies by tapping into local talent and skills. Currently, we are shifting our focus on diversity and inclusion. Our leadership team is open to new ideas, new people and new ways of thinking to leverage the advantages of a diverse workforce and drive business growth performance. A good blend of skill development, behavioral and functional programs provide a platform for growth.

We emphasize on '70-20-10 model of adult learning', where employees are encouraged to take up new responsibilities through on-the-job projects. We also focus on creating a good blend of skill development and behavioral and functional programmes to provide a strong platform for growth. We imbibe the culture of learning from the best industry practices as well as our own experience. We try to foster an environment that is conducive to learning through openness to new ideas and thoughtful reviews.

FOSTERING SUSTAINABLE GROWTH

WE HAVE INVESTED IN ENVIRONMENTAL HEALTH AND SAFETY (EHS) INITIATIVES TO INTEGRATE SUSTAINABILITY IN ALL OUR PROCESSES. WE HAVE REVAMPED OUR EHS FACILITIES, SYSTEMS AND PLANT DESIGN TO ENSURE HOLISTIC DEVELOPMENT, BENEFITING OUR WIDENING FRATERNITY OF STAKEHOLDERS.

Our major sustainability initiatives during the year comprise the following:

- Reviewed our EHS policy in the context of contemporary scenario to ensure long-term business success;
- Integrated EHS responsibilities as objectives and targets in performance appraisal to ensure the implementation of EHS policy;
- Introduced a monthly EHS theme to engage employees on EHS issues and provide awareness;
- Awarded 'safety man of the month' (every month) to encourage employees for active participation in the EHS process;
- Provided EHS training to enhance skills and competence of employees and contractors;
- Introduced process risk analysis for all critical operations to identify EHS risks;
- Ingrained 'Safety Talk', 'Lesson Learned' and 'Tool Box Talk' in our culture to bring attitudinal change in employees towards EHS issues;
- Promoted community awareness via EHS awareness procession, safety leaflet distribution, and one-to-one discussion on EHS issues with the representatives of surrounding communities, during safety week celebrations;
- Implemented the behaviour-based safety programme at Dahej manufacturing unit under 'Roko and Toko' project;
- Launched the personal safety commitment campaign at Dahej on Indofil Annual Day (26th January, 2016);
- 'Process Risk Analysis' and 'Pre Start Up Safety Review' have been made an integral part of any new project to ensure the safe design aspect of processes and operations.



GROWING SOCIAL RESPONSIBILITY

SUPPORTING THE SOCIETY'S MARGINALISED SECTIONS IS OUR BUSINESS PRIORITY. THEREFORE, WE DEFINE CSR AS CONDUCTING BUSINESS IN A MANNER THAT PROVIDES SOCIAL, ENVIRONMENTAL AND ECONOMIC BENEFITS TO OUR COMMUNITIES.

Our CSR Committee has framed a policy and decided on initiatives to be undertaken to strengthen our philosophy of being a responsible corporate citizen.

PARTNERING IN EDUCATION

Our CSR Committee has identified 'Promoting and Supporting Education Programmes' as the thrust area of the Company's CSR activities. We believe that the nation's strength lays in an educated society. K.K. Modi Group has been supporting philanthropic education for over six decades. The Group has created trusts that own and operate several education institutes, schools, colleges and training centres, among others. These organisations have taught over half-a-million students.

Modi Innovative Education Society (MIES), Chhattisgarh is a registered organisation engaged in educational activities. It is establishing a private university, K. K. Modi University in Mahmara village

of Durg district, Chhattisgarh. In line with 'Promoting Education', contributions have been made to strengthen MIES. Samaj Kalyan Parishad, Ghaziabad, Uttar Pradesh, which is a Modi Group Society has been appointed as an implementing agency to carry out CSR activities along with MIES. This organisation also plays a supervisory role for completing the project. The said project is in accordance with Schedule VII of the Companies Act, 2013.

Significant contributions have been made towards developing Prathmik Kanyashala Dahej Digital School – an initiative of the Department of Women and Child Development, Government of India.

OTHER ACTIVITIES

To support the Government's 'Swachh Bharat Abhiyan' initiative, we have associated with an NGO, Sulabh Sanitation Mission Foundation, in village 'Palta' in Bara bank district of Uttar Pradesh. The primary objective is to increase awareness about

the importance of proper sanitation for all. We have advocated an equity-based approach that focuses on improving the standard of living of marginalised sections. We are emphasizing on healthcare, women's dignity and overall social development.

THE BROAD SCOPE OF ACTIVITIES WOULD COVER



We also regularly conduct CSR activities in the adopted village of Purba, Gopinathpur, West Bengal, in collaboration with NGO, Ballygunge Society for Environment and Development.

Contributions have also been made during the year aggregating to lacs towards Streesakti, The Parallel

Force, an organization whose mission is to create a network for achieving equality, self-reliance and an equal opportunity for women in India and to envelop policies for empowerment.

We have also supported construction of houses for poor in the adopted village in Dahej, Gujarat.

CORPORATE SOCIAL RESPONSIBILITY CONTRIBUTION DURING THE YEAR

(₹ in Lacs)

| SECTOR | FY 2015-16 | FY 2014-15 |
|----------------------------|------------|------------|
| Education | 178.00 | 161.68 |
| Health Care and Sanitation | 10.00 | Nil |
| Others | 20.31 | 4.45 |

ENHANCING MANUFACTURING CAPACITY

During the year, we established our new Agro Synthesis Plant at Dahej SEZ of Bharuch, Gujarat. It is our third manufacturing location in India and second in Gujarat. The state-of-the-art, multi-product Agro Synthesis Plant manufacturing Technicals is expected to significantly increase the Company's manufacturing strengths. The following capabilities make the plant important for Indofil:

- Establishes us as a diversified agrochemical player with a wide spectrum of products
- Makes us as the most preferred partner for MNCs
- Provides CMO opportunities due to a wide-range of chemistries handled
- Ensures sustainable growth through manufacturing future-ready products

The Plant is spread across 50,000 square metre with an annual technical production capacity of 4,000 MT. Some of the key features of the plant include:

- Zero liquid discharge with the highest level of environmental, health and safety compliance
- Integrated energy management

- Programmable Logic Control (PLC) and centralised process control
- Gravity flow
- Flame-proof design for solvent handling

The Plant is backed by a strong research and development team, which has developed in-house process technology. Besides, there is an experienced registrations team. The product basket includes a healthy mix of fungicides and insecticides, spanning the entire gamut of crops including fruits, vegetables and grains, among others. Some of the key products offering include: **Tricyclazole, Metalaxyl, Cymoxanil, Propargite, Dodine, Myclobutanil, Triazoles, etc.**

The foundation stone of the Plant was laid by Shri K.K. Modi on 17th November 2014. Currently, the Plant is in final stages of construction. It is expected to start commercial production by October 2016.





CHAIRMAN'S MESSAGE



22%

Return on equity in FY 2015-16

DEAR STAKEHOLDERS,

I take great pleasure in sharing my thoughts with you after a satisfactory year for Indofil, amid a macro environment of positivity. During the year, India's GDP grew by 7.6%, despite a challenging global scenario, slowdown in China and lukewarm performance of emerging economies. The country became one of the world's fastest growing major economies during the year, crossing the 2 trillion dollar mark.

At Indofil, we continued our quest for sustainable growth. While the agrochemical industry was reeling under the impact of two consecutive droughts, we outperformed industry standards with 10% growth in revenue from operations over the last year. Our net profit before tax crossed the magical ₹ 200 Crores mark, growing by over ₹ 100 Crores over the last fiscal. The EBITDA margin stood at 18.0% during the year vis-à-vis 16.35% in FY 2014-15. We achieved a return on equity of 22% in FY 2015-16, one of the best in the agrochemical industry.

As a recognition of our consistent efforts towards farmer welfare, we have been accorded with the 'Krishi Sanman Puraskar 2015 – Inspiration Award for Farmer's Welfare Work.' We have also featured among the '100 Most Valuable Brands of the year 2015-16' and 'India's 50 fastest growing brands' from World Consulting and Research Corporation (WCRC). I would like to take this opportunity to thank all our stakeholders who have supported us in our endeavour and helped us achieve our goal of delivering profitable results.

India is at the threshold of a new era of growth and opportunity. This is largely driven by economic activity and pro-reform initiatives. The Government of India is in the final stages of implementing Goods and Services Tax ('GST'), which will have far-reaching impact on the country's economy. The Government's focus on rural welfare with emphasis on enhancing the income of farmers will benefit a huge section of the population and bolster economic growth.

“WE BELIEVE THAT CROP PROTECTION AND FARM SOLUTION HAVE AN IMMENSE POTENTIAL IN A COUNTRY LIKE INDIA, AND WE ARE WILLING TO ENGAGE WITH SUCH OPPORTUNITIES. WE ARE COMMITTED TO DELIVERING EXCELLENCE IN MANUFACTURING AND INNOVATION TO PROVIDE BEST-IN-CLASS FARM INPUTS.”

Some of the major initiatives, which deserve mention comprise the following: creation of a common electronic platform, which will allow farmers and traders to sell their produce to buyers anywhere in the country; the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) to strengthen farm productivity; the Prime Minister's Crop Insurance Programme and Soil Health Card Scheme, among many others. Indofil is committed to partnering India in its ongoing journey towards achieving sustainable development of the agricultural sector, besides attaining self-sufficiency.

We also believe that crop protection and farm solution have an immense potential in a country like India, and we are willing to engage with such opportunities. We are committed to delivering excellence in manufacturing and innovation to provide best-in-class farm inputs. We provided our research and development team with additional resources, where our team of scientists strive relentlessly to achieve these objectives.

Our success is dependent on multiple internal and external stakeholders: a robust sales force; research and development team; committed leadership; our employees; distributors; suppliers; shareholders; bankers and most importantly, the farmers with whom we work. I am grateful to our shareholders for supporting our vision and encouraging us to move forward with more confidence.

I take this opportunity to sincerely express my gratitude to each one of you. With your guidance and cooperation, we will be able to emerge as a Company with an Enterprise value of USD 2 billion in the next three years.

Warm Regards,

K. K. MODI

Chairman and Managing Director

MESSAGE FROM GROUP CHIEF EXECUTIVE OFFICER



18%

EBITDA Margin in FY 2015-16
through consistent focus
on improving efficiency and
productivity.

DEAR STAKEHOLDERS,

It gives me great pleasure to report that this fiscal we delivered our best ever performance till date with an all-time high net profit before tax of ₹ 212 Crores, which almost doubled from previous year. We achieved an Earnings Before Interest Tax Depreciation & Amortization (EBITDA) of ₹ 296 Crores at an average EBITDA margin of 18% against 16.35% in FY 2014-15. This is all the more significant when seen against the backdrop of the fact that India's agrochemical industry as a whole had faced sluggish growth. Our emphasis on efficiency and productivity at each aspect of operations has been the major driver of our performance.

Global demand and supply position of Mancozeb as well as low input prices for key materials have acted as a catalyst to this success. Appreciating foreign currency against the

rupee has further bolstered the margins of our international business. Our Specialty and Performance Chemicals Division (SPCD) has achieved the highest profit margin ever, with the development of new products and markets.

Over the last two years, our focus has been on building a robust balance sheet and consolidating our financial position. We have already optimized our long-term borrowing structure to reduce our finance cost, results of which are quite evident in the present year. Conscious efforts have been made to reduce our leverage, which helped decrease our short-term borrowings by over ₹ 200 Crores over the last two years. During the year, we raised long-term debt of around ₹ 107 Crores from banks to finance our various capacity-expansion initiatives. Our efforts

have been well recognized by credit rating agencies; we have been reaffirmed with long-term credit rating of CRISIL A and short-term credit rating of CRISIL A1 by CRISIL.

We have outlined our vision for the future through 'Lakshaya 2x3' initiative, where we have set ourselves the target to make Indofil a USD 2 billion enterprise over the next three years. To achieve this objective, we are fortifying our core strengths in manufacturing, building more strategic alliances, and replicating distribution models in new markets, which have served us well in the past.

Focusing on crop care concept and productivity improvement has helped us shift our approach from helping farmers to increasing their income. We are putting in place the best policies to ensure everyone's benefit. With the idea of a 'crop manager', we have tried to increase accountability and disseminate knowledge about plant nutrition, which is essential to farmers.

Our Synthesis Technical Plant at Dahej, Gujarat is in its final stage of completion, and commercial production is expected to commence by October, 2016. The state-of-the-art manufacturing facility is expected to significantly increase the Company's manufacturing strength, thereby expanding its product portfolio.

Our strong distribution network across the world is an important pillar of our success. We have been associated with over 5,500 distributors. Through our products, we have catered to the needs of millions of farmers in India as well as overseas.

We established our presence in Europe and Latin America through our wholly-owned subsidiary in Amsterdam, the Netherlands and step-down subsidiary in Brazil. These are the stepping stones towards our long-term target of expanding our distribution expertise to these geographies.

Our Joint Venture (JV), Indobaijin Chemicals Pvt Ltd ('Indobaijin'), was operational throughout the year and Indofil currently sources all its requirements of Carbon Disulphide (CS₂) from Indobaijin. This is in line with our strategy to assure the consistent supply of quality raw materials. The JV also caters to a wide spectrum of customers in domestic as well as overseas markets. We expect it to achieve its full potential during FY 2016-17.

To realize our vision, we must nurture our widening critical talent pool. One of our major priorities have been leadership development. To achieve this, we are investing in training and educational programmes across all levels to build a strong knowledge bank.

We have also undertaken projects to evaluate how we can leverage digital technology to better serve our stakeholders. Social media, mobility, analytics and cloud will continue to re-define our business strategies; and we are preparing ourselves to audit, evaluate and implement our digital roadmap.

Developments in the external environment have far-reaching impact on our business operations. In our quest for growth and excellence, we continually seek to benchmark ourselves with our peers and adopt the best industry practices. We are encouraged by the recent reforms of the Government, which will positively impact the Indian economy, especially the agricultural sector. At Indofil, we are committed to attaining the goal of enhancing farmer income; we firmly believe that our success is intrinsically linked to the success of farmers.

We are grateful to our shareholders for supporting our vision, plans and strategic initiatives, thereby contributing to our successful journey. Our primary focus will continue to be on enhancing shareholder value, while improving overall performance.

Warm Regards,

R.K. MALHOTRA

Group Chief Executive Officer

BOARD OF DIRECTORS

MR. K. K. MODI

Chairman & Managing Director:
 Indofil Industries Limited
 President & Managing Director:
 Godfrey Phillips 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 several international companies in his various businesses, bringing a global vision and the best of international technology to India.

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

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

As the President of FICCI, Mr. Modi put his efforts to initiate Government investments in infrastructure and privatisations in various sectors. He has also contributed in restructuring and redesigning of 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 & 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 at USA, 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 which provides easy education access to finest global education to the deserving Indian students. She has already established institutions in India in collaboration with 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.

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, United States. She holds the Degree in Bachelor of Arts, Major in Art History, Criticism and Conservation. Given her international qualification, experience and credentials, the Board is confident that it will help Indofil increase its international market. She joined the Board on 18th March, 2016.

MR. SAMIR KUMAR MODI

Non Executive and Non Independent Director:
Indofil Industries Limited

Executive Director: Godfrey Phillips India Limited

Mr. Samir Modi, son of Mr. K. K. Modi, has been instrumental in conceptualising, strategising, establishing and running new businesses of the Group. A Graduate from the Hindu College, Delhi University and an alumnus of the famed Harvard Business School, USA, 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 catalyzing new ground breaking ideas for successful profit making ventures.

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

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

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

MR. M. N. THAKKAR

Non Executive and Independent Director:
Indofil Industries Limited

Mr. M. N. Thakkar is a practicing Chartered Accountant since 1967 and was the Senior Partner of M/s N. M. Rajji & Co. Chartered Accountants, Mumbai. He has very rich experience in handling Accounting, Auditing and Management Consultancy matters of large corporate clients in diversified sectors. He occupies the following prestigious positions:

- Director - Samkr Pistons & Rings Limited
- Director - Bangalore Softsell Limited
- Director - Haldyn Corporation Limited

MR. S.K. ALAGH

Non Executive and Independent Director:
Indofil Industries Limited

Mr. Sunil K. Alagh, a Graduate from St. Xavier's College (Calcutta) and a postgraduate in Marketing from The Indian Institute of Management Calcutta, has rich experience in marketing and brand building strategies. During his tenure as MD, Britannia Industries Limited, figured 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. He is also a gold medallist in Kashalkar Memorial Award - 2000 (Outstanding contribution to Food Processing Industry in India) and a Finalist of Ernst & Young Entrepreneur of the Year Award 2002.

He has occupied the following positions in the industry:

- Non-Executive Director - United Breweries Limited (JV of Heineken and Mallya Group)
- Non-Executive Director - Gati Limited and Gati Import Export Trading Limited

BOARD OF DIRECTORS

- Chairman - SKA Advisors Private Limited
- Board Member - Prasar Bharati
- Member of Board of Governors - Indian Institute of Management, 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 & Technology, Yavatmal
- Member of Advisory Board – Setco Atomotive 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 - All India Management Association, Delhi
- Former Member of the Board of Governors - Indian Institute of Management, Indore
- Former Member of the Governing Council - National Institute of Design, Ahmedabad
- Former Member of the Board of IL&FS Investmart Limited
- Former Member of the Indian Advisory Board of Schindler Management Limited, Switzerland

MR. SANJAY BUCH

**Non Executive and Independent Director:
Indofil Industries Limited**

Mr. Sanjay Buch is a practising Advocate & Solicitor in the High Court of Judicature at Mumbai, India. With an expertise of 20 years, Mr. Sanjay Buch advises several companies including large domestic and international corporations having their establishments in India. Besides Business and Corporate law practice, Mr. Sanjay Buch practises in the area of Transaction Advisory (including Mergers and Acquisitions) and has been advising several Fortune 500 companies, large and medium domestic corporations, domestic and international lending agencies, and foreign banks having their establishments in India over the last more than twenty years.

Mr. Buch is also registered with The Bar Council of Maharashtra and Goa and The Bombay Incorporated Law Society. Apart from Indofil, he also occupies the position of an Independent Director in DIL Limited, Fermenta Bio-tech Limited, Convergence Chemicals Private Limited and JM Education for Excellence in Journalism.

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 master's degrees in Science in Chemistry and has a post graduate diploma from the University of Manchester (U.K.) in Advanced Social and Economic Studies. Mr. Lakshminarayanan is a member of the Indian

Administrative Service (retired) and as such held several senior positions in the Ministry of Home Affairs, Ministry of Communications and Information Technology, Ministry of Information and Broadcasting of the Government of India and in the Department of Tourism, Culture and Public Relations, Department of Mines, Mineral Resources, Revenue and Relief and Rehabilitation of the Government of Madhya Pradesh.

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

At present, Mr. Lakshminarayanan holds the following positions:

- Chairman - Shriram Transport Finance Co. Limited
- Independent Director - Shriram Life Insurance Co. Limited
- Independent Director - Shriram Automall India Limited
- Independent Director - Shriram Equipment Finance Co. Limited
- Member - Board of Trustees of Lilavati Hospital and Research Centre, Mumbai
- Member - Advisory Board of Hughes Communication India Limited
- Member - Advisory Board of NXP Semiconductors Pvt. Limited
- Director - Corporate Affairs, SUN Group
- Chairman - ELCOM Group

MR. MANOJ SINGH

Nominee Director: Indofil Industries Limited

Mr. Manoj Singh, I.A.S., is the Nominee Director of Uttar Pradesh State Industrial Development Corporation Limited, Kanpur and a Senior Officer in the Government of Uttar Pradesh. He is the Managing Director at the Uttar Pradesh State Industrial Development Corporation Limited, Kanpur. He has held various senior positions in the Government of Uttar Pradesh. Mr. Manoj Singh joined the Board on 6th June, 2012.

DR. ATCHUTUNI L. RAO

Director – Manufacturing, Operations, Safety and SPCD Business: Indofil Industries Limited

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

Dr. Rao holds a Bachelor's Degree in Chemical Technology from UDCT, Mumbai, M. Tech Degree from IIT, Delhi and Ph.D in Chemistry from South Gujarat University. He has attended Advanced Management Program at Harvard Business School, USA. He joined the Board on 18th March, 2016.

NOTICE

NOTICE is hereby given that 23rd Annual General Meeting of the Members of the Company will be held on Friday, the 23rd September, 2016 at 11.00 A.M. at Hall of Culture, Nehru Centre, Dr. A.B. Road, Worli, Mumbai-400 018 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements, including audited consolidated financial statements of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Samir Modi (DIN 00029554), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Bansi S. Mehta & Co, Chartered Accountants, Mumbai (Firm Registration No 100991W) be and are hereby appointed as Auditors of the Company for a period five years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of their appointment at every Annual General Meeting) at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. To appoint Ms. Aliya Modi (DIN: 07472942) as Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Ms. Aliya Modi (DIN: 07472942) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th March, 2016 and who in terms of Section 161(1) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing

her candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To appoint Dr. Atchutuni Rao (DIN: 07467414) as Director – Manufacturing, Operations, Safety & SPCD Business and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Dr. Atchutuni Rao (DIN: 07467414) who was appointed as an Additional Director and Whole Time Director of the Company designated as Director – Manufacturing, Operations, Safety & SPCD Business for a period of five years from 18th March, 2016 and who in terms of Section 161(1) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby accorded to the appointment of Dr. Atchutuni Rao as Whole Time Director designated as Director – Manufacturing, Operations, Safety & SPCD Business of the Company for a period of five years with effect from 18th March, 2016 upon terms and conditions including remuneration as set out hereunder, with liberty to the Board of Directors (which shall be deemed to include Nomination and Remuneration Committee of the Board of Directors) and/or Mr. R.K.Malhotra, Group Chief Executive Officer, to fix, alter and vary the terms and conditions of appointment and /or remuneration as they may deem fit and as may be acceptable to Dr. Atchutuni Rao subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or any other guideline relating to the managerial remuneration as may be notified by the Government of India from time to time;

- a. Basic salary: ₹ 2,93,743/- per month.
- b. Allowances, Reimbursements (including Leave Travel Allowance, Hard Furnishings, Medical Reimbursement and Insurance), and Performance Incentive: In accordance with rules, policy, yearly increments and normal payroll practices of the Company.
- c. Provident Fund and Gratuity: As per Company policy

RESOLVED FURTHER that Dr Atchutuni Rao shall not be paid any Sitting Fees for attending the meetings of the Board of Directors or any Committee thereof and shall not be paid Commission on profits of the Company.

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

RESOLVED FURTHER that In the event of absence or inadequacy of profits in any financial year of the Company during tenure of Dr Atchutuni Rao as Director – Manufacturing, Operations, Safety & SPCD Business, his remuneration will be governed by the ceiling provided for minimum remuneration in Section II or section III of Part II of Schedule V and other applicable provisions of Companies Act, 2013 unless permission from the Central Government is obtained for paying more.

RESOLVED FURTHER Dr Atchununi Rao shall be responsible for all manufacturing, operations and EHS functions and activities and SPCD Business of the Company and responsible for the management, supervision and day-to-day affairs and operations, including responsibility as Occupier under Factories Act, 1948 and rules there under, of any and all the factories / manufacturing units and plants of the Company at various locations and that he will be carrying out such duties and exercise such powers as may be entrusted to

him by the Board of Directors of the Company and/or Mr R.K.Malhotra, Group Chief Executive Officer from time to time.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

7. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to 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 Kalpana P. Mehta & Company, Cost Accountants, (Membership Number 21623) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, amounting upto ₹ 2,00,000/- per annum plus taxes as applicable and out-of-pocket expenses incurred by them in connection with the said audit be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board,
For Indofil Industries Limited

CS Chintamani D Thatte
Head Compliance and
Company Secretary

Mumbai, August 11, 2016

NOTICE (contd.)

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 5, 6 and 7 which set 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 Saturday 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, T-34, Okhla Industrial Area, Phase II, New Delhi-110020, the Registrars and Transfer Agents (RTA) of the Company, quoting 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-up of shares etc. should be addressed to them for expeditious disposal.
5. The Register of Members and Shares Transfer Books will remain closed from Saturday, the 17th September, 2016 to Friday, the 23rd September, 2016 (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 23rd September, 2016. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the close of business hours on Friday, the 16th September, 2016 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 (DP).
7. Members/Proxies should bring duly filled attendance slip sent herewith for attending the meeting.
8. The relevant details, brief resume of the Directors, seeking appointment/reappointment at the Annual General Meeting as per Item No(s) 3, 5 and 6 are provided in the Annual Report.
9. 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.
10. 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 amended by the Companies (Management and Administration) Rules, 2015, 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 20th September, 2016 (9:00 am) and ends on 22nd

September, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2016, 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.nsdl.com/>
- c. Click on Shareholder – Login
- d. Insert User ID and Initial Password as noted in step (a) above and click 'Login'
- e. Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- f. Home page of remote e-voting will open. Click on remote e-voting – Active Voting Cycles.
- g. Select 'EVEN' (E-voting Event Number) of Indofil Industries Limited.
- h. Now you are ready for remote e-voting as 'Cast Vote' page opens.
- i. Cast your vote by selecting appropriate option and click on 'Submit'. Click 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 authorized to vote, to the Scrutinizer through e-mail to scrutinizerindofil@modi.com with a copy marked to 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.nsdl.com>. You can also contact NSDL via email at evoting@nsdl.co.in
- B. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- C. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of 16th September, 2016.
- 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 of the cut-off date i.e. 16th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited.

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.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

NOTICE (contd.)

- F. Mr. Amit Dadheech, proprietor, M/s Amit R Dadheech & Associates, Company Secretaries, 63, Rajgir Chambers, 12, Shahid Bhagat Singh Marg, Opp. Old Custom House, Mumbai, 400 023 has been appointed as the Scrutinizer to scrutinize 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 scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility
- H. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized 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 Scrutinizer shall be placed on the website of the Company www.indofilcc.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS AT ITEM NOS 5, 6 AND 7 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

The Board of Directors of the Company, upon the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, appointed Ms. Aliya Modi as an Additional Director of the Company with effect from 18th March, 2016.

In terms of the provisions of Section 161(1) of the Act, Ms. Aliya Modi would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing her candidature for the office of Director.

Ms. Aliya Modi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Ms Aliya Modi has graduated from Brandeis University located in Waltham, Massachusetts, United States. She holds the Degree in Bachelor of Arts, Major in Art History, Criticism and Conservation. Given her international qualification, experience and credentials, the Board is confident that it will help Indofil increase its international market.

No Director, Key Managerial Personnel or their relatives, except Ms. Aliya Modi, Mr. K.K. Modi, Ms. Charu Modi and Mr. Samir Kumar Modi is concerned or interested in the

proposed resolution. Ms. Aliya Modi is grand-daughter of Mr. K. K. Modi, Chairman & Managing Director and niece of Ms. Charu Modi and Mr. Samir Kumar Modi, Directors of the Company.

The Board recommends the Resolution as set out at item no. 5 for approval by shareholders.

Item No. 6

The Board of Directors of the Company, upon the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, appointed Dr. Atchutuni Rao as an Additional Director and Whole Time Director designated as Director – Manufacturing, Operations, Safety & SPCD Business of the Company for a period of five years from 18th March, 2016 at a remuneration of basic salary ₹ 2,93,743/- per month, allowances, reimbursements, performance incentive and other terms and conditions as stated in the resolution.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director.

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

Dr. Atchutuni L. Rao joined Indofil in February, 2012 and has worked in capacity as Vice President – Manufacturing, Senior Vice President – Manufacturing & Projects with the Company. Prior to joining Indofil, he worked with Clariant Chemicals India Limited and at Clariant International for 19 years in various positions as Technical Manager, General Manager Production, Vice President and Head of Plant.

Dr. Rao has a Bachelors Degree in Chemical Technology from UDCT, Mumbai, M.Tech Degree from IIT, Delhi and Ph.D in Chemistry from South Gujarat University. He has attended Advanced Management Program at Harvard Business School, USA.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Dr. Atchutuni Rao, is concerned or interested in the resolution set out at Item No. 6 of the Notice.

The Board recommends the resolution as set out at item 6 for approval by shareholders.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Kalpana P. Mehta & Co, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company in respect of products Insecticides, Organic &

Inorganic chemicals of Thane plant for the financial year ending March 31, 2017. They are proposed to be appointed at a remuneration of upto ₹ 2,00,000/- for cost audit of these products for the financial year ending March 31, 2017.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives is concerned or interested in the resolution set out at Item No. 7 of the Notice. The Board commends the Resolution as set out at item No. 7 for approval by the shareholders.

By Order of the Board,
For Indofil Industries Limited

CS Chintamani D Thatte
Head Compliance and
Company Secretary

Mumbai, August 11, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC REVIEW

The global economy has recorded 3.2% growth in FY 2015-16, and is expected to strengthen to 3.5% in FY 2016-17. Although economies across the world were volatile and largely saw uneven growth, the pace of recovery continued despite challenges. China continued to rebalance its economy for sustainable growth. However, China's rebalancing resulted in a broad-based slowdown in global trade, and turbulence in commodity and financial markets. The year witnessed volatility in the oil market, lower commodity prices, and a gradual tightening in monetary policy in some large emerging market economies, which continued to weigh on growth prospects.

Economic growth in the US stood at 2.4% in 2015. During the year, the benefits of strengthening corporate balance sheets, contained fiscal drag, and an improving housing and

labour market were offset by weaker than expected domestic demand and unimpressive performance of the manufacturing sector. Other challenges for the US economy were declining exports due to a stronger dollar and an adverse external trade environment.

The Euro region grew by 1.6% in 2015. The economies of the region were driven by three major tailwinds: a) lower oil prices (bolstering consumer expenditure/domestic demand); b) expansionary fiscal policies; and c) an accommodative External Commercial Borrowings. However, the major challenges comprised: deflationary scenario, debt trajectories, low investment, and eroding skills of people due to high long-term unemployment.

In Japan, both growth and inflation remained subdued, because of a strong yen and a weak global economic recovery, demonstrating a sharp fall in private consumption.

Global Growth (%)

| Particulars | Projections | | | |
|-----------------------------------|-------------|------------|------------|------------|
| | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 |
| World Output | 3.4 | 3.1 | 3.2 | 3.5 |
| Advanced Economies | 1.8 | 1.9 | 1.9 | 2.0 |
| United States | 2.4 | 2.4 | 2.4 | 2.5 |
| Euro Area | 0.9 | 1.6 | 1.5 | 1.6 |
| Japan | 0.0 | 0.5 | 0.5 | -0.1 |
| United Kingdom | 2.9 | 2.2 | 1.9 | 2.2 |
| Other Advanced Economies* | 2.8 | 2.0 | 2.1 | 2.4 |
| Emerging and Developing Economies | 4.6 | 4.0 | 4.1 | 4.6 |
| China | 7.3 | 6.9 | 6.5 | 6.2 |
| India | 7.5 | 7.3 | 7.5 | 7.5 |

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

INDIA'S ECONOMY REVIEW

The Indian economy gained momentum in FY 2015-16 and emerged as the fastest growing economy in the world. According to the Economic Survey 2015-16, the Indian economy will continue to grow by over 7% in FY 2016-17. Favourable macro-economic factors such as lower fiscal deficit and current account deficit (CAD), low oil prices and a benign inflation have led to an improved investor confidence. The Government of India has also taken proactive initiatives to enhance the ease of doing business in India. In addition, initiatives like Make in India and Digital India have played a vital role in driving the Indian economy.

The high point of the Union Budget for FY 2016-17 was its adherence to the roadmap for fiscal consolidation by fixing the fiscal deficit at 3.5% of the gross domestic product (GDP). This is an extremely welcoming step and sends out a clear message that the Government of India's focus is to enhance growth opportunities in an environment of macroeconomic stability. In addition, India's trade deficit declined to a five-year low of US\$5.1 billion in March 2016. This was on the back of a sharp 21.6% decline in India's imports. The trade deficit stood at US\$118.5 billion for FY 2015-16. This was 14% lower than the deficit in the previous year.

The Indian economy also faced major challenges during the year: a) slow agricultural growth due to two consecutive years of poor monsoons; b) disappointing manufacturing output owing to weak global demand and low commodity prices; and c) sharp contraction in exports due to weak global demand and low commodity prices.

AGRICULTURAL SCENARIO

Agriculture continues to be backbone of India's economy. Over 58% of the rural households depend on agriculture as their principal means of livelihood. With about 157.35 hectares, India ranks second in the world with respect to agricultural land. As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35% of the Gross Value Added (GVA) during FY 2015–16 at 2011–12 prices.

Over the recent past, multiple factors have facilitated the growth in the Indian agriculture sector. These include growth in household income and consumption, expansion in the food processing sector and increase in agricultural exports. Rising private participation in Indian agriculture, increasing application of organic farming, and the use of information technology are some of the key trends in the agriculture industry, which have contributed to the sector's growth.

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2,261 million from April 2000 to December 2015.

GDP by value added - size of agriculture and allied activities

(US\$ billion)

| | |
|------|--------|
| FY15 | 259.23 |
| FY14 | 132.71 |
| FY13 | 140.77 |
| FY12 | 160.8 |
| FY11 | 157.35 |
| FY10 | 139.39 |
| FY09 | 141.77 |
| FY08 | 162.67 |
| FY07 | 137.17 |

Source : Ministry of Agriculture, Print Release, RBI, TechSci Research;
Notes: GDP - Gross Domestic Product, CSO - Central Statistical Organisation

The Government has already taken steps to address two major factors (soil and water), which are critical for the improvement of agricultural production. Steps have been taken to improve soil fertility sustainably through the soil health card scheme, and to support the organic farming scheme under 'Paramparagat Krishi Vikas Yojana'. Other steps include improved access to irrigation through 'Pradhanmantri Gram Sinchai Yojana'; enhanced water efficiency through 'Per Drop More Crop'; continued support to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the creation of a unified national agriculture market to bolster the income of farmers.

Given the importance of the agriculture sector, the Government of India, in its Union Budget FY 2016–17, has put in place several measures for the sector's sustainable development. It proposed multiple measures to improve agriculture and increase farmers' welfare. Some of these measures comprise the following: 2.85 million hectares to be brought under irrigation; ₹ 287,000 Crores (US\$ 42.11 billion) grant in aid to be given to gram panchayats and municipalities; and 100% village electrification targeted by May 01, 2018. The overall allocation for the agriculture sector was raised by over 44% from ₹ 24,909 Crores in FY 2015-16 to ₹ 35,984 Crores in

MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

FY 2016-17. The Government is also targeting ₹ 8.5 lacs Crores of agricultural credit in FY 2015-16 and ₹ 9 lacs Crores in FY 2016-17. A dedicated irrigation fund of ₹ 20,000 Crores will be set up under NABARD and 5 lacs acres will be brought under organic farming over a three-year period.

This sector is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs and time, improved port gate management and better fiscal incentives would contribute to the sector's growth. Besides, the growing use of genetically modified crops is likely to improve the yield for India's farmers.

GLOBAL CHEMICAL INDUSTRY OVERVIEW

The global chemical industry has seen a sturdy growth in recent years and it is expected to continue growing at a significant rate in the coming years as well. The sector was led by growth from the commodity chemicals sector, while specialty chemicals followed behind. Even though Europe has remained a leader in the global chemical industry for a while, the last few years has witnessed Asia Pacific emerged as the new market leader, particularly led by the Chinese chemical industry.

Estimated at US\$ 3 trillion (pharmaceuticals excluded), global chemical output has experienced a decent year in FY 2015-16 as the slump in oil prices brought down the costs of feedstock. However, pass-through to output prices was a drag on worldwide sales. 3.5% increase in comparison to the growth in sales volume in FY 2014-15. In FY 2015-16, global sales are not expected to pick up, despite a growth in volume, estimated at +3%.

To sum it up, the following are to be noted for future consideration:

- China's economic rebalancing is shifting internal demand from basic to specialized chemicals.
- Positive effects of low oil prices will mostly benefit upstream segments.
- The capacity of firms to cope with increasing interest rate will particularly burden emerging markets.
- Higher R&D spending will be required for chemical players to reach an upmarket positioning.
- M&A activity is to continue in FY 2016-17, putting at risk small players.

Global Chemical Production by Segment, Percentage Change (Seasonally adjusted, 3 month moving average)

| | Current Month Feb 16 / Jan 16 | Prior Month Jan 16 / Dec 15 | Year / Year Feb 16 / Jan 16 | Year -to-Date YTD 16 / YTD 15 |
|------------------------------|----------------------------------|--------------------------------|--------------------------------|----------------------------------|
| Global Total | 0.2 | 0.4 | 3.4 | 3.4 |
| Pharmaceuticals | 0.8 | 1.0 | 4.0 | 3.7 |
| Chemicals (excluding Pharma) | 0.0 | 0.2 | 3.2 | 3.3 |
| Agricultural Chemicals | 0.0 | 0.6 | 0.6 | 1.0 |
| Consumer Products | 0.5 | 0.7 | 3.6 | 3.6 |
| Basic Chemicals | -0.2 | 0.0 | 3.6 | 3.7 |
| Inorganic Chemicals | -0.9 | -0.4 | -0.2 | 0.2 |
| Organic Chemicals | 0.6 | 0.4 | 2.7 | 2.7 |
| Plastic Resins | 0.3 | 0.5 | 6.9 | 6.7 |
| Synthetic Rubber | -2.8 | -1.8 | -1.2 | 0.3 |
| Manufactured Fibres | -4.0 | -2.1 | 3.6 | 5.0 |
| Specialty Chemicals | 0.2 | 0.4 | 2.6 | 2.7 |
| Coatings | -0.2 | 0.0 | 0.8 | 1.0 |
| Other Specialty Chemicals | 0.3 | 0.5 | 3.1 | 3.2 |

INDIAN CHEMICAL INDUSTRY OVERVIEW

India's chemical industry is a key constituent of the country's economy, accounting for about 2.11% of the GDP. In terms of production volume, the country's chemical industry is the third largest producer in Asia and sixth largest in the world.

The industry generated business worth US\$ 118 billion in FY 2013-14. Bulk chemicals accounted for 39% of the domestic chemical industry, followed by agrochemicals (20.3%) and specialty chemicals (19.5%). Pharmaceuticals and biotechnology accounted for the remaining share.

The country's growing per capita consumption and demand for agriculture-related chemicals offer a huge scope for the sector's growth in future. Lured by the size and returns of the Indian market, foreign firms have strengthened their presence in the country. From April 2000 to May 2015, total foreign direct investment (FDI) inflows into India's chemical industry (excluding fertilisers) accounted for US\$ 10.49 billion.

The Government has been supportive of the sector. While 100% FDI is permissible in the country's chemical sector, manufacturing of most chemical products is de-licensed. In addition, the Government has been encouraging Research and Development (R&D) in the space. Apart from that, the reduction of reserved chemical items for production in the small-scale sector is facilitating greater investment in technology up-gradation and modernisation. The Government has also launched the Draft National Chemical Policy, which aims to increase chemical sector's share in the country's GDP.

AGROCHEMICAL INDUSTRY OVERVIEW

The agrochemicals market is considered to be one of the most important segments of agro-inputs. This is due to the expanding commercial cultivation of high-value crops to meet the rising diversified food demand. Therefore, agrochemicals are seen as those products that not only improve the return on investment, but also help meet farmer and consumer demands, from the economic and health perspective. Besides, it contributes to increasing per hectare production of quality agricultural products.

Indian chemical industry is the 3rd largest producer in Asia and 6th largest in the world

The adoption of new technologies is gaining importance in the field of agriculture. They increase crop production through the optimal use of scarce resources like land, water, and fertilizers. The high growth potential in emerging markets and untapped regions provide new opportunities of development for market players. The market's growth is driven by increasing attention of farmers towards superior quality agrochemicals, which should be balanced and nutritive.

The global market for agrochemicals was valued at US\$207.5 billion in 2014. It is projected to reach US\$ 250.5 billion at a CAGR of 3.2%, by FY 2019-20. Asia-Pacific dominated the global market with a share of around 36.7%. The European region is expected to be the fastest-growing market in the near future due to the growing concentration of farmers towards technology-driven agriculture practices.

INDIAN AGROCHEMICAL INDUSTRY

The agrochemicals industry is an important component of India's economy. India is the fourth-largest producer of agrochemicals in the world, after the US, Japan and China.

India's crop protection industry is expected to grow at 12% CAGR to reach US\$ 7.5 billion by FY 2018-19. Exports currently constitute almost 50% of the crop protection industry; and are expected to grow at 16% CAGR to reach US\$ 4.2 billion by FY 2018-19, thus amounting to 60% industry share. Domestic market is expected to grow at 8% CAGR, as it is predominantly monsoon dependent and reach US\$ 3.3 billion by FY 2018-19.

The availability of credit facilities to purchase agrochemicals is the market's primary driver. The Government has initiated several policy measures to enable farmers to gain access to credit facilities. These policies emphasize on providing timely and adequate credit support to farmers. Besides,

MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

the Government has been focusing on empowering small and marginal farmers with modern technology. Also, the emphasis is on improving agricultural practices, thereby increasing production and productivity.

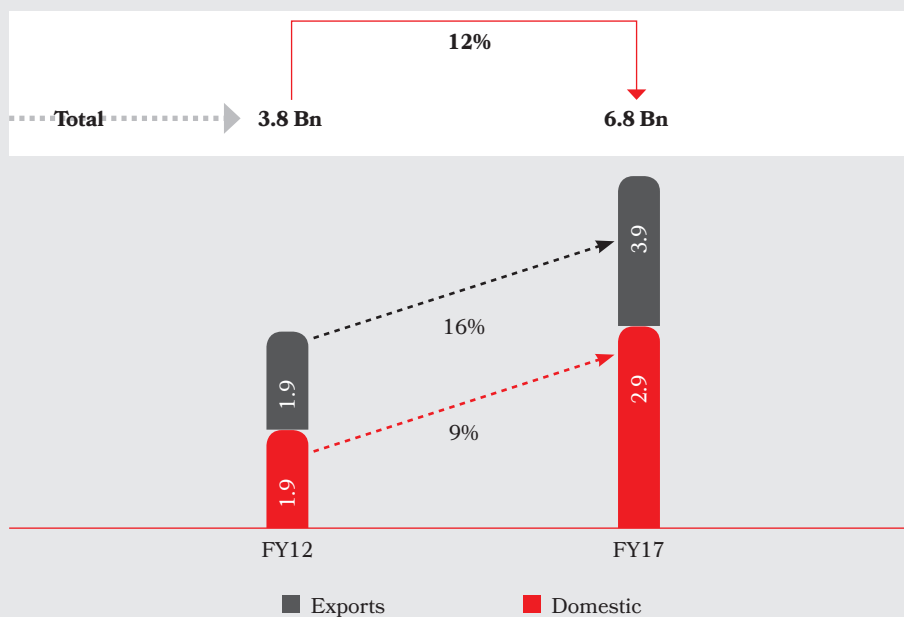
The insecticides segment held the largest share of the agrochemicals market in India during FY 2015-16, with 56% market share. The increasing demand for insecticides is driving vendors to consistently enhance their product portfolios through new product launches; and by increasing

The global market for agrochemicals is projected to reach USD 250.5 billion by 2020

their production capacity. The dominance of this segment is expected to continue over the next five years.

Indian Crop Protection Industry

(US\$ billion)



[Source: Tata Strategic Management Group study]

SPECIALTY CHEMICALS INDUSTRY OVERVIEW

Specialty chemicals are high-volume, but low-value chemicals. These are derived from basic chemicals and sold on the basis of their functions. Paint, adhesives, construction chemicals, fragrances, flavours, food additives and electronic chemicals, among others are some examples of specialty chemicals.

The specialty chemicals market is growing steadily from 2015 to 2020, primarily due to the growth in the end-user industries. This increases the scope of applications and focus on innovation to produce efficient and safe chemicals. The specialty chemicals market size (in terms of value) is projected to reach US\$470 billion by FY 2019-20, at a CAGR of 5.42% (between 2015 and 2020).

Pesticides account for a major share, by type, in terms of value, in the specialty chemicals market. The construction chemicals are expected to witness the highest growth rate of 8.63% from FY 2014-15 to FY 2019-20. The increasing demand of construction chemicals is driven by the growing construction sector in major emerging economies of Asia-Pacific. Besides, advanced ceramics, oilfield chemicals and water treatment chemicals are other high-growth segments, which are expected to grow at over 5% CAGR.

India's specialty chemicals potential is increasingly being recognised at the global level. The country's share in global specialty chemical industry is estimated to grow from about 2.8% in FY 2012-13 to 6-7% in FY 2022-23, with a market size of US\$ 80-100 billion.

R&D initiatives are critical for the success of specialty chemical companies, even for small-scale firms. Most of the products offered by these companies are meant for meeting specific requirements of customers. Global companies are looking to invest in India, as the market for specialty chemicals is driven by consumerism and requires a certain degree of investment in R&D.

GROWTH DRIVERS

- **Strong growth outlook:** There is an abundance of skilled human resource in India, which can be employed in the chemical industry. Going forward, speciality chemicals and pharmaceuticals segments are expected to outgrow the overall industry growth rate.
- **Low per capita consumption:** Due to low awareness among farmers, the usage of agrochemicals and fertilizers has been on the lower end. This can be improved by taking knowledge-building initiatives, either by the Government or large corporations. There is a need to address issues like availability, allocation and pricing of key feedstock and providing for necessary infrastructure.
- **Growing demand:** With growing disposable income and increasing urbanisation, end consumption demand is increasing for paints, textiles, adhesives and construction. This in turn, is leading to a substantial industrial growth rate.

- **Diversified manufacturing:** India's chemical industry has seen a quantum jump in diversified manufacturing base that produces world-class products. The increasing scope will favourably influence industry growth.

OUTLOOK

At present, the consumption of agrochemicals is low in India, compared to that of the world. Due to an abundance of cheap labour and low processing costs, multinational companies have an opportunity to set up their manufacturing hubs in India, for their export markets. The large pool of technically skilled labour in India is a key driver for domestic players to initiate contract manufacturing and set up research centres. The country can use its low-cost-producer status to increase exports, and effectively manage the excess production capacity. There is a need to establish an efficient supply chain both inside and outside the territory.

India's speciality chemicals production is generally much lower than global standards, as the usage of specialty chemicals is at an early stage in the country. Acceleration in GDP and growth in Indian population will result in consumption-driven growth in key end markets over the next decade; and an increased need for better products and services. Currently, the penetration of speciality chemicals within the country's end markets is low. With an enhanced focus on improving products, there will be a rise in the usage of speciality chemicals across these end markets over the next decade.

COMPANY OVERVIEW

Indofil Industries Limited is a research-led and fully integrated chemical company. The Company's vision is to focus on specific opportunities, drive growth and enhance value for esteemed customers. Over the years, Indofil has emerged as a successful player with a focus on enhancing its customer base, while paying equal attention to requirements of its existing customers. The Company aims to build strong partnerships in the domain of manufacturing, marketing and R&D globally.

KEY HIGHLIGHTS

- Long Term and Short Term Credit Rating of the Company re-affirmed at CRISIL A and CRISIL A1 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

- The Company has stepped up its presence in Latin America with a step down subsidiary in The Republic of Brazil.
- Agro Synthesis Plant for manufacture of Technicals is nearing competition and expected to start commercial production from October 2016.
- As part of the overall diversification strategy, introduced new products like 'Killog', 'Zechor' under herbicide segment.

FINANCIAL HIGHLIGHTS

Revenues - The total revenue has increased by 9.67% from ₹ 1,499 Crores in FY 2014-15 to ₹ 1,644 Crores in FY 2015-16.

Profit Before Tax- The profit before tax (excluding exceptional items) grew by a record 91% from ₹ 110 Crores in FY 2014-15 to ₹ 212 Crores in FY 2015-16.

OUR BUSINESSES

- Agrochemicals segment includes major verticals such as Fungicides, Insecticides, Herbicides, Acaricides, Plant Growth Regulators, Surfactants and Plant Nutrition.
- Specialty and performance chemicals provides customised solutions to clients. The Company is involved in the manufacture and marketing of textile, plastics, coating, leather chemicals and auxiliaries, additives for PVC industry and chemicals for the construction industry.
- Indofil is operating in Europe, Asia-Pacific, Africa, Middle East, CIS and Americas. The Company has earned the recognition of being a reputed supplier of Agro-chemicals and Specialty Chemicals.

PROGRESS OF NEW SYNTHESIS PLANT

The construction work on the Company's Multi-product Agro Synthesis Plant for manufacture of Technical at Dahej SEZ, Gujarat is nearing completion and is expected to start commercial production from October 2016 onwards.

The plant is expected to significantly increase the manufacturing strength of the Company, making it one of the preferred partner for MNC's.

LAKSHYA 2X3 PROGRAM

Indofil's vision, 'Lakshya 2X3', is an ambitious goal that the Company has set for itself. In this transformational journey, Indofil aims to graduate to become a global leader in the growth for agro and specialty chemicals. The vision literally translates to an enterprise value of 2 billion dollars in the next 3 years.

Lakshya 2X3 identified three key organisational priority pillars— Energise, Empathise and Engage (3Es). This will lay the foundation for the Company's strategy and focus, going forward.

Indofil understands that 'Lakshya 2X3' can only be realised in collaboration with consumers, users and customers. Right knowledge to farmers and right recommendation of crops is essential. The Company's aim is to shift its focus on improving the income of farmers.

RESEARCH & DEVELOPMENT

The Company's major focus area this year is on upgrading research and development. This is essential for the creation of a large product basket. The primary objective is to develop certain in-house products as required by the market and ensure the market's future growth. Besides in-house R&D, the Company also outsources for better results. Indofil is also developing newer products under the Specialty and Performance Chemical Division.

The Company aims to reduce cost and ensure environmental safety by reducing solvents in water. It is working on advanced techniques in formulation. Besides, it has successfully achieved re-certification from NABL and GLP.

PEOPLE'S STRATEGY

The Company believes that its employees are key partners in its success. From recruiting the best talent to leadership development, the Company focuses on holistic growth of its employees. It aims to provide a healthy and a comfortable working environment, while focusing on the career

development of employees. The Company has collaborated with various external organisations and people to get best resources for employees and develop their skills.

RISK MANAGEMENT

- **Increasing competition** - The Company has effectively predicted and responded to changing trends in the sector. It has innovated new marketing tools and programmes to reach its customers/farmers. The Company has maintained an effective distribution system, ensuring that new and existing products reach its customers.
- **Public acceptance of products** - The Company's products go through rigorous testing procedures clearly showcasing positive impacts on human, crop and environment.
- **Rainfall variation across geographies** - Indofil has a pan-India presence, which insures the Company from any seasonal variation in one particular region. Besides, the Company is increasingly focusing on irrigated areas to counter the effects of rainfall variation.
- **Fluctuation in India rupee against foreign currency** - 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.

- **Instability in prices of raw materials** - Instability in input prices significantly impacts the growth of the chemical sector. The Company has quickly read, adapted and adjusted itself to market tendencies. It has also achieved operational efficiencies to reduce costs in plants.

INTERNAL CONTROL SYSTEMS

The Company has adequate internal control system to safeguard all assets and ensure operational excellence. Timely reviews ensure that all transactions are correctly authorised and reported. The internal control systems are regularly reviewed and corrective actions are initiated wherever necessary. Corporate policies, management information and reporting system for key operational areas constitute the overall control mechanism. The Company has also adopted an Enterprise wide Risk Management Framework.

CAUTIONARY STATEMENTS

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

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting the 23rd Annual Report with Audited Financial Statements for the year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

₹ in Crores

| | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| Net Revenue from Operations | 1638.09 | 1485.89 |
| Total Income | 1644.30 | 1499.06 |
| Operating Profits | 295.76 | 245.06 |
| Finance Cost | 50.96 | 78.30 |
| Depreciation and Amortization | 33.24 | 56.27 |
| Profit before Exceptional Item & Tax | 211.56 | 110.49 |
| Exceptional Item | Nil | 42.55 |
| Profit before Tax | 211.56 | 153.09 |
| Tax Expense | 48.27 | 7.86 |
| Profit After Tax | 163.29 | 145.19 |
| Balance brought forward | 397.58 | 279.96 |
| Depreciation adjusted for Earlier years | Nil | 0.50 |
| Amount available for appropriation | 560.87 | 424.65 |
| Appropriations | | |
| Proposed Dividend | 12.81 | 10.42 |
| Tax on dividend | 2.68 | 2.13 |
| General Reserve | Nil | 14.52 |
| Balance carried to Balance sheet | 545.38 | 397.58 |

The Company does not propose to transfer any amount to General Reserve. An amount of ₹ 147.80 crores is proposed to be retained in Surplus.

DIVIDEND

The Board of Directors have decided to recommend dividend of ₹ 6 per share (60%) on fully paid-up Equity Shares of ₹ 10 each and pro-rata on partly paid-up Rights Equity Shares of ₹ 10 each for the year ended March 31, 2016. This dividend, if approved by the members at the Annual General meeting, will absorb ₹ 15.49 Crores (PY. ₹ 12.55 Crores) including tax on dividend. The dividend amount has been arrived at keeping in view the requirement of funds for on-going projects.

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

During the year under review, the Company's Operating Revenue was up from ₹ 1485.89 Crores to ₹ 1638.09 Crores. Profit before Tax and Exceptional Items was ₹ 211.56 Crores for the year under review as against ₹ 110.49 Crores for the previous year, registering an increase of 91.47%. The Company has mainly been in the Agro Chemicals segment for more than 5 decades and enjoys a strong brand image and recall with its customers.

Production of Agrochemicals Division for the year has been 60,775 MT as against 54,487 MT in the previous year and sales have been 55,362 MT against 56,371 MT in the previous year.

In case of Specialty Chemicals Division, the production has been 15,674 MT as against 13,879 MT in the previous year and the sales have been 17,784 MT against 15,988 MT in the previous year.

EXPORTS

The Company made exports (FOB) worth ₹ 742.81 Crores against ₹ 651.31 Crores in the previous year. The company has initiated renewed steps to enhance exports of both its Agrochemicals and Specialty & Performance Chemicals Divisions.

CAPACITY EXPANSION

Manufacturing facilities was able to meet the demand for the current year and shall also be able to meet the requirements for the year 2016-17.

Keeping in view the increasing demand, the Company had during November, 2014, commenced the setting up a Greenfield Multiproduct Agro Synthesis facility (Synthesis Project) at Company's new Plot at Dahej, Gujarat with production capacity of 4000 TPA of Technicals. The total capex for this project would be ₹ 186 Crores excluding the pre-operative expenses incurred mainly towards the bank interest on borrowings during construction and salary and

wage cost of staff employed for the project. The project progressed very well during the year. The erection and commissioning work of the project is in full swing and expected to start commercial production from October, 2016.

With a vision to be a global leader in growth for Agro and Specialty Chemicals, the Company has embarked upon new initiative "Lakshya 2x3" which aims to drive Indofil's value to US\$ 2 billion in next 3 years. This initiative will be of utmost importance to us in further accelerating our growth plans. In order to ensure satisfaction and prosperity of its customers, the company has been constantly providing customized solutions with a more focused approach.

JOINT VENTURE WITH SHANGHAI BAIJIN CHEMICAL GROUP CO. (SBC), CHINA FOR CARBON DISULPHIDE (CS₂)

The Joint Venture project of the Company at Dahej for manufacturing of Carbon Di-Sulphide (CS₂), a major raw material for Mancozeb, which was successfully commissioned in April 2014 has ensured uninterrupted supply of CS₂ to the Company, eliminating the import of CS₂ and thus help saving significant amount of foreign exchange. It will take the company to new heights of production excellence. Besides the JV actively caters to external demand for CS₂ in India & overseas.

AGRICULTURAL BUSINESS DIVISION

Opportunities and Threats

Due to the expanding commercial cultivation of high value crops to meet the rising diversified food demand, the agrochemicals market is considered to be one of the most important segments of agro-inputs. Consequently agrochemicals are seen as those products, which not only improve the return on investment and aid in meeting farmer as well as consumer demands, from the economic and health perspective but also contribute to increasing per hectare production of quality agricultural products.

The growth of this market is driven by growing farmer's attention towards superior quality agrochemicals, which should be balanced and nutritive. The high growth potential in emerging markets and untapped regions, provide new growth opportunities for the market players. The global market for agrochemicals is projected to reach USD 250.5 billion at a CAGR of 3.2%, by 2020. The European region is expected to be the fastest-growing market in the near future, due to the growing concentration of farmers towards technology driven agriculture practices. The high growth potential in emerging markets and untapped regions, provide new growth opportunities for the market players.

Indofil has aligned its strategy to meet these challenges with New Product Development as the key driver Initiative for the coming years.

Outlook

As currently the consumption levels of agrochemicals are low as compared to the world, there is a huge potential for growth in the future. Due to abundance of cheap labour and low processing costs, Private sector companies and MNCs have an opportunity to setup their manufacturing hubs in India for their export markets. The new Govt. has initiated several policy measures to enable farmers to gain access to credit facilities, the primary driver for the agrochemicals market. After witnessing below average rains in last few years, we are all set to receive normal rains in 2016 strengthening the prospects of plentiful farm output. These factors are contributing to growth of agriculture and consequently the agrochemicals market.

The Company is all geared up not only to extract maximum from this positive outlook in domestic scene but also ensuring dedicated efforts towards geographic expansion in Latin America, Europe and Russia. Achieving full potential of Offices in Netherlands/Bangladesh is among the strategic imperatives Indofil is looking at besides increasing the product portfolio.

SPECIALTY AND PERFORMANCE CHEMICALS DIVISION (SPCD)

Industry scenario

The specialty chemicals market is witnessing a steady growth from 2015 to 2020 mainly due to the growth in the end-user industries. This increases the scope of applications and focus on innovation to produce efficient and safe chemicals. The specialty chemicals market size in terms of value is projected to reach \$470 Billion by 2020, at a CAGR of 5.42%, between 2015 and 2020.

The Indian Specialty Chemicals market, which witnessed a growth of 14% in last five years, has potential to reach USD 70 Billion to USD 90 Billion by 2021. Buoyed by key factors such as strong export demand, global shift towards Asia as world's chemicals manufacturing hub accompanied by government and industry focus towards manufacturing and robust growth in end user segments, India is likely to emerge as a major player in the global specialty chemicals domain

Opportunities

With 'Make in India' as new major national program designed to facilitate investment, a large number of multinational companies are considering India as the sourcing & manufacturing hub due to its cost advantages. India can emerge as a major global

DIRECTORS' REPORT (contd.)

player subject to availability of infrastructure, key feed stocks (raw materials) and energy essential to manufacture specialty chemicals at low cost. The real edge would however, come from product technology and innovation.

With current market growth rate, by 2020 India will double its share in global market. This will position India as one of the key players in global specialty chemicals industry

RESEARCH AND DEVELOPMENT

Indofil's Research and Development is playing a vital role in company's growth journey.

Agrochemicals

Your Company has ambitious plan of starting manufacturing of several products in upcoming new plant at Dahej. R&D plays a key role in developing processes which will satisfy quality, cost expectations besides meeting the requirement of zero liquid discharge.

Synthesis team was also engaged in developing process for new products. To bring in velocity to NPCC (New Product Concept to Customer) process, certain products were also outsourced to Contract Research Organisation (CRO). This will ensure healthy pipeline of products for future launches.

Formulation team besides improving the existing products worked on newer technologies like extruded granules, OS formulation, micro encapsulation and various combination products to meet the requirements of different geographies.

Specialty and Performance Chemicals Division

The Specialty and Performance Chemical Division has four verticals viz. Coating, Leather, Textile and Plastics. Coating focus is on user friendly products like waterproofing products and new concept of anti-efflorescence product whereas Leather focus is on new chemistry with differentiated Acrylic Syntans. Efforts are being taken to expand range of fat liquor for shoe and gloves and high performance binder and compact. Textile targeted diverse applications like fire retardants, flock binders, coir doormat printing binder, carpet back adhesion and printing additives. Plastics mainly addressed environmental concerns and focused on wood substitute, Foamed PVC for household interiors, PVC pipes with lead free stabilizers

GLP/ISO/NABL Accreditation

The Analytical Development Laboratory in R&D is accredited with NABL (ISO/IEC 17025) and certified for GLP. During the year re-certification was achieved successfully.

ENERGY CONSERVATION/TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

Details of Energy Conservation, technology absorption, foreign exchange earnings and out go, required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed as Annexure C to this report and forms part of it.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal control commensurate with the size of the Company and the nature of its business, to ensure that transactions are recorded, authorized and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and disposition. The internal control is supplemented by an extensive program of internal audit by M/s. Aneja Associates, Chartered Accountants, to ensure compliance with policies and procedures.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism / Whistle Blower Policy with the objective of strengthening the governance mechanism and to report to the management instances of unethical behavior, actual or suspected misconduct or fraud.

The Auditors of the Company have not reported any fraud in terms of the provisions of Section 149(6) of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

FIXED DEPOSITS

During the year the Company has not accepted any deposit from the Public within the ambit of the provisions of Companies Act, 2013. As on March 31, 2016, there are no fixed deposits outstanding or unclaimed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. Details of material significant transactions made at arm's length are given in Annexure 'F'.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval, wherever required. The Company has formulated a Related Party Transactions Policy that provides guidelines that facilitate the basis for analysis of related party transactions to be entered.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

MANAGEMENT DISCUSSION & ANALYSIS

A detailed report on the Management Discussion & Analysis is provided as a separate section in the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

As per the CSR Policy of the Company, approved by the Board, 'Promoting and Supporting Education Programs' has been the thrust area of Company's CSR activities. Modi Innovative Education Society (MIES), Chhattisgarh, a registered Society, engaged in educational activities, is establishing a private University, K.K.Modi University in Village Mahmara, District Durg, Chhattisgarh. In line with 'Promoting Education' as thrust area of Company's CSR initiative, the CSR contributions in this regard for the FY 2015-16 have been made to MIES. For this purpose Samaj Kalyan Parishad, Ghaziabad, Uttar Pradesh, a Modi Group Society registered in 1956 and having significant experience in education activities has been appointed as an Implementing Agency to carry out CSR activities along with MIES and to exercise supervisory role for completing the said project. The said project is in accordance with Schedule VII of the Companies Act, 2013. The Company has contributed to Sulabh Sanitation Mission Foundation, New Delhi as contribution towards its CSR activity for the financial year 2015-16, for development of Village Palta in Barabanki District of Uttar Pradesh. The Company has further incurred CSR expenditure towards housing for poor, development of Dahej Digital School at Dahej for girls and donation to Ballygunge Society. The total CSR contribution during the years stands at ₹ 208.31 lacs.

The Annual Report on CSR activities and Company's CSR Policy are annexed herewith as "Annexure A".

DIRECTORS

During the year, Mr. Lalit Kumar Modi relinquished his office as Director of the Company. He has ceased to be a Director of the Company from the date of last Annual General Meeting i.e. 16th September, 2015.

In terms of the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Samir Modi is liable to retirement by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for reappointment. The Board recommends his appointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The Board of Directors of the Company, upon the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, appointed Ms. Aliya Modi as an Additional Director of the Company with effect from 18th March, 2016. In terms of the provisions of Section 161(1) of the Act, Ms. Aliya Modi would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing her candidature for the office of Director.

The Board of Directors of the Company, upon the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, appointed Dr. Atchutuni Rao as an Additional Director and as Whole Time Director designated as Director – Manufacturing, Operations, Safety & SPCD Business of the Company for a period of five years from 18th March, 2016 on the terms and conditions subject to the approval of the shareholders at the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director.

None of the Directors of the Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 1956.

During the year four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' REPORT (contd.)

Remuneration Policy: The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy relating to appointment and remuneration of Directors, key managerial personnel and other employees. The Remuneration Policy is stated in the Corporate Governance Report.

AUDITORS

Statutory Auditors

M/s. Banshi S. Mehta & Co, Chartered Accountants, the statutory auditors of the Company, will complete their first term of five years as statutory auditors in terms of provisions of Section 139 of the Companies Act, 2013, at the conclusion of the ensuing 23rd Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Banshi S. Mehta & Co as statutory auditors of the Company for another term of 5 years from the conclusion of the ensuing 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting to be held in the year 2021, subject to ratification of their appointment at every Annual General Meeting.

Cost Auditors

The Board of Directors have appointed M/s. Kalpana P. Mehta & Co., Cost Accountants, Mumbai as Cost Auditors to conduct the Cost Audit of the cost records of the Company for the financial year 2016-17 on a remuneration payable upto ₹ 2,00,000 per annum, which is subject to ratification by a resolution by members at the Annual general Meeting.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ragini Chokshi & Company, Mumbai, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year 2016-17. The Report of the Secretarial Audit is annexed herewith as "Annexure B".

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(C) of the Companies Act, 2013 the Directors confirm to the best of their knowledge and belief:

- that in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and

estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;

- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts for the financial year ended March 31, 2016 on a 'going concern' basis;
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2015-16 and the date of this report. There has been no change, during the financial year under review, in the nature of Company's business.

SUBSIDIARY COMPANIES

Indo Baijin Chemicals Private Limited (IBCPL): IBCPL started the commercial production of Carbon Di-sulphide (CS₂) as of April, 2014. During the year, the Company produced 36,178 MTs and sold 34,519 MTs of CS₂ and achieved a turnover of ₹ 139.19 Crores.

Indofil Industries (Netherlands) B.V. (IIN): The Company had set up this wholly owned subsidiary in March, 2014 and all intangible assets that the Company had acquired from Dow AgroScience in Europe were transferred/assigned to IIN. This restructuring will enable the Company to have ease of business operations in Europe.

Indofil Industries (International) B.V. (IIIN): The Company has set up this another wholly owned subsidiary in October, 2015. This Company did not have major operations during the year.

Good Investment (India) Limited and Quick Investment (India) Limited have been the wholly owned investments subsidiaries of the company and the other two subsidiaries Indofil Bangladesh Private Limited and Indofil Costa Rica S.A. did not have major operations during the year. As required in terms of Section 129(3) of the Companies Act, 2013 a separate statement containing the salient features

of the financial statement of these subsidiaries has been attached as annexure D

RIGHTS ISSUE AND PAID UP SHARE CAPITAL

To part finance the multipurpose agro synthesis projects at Dahej SEZ, Dist Bharuch, Gujarat, the Company had issued 22,95,822 equity shares of ₹ 10 each at premium of ₹ 254 per share (issue price ₹ 264 per share) on Rights basis in the ratio of one equity share for every nine existing equity shares held with ₹ 80 per share (₹ 3 on Capital and ₹ 77 on premium) payable on Application, to the existing shareholders of the Company in terms of Letter of Offer dated 28th October, 2014. The issue was oversubscribed and accordingly the Rights Issue Allotment Committee of the Board of Directors at their meeting held on 29th December, 2014 allotted 22,95,822 equity shares to the successful applicants. The paid up Share Capital as on March 31, 2016 stood at ₹ 21,35,11,466 with 2,06,62,400 Equity Shares of ₹ 10 each fully paid and 22,95,822 Equity Shares of ₹ 10 each with ₹ 3 per Equity Share paid up. The Company has yet not made a call for payment of 1st call money and shall make a call as per requirement of funds.

PERSONNEL

During the year the Industrial Relations continued to be cordial and healthy. Training continues to be the thrust for building the right competencies. New initiatives in the areas of Competency Mapping and Performance Management have started showing results.

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are set out in the annexure forming part of this report.

CORPORATE GOVERNANCE

Company is committed to improve transparency, professionalism, accountability and practice good corporate governance. Accordingly a detailed report on Corporate Governance is provided as a separate section in the Annual Report.

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy which outlines the Company philosophy and efficient approach towards identification, analysis and mitigation of risks and

reporting on the risk environment of the respective business segments in the Company. The Policy covers the following aspects:

- Roles and responsibilities of Risk Management Committee, Audit Committee and other senior executives of the Company with respect to risk assessment and management.
- Approach in identification, analysis and treatment of risk.

The Risks are identified under broad categories as Strategic, Business, Finance, Environment, Personnel, Operational, Reputation, Regulatory, Technology and Political. This is an illustrative list and the Policy is applicable to all the functions within the Company.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure E".

CEO/CFO CERTIFICATE

A Certificate from Mr. K. K. Modi, Chairman and Managing Director as the Chief Executive Officer and Mr. Rajib Mukhopadhyay, Vice President-Finance as the Chief Finance Officer in relation to the financial statements for the year ended March 31, 2016 was submitted to the Board of Directors of the Company and the same was taken note of.

APPRECIATION

Your Directors would like to express their sincere appreciation to the various Departments of the Central and State Governments, Financial Institutions, Banks, Investors, Customers and Suppliers for their continued valuable support and assistance. Your Directors appreciate and wish to thank all the Officers, Staff and Workmen of the Company at all levels for their dedication, commitment, contribution, support and valuable co-operation throughout the year.

For and on behalf of the Board,

Phuket, Thailand
Date: June 22, 2016

(K. K. Modi)
Chairman & Managing Director

ANNEXURE 'A' TO DIRECTORS' REPORT

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:
 Weblink: <https://indofilcc.com/profile/corporate-social-responsibility>

2. COMPOSITION OF THE CSR COMMITTEE:

Mr. K.K. Modi, Chairman
 Mr. Sunil Kumar Alagh, Independent Director
 Mr. Manoj Singh, Nominee Director

3. Average net profit of the Company for last three financial years:
 Average net profit: ₹ 100.17 Crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
 The Company is required to spend ₹ 200.35 Lacs towards CSR.

5. DETAILS OF CSR SPEND FOR THE FINANCIAL YEAR:

- a. Total amount spent for the financial year: ₹ 208.31 Lacs
- 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 District (State) | Amount Outlay (Budget) Project or Programwise | Amount spent on project programs | Cumulative Expenditure upto reporting period | Amount spent direct or through implementing Agency |
|---------|---|--------------------------|---|---|----------------------------------|--|--|
| 1. | Promoting Education: Establishing Private University K.K. Modi University | Education | Village : Mahmara District : Durg Chhattisgarh | ₹ 1.78 Crores | ₹ 1.78 Crores | ₹ 1.78 Crores | ₹ 1.78 Crores |
| 2. | Sulabh Sanitation Mission Foundation | Health Care & Sanitation | Village : Palta District : Barabanki, Uttar Pradesh | ₹ 0.10 Crores | ₹ 0.10 Crores | ₹ 0.10 Crores | ₹ 0.10 Crores |
| 3. | Housing For poor, Dahej Digital School, Ballygunge Society | Education, Others | Dahej, Gujrat Kolkata, West Bengal | ₹ 0.20 Crores | ₹ 0.20 Crores | ₹ 0.20 Crores | ₹ 0.20 Crores |

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

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

(K. K. Modi)
 Chairman, CSR Committee

'Indofil' Corporate Social Responsibility Policy

(approved by the Board of Directors on 22nd September, 2014)

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 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

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

Responsibility

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

Review of Policy

The CSR Policy will be reviewed on or before 31st July, 2018 or as may be recommended by the CSR Committee of the Company.

ANNEXURE 'B' TO DIRECTORS' REPORT

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended March 31, 2016

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

To,

The Members

INDOFIL INDUSTRIES LIMITED

Kalpataru Square, 4th Floor, Kondivita Road,

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 NO. 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 the financial year ended March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the

rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (Not Applicable)
- (vi) We have relied on the Compliance Reports given by Functional Heads of the Company, 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:

- (a) Insecticides Act, 1968
- (b) Factories Act, 1948
- (c) Environment Protection Act, 1986 and Air, Water and Noise Pollution laws
- (d) Hazardous Wastes (Management and Handling) Rules, 1989
- (e) Legal Metrology Act, 2009
- (f) Trade Marks Act, 1999

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) As the Company is an unlisted company, the provisions of listing agreement and the Securities Exchange Board of India act, 1992 and the rules and regulations there under are not applicable to the Company

During the period under review the Company has complied

with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

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

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

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For RAGINI CHOKSHI & CO.

MRS. RAGINI CHOKSHI

(Partner)

C.P.NO. 1436

FCS NO. 2390

Place: Mumbai

Date: May 25, 2016.

ANNEXURE 'C' TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

A) CONSERVATION OF ENERGY

- 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

- R & D and technology absorption
 - The focus continued on developing user friendly products, new chemistry and diversified application for products of SPCD 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.

- Benefits from R & D:
Improved manufacturing process resulting in reduction in raw material consumption, solvent load and water load (effluent)

SPCD group has developed several new products reaching out to the popular segments in textile and leather verticals.

- 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

- Expenditure on R& D

| ₹ in Lacs | | |
|---|-----------------|-----------------|
| Particulars | 2015-16 | 2014-15 |
| Capital including Capital Work in Progress | 2,773.89 | 2,910.64 |
| Recurring | 1,020.03 | 928.59 |
| TOTAL | 3,793.92 | 3,839.23 |
| R & D Expenditure as a percentage of Revenue from Operation | 2.16% | 2.41% |

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

| ₹ in Lacs | | |
|-------------------------------|-----------|-----------|
| Particulars | 2015-16 | 2014-15 |
| i) Foreign Exchange Earned | 74,280.62 | 65,131.24 |
| ii) Foreign Exchange expensed | 42,275.40 | 39,720.73 |

ANNEXURE 'D' TO DIRECTORS' REPORT

Form No. AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

PART 'A': SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts)

| ₹ in Lacs | | | | | | | |
|-----------|---|---------------------------------|----------------------------------|---------------------------------|--|-------------------------------------|--------------------------------|
| 1 | SI No | 1 | 2 | 3 | 4 | 5 | 6 |
| 2 | Name of the subsidiary : | Good Investment (India) Limited | Quick Investment (India) Limited | Indo Baijin Chemicals Pvt. Ltd. | Indofil Bangladesh Industries Private Ltd. | Indofil Industries (Netherlands) BV | Indofil Costa Rica, S.A. |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA | NA | NA | NA | NA | NA |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA | NA | NA | BDT ₹ 0.84/BDT | Euro ₹ 72.25/Euro | Costa Rican colon ` 0.12/Colon |
| 5 | Share capital | 70.11 | 10.02 | 8,560.97 | 189.94 | 78.46 | 0.01 |
| 6 | Reserves & surplus | 4,562.46 | 1,321.57 | (2,488.34) | (158.10) | 7,901.38 | 0.01 |
| 7 | Total assets | 4,968.65 | 1,332.03 | 32,952.55 | 32.30 | 32,630.82 | 0.01 |
| 8 | Total Liabilities | 336.08 | 0.44 | 26,879.92 | (0.46) | 24,650.98 | Nil |
| 9 | Investments | 4,890.41 | 1,145.89 | Nil | Nil | Nil | Nil |
| 10 | Turnover (Total Revenue) | 468.37 | 274.16 | 12,673.26 | Nil | 5,440.95 | Nil |
| 11 | Profit before taxation | 243.16 | 272.77 | (779.45) | (107.93) | (454.18) | Nil |
| 12 | Provision for taxation | 38.66 | 30.68 | Nil | Nil | Nil | Nil |
| 13 | Profit after taxation | 204.50 | 242.09 | (779.45) | (107.93) | (454.18) | Nil |
| 14 | Proposed Dividend | Nil | Nil | Nil | Nil | Nil | Nil |
| 15 | % of shareholding | 100% | 100% | 51% | 100% | 100% | 100% |

- Names of subsidiaries which are yet to commence operations : Indofil Bangladesh Industries Pvt. Ltd.
Indofil Costa Rica, S.A.
Indofil Industries (International) B. V.
(No Share Capital has been contributed till March 31, 2016)
- Names of subsidiaries which have been liquidated or sold during the year : NA

ANNEXURE 'D' TO DIRECTORS' REPORT (contd.)

PART "B": ASSOCIATES AND JOINT VENTURES

| Name of Associates/Joint Ventures | | HIFIL Chemicals Pvt. Ltd. |
|-----------------------------------|---|---------------------------|
| 1. | Latest audited Balance Sheet Date | 31/03/2016 |
| 2. | Shares of Associate /Joint Ventures held by the company on the year end | |
| | No. | 4900 |
| | Amount of Investment in Associates / Joint Venture (₹ in lacs) | 0.49 |
| | Extend of Holding % | 49% |
| 3. | Description of how there is significant influence | By virtue of holdings |
| 4. | Reason why the associate / joint venture is not consolidated | NA |
| 6. | Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in lacs) | 0.17 |
| 7. | Profit / Loss for the year | |
| | i. Considered in Consolidation (₹ in lacs) | (0.04) |
| | i. Not Considered in Consolidation (₹ in lacs) | (0.04) |

- Names of associates or joint ventures which are yet to commence operations Hifil Chemicals Pvt. Ltd.
- Names of associates or joint ventures which have been liquidated or sold during the year. NA

For and on behalf of the Board of Directors

R.K. MALHOTRA
Group Chief Executive Officer

K.K. MODI
Chairman and Managing Director

CHINTAMANI D THATTE
Head Compliance & Company Secretary

CHARU MODI
Executive Director

RAJIB MUKHOPADHYAY
Chief Financial Officer

DR. ATCHUTUNI RAO
Director - Mfg., Oprs., Safety & SPCD Business

SAMIR MODI
ALIYA MODI
M. N. THAKKAR
SANJAY BUCH
SUNIL ALAGH
S. LAKSHMINARAYANAN
MANOJ SINGH

Directors

Phuket, June 22, 2016

ANNEXURE 'E' TO DIRECTORS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|--|---|
| i) | CIN | U24110MH1993PLC070713 |
| ii) | Registration Date | 9.2.1993 |
| iii) | Name of the Company | INDOFIL INDUSTRIES LIMITED |
| iv) | Category / Sub-Category of the Company | Company having Share Capital |
| v) | Address of the Registered office and contact details | Kalpataru Square, 4th Floor, off Andheri Kurla Road, Andheri (E) Mumbai - 400059. Tel.No. 022-66637373 |
| vi) | Whether listed company | NO |
| vii) | Name, Address and Contact details of Registrar and Transfer Agents, if any | Mas Services Ltd, T-34, 2nd Floor, Okhla Indl. Area, New Delhi – 110 020. Tel. No. 011-26387281 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / Service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1 | Agro Chemicals | 20211 | 89.39 |
| 2 | Specialty & Performance Chemicals | 20297 | 10.61 |

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 Baug, New Delhi – 110065 | U65993DL1979PLC010060 | Subsidiary | 100% | 2(87) |
| 2 | Quick Investment (India) Ltd., A-1, Maharani Baug, 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, Bufete Quiros Abogados, Central Law, Costa Rica | Foreign company | Subsidiary | 100% | 2(87) |

(Continued on page 64)

ANNEXURE 'E' TO DIRECTORS' REPORT (contd.)

(Continued from page no. 63)

| S. No | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|-------|--|-----------------------|--------------------------------|------------------|--------------------|
| 6 | Indofil Industries (Netherlands) B.V., Piet Heinkade 55, 1019 GM, Amsterdam, Netherlands. | Foreign company | Subsidiary | 100% | 2(87) |
| 7 | Indofil Industries (International) B.V., Piet Heinkade 55, 1019 GM, Amsterdam, Netherlands. | Foreign company | Subsidiary | 100% | 2(87) |
| 8 | Hifil Chemicals Private Ltd., Kalpataru Square, 4th Floor, Off. Andheri Kurla Road, Andheri (E) Mumbai 400059 | U24110MH2009PTC198057 | Associate | 49% | 2(6) |

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|------------------|-------------------|-------------------|---|------------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 0 | 498,550 | 498,550 | 2.172 | 0 | 498,550 | 498,550 | 2.172 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 10,341,504 | 1,916,666 | 12,258,170 | 53.393 | 10,691,504 | 1,916,666 | 12,608,170 | 54.918 | 1.525 |
| e) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any Other. | 145,722 | 701,033 | 846,755 | 3.688 | 145,722 | 701,033 | 846,755 | 3.688 | 0 |
| Sub-total (A) (1):- | 10,487,226 | 3,116,249 | 13,603,475 | 59.253 | 10,837,226 | 3,116,249 | 13,953,475 | 60.778 | 1.525 |
| (2) Foreign | | | | | | | | | |
| a) NRIs Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any Other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 10,487,226 | 3,116,249 | 13,603,475 | 59.253 | 10,837,226 | 3,116,249 | 13,953,475 | 60.778 | 1.525 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 450 | 1,050 | 1,500 | 0.007 | 450 | 1,050 | 1,500 | 0.007 | 0 |
| b) Banks/FI | 9,600 | 562 | 10,162 | 0.044 | 150 | 562 | 712 | 0.003 | 0.041 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 2,169,956 | 0 | 2,169,956 | 9.452 | 2,169,956 | 0 | 2,169,956 | 9.452 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 296,482 | 0 | 296,482 | 1.291 | 296,557 | 0 | 296,557 | 1.292 | -0.001 |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 2,476,488 | 1,612 | 2,478,100 | 10.794 | 2,467,113 | 1,612 | 2,468,725 | 10.754 | 0.040 |

(Continued on page 65)

(Continued from page no. 64)

| 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 | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 1,154,188 | 1,162,346 | 2,316,534 | 10.09 | 1,219,683 | 1,161,559 | 2,381,242 | 10,372 | 0.282 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lacs | 554,589 | 487,196 | 1,041,785 | 4.538 | 565,271 | 472,627 | 1,037,898 | 4,521 | -0.017 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lacs | 422,772 | 256,266 | 679,038 | 2.958 | 279,610 | 235,149 | 514,759 | 2,242 | -0.716 |
| c) Others (specify) | | | | | | | | | |
| i) NRI/OCB | 2,798,320 | 75 | 2,798,395 | 12.189 | 2,561,723 | 75 | 2,561,798 | 11,158 | -1.031 |
| ii) Clearing Member | 855 | 0 | 855 | 0.004 | 285 | 0 | 285 | 0.001 | -0.003 |
| iii) Trust | 83 | 0 | 83 | 0 | 83 | 0 | 83 | 0 | 0 |
| iv) Directors & their relatives | 39,957 | 0 | 39,957 | 0.174 | 39,957 | 0 | 39,957 | 0.174 | 0 |
| Sub-total (B)(2):- | 4,970,764 | 1,905,883 | 6,876,647 | 29.953 | 4,666,612 | 1,869,410 | 6,536,022 | 28,469 | -1.485 |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 7,447,252 | 1,907,495 | 9,354,747 | 40.747 | 7,133,725 | 1,871,022 | 9,004,747 | 39,223 | -1.525 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 17,934,478 | 5,023,744 | 22,958,222 | 100 | 17,970,951 | 4,987,271 | 22,958,222 | 100.00 | 0 |

(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 | 9,748,073 | 42.460 | 0 | 10,098,073 | 43.985 | 0 | 1.525 |
| 2 | Rajputana Fertilizers Limited | 1,916,666 | 8.348 | 0 | 1,916,666 | 8.348 | 0 | 0 |
| 3 | Premium Merchants Limited | 464,760 | 2.024 | 0 | 464,760 | 2.024 | 0 | 0 |
| 4 | Kaushambi Industries Private Limited | 3,671 | 0.016 | 0 | 3,671 | 0.016 | 0 | 0 |
| 5 | Super Investment (India) Limited | 125,000 | 0.544 | 0 | 125,000 | 0.544 | 0 | 0 |
| 6 | Mr. K. K .Modi | 233,850 | 1.019 | 0 | 233,850 | 1.019 | 0 | 0 |
| 7 | Mrs. Bina Modi | 218,607 | 0.952 | 0 | 218,607 | 0.952 | 0 | 0 |
| 8 | Mr. Lalit K. Modi | 20,328 | 0.089 | 0 | 10,455 | 0.046 | 0 | -0.043 |
| 9 | Mr. Samir K.Modi | 25,765 | 0.112 | 0 | 25,765 | 0.112 | 0 | 0 |
| 10 | Mr. Ruchir Kumar Lalit Modi | 0 | 0 | 0 | 9,873 | 0.043 | 0 | 0.043 |
| 11 | IOIL Senior Executives(O) Benefit Trust | 9,877 | 0.042 | 0 | 9,877 | 0.042 | 0 | 0 |
| 12 | IOIL Senior Executives (O) Welfare Trust | 239,144 | 1.042 | 0 | 239,144 | 1.042 | 0 | 0 |
| 13 | IOIL Senior Executives (F) Welfare Trust | 142,698 | 0.622 | 0 | 142,698 | 0.622 | 0 | 0 |
| 14 | IOIL Junior Employees (O)Welfare Trust | 142,698 | 0.622 | 0 | 142,698 | 0.622 | 0 | 0 |
| 15 | IOIL Junior .Employees (F)Welfare Trust | 175,805 | 0.766 | 0 | 175,805 | 0.766 | 0 | 0 |
| 16 | IOIL Senior Executives(F) Benefit Trust | 65,127 | 0.284 | 0 | 65,127 | 0.284 | 0 | 0 |
| 17 | IOIL Junior Employees (O) Benefit Trust | 25,914 | 0.113 | 0 | 25,914 | 0.113 | 0 | 0 |
| 18 | IOIL Junior Employees (F) Benefit Trust | 45,492 | 0.198 | 0 | 45,492 | 0.198 | 0 | 0 |
| Total | | 13,603,475 | 59.253 | 0 | 13,953,475 | 60.778 | 0 | 1.525 |

ANNEXURE 'E' TO DIRECTORS' REPORT (contd.)

(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 | 13,603,475 | 59.253 | 13,603,475 | 59.253 |
| 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): | | | | |
| | 8 th January, 2016 | | | 175,000 | 0.762 |
| | 26 th February, 2016 | | | 175,000 | 0.762 |
| | ((transfer from APMS Investments Fund Ltd. to K. K.. Modi Investment & Financial Services Pvt. Ltd.)) | | | | |
| | 25 th January, 2016 | | | -9,873 | -0.043 |
| | (transfer from Mr. Lalit Kumar Modi to Mr. Ruchir Kumar Lalit Modi) | | | 9,873 | 0.043 |
| 3. | At the End of the year | 13,603,475 | 59.253 | 13,953,475 | 60.778 |

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

| Sl. No. | For Each of the Top 10 Shareholders | 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 |
| | At the beginning of the year | | | | |
| 1. | APMS Investt Fund Ltd | 2,295,822 | 10.00 | 1,945,822 | 8.475 |
| 2. | UPSIDC Ltd. | 2,169,956 | 9.452 | 2,169,956 | 9.452 |
| 3. | Modi Industries Limited | 1,050,000 | 4.574 | 1,050,000 | 4.574 |
| 4. | Status Mark Finvest Ltd | 986,666 | 4.298 | 986,666 | 4.298 |
| 5. | Cresta Fund Limited | 500,000 | 2.178 | 500,000 | 2.178 |
| 6. | Life Insurance Corp. of India | 296,482 | 1.291 | 296,482 | 1.291 |
| 7. | Umesh Kumar Modi | 111,678 | 0.486 | 111,678 | 0.486 |
| 8. | Govind Swaroop | 100,000 | 0.435 | 100,000 | 0.435 |
| 9. | Laoleen Inv Pvt.Ltd | 62,394 | 0.272 | 62,394 | 0.272 |
| 10. | Arms Securities Pvt. Ltd. | 43,856 | 0.191 | 58,586 | 0.255 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | 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 | | | | |
| | Directors | | | | |
| | 1. Mr. K. K. Modi | 233,850 | 1.019 | 233,850 | 1.019 |
| | 2. Ms. Charu Modi | 0 | 0 | 0 | 0 |
| | 3. Mr. Samir Kumar Modi | 25,765 | 0.112 | 25,765 | 0.112 |
| | 4. Ms. Aliya Modi | 0 | 0 | 0 | 0 |
| | 5. Mr. M.N. Thakkar | 11,417 | 0.050 | 11,417 | 0.050 |
| | 6. Mr. S.K. Alagh | 28,540 | 0.124 | 28,540 | 0.124 |
| | 7. Mr. Sanjay Buch | 0 | 0 | 0 | 0 |
| | 8. Mr. S. Lakshminarayanan | 0 | 0 | 0 | 0 |
| | 9. Mr. Manoj Singh | 0 | 0 | 0 | 0 |
| | 10. Dr. Atchutuni Rao | 0 | 0 | 0 | 0 |
| | KMP | | | | |
| | 1. Mr. R.K. Malhotra | 22,933 | 0.010 | 22,933 | 0.010 |
| | 2. Mr. Chintamani Thatte | 30 | 0.0001 | 30 | 0.0001 |
| | 3. Mr. Rajib Mukhopadhyay | 1,000 | 0.004 | 0 | 0 |
| 2 | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | Transfer (22/01/2016) | 1,000 | 0.004 |
| | At the End of the year | | | | |
| 3 | Directors | | | | |
| | 1. Mr. K.K. Modi | | | 233,850 | 1.019 |
| | 2. Ms. Charu Modi | | | 0 | 0 |
| | 3. Mr. Samir Kumar Modi | | | 25,765 | 0.112 |
| | 4. Ms. Aliya Modi | | | 0 | 0 |
| | 5. Mr. M.N. Thakkar | | | 11,417 | 0.050 |
| | 6. Mr. S.K. Alagh | | | 28,540 | 0.124 |
| | 7. Mr. Sanjay Buch | | | 0 | 0 |
| | 8. Mr. S. Lakshminarayanan | | | 0 | 0 |
| | 9. Mr. Manoj Singh | | | 0 | 0 |
| | 10. Dr. Atchutuni Rao | | | 0 | 0 |
| | KMP | | | | |
| | 1. Mr. R.K. Malhotra | | | 22,933 | 1.019 |
| | 2. Mr. Chintamani Thatte | | | 30 | 0.0001 |
| | 3. Mr. Rajib Mukhopadhyay | | | 0 | 0 |

ANNEXURE 'E' TO DIRECTORS' REPORT (contd.)

V. INDEBTEDNESS (₹ in Lacs)

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | ₹ in Lacs Total Indebtedness |
|---|--|--------------------|------------|------------------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 55,753.54 | Nil | Nil | 55,753.54 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | 85.54 | Nil | Nil | 85.54 |
| Total (i+ii+iii) | 55,839.08 | Nil | Nil | 55,839.08 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 10,731.95 | Nil | Nil | 10,731.95 |
| • Reduction | 12,650.52 | Nil | Nil | 12,650.52 |
| Net Change | (1,918.57) | Nil | Nil | (1,918.57) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 53,822.34 | Nil | Nil | 53,822.34 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | 98.17 | Nil | Nil | 98.17 |
| Total (i+ii+iii) | 53,920.51 | Nil | Nil | 53,920.51 |

VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | ₹ in Lacs Total Amount ₹ Lacs |
|---------|---|--|--------------------------------------|--|
| | | Mr. K.K. Modi Chairman & Managing Director | Ms. Charu Modi Executive Director | |
| | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | |
| 1. | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 120.00 10.91 Nil | 198.00 3.94 Nil | 318.00 14.85 Nil |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | |
| 2. | Stock Option | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil |
| | Commission | | | |
| 4. | - as % of profit | 242.26 | 72.00 | 314.26 |
| | - others, specify... | Nil | Nil | Nil |
| 5. | Others, please specify (Retirals) | 43.20 | 52.26 | 95.46 |
| | Total (A) | 416.37 | 326.20 | 742.57 |
| | Ceiling as per the Act | | | 2,231.54 |

B. Remuneration to other directors:

| ₹ in Lacs | | | | | |
|-----------|--|--------------------|-------------------|-----------------|--------------------------|
| Sl. no. | Particulars of Remuneration | Name of Directors | | | |
| | | | | | Total Amount |
| | 3. Independent Directors | Mr. Sunil K. Alagh | Mr. M. N. Thakkar | Mr. Sanjay Buch | Mr. S . Lakshminarayanan |
| | • Fee for attending board committee meetings | 5.25 | 7.00 | 5.50 | 5.00 |
| | • Commission | 19.30 | 19.30 | 19.30 | 14.28 |
| | • Others, please specify | -- | -- | -- | -- |
| | Total (1) | 24.55 | 26.30 | 24.80 | 19.28 |
| | 4. Other Non-Executive Directors | Mr Samir Modi | Ms. Aliya Modi | Mr. Manoj Singh | |
| | • Fee for attending board committee meetings | 0.75 | 0.75 | 4.00 | 5.50 |
| | • Commission | 19.30 | -- | 19.30 | 38.60 |
| | • Others, please specify | -- | -- | -- | - |
| | Total (2) | 20.05 | 0.75 | 23.30 | 44.10 |
| | Total (B) = (1 + 2) | | | | 139.03 |
| | Total Managerial Remuneration | | | | 881.60 |
| | Overall Ceiling as per the Act | | | | 2,454.69 |

ANNEXURE 'E' TO DIRECTORS' REPORT (contd.)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/ NCLT/COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| DIRECTORS | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |

ANNEXURE 'F' TO DIRECTORS' REPORT

Form No. AOC-2

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

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

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

- (a) Name(s) of the related party and nature of relationship – Nil
- (b) Nature of contracts/arrangements/transactions - Nil
- (c) Duration of the contracts / arrangements/transactions -Nil
- (d) Salient terms of the contracts or arrangements or transactions including 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 – Nil
- (g) Amount paid as advances, if any – Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 – Nil

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

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

(K. K. Modi)
Chairman
DIN No. 00029407

CORPORATE GOVERNANCE REPORT

A. COMPANY'S PHILOSOPHY

Your Company firmly believes in and continues to practice good Corporate Governance. The Company continuously endeavours to improve transparency, professionalism and accountability on an ongoing basis. The Company endeavours to maximize the value of its stakeholders by adopting the principles of good corporate governance in line with the provisions of law. The Company operates not only within the regulatory framework but is also guided by broader business ethics. It encourages wide participation from all stakeholders. As a responsible corporate citizen, Indofil Industries Limited (Indofil) is conscious that a business run on principles of fairness, transparency and accountability, goes a long way in fostering a healthy relationship among all stakeholders. The Company would endeavour to constantly up-grade management practices. The Report covers the Corporate Governance aspect in the Company for the year ended 31st March, 2016.

B. BOARD OF DIRECTORS

The Board of Directors alongwith its four Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board of Directors consisted of 10 Directors, out of which 4 are Non-executive and Independent Directors and 1

Nominee Director of U.P. State Industrial Development Corporation Ltd. (UPSIDC), who is a Senior IAS Officer. Mr. Lalit Kumar Modi relinquished his office as Director with effect from 16th September, 2015. Ms. Aliya Modi has been appointed as additional Director w.e.f. 18th March, 2016. Dr. Atchutuni Rao has been appointed as additional Director and Whole Time Director designated as Director – Manufacturing, Operations, Safety & SPCD Business w.e.f. 18th March, 2016. The composition of the Board is in conformity with the provisions of Companies Act, 2013. The Independent Directors are experienced, competent and highly respected professionals from their respective fields. The Independent Directors take active part in the Board and Committee Meetings, which adds value in the decision making process of the Board of Directors. The day to day management of the Company is conducted by the Chairman and Managing Director and Executive Director subject to supervision and control of the Board of Directors. In accordance with the provisions of the Companies Act, 2013, the Board of Directors has constituted the Audit Committee, Nomination & Remuneration Committee, Share Transfer & Stakeholders Relationship Committee and Corporate Social Responsibility Committee, which are functioning actively.

During the year under review, four Board Meetings were held on 11th June, 2015, 28th July, 2015, 20th November, 2015 and 18th March, 2016. The composition of the directors' attendance at Board Meetings and at the last Annual General Meeting, Number of Directorships in other companies and their shareholding in the Company are as follows:

| Name of the Director | Category | Attendance at Meetings BM / AGM | No. of Directorships | Shareholding |
|---|-----------------------------|------------------------------------|----------------------|--------------|
| Mr.K.K.Modi Chairman & Managing Director | Executive, Promoter | 4 Yes | 15 | 2,33,850 |
| Ms. Charu Modi Executive Director | Executive, Promoter | 3 Yes | 9 | Nil |
| Mr. Samir K.Modi | Non-Executive, Promoter | 1 Yes | 20 | 25,765 |
| Ms. Aliya Modi | Non-Executive, Promoter | 1 No | 1 | Nil |
| Mr. M.N.Thakkar | Non-Executive, Independent | 4 Yes | 5 | 11,417 |
| Mr. Sunil K. Alagh | Non-Executive, Independent | 3 Yes | 6 | 28,540 |
| Mr. Sanjay Buch | Non-Executive, Independent | 4 Yes | 4 | Nil |
| Mr. Manoj Singh | Nominee | 4 No | 3 | Nil |
| Mr. S. Lakshminarayanan | Non-Executive, Independent | 4 Yes | 7 | Nil |
| Dr. Atchutuni Rao Director - Manufacturing, Operations, Safety & SPCD Business | Executive – Non-Independent | 1 No | 1 | Nil |

C. AUDIT COMMITTEE

The Board has reconstituted Audit Committee of the Board of Directors in terms of the provisions of the Companies Act, 2013 and consists of Mr. M. N. Thakkar – Independent Director as Chairman, Mr. Sunil Kumar Alagh and Mr. Sanjay Buch – Independent Directors as Members. Mr. Chintamani Thatte is the Secretary of the Committee.

Besides the Committee Members, Chairman & Managing Director, Group Chief Executive Officer, Head Compliance and Company Secretary, Chief Finance Officer and other concerned Senior Executives of the Company, and Partner/ other Representatives of the Firms of Statutory Auditors and Internal Auditors also attend the Meetings on the invitation of the Chairman. During the financial year 2015 -16 the Audit Committee held one meeting on 11th June, 2015.

The scope of the Audit Committee includes the following:

- (i) recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statements and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters;

- (ix) review, examine and investigate any related issues as the Board may refer.

D. NOMINATION & REMUNERATION COMMITTEE (NRC)

The Board has constituted a Nomination & Remuneration Committee in terms of the provisions of the Companies Act, 2013 and consists of Mr. S. Lakshminarayanan Independent Director as Chairman, Mr. Sunil Kumar Alagh and Mr. M.N.Thakkar Independent Directors as Members and Mr. Chintamani Thatte as Secretary of the Committee. The Committee held three meetings on 11th June, 2015, 28th July, 2015 and 18th March, 2016. The Committee holds its meetings as and when need arises. The scope of the Nomination & Remuneration Committee includes the following:

- (i) identify the persons who are qualified to become the Directors and who may be appointed in senior management in accordance with criteria laid down;
- (ii) recommend to the Board their appointment and removal;
- (iii) carry out evaluation of every Director's performance;
- (iv) formulate the criteria for determining the qualifications, positive attributes and independence of a Director;
- (v) recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees;
- (vi) examine related issues as the Board may refer

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board / Committee thereof. Each of these Directors is also paid commission on an annual basis in accordance with the provisions of the Companies Act, 2013. Details of remuneration paid to the Directors of the Company during the year ended 31st March, 2016 are as under:

CORPORATE GOVERNANCE REPORT (contd.)

| Directors | Salary | Commission | Perquisites & Retirement Benefits. | Sitting Fees Board / Committee Meetings |
|--|-------------|-------------|------------------------------------|---|
| | ₹ | ₹ | ₹ | ₹ |
| Mr. K. K. Modi Chairman and Managing Director | 1,20,00,000 | 2,42,25,645 | 54,11,196 | – |
| Ms. Charu Modi Executive Director | 1,98,00,000 | 72,00,000 | 56,19,930 | – |
| Mr. Samir K. Modi | | 19,29,804 | – | 75,000 |
| Ms. Aliya Modi | | – | – | 75,000 |
| Mr. M. N. Thakkar | | 19,29,804 | – | 7,00,000 |
| Mr. Sunil K. Alagh | | 19,29,804 | – | 5,25,000 |
| Mr. Sanjay Buch | | 19,29,804 | – | 5,50,000 |
| Mr. S. Lakshminarayanan | | 14,27,526 | – | 5,00,000 |
| Mr. Manoj Singh* | | 19,29,804 | – | 4,00,000 |
| Prof. J. Ramachandran | | 3,22,513 | – | Nil |
| Dr. Atchutuni Rao Director - Manufacturing, Operations, Safety & SPCD Business | 67,94,228 | Nil | 7,45,410 | Nil |

*Total Paid to UPSIDC Limited on account of their Nominee Director

During the year, the NRC has formulated the following Nomination & Remuneration Policy which has been approved by the Board of Directors.

Nomination & Remuneration Policy

Guiding Principle

The Nomination & Remuneration Policy of Indofil is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained longterm value creation for shareholders.

Objective of the Policy

The objective of the policy is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel.

The Nomination & Remuneration Committee (NRC) while designing the remuneration package ensures that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- There is a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The NRC shall consult with the Chairman of the Board as it may deem appropriate.

This Policy has been formulated by the NRC and was adopted by the Board of Directors at its meeting held on 17th November, 2014.

Applicability

This Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

Reward principles and objectives

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Appointment of Non-Executive Director, KMP and senior management personnel

The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as non-executive director, KMP and other senior management personnel.

In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company

The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013

The appointment recommended by the NRC shall require the approval of the Board.

Remuneration

- 1 (a) As regards the remuneration for the Directors: In case of remuneration of Managing Director, Executive/Whole Time Director the same is recommended by the Committee to the Board and then is decided and approved by the Board subject to further approval by the shareholders, wherever necessary, in compliance with the provisions of Companies Act, 2013, relevant Rules thereunder and other applicable laws.
- 1 (b) As regards the remuneration for the Non-Executive and Independent Directors : In case of remuneration of Non-Executive and Independent Directors, the sitting fees for attending Board/Committee meetings and commission payable on profits is recommended by the Committee to the Board and then is decided and approved

by the Board, subject to the further approval of shareholders, wherever necessary, in compliance with the provisions of the Companies Act, 2013, relevant Rules thereunder and applicable laws.

2. As regards the remuneration for the Key Managerial Personnel and other employees: In case of remuneration of KMP (other than MD/ED/WTG/Group CEO) and other employees, People Strategy department from time to time formulates the overall Remuneration Policy for the employees subject to the approval of the Group Chief Executive Officer and further approval of Chairman and Managing Director and Executive Director of the Company.

Amendment to the Policy

The Board of Directors on its own or on the recommendation of the NRC can amend this Policy, as and when deemed necessary.

E. SHARE TRANSFER & STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted a Share Transfer & Stakeholders Relationship Committee in terms of the provisions of the Companies Act, 2013 and consists of Mr. M.N. Thakkar - Independent Director as Chairman, Mr. Sunil Kumar Alagh and Mr. Sanjay Buch – Independent Directors as Members and Mr. Chintamani Thatte as Secretary of the Committee, to look after the redressal of stakeholders complaints if any, as and when lodged with the company. During the year ended 31st March, 2016, routine complaints/ clarifications etc. were lodged / sought by the Shareholders regarding change of address, annual report, unclaimed dividend and the same were solved to their satisfaction through Mas Services Ltd., the Registrars and Transfer Agents of the Company. During the year 2015-16, the Committee held three meetings on 11th June, 2015, 20th November, 2015 and 18th March, 2016.

F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under Section 135 of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising Mr. K.K.Modi as Chairman, Mr. Sunil Kumar Alagh and Mr. Manoj Singh as Members and Mr. Chintamani Thatte as Secretary of the Committee.

CORPORATE GOVERNANCE REPORT (contd.)

The said Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Board has approved the said CSR Policy with thrust CSR area as “Promoting the education activities”. During the year 2015-16, the Committee held two meetings on 11th June, 2015 and 18th March, 2016.

G. ANNUAL GENERAL MEETINGS

Location, Date and Time for the last 3 Annual General Meetings were as under:

| Year | Type | Location | Date | Time |
|-----------|------|--|-----------|-----------|
| 31.3.2015 | AGM | Hall of Culture, Nehru Centre, Worli, Mumbai-400 018 | 16.9.2015 | 11.00 A.M |
| 31.3.2014 | AGM | Hall of Culture, Nehru Centre, Worli, Mumbai-400 018 | 22.9.2014 | 11.30 A.M |
| 31.3.2013 | AGM | Hall of Culture, Nehru Centre, Worli, Mumbai-400 018 | 20.9.2013 | 11.30 A.M |

In terms of the provisions of new Companies Act, 2013, three Ordinary Resolutions were passed in the last AGM for appointment of Auditors, approval of revision in terms of remuneration of Ms. Charu Modi as Executive Director and approval of remuneration of Cost Auditors.

H. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance and the Directors individually

A structured questionnaire was prepared after taking into consideration various aspects of the composition of Board and committees, execution and performance of duties and functions. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors

I. DISCLOSURES

- (a) Directors' Interest in the Company:
Directors make full disclosures to the Board of Directors regarding the nature of their interest in the Companies in which they are Directors or Members. The Company's contracts with the Companies in which any of the Directors of the

Company is interested as Director or Member are in the ordinary course of the Company's business, at the then prevailing market rate and on arm's length basis and hence particulars of such contracts are not required to be entered into in the Register of Contracts as envisaged under Section 189 of The Companies Act, 2013. The Audit Committee of the Board of Directors of the Company has formulated and recommended a Related Party Transaction Policy to the approval of the Board and the Board has approved the same. In terms of the said policy, Related Party Transactions are first placed before the Audit Committee Meeting for review and approval by the Committee and these shall be approved by the Board and Shareholders wherever necessary.

In terms of the provisions of Section 184 of the Companies Act, 2013 all the Directors have disclosed the nature of their concern or interest, in the prescribed Form, in the Companies, Bodies Corporate, Firms and Association of Persons in which they are concerned as Directors or Members or Partners. Further in terms of the provisions of Section 188 of the Companies Act, 2013 the transactions entered into with some related parties are in the ordinary course of business and on arm's length basis.

In terms of Accounting Standard 18, the details of related party transactions during the year have been set out at Note/Schedule annexed to the Balance Sheet and Profit & Loss Account as at and for the year ended 31st March, 2016. However, these are not having any potential conflict with the interest of the Company at large.

- (b) There is no non-compliance of any legal provisions of applicable laws and no penalties or strictures have been imposed /passed. Secretarial Compliance Report has been received in this regards from a Secretarial Auditor appointed by the Company and is attached to the Director's Report.

J. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting:

Date and Time Friday, 23rd September, 2016 at 11.00 A.M

Venue Hall of Culture,
Nehru Centre, Dr A. B. Road,
Worli, Mumbai-400 018

2. Financial Year:

The Company follows April-March Financial Year.

3. Book Closure:

Saturday, the 17th September, 2016 to Friday, the 23rd September, 2016 (both days inclusive)

4. **Dividend for the year ended 31st March, 2016.**
The Dividend recommended by the Board for the year under review will be paid after approval of the shareholders at the forthcoming Annual General Meeting to all those shareholders whose names appear-
- (i) In respect of shares held in demat form to those who are recorded as beneficial owner, as per details furnished by the Depositories as at the closure of the business hours on 16th September, 2016.
- (ii) In respect of shares held in physical form to those whose name stand registered as members in the Register of Members of the Company on 23rd September, 2016.

5. Unpaid/Unclaimed Dividend:

No amount of dividends for the Accounting years upto 31st March, 2007 are unclaimed / unpaid since no dividend had been declared for these years and in respect of Dividend for the year ended 31st March, 2009, 31st March, 2010, 31st March, 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014 and 31st March, 2015 the shareholders who have not claimed their dividend yet and whose dividend remained lying in Unpaid Dividend Account, are advised to claim the same from the Company at the earliest. Unclaimed dividend in respect of year ended on 31st march, 2008 has been transferred to Investor Protection & Education Fund in terms of provisions of Companies Act, 2013.

6. Demat ISIN No.in NSDL & CDSL

INE 07H01016 Fully Paid-up Equity Shares, ₹ 10/- per share

IN907H01014 Partly Paid-up Equity Shares, ₹ 3/- per share

7. RTA and Share Transfer System

All share registry work in respect of both physical and demat segments is being handled by a single Common Agency, i.e. M/s Mas Services Ltd., T-34, 2nd Floor, Okhla Industrial Area, Phase –II, New Delhi – 110 020, as the Registrar and Share Transfer Agent (RTA), for all aspects of Investors' servicing relating to shares.

All transfers, transmissions etc. were processed and registered within the stipulated time. As on 31.3.2016 no shares were pending for transfer for more than 30 days.

Certificate has also been received from a Company Secretary-in-Practice for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

CORPORATE GOVERNANCE REPORT (contd.)

8. Distribution of Shareholding

Distribution of shareholding of Equity Shares as on 31st March, 2016

| No. of Equity Shares held | No. of Shareholders | %age of Shareholders | No. of Shares held | %age of Shareholding |
|---------------------------|---------------------|----------------------|--------------------|----------------------|
| 1 – 500 | 7,747 | 96.236 | 7,02,909 | 3.062 |
| 501 – 1000 | 141 | 1.752 | 95,941 | 0.418 |
| 1001 – 2000 | 68 | 0.845 | 90,423 | 0.394 |
| 2001 – 3000 | 9 | 0.112 | 24,059 | 0.105 |
| 3001 – 4000 | 8 | 0.099 | 28,394 | 0.124 |
| 4001 – 5000 | 8 | 0.099 | 34,584 | 0.151 |
| 5001 – 10000 | 18 | 0.224 | 1,26,404 | 0.551 |
| 10001 and above | 51 | 0.634 | 2,18,55,508 | 95.197 |
| Total | 8,050 | 100.00 | 2,29,58,222 | 100.00 |

9. Dematerialisation of Shares

There were 3,699 shareholders holding 1,79,70,951 shares in electronic form, which constitutes 78.28% of the Paid-up Equity Share Capital of the Company as on 31.3.2016. It may be advisable that the Shareholders who have shares in physical form get their shares dematerialised.

10. Outstanding GDRs / ADRs / Warrants or any convertible instruments, their conversion dates and likely impact on equity

No GDRs/ADRs were issued by the Company and hence not outstanding.

11. Management Discussion and Analysis forms a part of the Annual Report.

12. CEO/CFO Certification

Certificate signed by Mr. K.K.Modi, Chairman & Managing Director as the CEO and Mr. Rajib Mukhopadhyay, Vice President- Finance as the CFO, was placed before the Board of Directors at its meeting held on 22nd June, 2016.

13. Plant Locations

| | |
|-------|--|
| Thane | Off, S.V.Road, Azad Nagar, Sandoz Baug, Thane - 400 607 (Maharashtra) Tel No. (022) 67999100 |
| Dahej | Plot No. Z8, SEZ Area, Dahej SEZ Limited, Taluka Vagra, Distt. Bharuch, Gujarat - 392 130 Tel.No. (2641) 677201 |

14. Address for correspondence:

To contact RTA for all matters relating to Equity Shares, i.e. demat, remat, consolidation, transfer, transmission, issue of duplicate share certificate, change of address, etc.

M/s.Mas Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
Tel. 011-26387281-82-83
Fax 011-26387384
E-mail: info@masserv.com

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

Indofil Industries Ltd.
Regd. Office:Kalpataru Square, 4th Floor, Kondivita Road,
Off Andheri Kurla Road, Andheri (East). Mumbai-400059
Tel.No. (022) -66637373
Fax No.(022) -28322272
indofil@modi.com
CIN: U24110MH1993PLC070713

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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and the significant accounting policies and other explanatory information (hereinafter 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 controls 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows 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 in terms of section 143(11) of the Act, we give 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, 2016 on its financial position in its Standalone Financial Statements – Refer Note 30 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, 2016 to the Investor Education and Protection Fund by the Company.

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

PLACE : MUMBAI
DATE : JUNE 30, 2016

H.G.BUCH
Partner
Membership No. 033114

INDEPENDENT AUDITOR'S REPORT (contd.)

ANNEXURE A TO 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, 2016.]

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 and stocks lying with third parties) 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, 2016. 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, Customs Duty, Excise Duty, Value Added Tax, Cess 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, 2016 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 Statute | Nature of dues | Financial years to which the matter pertains | Forum where matter is pending | Gross Liability (₹ in Lacs) | Payment made (₹ in Lacs) | Net Liability (₹ in Lacs) |
|------------------------------|----------------|---|-----------------------------------|-----------------------------|--------------------------|---------------------------|
| Madhya Pradesh VAT Act, 2002 | Sales Tax MP | 2012-13 | Addl Comm. | 189.64 | 18.96 | 170.68 ¹ |
| Madhya Pradesh VAT Act, 2002 | Sales Tax MP | 2009-10 | Addl Comm. | 36.28 | 9.07 | 27.21 |
| Maharashtra VAT Act, 2002 | Sales Tax Mah | 2005-06 | Dy. Comm. | 15.00 | 1.50 | 13.50 |
| Madhya Pradesh Entry Tax Act | Entry Tax MP | 2009-10/2012-13 | Addl Comm. | 88.15 | 28.29 | 59.86 |
| Central Sales Tax Act, 1956 | Sales Tax | 2000-01/2003-04/2004-05/2005-06/2006-07/2007-08/2008-09/2009-10 | Dy.Comm/ Addl Comm Jt. Comm. | 603.47 | 102.89 | 500.58 ² |
| 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 |
| Total | | | | 1,117.08 | 179.18 | 937.90 |

Note (1) and (2) : As informed to us, liability to the extent of ₹170.68 Lacs and ₹ 325.40 Lacs 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) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (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) This Clause is not applicable to the Company as the Company is not a Nidhi 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 Financial Statements, as required by the applicable 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.
- (xvi) The Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

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

PLACE : MUMBAI
DATE : JUNE 30, 2016

H.G.BUCH
Partner
Membership No. 033114

INDEPENDENT AUDITOR'S REPORT (contd.)

ANNEXURE B TO 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, 2016 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 judgement, 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 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 controls over were operating effectively as at March 31, 2016, 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

PLACE : MUMBAI
DATE : JUNE 30, 2016

H.G.BUCH
Partner
Membership No. 033114

BALANCE SHEET

AS AT MARCH 31, 2016

| | | ₹ in Lacs | |
|--|----------|-------------------------|-------------------------|
| Particulars | Note No. | As at March 31, 2016 | As at March 31, 2015 |
| EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share Capital | 2 | 2,135.11 | 2,135.11 |
| (b) Reserves and Surplus | 3 | 70,824.53 | 56,044.61 |
| 2. Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 4 | 18,924.60 | 10,497.61 |
| (b) Deferred Tax Liabilities (Net) | 5 | 4,899.09 | 4,400.35 |
| (c) Other Long Term Liabilities | 6 | 1,098.26 | 1,006.96 |
| (d) Long Term Provisions | 7 | 851.30 | 699.10 |
| 3. Current Liabilities | | | |
| (a) Short Term Borrowings | 8 | 32,007.53 | 41,762.12 |
| (b) Trade Payables | 9 | 15,125.17 | 17,726.94 |
| (c) Other Current Liabilities | 10 | 16,741.28 | 12,472.06 |
| (d) Short Term Provisions | 11 | 2,797.49 | 2,049.87 |
| Total | | 165,404.36 | 148,794.73 |
| ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible Assets | | 27,184.95 | 25,160.05 |
| (ii) Intangible Assets | | 7,276.96 | 6,337.70 |
| (iii) Capital Work-in-progress | | 15,769.82 | 5,397.34 |
| (iv) Intangible Assets under Development | | 8,988.30 | 8,345.16 |
| (b) Non-Current Investments | 13 | 15,397.31 | 14,709.36 |
| (c) Long Term Loans and Advances | 14 | 12,727.24 | 11,412.71 |
| (d) Other Non-Current Assets | 15 | 323.07 | 269.11 |
| 2. Current Assets | | | |
| (a) Inventories | 16 | 26,324.15 | 27,664.28 |
| (b) Trade Receivables | 17 | 44,052.30 | 42,945.73 |
| (c) Cash and Bank Balances | 18 | 3,312.49 | 1,581.80 |
| (d) Short Term Loans and Advances | 19 | 3,844.99 | 4,645.73 |
| (e) Other Current Assets | 20 | 202.78 | 325.76 |
| Total | | 165,404.36 | 148,794.73 |
| Significant Accounting Policies | 1 | | |
| Notes on Accounts | 2-45 | | |

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

H.G. BUCH
Partner
Membership No. 033114

R.K. MALHOTRA
Group Chief Executive Officer

CHINTAMANI D THATTE
Head Compliance & Company Secretary

RAJIB MUKHOPADHYAY
Chief Financial Officer

For and on behalf of the Board of Directors

K.K. MODI
Chairman and Managing Director

CHARU MODI
Executive Director

DR. ATCHUTUNI RAO
Director - Mfg., Oprs., Safety & SPCD Business

SAMIR MODI
ALIYA MODI
M. N. THAKKAR
SANJAY BUCH
SUNIL ALAGH
S. LAKSHMINARAYANAN
MANOJ SINGH

Directors

Mumbai, June 30, 2016

Phuket, June 22, 2016

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED ON MARCH 31, 2016

| | | ₹ in Lacs | |
|---|----------|---------------------------|---------------------------|
| Particulars | Note No. | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Revenue from Operations | 21 | 175,563.94 | 159,183.56 |
| Less : Excise Duty | | (11,754.10) | (10,594.18) |
| Net Revenue from Operations | | 163,809.84 | 148,589.38 |
| Other Income | 22 | 620.17 | 1,316.70 |
| Total Revenue | | 164,430.01 | 149,906.08 |
| EXPENSES: | | | |
| Cost of Materials Consumed | 23 | 73,541.96 | 74,888.47 |
| Purchases of Stock-in Trade | 24 | 8,394.72 | 9,186.33 |
| Changes in Inventories of Finished Goods/Stock in Trade | 25 | 1,784.20 | (3,895.43) |
| Employee Benefits Expenses | 26 | 12,437.37 | 10,757.21 |
| Finance Costs | 27 | 5,096.06 | 7,830.24 |
| Depreciation & Amortization Expenses | 12 | 3,323.58 | 5,626.55 |
| Other Expenses | 28 | 38,696.40 | 34,463.32 |
| Total Expenses | | 143,274.29 | 138,856.69 |
| Profit Before Exceptional Items and Tax | | 21,155.72 | 11,049.39 |
| Exceptional Items (Refer Note No. 29) | | - | 4,255.48 |
| Profit Before Tax | | 21,155.72 | 15,304.87 |
| Tax Expenses | | | |
| Current Tax | | 4,750.00 | 3,300.00 |
| MAT Credit Entitlement | | (422.07) | (3,268.40) |
| Deferred Tax | | 498.74 | 754.05 |
| Profit After Tax for the Year | | 16,329.05 | 14,519.22 |
| Earning per Equity Share : | | | |
| Basic & Diluted | | 76.48 | 69.68 |
| Significant Accounting Policies | 1 | | |
| Notes on Accounts | 2-45 | | |

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

H.G. BUCH
Partner
Membership No. 033114

R.K. MALHOTRA
Group Chief Executive Officer

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SANJAY BUCH
SUNIL ALAGH
S. LAKSHMINARAYANAN
MANOJ SINGH

Directors

Mumbai, June 30, 2016

Phuket, June 22, 2016

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON MARCH 31, 2016

₹ in Lacs

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2016 | Year Ended March 31, 2015 | Year Ended March 31, 2015 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/(Loss) before tax | | 21,155.72 | | 15,304.87 |
| Adjustment for Non-Cash/Non-Operating Items: | | | | |
| Depreciation/Amortization | 3,323.58 | | 5,626.55 | |
| Finance Cost | 5,096.06 | | 7,830.24 | |
| Interest Income | (322.25) | | (543.99) | |
| Dividend Income | (1.43) | | (1.71) | |
| Guarantee Commission | (229.99) | | (70.33) | |
| Sundry Balances Written Back | (6.17) | | (572.63) | |
| (Profit)/Loss on Sale of Assets(including exceptional items) | 2.59 | | (4,258.34) | |
| Provision for Bad and Doubtful Debts | 719.90 | | 300.00 | |
| Foreign Exchange Loss/(Gain) | 542.57 | 9,124.86 | (20.39) | 8,289.40 |
| Operating Profit Before Changes in Working Capital | | 30,280.58 | | 23,594.27 |
| Adjustments for Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventories | 1,340.13 | | (3,713.14) | |
| (Increase)/Decrease in Short Term Trade Receivables | (1,826.47) | | 938.27 | |
| (Increase)/Decrease in Short Term Loans & Advances | 800.75 | | (74.20) | |
| (Increase)/Decrease in Long Term Loans & Advances | (84.71) | | (13.31) | |
| (Increase)/Decrease in Other Current Assets | 17.82 | | 176.28 | |
| (Increase)/Decrease in Other Non - Current Assets | (53.96) | | (73.76) | |
| Increase/(Decrease) in Trade Payables | (2,601.76) | | (2,208.78) | |
| Increase/(Decrease) in Other Short Term Payables | 4,415.09 | | 1,040.69 | |
| Increase/(Decrease) in Other Long Term Payables | 243.50 | 2,250.39 | 250.51 | (3,677.44) |
| Cash Generated From Operations | | 32,530.97 | | 19,916.83 |
| Less: Taxes Paid(net of refund received) | | (4,026.06) | | (4,565.42) |
| NET CASH FROM OPERATING ACTIVITIES | | 28,504.91 | | 15,351.41 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| For Purchase of Fixed Assets (Net of Interest Capitalised & Forex Translation) | (17,263.37) | | (7,582.77) | |
| Amount Received on Sale of Assets | 5.57 | | 29,673.30 | |
| Investments | (687.94) | | (10,208.46) | |
| Loans (Made) /Repaid | 59.51 | | 897.56 | |
| Interest Received | 427.41 | | 300.01 | |
| Dividend Received | 1.43 | | 1.71 | |
| Guarantee Commission | 229.99 | | 70.33 | |
| NET CASH FROM INVESTING ACTIVITY | | (17,227.40) | | 13,151.68 |

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON MARCH 31, 2016

| Particulars | ₹ in Lacs | | | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Year Ended March 31, 2016 | Year Ended March 31, 2016 | Year Ended March 31, 2015 | Year Ended March 31, 2015 |
| C CASH FLOW FROM FINANCING ACTIVITY | | | | |
| Repayment of Long Term Borrowings | (3,617.69) | | (22,693.62) | |
| Receipt of Long Term Borrowings | 10,731.95 | | 10,999.94 | |
| Receipt / (Repayment) of Short Term Borrowings | (9,997.38) | | (11,080.72) | |
| Deposits and Margin Money | 841.79 | | 1,496.77 | |
| Receipt of Equity Share Capital | - | | 69.09 | |
| Receipt of Premium of Equity Share Capital | - | | 1,769.25 | |
| Finance Cost (Incl. Interest Cost Capitalized) | (5,417.59) | | (8,224.60) | |
| Dividend Paid (Incl. Dividend Distribution Tax) | (1,246.11) | | (958.26) | |
| Increase in capital reserve on share forfeiture | - | | 1.37 | |
| NET CASH FROM FINANCING ACTIVITY | | (8,705.03) | | (28,620.78) |
| NET CASH FLOW OF THE YEAR | | 2,572.48 | | (117.69) |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | | 166.85 | | 284.54 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS | | 2,739.33 | | 166.85 |

Note:-

- 1 The Above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statements, notified under Section 133 of the Companies Act, 2013.

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

H.G. BUCH
Partner
Membership No. 033114

R.K. MALHOTRA
Group Chief Executive Officer

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For and on behalf of the Board of Directors

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SAMIR MODI
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M. N. THAKKAR
SANJAY BUCH
SUNIL ALAGH
S. LAKSHMINARAYANAN
MANOJ SINGH

Directors

Mumbai, June 30, 2016

Phuket, June 22, 2016

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements have been prepared and presented on the basis of going concern, under historical cost convention, on accrual basis of accounting and in compliance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act"), read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act (to the extent notified).

1.2 Use of Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, 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.

1.3 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.

1.4 Fixed Assets and Depreciation/Amortization

- i. Fixed assets are stated at cost of acquisition or constructions including attributable borrowing cost till such assets are ready for their intended use, less accumulated depreciation/amortization, impairment losses and credits received, if any.
- ii. 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.
- iii. Depreciation is provided as per useful life prescribed by Schedule II of the Companies Act, 2013 on Straight Line Method on Plant and Machinery and on Written Down Value Method on other Tangible Fixed Assets.

- iv. Cost of Leasehold land is amortized over the life of the lease.
- v. Intangibles assets (other than those covered under vi below) are amortized on Straight Line Method over a period of seven years.
- vi. Intangible assets being Registrations & Supporting Data, Patents & Know-how, Trademarks, Customer Lists and Records comprised in the Dithane Fungicide Business in certain countries in the European continent acquired under a Business Purchase Agreement are amortized on Straight Line Method over a period of ten years.

1.5 Expenditure during Construction Period

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.

1.6 Research & Development

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 depreciation is provided accordingly.

1.7 Investments

- i. Investments being Non-Current Investments are carried at cost less provision for permanent diminution in value, if any, of such investments.
- ii. Profit or loss on sale of long-term investments, if any, is calculated by considering the weighted average amount of the total holding of the investment.
- iii. Current Investments are stated at cost or fair value whichever is lower.

1.8 Inventory Valuation

- i. Raw Material and Packaging Materials – at weighted average cost or net realizable value whichever is lower.
- ii. 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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

Materials or Finished Goods considering the stage of completion.

- iii. Stores and Spares – at weighted average cost or net realizable value whichever is lower.
- iv. Goods-in-transit – at cost.

1.9 Revenue Recognition

- i. Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.
- ii. Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer which is generally on dispatch of goods.
- iii. Sales are recorded inclusive of excise duty and net of trade discounts and returns.
- iv. Insurance claims are accounted upon acceptance of claims.
- v. Dividend and other revenues are recognized when the right to receive is established.

1.10 Export Benefits

- i. Export benefit Entitlements under the Duty Drawback Scheme/Focus Market Scheme (FMS)/ Focus Product Scheme (FPS) of the Government of India are recognized in the year in which the Revenue from Export Sales is accounted for.
- ii. Advance License Benefits on Exports are recognized in the year of utilization of license.

1.11 Foreign Currency Transactions

- i. Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date or close to the date of the transactions.
- ii. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.
- iii. Exchange difference arising on settlement or restatement of foreign currency denominated liabilities existing as on / incurred on or after 01.04.2011 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.

- iv. Monetary assets and liabilities in foreign currency are translated at year end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non monetary foreign currency items are carried at cost translated at an exchange rate prevailing on the transaction date.

- v. Exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs are treated as borrowings costs.

- vi. Premium or Discount on Forward Exchange Contracts is amortized as income or expense over the life of the contract.

1.12 Employee Benefits

i. 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.

ii. 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. Past service costs are recognized on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are immediately recognized in the Statement of Profit and Loss.

- iii. Gratuity and Superannuation Scheme are administered by Life Insurance Corporation of India to which contributions are made.

1.13 Employees Separation Cost

Based on the effective acceptances of the applications under "Voluntary Retirement Scheme" of the Company, payment of compensation to employees is charged to the Statement of Profit and Loss.

1.14 Income- Tax

Income tax expense is accrued in accordance with Accounting Standards 22 – Accounting for Taxes on Income, which includes current and deferred taxes.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

Current 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. MAT credit is recognized in respect of liability under MAT provisions, based on expected tax liability under normal provisions of the Act during the period specified under the Act.

Deferred Tax

- i. Deferred Income Taxes reflect the impact of timing differences between taxable income & accounting income for the year and reversal/restatement of timing differences of earlier years.
- ii. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- iii. Deferred tax assets are recognized for all reversible timing differences, carry forward of unused tax assets and unused tax losses subject to consideration of prudence.
- iv. Carrying amount of deferred tax assets is reviewed at each balance sheet date on the same consideration.

1.15 Borrowing Costs

- i. Borrowing costs including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets relating to the period till such assets are ready for their intended use.

- ii. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- iii. All other borrowing costs are charged to the Statement of Profit and Loss.

1.16 Operating Leases

Operating lease payments are recognized as expense in the Statement of Profit and Loss on straight-line basis over the lease term.

1.17 Impairment of Assets

If internal/external indications suggest that an asset of the company may be impaired, the recoverable amount of asset/cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset/cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of the net selling price and value in use of such assets/cash generating unit, which is determined by the present value of the estimated future cash flows.

1.18 Provisions, Contingent Liabilities and Contingent Assets

- i. The Company recognizes as Provisions the liabilities being present obligations arising out of past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- ii. Contingent Liability is disclosed unless the possibility of an outflow of resources is remote.
- iii. Contingent assets are neither recognized nor disclosed in the financial statement.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 2 : SHARE CAPITAL

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Authorised | | |
| 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 |
| | 5,000.00 | 5,000.00 |
| Issued, Subscribed & Paid Up | | |
| 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 |
| | 2,135.11 | 2,135.11 |

a) Reconciliation of the number of shares outstanding :

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Shares at the beginning | 22,958,222 | 2,135.11 | 20,662,400 | 2,066.02 |
| Add: Rights Issue of Equity Share during the year | - | - | 2,295,822 | 68.87 |
| Add : Calls in arrears received during the year | - | - | - | - |
| Less: Shares Forfeited During the year | - | - | (4,335) | (0.21) |
| Add : Re-issue of Forfeited Shares | - | - | 4,335 | 0.43 |
| Shares at the end | 22,958,222 | 2,135.11 | 22,958,222 | 2,135.11 |

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, 2016 | | As at March 31, 2015 | |
|--|----------------------|-------|----------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| K.K.Modi Investment and Financial Services Pvt. Ltd. | 10,098,073 | 43.99 | 9,748,073 | 42.46 |
| APMS Investment Fund Ltd.(FII) | 1,945,822 | 8.48 | 2,295,822 | 10.00 |
| 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 TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 3 : RESERVES AND SURPLUS

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Capital Redemption Reserve | 508.00 | 508.00 |
| Securities Premium | | |
| Balance brought forward | 10,804.26 | 9,035.01 |
| Add: Rights Issue of Equity Shares | - | 1,767.78 |
| Add : Calls received during the year | - | 0.01 |
| Less: Shares Forfeited during the year | - | (1.14) |
| Add: Re-issue of Forfeited Shares | - | 2.60 |
| Less Calls in Arrear | - | - |
| Balance carried forward | 10,804.26 | 10,804.26 |
| Capital Reserve | | |
| Balance brought forward | 1.37 | - |
| Add: Shares Forfeited during the year | - | 1.37 |
| Balance carried forward | 1.37 | 1.37 |
| General Reserve | | |
| Balance brought forward | 4,972.79 | 3,520.87 |
| Add: Transfer from Statement of Profit and Loss | - | 1,451.92 |
| Balance carried forward | 4,972.79 | 4,972.79 |
| Surplus | | |
| Balance brought forward | 39,758.19 | 27,995.57 |
| Add: Profit after Tax for the year | 16,329.05 | 14,519.22 |
| Less : Depreciation Adjusted for earlier Years | - | (49.47) |
| Amount available for appropriation | 56,087.24 | 42,465.32 |
| Less Appropriations: | | |
| Transfer to General Reserve | - | (1,451.92) |
| Dividend on Shares | (1,281.07) | (1,041.89) |
| Dividend Distribution Tax | (268.06) | (213.32) |
| Balance carried forward | 54,538.11 | 39,758.19 |
| | 70,824.53 | 56,044.61 |

NOTE 4 : LONG TERM BORROWINGS

| Particulars | ₹ in Lacs | |
|-----------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| From Banks : | | |
| Secured : | | |
| Rupee Term Loans | 3,750.00 | 5,000.00 |
| Foreign Currency Term Loans | 15,119.36 | 5,366.32 |
| Rupee Hire Purchase Loans | 55.24 | 131.29 |
| | 18,924.60 | 10,497.61 |

I. Rupee Term Loans :

- Term Loan amounting to ₹ 4,000 lacs (₹ 5,000 lacs) carries interest at the rate of 11.75% p.a. (12.75% p.a.) as at year end and is repayable in 16 equal quarterly installments of ₹ 250 lacs each.
- Term Loan amounting to ₹ 1,125 lacs (₹ 1,500 lacs) carries interest at the rate of 12.20% p.a. (12.70% p.a.) as at year end and is repayable in 12 equal quarterly installments of ₹ 93.75 lacs each.
- Hire purchase loan amounting to ₹ 10.19 lacs (₹ 26.64 lacs) carries interest at the rate of 9.02% p.a. (9.02% p.a.) and are repayable in 7 equated monthly installments.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

- d) Hire purchase loans amounting to ₹ 20.24 lacs (₹ 89.89 lacs) carries interest at the rate of 11% p.a. (11% p.a.) and are repayable in 4 equated monthly installments.
- e) Hire purchase loan amounting to ₹ 100.84 lacs (₹ 141.83 Lacs) carries interest at the rate of 11% p.a. (11% p.a.) and is repayable in 25 equated monthly installments.

II. Foreign Currency Term Loans:

- a) All term loans carry interest rate between of 3% p.a. to 4.50% p.a. (3% p.a. to 5.00% p.a.)
- b) Term loan amounting to ₹ 1,100.11 lacs outstanding as on March 31, 2015 has been repaid during the year.
- c) Term loan amounting to ₹ 5,873.22 lacs (₹ 6,132.94 lacs) is repayable over 4 Years in 15 installments of ₹ 251.71 lacs each and 1 installment of ₹ 2,097.58 lacs.
- d) Term loan amounting to ₹ 1,873.38 lacs (Nil) is repayable in 52 equated monthly installments of ₹ 36.02 lacs each.
- e) Term loan amounting to ₹ 5,046.38 lacs (Nil) is repayable over 8 Years in 15 installments of ₹ 151.39 lacs each and 10 installments of ₹ 277.55 lacs each.
- f) Term loan amounting to ₹ 2,942.91 lacs (Nil) is repayable over 6 years in 48 equated monthly installments.
- g) Term loan amounting to ₹ 822.59 lacs (Nil) is repayable over 6 years in 48 equated monthly installments.

All the above term loans, except loan amounting to ₹ 7,877.92 lacs (₹ 6,391.31 lacs) 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 along with the Working Capital Lenders.

Foreign currency Term Loan amounting to ₹ 7,746.63 lacs (₹ 6,132.94) and Hire Purchase loan of ₹ 131.29 lacs (₹ 258.37 lacs) are secured by specific assets financed by them.

Term loan aggregating to ₹ 1,125 lacs (₹ 1,500 lacs) have additional exclusive charge on the assets financed by them.

An amount of ₹ 409.14 lacs (₹ 1,250 lacs) has been held as Debt Service Reserve Account with Bank. (Refer Note no. 18).

Amounts falling due in respect of all the above loans upto 31.03.2017 have been grouped under "Current maturities of Long Term Debts" under Note No. 10

NOTE 5 : DEFERRED TAX LIABILITY (NET)

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Deferred Tax Liability | 6,009.32 | 5,170.19 |
| Deferred Tax Assets | (1,110.23) | (769.84) |
| Deferred Tax Liability (Net) (Refer Note No.34) | 4,899.09 | 4,400.35 |

NOTE 6 : OTHER LONG TERM LIABILITIES

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Security Deposits Received From Customers (Refer Note No. 43) | 1,021.83 | 930.53 |
| Other Liabilities | 76.43 | 76.43 |
| | 1,098.26 | 1,006.96 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 7 : LONG TERM PROVISIONS

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Provision for Employee Benefits : | | |
| Leave Encashment (Refer Note No. 11 and Note No. 40) | 851.30 | 699.10 |
| | 851.30 | 699.10 |

NOTE 8 : SHORT TERM BORROWINGS

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Secured Loans Repayable on demand from banks : | | |
| Working Capital Loans from Banks | 32,007.53 | 41,762.12 |
| (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, along with the Term Lenders) | | |
| | 32,007.53 | 41,762.12 |

NOTE 9 : TRADE PAYABLES

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Sundry Creditors (Refer Note No. 32 and Note No. 43) | 15,125.17 | 17,726.94 |
| | 15,125.17 | 17,726.94 |

NOTE 10 : OTHER CURRENT LIABILITIES

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Current maturities of Long Term Debts (Refer Note No. 4) | 2,890.21 | 3,493.81 |
| Interest accrued but not due on borrowings | 98.17 | 85.54 |
| Unclaimed Dividend * | 49.37 | 40.26 |
| Other Payables | 13,703.53 | 8,852.45 |
| * There is no amount due and outstanding to be credited to Investor Education and Protection Fund. | | |
| | 16,741.28 | 12,472.06 |

NOTE 11 : SHORT TERM PROVISIONS

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Provisions for Employee Benefits : | | |
| Leave Encashment (Refer Note No. 7 and Note No. 40) | 604.79 | 513.38 |
| Others : | | |
| For Taxation (Net of Advance Taxes) | 643.57 | 281.28 |
| For Dividend | 1,281.07 | 1,041.89 |
| For Corporate Dividend Tax | 268.06 | 213.32 |
| | 2,797.49 | 2,049.87 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 12 : FIXED ASSETS

| Description | Gross Block (At Cost) | | | Depreciation / Amortization | | | Net Block | |
|---|-----------------------|-----------------------|-----------------|-----------------------------|-----------------|-------------|---------------|----------------------|
| | As At April 01, 2015 | Additions / Transfers | Deductions | As At March 31, 2016 | For The Year | Adjustments | On Deductions | As At March 31, 2016 |
| (A) Tangible Assets | | | | | | | | |
| Land - Freehold | 176.54 | - | - | 176.54 | - | - | - | 176.54 |
| Land - Leasehold | 582.17 | - | - | 582.17 | 20.43 | - | - | 450.74 |
| Factory Buildings | 5,078.03 | 73.01 | - | 5,151.04 | 319.28 | - | - | 3,322.11 |
| Non-Factory Buildings ^{2 4} | 8,464.45 | 1,486.69 | - | 9,951.14 | 386.82 | - | - | 6,756.33 |
| Plant & Machinery ⁴ | 16,035.94 | 804.00 | - | 16,839.94 | 727.99 | - | - | 12,211.15 |
| Other Plant Equipment | 937.91 | 1,383.91 | - | 2,321.82 | 153.76 | - | - | 511.89 |
| Furniture & Fixture | 600.40 | 46.09 | - | 646.49 | 70.78 | - | - | 226.87 |
| Vehicles ¹ | 1,699.00 | 156.20 | 39.70 | 1,815.50 | 195.74 | - | 31.54 | 512.63 |
| Office Equipments | 872.90 | 29.37 | - | 902.27 | 92.35 | - | - | 175.75 |
| Computers | 547.76 | 123.81 | - | 671.57 | 82.17 | - | - | 96.66 |
| Capital Expenditure on Research & Development | | | | | | | | |
| Buildings | 426.69 | - | - | 426.69 | 32.08 | - | - | 307.79 |
| Plant & Machinery | 787.42 | 93.78 | - | 881.20 | 79.78 | - | - | 381.99 |
| Furniture & Fixture | 23.54 | - | - | 23.54 | 2.58 | - | - | 8.70 |
| Other Equipments | 4.33 | - | - | 4.33 | 0.04 | - | - | 0.47 |
| Total - Tangible Assets | 36,237.08 | 4,196.86 | 39.70 | 40,394.24 | 2,163.80 | - | 31.54 | 25,160.05 |
| (B) Intangible Assets | | | | | | | | |
| License, Registration, Etc. In Respect of Acquired Business | 1,679.13 | - | - | 1,679.13 | 167.91 | - | - | 1,329.04 |
| Scientific Research Expenditure for Product Development | 6,706.84 | 2,036.97 | - | 8,743.81 | 984.13 | - | - | 5,008.66 |
| Software Licences | - | 62.07 | - | 62.07 | 7.74 | - | - | - |
| Total - Intangible Assets | 8,385.97 | 2,099.04 | - | 10,485.01 | 1,159.78 | - | - | 6,337.70 |
| (C) Capital Work In Progress ^{3 5} | 5,397.34 | 13,188.30 | 2,815.82 | 15,769.82 | - | - | - | 5,397.34 |
| (D) Intangibles Under Development | 8,345.16 | 2,680.11 | 2,036.97 | 8,988.30 | - | - | - | 8,345.16 |
| Scientific Research Expenditure for Product Under Development | | | | | | | | |
| TOTAL (A)+(B)+(C)+(D) | 58,365.55 | 22,164.31 | 4,892.49 | 75,637.37 | 3,323.58 | - | 31.54 | 45,240.25 |
| Previous Year's Total | 81,757.53 | 11,202.19 | 34,594.17 | 58,365.55 | 5,626.55 | 71.63 | 5,535.20 | 68,795.21 |

1 Includes Assets taken on Hire Purchase :-

| Particulars | As at 31st Mar 2016 | | As at 31st Mar 2015 | |
|-------------|---------------------|--------|---------------------|--------|
| | Cost Value | W.D.V | Cost Value | W.D.V |
| Vehicles | 1,040.71 | 272.81 | 1,046.48 | 407.11 |

2 Non - Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-

3 Includes Borrowing Cost of ₹ 334.16 lacs (₹ 385.39 lacs) capitalized during the year in terms of Para 6 of the "Accounting Standard 16 - Borrowing Costs" and Employee Cost of ₹ 142.59 lacs (₹ 111.92 lacs).

4 Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets of ₹ 409.35 lacs (₹ 112.63 lacs) capitalized during the year in terms of Para 46A of "Accounting Standard 11 - Effects of Changes in Foreign Exchange Rates". Unamortised Amount as at March 31, 2016 - ₹ 900.08 lacs (₹ 518.04 lacs)

5 Capital Work in Progress as on March 31, 2016 includes ₹ 13,506.66 lacs incurred on the new Agro Synthesis Plant at Dahej SEZ, Gujarat. The plant is expected to commence commercial production during the financial year ended March 31, 2017.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 13 NON CURRENT INVESTMENTS

| Particulars | No. of Shares/Units | ₹ in Lacs | |
|--|------------------------|-------------------------|-------------------------|
| | | As at March 31, 2016 | As at March 31, 2015 |
| A. Trade Investments | | | |
| Investment in Equity Instruments | | | |
| Subsidiaries (Unquoted - At Cost): | | | |
| Indofil Industries (Netherlands) B.V. | 100,000 | 8,584.44 | 8,513.11 |
| Face Value - Euro 1.00/- each | (100,000) | | |
| Indobaijin Chemicals Pvt. Ltd. | 4,366,096 | 4,366.10 | 3,852.11 |
| Face Value - ₹ 100/- each | (3,852,113) | | |
| Indofil Bangladesh Industries Pvt. Ltd. | 233,907 | 189.94 | 87.31 |
| Face Value - BDT 100/- each | (109,386) | | |
| Indofil -Costa Rica, S.A. | 10 | 0.01 | 0.01 |
| Face Value - Costa Rican Colon 1000/- each | (10) | | |
| Associates (Unquoted - At Cost): | | | |
| HIFIL Chemical Pvt. Ltd. | 4,900 | 0.49 | 0.49 |
| Face Value ₹ 10/- each | (4,900) | | |
| B. Other Than Trade Investments | | | |
| Investment in Equity Instruments | | | |
| Subsidiaries (Unquoted - At Cost): | | | |
| Quick Investment (India) Ltd. | 10,015 | 10.01 | 10.01 |
| Face Value - ₹ 100/- each | (10,015) | | |
| Good Investment (India) Ltd. | 70,105 | 2,173.26 | 2,173.26 |
| Face Value - ₹ 100/- each | (70,105) | | |
| Others | | | |
| a. Quoted : At Cost | | | |
| Modi Rubber Ltd. | 214,211 | 0.00 | 0.00 |
| Face Value ₹ 10/- each | (214,211) | | |
| Union KBC Mutual Fund | 249,990 | 25.00 | 25.00 |
| Face Value ₹ 10/- each | (249,990) | | |
| b. Unquoted : At Cost | | | |
| The Cosmos Co-op. Bank Ltd. | 14,250 | 14.25 | 14.25 |
| Face Value ₹ 100/- each | (14,250) | | |
| KKM Management Centre Private Limited | 338,100 | 33.81 | 33.81 |
| Face Value ₹ 10/- each | (338,100) | | |
| | | 15,397.31 | 14,709.36 |
| Aggregate amount of quoted investment | | 25.00 | 25.00 |
| Aggregate market value of quoted investment | | 127.37 | 103.23 |
| Aggregate amount of unquoted investments | | 15,372.31 | 14,684.36 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 14: LONG TERM LOANS & ADVANCES

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Capital Advances | | |
| - Unsecured Considered Good (Refer Note No.43) | 1,900.95 | 672.04 |
| Security / Other Deposits (Refer Note No.43) | 480.09 | 380.83 |
| Loans to Employees | | |
| - Secured Considered Good (Refer Note No.43) | 85.90 | 100.45 |
| Loans to Related Parties | | |
| - Secured Considered Good | 1,981.91 | 2,041.42 |
| Mat Credit Entitlement | 8,278.39 | 7,856.31 |
| Advance Taxes (Net of Provisions) | - | 361.66 |
| | 12,727.24 | 11,412.71 |

NOTE 15: OTHER NON-CURRENT ASSETS

| Particulars | ₹ in Lacs | |
|--|----------------------|----------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Long Term Trade Receivables | 1,751.55 | 1,031.65 |
| Less: Provision for Doubtful Debts | (1,751.55) | (1,031.65) |
| Balances with Govt. authorities under litigation | 323.07 | 269.11 |
| | 323.07 | 269.11 |

NOTE 16 : INVENTORIES

| Particulars | ₹ in Lacs | |
|----------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Raw Materials | | |
| - Raw Materials | 5,908.25 | 5,416.52 |
| - Raw Materials in Transit | 2,823.29 | 2,854.88 |
| Finished Goods | 14,105.88 | 15,703.01 |
| Stock in trade | 3,068.25 | 3,255.32 |
| Stores & Spares | 418.48 | 434.55 |
| | 26,324.15 | 27,664.28 |

NOTE 17 : TRADE RECEIVABLES

| Particulars | ₹ in Lacs | | | |
|---|----------------------|-----------|----------------------|-----------|
| | As at March 31, 2016 | | As at March 31, 2015 | |
| Sundry Debtors: | | | | |
| Exceeding six months from the due date: | | | | |
| Secured - Considered Good | 87.11 | | 57.76 | |
| Unsecured - Considered Good | 2,698.86 | 2,785.97 | 1,909.28 | 1,967.04 |
| Others: | | | | |
| Secured - Considered Good | 503.99 | | 469.74 | |
| Unsecured - Considered Good (Refer Note No. 43) | 40,762.34 | 41,266.33 | 40,508.95 | 40,978.69 |
| | 44,052.30 | | 42,945.73 | |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 18 : CASH AND BANK BALANCES

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Cash and Cash Equivalents : | | |
| Balances with Bank : | | |
| - Unpaid Dividend Accounts | 49.37 | 40.26 |
| - Current Accounts | 2,159.57 | 117.53 |
| Cheques in hand | 512.64 | - |
| Cash-on-Hand | 17.75 | 9.06 |
| Other Bank Balances : | | |
| Fixed Deposits ^{1 2} | 570.16 | 1,411.95 |
| Margin Money Pledged with Banks | 3.00 | 3.00 |
| ¹ includes ₹ 409.14 lacs (₹ 1,250 lacs) charged to bank as Reserve for Interest and Debt re-payment. | | |
| ² includes Fixed Deposits amounting to 409.14 lacs (NIL) maturing after a period of more than 12 months. | | |
| | 3,312.49 | 1,581.80 |

NOTE 19 : SHORT TERM LOANS & ADVANCES

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Advances To Related Parties - Considered Good | 577.49 | 967.09 |
| Other advances | | |
| - Unsecured Considered Good | 2,413.42 | 2,571.68 |
| Prepaid Expenses | 316.55 | 488.68 |
| Balance with Excise Authorities | 537.53 | 618.28 |
| | 3,844.99 | 4,645.73 |

NOTE 20 : OTHER CURRENT ASSETS

| Particulars | ₹ in Lacs | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Export Incentive Receivable | 68.33 | 112.97 |
| Interest Receivable | 105.61 | 210.77 |
| Deferred Premium On Forward Contracts | 28.84 | 2.02 |
| | 202.78 | 325.76 |

NOTE 21: REVENUE FROM OPERATIONS

| Particulars | ₹ in Lacs | |
|--|---------------------------|---------------------------|
| | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Sale of Products : | | |
| - Agrochemicals | 156,773.34 | 139,381.09 |
| - Speciality and Performance Chemicals | 18,608.23 | 19,532.00 |
| Other Operating Income : | | |
| Indenting Commission | 32.38 | 25.77 |
| Compensation Received | - | 19.54 |
| Export Incentives and Entitlements | 145.91 | 184.40 |
| Miscellaneous Income | 4.08 | 40.76 |
| | 175,563.94 | 159,183.56 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 22: OTHER INCOME

| ₹ in Lacs | | |
|-------------------------------------|------------------------------|------------------------------|
| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Interest Income | 322.25 | 543.99 |
| Dividend Income | 1.43 | 1.71 |
| Other Non-Operating Income : | | |
| - Profit on Sale of Assets | - | 2.86 |
| - Guarantee Commission | 229.99 | 70.33 |
| - Rent Income | 7.20 | 7.20 |
| - Insurance Claims | 26.53 | 26.38 |
| - Sundry Balance Written Back | 6.17 | 572.63 |
| - Other | 26.60 | 91.60 |
| | 620.17 | 1,316.70 |

NOTE 23 : COST OF MATERIALS CONSUMED

| ₹ in Lacs | | |
|---------------------------|------------------------------|------------------------------|
| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Raw Material Consumed | 66,938.26 | 68,476.37 |
| Packing Material Consumed | 6,603.70 | 6,412.10 |
| | 73,541.96 | 74,888.47 |

NOTE 24 : PURCHASE OF STOCK IN TRADE

| ₹ in Lacs | | |
|----------------------------|------------------------------|------------------------------|
| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Purchase of Stock in Trade | 8,394.72 | 9,186.33 |
| | 8,394.72 | 9,186.33 |

NOTE 25 : CHANGES IN INVENTORIES OF FINISHED GOODS /STOCK IN TRADE

| ₹ in Lacs | | | | |
|--|---------------------------|-----------------|---------------------------|-------------------|
| Particulars | Year Ended March 31, 2016 | | Year Ended March 31, 2015 | |
| Opening Stocks : | | | | |
| - Finished Goods | 15,703.01 | | 13,307.68 | |
| - Stock in trade | 3,255.32 | 18,958.33 | 1,755.22 | 15,062.90 |
| Less: Closing Stocks : | | | | |
| - Finished Goods | (14,105.88) | | (15,703.01) | |
| - Stock in trade | (3,068.25) | (17,174.13) | (3,255.32) | (18,958.33) |
| (Increase) / Decrease in Finished Goods / Stocks in Trade | | 1,784.20 | | (3,895.43) |

NOTE 26 : EMPLOYEE BENEFITS EXPENSES

| ₹ in Lacs | | |
|--|------------------------------|------------------------------|
| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Salaries, Wages & Bonus | 10,386.26 | 8,851.03 |
| Contribution to Provident & Other Funds | 763.15 | 699.39 |
| Gratuity | 350.29 | 344.00 |
| Staff Welfare Expenses (Refer Note No. 40) | 937.67 | 862.79 |
| | 12,437.37 | 10,757.21 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 27 : FINANCE COSTS

| Particulars | ₹ in Lacs | |
|-----------------------|------------------------------|------------------------------|
| | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Interest Expenses | 4,290.62 | 7,182.68 |
| Other Borrowing Costs | 805.44 | 647.56 |
| | 5,096.06 | 7,830.24 |

NOTE 28 : OTHER EXPENSES

| Particulars | ₹ in Lacs | |
|--|---------------------------|---------------------------|
| | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Consumption of Stores and Spares | 1,083.60 | 940.62 |
| Power, Fuel and Utilities | 3,682.96 | 3,750.80 |
| Processing Charges | 3,222.16 | 2,899.07 |
| Excise Duty * | (150.26) | 450.19 |
| Rent / Lease rent / Hire Charges | 480.28 | 420.24 |
| Repairs to Buildings | 372.46 | 191.63 |
| Repairs to Plant & Machinery | 856.77 | 676.55 |
| Other Repairs | 347.23 | 336.79 |
| Insurance | 494.98 | 418.36 |
| Rates and Taxes | 138.65 | 229.22 |
| Pollution Control Expenses | 426.86 | 336.10 |
| Legal and Professional Fees | 3,676.81 | 3,184.05 |
| General Office Expenses | 2,587.22 | 2,484.62 |
| Foreign Exchange Fluctuation (Net) | 332.25 | 965.12 |
| Advertisement, Publicity & Sales Promotion | 7,907.02 | 6,452.28 |
| Outward Freight Charges | 4,609.38 | 4,524.10 |
| Loading and Unloading Charges | 217.06 | 253.40 |
| Cash Discounts | 2,585.04 | 2,174.28 |
| Royalty Expenses | 1,901.13 | 739.20 |
| Provision for Doubtful Debts | 719.90 | 300.00 |
| Travelling & Conveyance | 2,910.41 | 2,492.96 |
| Payment to Auditors | | |
| - Audit Fees | 20.00 | 14.00 |
| - Transfer Pricing Audit Fees | 4.50 | 5.00 |
| - Taxation & Other Advisory Matters | 11.55 | 13.00 |
| - Certification Charges and others | 5.50 | 5.50 |
| - Reimbursement of Expenses | 0.50 | 0.50 |
| Corporate Social Responsibility Expense (Refer Note No. 37) | 208.31 | 166.13 |
| Donations | 41.54 | 39.61 |
| Loss on Sale of Fixed Assets (Net) | 2.59 | - |
| | 38,696.40 | 34,463.32 |

* Represents the difference between the Excise duty on Opening and Closing stock of Finished Goods

29. SALE OF ASSETS

The Company had entered into a Sale & Transfer agreement on 27th October 2014, effective date being 31st December 2014 with its wholly owned subsidiary namely "Indofil Industries (Netherlands) B.V". ("Indofil Netherlands") for the transfer of Dithane Fungicide Business in certain countries of the European continent. The Business includes intangible assets being "Registrations & Supporting Data, Licensed & Sub-Licensed Trade Marks and Customer Lists & Records pertaining to the said business".

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

The profit arising on the sale of the said assets was disclosed as Exceptional Item in the “Statement of Profit & Loss” for the financial year ended March 31, 2015.

Following the aforesaid agreement, the Company is also liable to pay Royalty in respect of the business carried out by the Company under the Dithane Brand in the European Continent pending transfer of registrations. The Company had accordingly provided for the Royalty Expenses of ₹ 1,901.13 lacs (₹ 739.20 lacs). (Refer Note No. 28 – “Other Expenses”)

30. CONTINGENT LIABILITIES

- i. 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 Lacs 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 Lacs 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.
- ii. Disputed liabilities on account of Sales Tax, Entry Tax, Excise Duty, and Service Tax as at March 31, 2016 :

| Statute | Particulars | Financial years to which the matter pertains | Forum where matter is pending | Net Liability (₹ in lacs) |
|------------------------------|-------------|---|---------------------------------------|---------------------------|
| Madhya Pradesh VAT Act, 2002 | Sales Tax | 2009-10 | Addl Commr. | 27.21 |
| Maharashtra VAT Act, 2002 | Sales Tax | 2005-06 | Dy.Commr. | 13.50 |
| Madhya Pradesh Entry Tax Act | Entry Tax | 2009-10 / 2012-13 | Addl Commr. | 59.86 |
| Central Sales Tax Act, 1956 | Sales Tax | 2000-01 / 2003-04 / 2004-05 / 2005-06 / 2006-07 / 2007-08 / 2008-09 / 2009-10 | Dy.Commr. / Addl Commr / Jt. Commr. | 175.18 |
| Central Excise Act, 1944 | Excise Duty | 2004-05 / 2005-06 / 2008-09 / 2012-13 | CESTAT / Asstt Commr./ Jt. Commr. | 56.11 |
| The Finance Act, 1994 | Service Tax | 2001-02 / 2005-06 / 2006-07 / 2008-09 | Commr.(Appeal)/ Asstt Commr. / CESTAT | 109.96 |
| Total | | | | 441.82 |

The total of disputed liabilities on account of Sales Tax, Entry Tax, Excise Duty, Service Tax and Income Tax as at March 31, 2015 is Rs.441.82 lacs.

- iii. Guarantees executed in favour of corporates - ₹ 45,675.41 lacs (₹ 43,263.23 lacs) of which ₹ 11,500.78 lacs (₹ 11,095.66 lacs) is backed by a counter guarantee received.

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

31. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2,754.60 lacs (net of advances of ₹ 7,641.89 lacs) [₹ 370.46 lacs net of advances of ₹ 303.60 lacs].

32. DISCLOSURE REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the information in possession with the Company, no supplier has been identified as being covered under the Micro, Small and Medium Enterprises Development Act, 2006 (“the Act”). Accordingly no amount of dues outstanding as at 31st March, 2016 have been identified as relating to the Micro and Small Enterprise referred to in the said Act.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

33. EARNINGS PER SHARE

| Description | 2015-16 | 2014-15 |
|---|-------------|-------------|
| Profit after Tax as per Statement of Profit & Loss - ₹ in lacs | 16,329.05 | 14,519.22 |
| Weighted average no. of Equity Shares of ₹ 10/- each for Basic / Diluted EPS. | 2,13,51,147 | 2,08,37,889 |
| Earnings per Share Basic / Diluted (₹) | 76.48 | 69.68 |

34. DEFERRED TAX

Deferred taxes are recognized/reversed in respect of items of timing differences between accounting income and taxable income in terms of Accounting Standard 22.

| ₹ in Lacs | | | |
|--|--|---|--|
| Items of Timing Difference | Balance of Assets / (Liabilities) as on 01.04.2015 | (Charge)/Credit for the year including Reversal | Balance of Assets / (Liabilities) as on 31.03.2016 |
| Deferred Tax Liability | | | |
| Depreciation | (5,170.19) | (839.13) | (6,009.32) |
| Less : Deferred Tax Assets | | | |
| Expenses Allowable on Payment Basis | 385.07 | 101.62 | 486.69 |
| Others | 384.77 | 238.77 | 623.54 |
| Net Deferred Tax (Liability) / Assets | (4,400.35) | (498.74) | (4,899.09) |

35. DISCLOSURE IN RESPECT OF DERIVATIVE INSTRUMENTS

The company uses Forward Exchange Contracts to hedge its exposure in foreign currency. The information on derivative instruments is as follows:

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|--|--------------------------|----------------------|--------------------------|----------------------|
| | Foreign Currency in lacs | Equivalent ₹ in Lacs | Foreign Currency in lacs | Equivalent ₹ in Lacs |
| Foreign Currency Exposures covered by a derivative instrument | | | | |
| 1. Forward Exchange Contract outstanding | | | | |
| Currency | | | | |
| USD/INR Purchase | 21.31 | 1,414.29 | 5.97 | 374.59 |
| EUR/INR Purchase | 0.33 | 24.45 | - | - |
| 2. Interest Rate Swap | | | | |
| Currency – USD | - | - | 0.03 | 1.80 |
| Foreign Currency Exposures not covered by a derivative instrument | | | | |
| 1. Amount receivable on account of export of goods and services | | | | |
| Currency | | | | |
| USD | 218.91 | 14,526.81 | 237.37 | 14,857.44 |
| EURO | 160.23 | 12,054.94 | 191.25 | 12,911.42 |
| 2. Amount payable on account of import of goods and services | | | | |
| Currency | | | | |
| USD | 21.46 | 1,423.77 | 72.45 | 4,534.63 |
| EURO | 6.98 | 525.28 | 9.85 | 665.28 |

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Continued from page no. 104)

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|---|--------------------------------|-------------------------|--------------------------------|-------------------------|
| | Foreign Currency in lacs | Equivalent ₹ in Lacs | Foreign Currency in lacs | Equivalent ₹ in Lacs |
| 3. Foreign Currency Term Loans Outstanding | | | | |
| Currency | | | | |
| USD | 76.05 | 5,046.39 | 17.34 | 1,100.11 |
| EURO | 153.02 | 11,512.13 | 89.22 | 6,132.94 |
| 4. Amount Payable on account of Packing Credit and Purchase Bills | | | | |
| Currency | | | | |
| USD | 106.58 | 7,072.89 | 324.71 | 19,846.01 |
| EURO | 149.44 | 11,242.82 | 23.31 | 1,522.46 |
| 5. Amount Payable on account of Buyer's Credit | | | | |
| Currency | | | | |
| USD | 78.74 | 5,224.95 | 32.78 | 2,083.28 |
| EURO | 33.20 | 2,497.62 | - | - |

36. DISCLOSURE FOR LEASES UNDER AS 19 – “LEASES”

Assets Taken on Lease

| | | ₹ in Lacs | |
|---------|--|-----------|---------|
| Sr. No. | Particulars | 2015-16 | 2014-15 |
| (a) | In respect of operating lease on Immovable properties and Plant & Machineries lease payments recognized in Statement of Profit and Loss. | 480.28 | 420.24 |
| (b) | Future minimum lease payments under operating leases : | | |
| | For a period not later than one year | 179.42 | 282.59 |
| | For the period later than one year and not later than five years | 198.28 | 223.02 |

Assets Given on Lease

| | | ₹ in Lacs | |
|---------|---|-----------|---------|
| Sr. No. | Particulars | 2015-16 | 2014-15 |
| (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 | - | - |

37. CORPORATE SOCIAL RESPONSIBILITY

(a) Gross Amount Required to be spent by the Company during the year - ₹ 200.35 lacs (₹ 160.58 Lacs)

(b) Amount spent during the year :

| | | ₹ in Lacs | | |
|---------|--|-----------|----------------|--------------------|
| Sr. No. | Particulars | Paid | Yet to be Paid | TOTAL |
| | | | | 2015-16 2014-15 |
| 1 | Construction / Acquisition of any Asset. | - | - | - |
| 2 | On purpose other than (1) above (Refer Note -28) | 208.31 | - | 208.31 |

The above includes contribution of ₹ 178 lacs made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

38. ADDITIONAL INFORMATION AS REQUIRED BY PART II OF SCHEDULE III OF THE COMPANIES ACT, 2013.

| A. Raw Materials Consumed | | 2015-16 | | 2014-15 | |
|---------------------------|-------------------|----------|------------------|----------|------------------|
| | | QTY (MT) | ₹ in lacs | QTY (MT) | ₹ in lacs |
| 1 | Organic Chemicals | 1,41,191 | 39,217.17 | 98,677 | 38,401.61 |
| 2 | Technical | 982 | 10,053.63 | 1,860 | 11,401.27 |
| 3 | Others | | 17,667.46 | | 18,673.49 |
| TOTAL | | | 66,938.26 | | 68,476.37 |

| B. Other Additional Information | | 2015-16 | | 2014-15 | |
|---------------------------------|--|------------------|------------------|------------------|------------------|
| | | ₹ in lacs | ₹ in lacs | ₹ in lacs | ₹ in lacs |
| 1 | Value of imports on C.I.F. basis | | | | |
| (a) | Raw Materials | 33,354.47 | | 30,606.16 | |
| (b) | Packing Materials | 27.28 | | 77.62 | |
| (c) | Stores & Spare Parts | 69.50 | | 75.10 | |
| (d) | Traded goods | 1,498.25 | | 2,382.96 | |
| (e) | Capital Goods | 18.73 | | 164.41 | |
| TOTAL | | | 34,968.23 | | 33,306.25 |
| 2 | Expenditure in Foreign Currency | | | | |
| (a) | Professional & Consultancy Charges | 544.01 | | 520.74 | |
| (b) | Finance Cost | 717.70 | | 894.60 | |
| (c) | Travel | 239.52 | | 223.16 | |
| (d) | Royalty | 1,901.13 | | 739.20 | |
| (e) | Others | 1,224.78 | | 1,134.45 | |
| TOTAL | | | 4,627.14 | | 3,512.15 |
| 3 | Value of imported / indigenous Raw Materials , Stores & Spare Parts consumed | | | | |
| (a) | Raw Materials | | | | |
| (i) | Imported | 38,896.92 | 58% | 41,663.96 | 61% |
| (ii) | Indigenous | 28,041.34 | 42% | 26,812.41 | 39% |
| TOTAL | | 66,938.26 | 100% | 68,476.37 | 100% |
| (b) | Stores & Spare Parts | | | | |
| (i) | Imported | 24.64 | 2% | 19.60 | 2% |
| (ii) | Indigenous | 1058.96 | 98% | 921.01 | 98% |
| TOTAL | | 1083.60 | 100% | 940.61 | 100% |
| 4 | Earnings in Foreign Exchange | | | | |
| (a) | Export of Goods (FOB) | 73,991.64 | | 65,015.61 | |
| (b) | Other Income(Gross) | 288.98 | | 115.63 | |
| TOTAL | | | 74,280.62 | | 65,131.24 |
| 5 | Expenses on Scientific Research & Development | | | | |
| (a) | Revenue Expenses | 1,020.03 | | 928.59 | |
| (b) | Capital Assets Acquired | 93.78 | | 8.31 | |
| (c) | Products Under Development | 2,680.11 | | 2,902.33 | |
| TOTAL | | | 3,793.92 | | 3,839.23 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

39. RELATED PARTY DISCLOSURE

1. Entities under the control of the Company:

- a. Quick Investment (India) Ltd.
- b. Good Investment (India) Ltd.
- c. Indofil Bangladesh Industries Pvt. Ltd.
- d. Indofil –Costa Rica S.A.
- e. Indo Baijin Chemicals Pvt. Ltd.
- f. Indofil Industries (Netherlands) B. V.

2. Key Management Personnel (KMP)

- a. Mr. K. K. Modi - Chairman & Managing Director
- b. Ms. Charu Modi - Executive Director

3. Promoter Group Companies / Entities in which Key Management Personnel and/or their relatives are interested:

- a. Godfrey Phillips India Ltd.
- b. H.M.A. Udyog Pvt. Ltd.
- c. Modi Care Ltd.
- d. Beacon Travels Pvt. Ltd.
- e. Bina Fashions & Food Pvt. Ltd.
- f. Premium Merchants Ltd.
- g. Modi Rubber Ltd.
- h. KKM Management Centre Pvt. Ltd.

4. Associate Companies:

- a. HIFIL Chemicals Pvt. Ltd.

| ₹ in lacs | | | | | | |
|---|----------------------|--------------------------|---|---------------------|-----------------|------------------|
| Particulars | Subsidiary Companies | Key Management Personnel | Promoter Group Companies / Entities in which KMP's relatives are interested | Associate Companies | Total 2015-16 | Total 2014-15 |
| Receiving of Services | | | | | | |
| 1. Godfrey Phillips India Ltd. | - | - | 4.75 | - | 4.75 | 9.32 |
| 2. HMA Udyog Pvt. Ltd. | - | - | 3.55 | - | 3.55 | 3.75 |
| 3. Beacon Travels Pvt. Ltd. | - | - | 723.85 | - | 723.85 | 646.80 |
| 4. Bina Fashions and Food Pvt. Ltd. | - | - | 36.48 | - | 36.48 | 62.37 |
| 5. Modi Care Ltd | - | - | 4.10 | - | 4.10 | 1.99 |
| Total | - | - | 772.73 | - | 772.73 | 724.23 |
| Purchase of Goods | | | | | | |
| 1. Indo Baijin Chemicals Pvt. Ltd. | 9,050.35 | - | - | - | 9,050.35 | 8,388.54 |
| Total | 9,050.35 | - | - | - | 9,050.35 | 8,388.54 |
| Sales of Intangible Assets | | | | | | |
| 1. Indofil Industries (Netherlands) B.V. | - | - | - | - | - | 30,822.43 |
| Total | | | | | - | 30,822.43 |
| Sale of Goods | | | | | | |
| 1. Indofil Industries (Netherlands) B.V. | 3,142.28 | - | - | - | 3,142.28 | - |
| Total | 3,142.28 | - | - | - | 3,142.28 | - |
| Royalty Expense | | | | | | |
| 1. Indofil Industries (Netherlands) B. V. | 1,901.13 | - | - | - | 1,901.13 | 739.20 |
| Total | 1,901.13 | - | - | - | 1,901.13 | 739.20 |

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Continued from page no. 107)

| ₹ in lacs | | | | | | |
|---|----------------------|--------------------------|---|---------------------|-----------------|-----------------|
| Particulars | Subsidiary Companies | Key Management Personnel | Promoter Group Companies / Entities in which KMP's relatives are interested | Associate Companies | Total 2015-16 | Total 2014-15 |
| Management Contracts | | | | | | |
| 1. KKM Management Center Pvt. Ltd. | - | - | 1,579.40 | - | 1,579.40 | 1,500.57 |
| Total | - | - | 1,579.40 | - | 1,579.40 | 1,500.57 |
| Rent Expenses | | | | | | |
| 1. Premium Merchants Ltd. | - | - | 5.13 | - | 5.13 | 5.06 |
| 2. Charu Modi | - | 6.22 | - | - | 6.22 | 5.18 |
| 3. Modi Care Ltd. | - | - | 7.20 | - | 7.20 | 3.30 |
| Total | - | 6.22 | 12.33 | - | 18.55 | 13.54 |
| Rent Income | | | | | | |
| 1. Modi Rubber Ltd. | - | - | 7.20 | - | 7.20 | 7.20 |
| Total | - | - | 7.20 | - | 7.20 | 7.20 |
| Guarantee Commission Income | | | | | | |
| 1. Indofil Industries (Netherlands) B. V. | 229.99 | - | - | - | 229.99 | 70.33 |
| Total | 229.99 | - | - | - | 229.99 | 70.33 |
| Reimbursement of Expenses | | | | | | |
| 1. Indo Baijin Chemicals Pvt. Ltd. | 23.11 | - | - | - | 23.11 | 163.02 |
| 2. Indofil Industries (Netherlands) B. V. | 72.50 | - | - | - | 72.50 | - |
| Total | 95.61 | - | - | - | 95.61 | 163.02 |
| Interest Income | | | | | | |
| 1. Indo Baijin Chemicals Pvt. Ltd. | 190.94 | - | - | - | 190.94 | 242.56 |
| 2. Good Investment (India) Ltd. | 22.83 | - | - | - | 22.83 | - |
| Total | 213.77 | - | - | - | 213.77 | 242.56 |
| Loans given to Subsidiaries | | | | | | |
| 1. Indo Baijin Chemicals Pvt. Ltd. | 560.00 | - | - | - | 560.00 | 686.00 |
| Total | 560.00 | - | - | - | 560.00 | 686.00 |
| Advance given to Subsidiaries | | | | | | |
| 1. Indofil Industries (Netherlands) B. V. | 302.49 | - | - | - | 302.49 | 523.16 |
| 2. Good Investment (India) Ltd. | 600.00 | - | - | - | 600.00 | - |
| Total | 902.49 | - | - | - | 902.49 | 523.16 |
| Outstanding Balances | | | | | | |
| Receivables | | | | | | |
| 1. Godfrey Phillips India Ltd. | - | - | 0.78 | - | 0.78 | 0.80 |
| 2. Indofil Industries (Netherlands) B. V. | 2,485.01 | - | - | - | 2,485.01 | - |
| Total | 2,485.01 | - | 0.78 | - | 2,485.79 | 0.80 |

(Continued on page 109)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Continued from page no. 108)

| | | | | | | ₹ in lacs | |
|---|----------------------|--------------------------|---|---------------------|------------------|------------------|--|
| Particulars | Subsidiary Companies | Key Management Personnel | Promoter Group Companies / Entities in which KMP's relatives are interested | Associate Companies | Total 2015-16 | Total 2014-15 | |
| Payables | | | | | | | |
| 1. Beacon Travels Pvt. Ltd. | - | - | 46.90 | - | 46.90 | 12.57 | |
| 2. KKM Management Center Pvt. Ltd. | - | - | 162.17 | - | 162.17 | 239.48 | |
| 3. Premium Merchant Ltd. | - | - | - | - | - | 1.92 | |
| 4. Bina Fashion and Foods Pvt. Ltd. | - | - | 0.16 | - | 0.16 | 0.27 | |
| 5. Indofil Industries (Netherlands) B. V. | 64.49 | - | - | - | 64.49 | 665.28 | |
| 6. Indo Baijin Chemicals Pvt. Ltd. | 795.79 | - | - | - | 795.79 | 953.31 | |
| Total | 860.28 | - | 209.23 | - | 1,069.51 | 1,872.83 | |
| Investments | | | | | | | |
| 1. Indo Baijin Chemicals Pvt. Ltd. | 4,366.10 | - | - | - | 4,366.10 | 3,852.11 | |
| 2. Indofil Bangladesh Pvt. Ltd. | 189.94 | - | - | - | 189.94 | 87.31 | |
| 3. Indofil - Costa Rica SA | 0.01 | - | - | - | 0.01 | 0.01 | |
| 4. Quick Investment (India) Ltd. | 10.01 | - | - | - | 10.01 | 10.01 | |
| 5. Good Investment (India) Ltd. | 2,173.26 | - | - | - | 2,173.26 | 2,173.26 | |
| 6. KKM Management Center Pvt. Ltd. | - | - | 33.81 | - | 33.81 | 33.81 | |
| 7. HIFIL Chemicals Pvt. Ltd. | - | - | - | 0.49 | 0.49 | 0.49 | |
| 8. Indofil Industries (Netherlands) B. V. | 8,584.44 | - | - | - | 8,584.44 | 8,513.11 | |
| Total | 15,323.76 | - | 33.81 | 0.49 | 15,358.06 | 14,670.11 | |
| Guarantees & Collaterals | | | | | | | |
| 1. Indo Baijin Chemicals Pvt. Ltd. | 23,470.98 | - | - | - | 23,470.98 | 22,644.20 | |
| 2. Indofil Industries (Netherlands) B. V. | 22,204.43 | - | - | - | 22,204.43 | 20,619.03 | |
| Total | 45,675.41 | - | - | - | 45,675.41 | 43,263.23 | |
| Loans Given | | | | | | | |
| 1. Indo Baijin Chemicals Pvt. Ltd. | 1,981.91 | - | - | - | 1,981.91 | 2,041.42 | |
| Total | 1,981.91 | - | - | - | 1,981.91 | 2,041.42 | |
| Advances (Incl. Reimbursement) | | | | | | | |
| 1. Indo Baijin Chemicals Pvt. Ltd. | - | - | - | - | - | 443.93 | |
| 2. Indofil Industries (Netherlands) B. V. | 302.49 | - | - | - | 302.49 | 523.16 | |
| 3. Good Investment (India) Ltd. | 275.00 | - | - | - | 275.00 | - | |
| Total | 577.49 | - | - | - | 577.49 | 967.09 | |
| Remuneration Payable to KMP | - | 991.70 | - | - | 991.70 | 615.02 | |
| Total | - | 991.70 | - | - | 991.70 | 615.02 | |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

40. EMPLOYEE BENEFITS

(i) Defined Contribution Plans

Amount recognized and included in Note No. 26, "Employee Benefits Expenses" of Statement of Profit and Loss ₹ 763.15 lacs (₹ 699.39 lacs).

(ii) Defined Benefit Plans

Gratuity under GGCA scheme of LIC as per Actuarial Valuation as on March 31, 2016.

| | | ₹ in Lacs | |
|---------|---|-------------------|-------------------|
| Sr. No. | Particulars | 2015-16 Funded | 2014-15 Funded |
| | Changes in Defined Benefit Obligation : | | |
| 1 | Present Value of obligation as at the beginning of the year | 2,132.17 | 1,815.10 |
| 2 | Current Service Cost | 84.80 | 69.49 |
| 3 | Interest Cost | 170.36 | 169.17 |
| 4 | Benefits Paid | (229.74) | (127.33) |
| 5 | Actuarial (gain)/loss | 243.86 | 205.74 |
| 6 | Present Value of obligation, as at the end of the year | 2,401.45 | 2,132.17 |
| | Change in Plan Assets : | | |
| 1 | Plan Assets at the beginning of the year | 1940.95 | 1,265.15 |
| 2 | Expected return of plan assets | 155.08 | 110.07 |
| 3 | Contribution by the Company | 323.47 | 655.20 |
| 4 | Actual benefits paid | (229.74) | (127.33) |
| 5 | Actuarial gain/loss | (6.35) | 37.86 |
| 6 | Plan Assets at the end of the year | 2,183.41 | 1,940.95 |
| | Liability recognized in the balance sheet as at March 31, 2016 | | |
| 1 | Present Value of obligation as at the end of the year | 2401.45 | 2,132.17 |
| 2 | Fair Value of plan assets as at the end of the year | 2183.41 | 1,940.96 |
| | Net Asset/(liability) recognized in the Balance Sheet | (218.04) | (191.21) |
| | Expenses Recognized in Statement of Profit and Loss | | |
| 1 | Current Service Cost | 84.80 | 69.49 |
| 2 | Interest Cost | 170.36 | 169.17 |
| 3 | Expected Return on plan assets | (155.08) | (110.07) |
| 4 | Past period cost | - | - |
| 5 | Actuarial (Gain)/Loss | 250.21 | 167.87 |
| | Net cost | 350.29 | 296.46 |
| | Main Actuarial Assumptions | | |
| | Discount Rate (%) | 8.04% | 7.99% |
| | Expected rate of return on plan assets (%) | 8.04% | 7.99% |
| | Salary Escalation | 4.00% | 4.00% |
| | The above figures are based on the data provided by the Actuary and has been relied on by the auditors | | |
| | Other Long Term benefits | | |
| | The defined benefit obligations which are provided for but not funded as on March 31, 2016 are as under : | | |
| | Leave salary (Refer Note -7 and Note 11) | 1,456.09 | 1,212.48 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

41. SEGMENT REPORTING

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

- 42.** Details of Loan Given, Investment made and Guarantee given covered under u/s 186(4) of the Companies Act, 2013. Loans given, Investments made and Corporate Guarantee Given are disclosed under the respective notes. Interest and Commission are recovered where incurred.
- 43.** Balances of Trade Receivables, Trade Payables, Advances and Deposits received/given, from/to customers are subject to confirmation and subsequent reconciliation.
- 44.** Figures in bracket indicate previous year's figures.
- 45.** Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

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

H.G. BUCH
Partner
Membership No. 033114

R.K. MALHOTRA
Group Chief Executive Officer

CHINTAMANI D THATTE
Head Compliance & Company Secretary

RAJIB MUKHOPADHYAY
Chief Financial Officer

For and on behalf of the Board of Directors

K.K. MODI
Chairman and Managing Director

CHARU MODI
Executive Director

DR. ATCHUTUNI RAO
Director - Mfg., Oprs., Safety & SPCD Business

| | | |
|---------------------|---|-----------|
| SAMIR MODI | } | Directors |
| ALIYA MODI | | |
| M. N. THAKKAR | | |
| SANJAY BUCH | | |
| SUNIL ALAGH | | |
| S. LAKSHMINARAYANAN | | |
| MANOJ SINGH | | |

Mumbai, June 30, 2016

Phuket, June 22, 2016

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 its associate company (the Holding Company, its subsidiary companies and its associate company together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and 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 and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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 companies 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the BoD 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 auditors, on

the financial statements of the subsidiary companies and the associate company, 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, of the Consolidated state of affairs of the Group as at 31st March, 2016, its Consolidated profit and its Consolidated cash flows 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 ₹ 71,876.43 lacs as at 31st March, 2016, total revenue of ₹ 16,995.12 lacs and net cash inflows of ₹ 32.85 lacs for the year ended on that date, as considered in the preparation of the Consolidated Financial Statements. The Consolidated Financial Statements also include the Holding Company's share of net loss of ₹ 0.04 lacs for the year ended 31 March, 2016, in respect of the associate company, whose financial statements have not been audited by us. 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 the associate company, and our Report in terms of section 143(3), in so far as it relates to the aforesaid subsidiary companies and the associate company, 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 and the associate company, proper books of account as required by law 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, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the BoD of the Holding Company and as reported by the auditors of its subsidiary companies and the associate company, incorporated in India, none of the directors of the Group companies incorporated in the India is disqualified as on 31st March, 2016 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 Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure';
- 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 :

INDEPENDENT AUDITOR'S REPORT (contd.)

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group, Refer Note 29 to the Consolidated Financial Statements;
- ii. The Holding Company and certain subsidiary companies 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, 2016 to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and the associate company incorporated in India.

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

H.G.BUCH
 Partner

PLACE : MUMBAI
 DATE : JUNE 30, 2016

Membership No. 033114

ANNEXURE 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, 2016, we have audited the internal financial controls over financial reporting of INDOFIL INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company"), its subsidiary companies and its associate company, which are companies incorporated in India ("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 of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, 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. Auditors' 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 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 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 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, 2016, based on the internal controls over financial reporting criteria established by the respective 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. (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 three subsidiary companies and one associate company, 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 30, 2016

H.G.BUCH
Partner
Membership No. 033114

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

| | | ₹ in Lacs | |
|--|----------|----------------------|----------------------|
| Particulars | Note No. | As at March 31, 2016 | As at March 31, 2015 |
| EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share Capital | 2 | 2,135.11 | 2,135.11 |
| (b) Reserves and Surplus | 3 | 68,561.26 | 55,728.60 |
| 2. Minority Interest | | 2,966.31 | 2,858.08 |
| 3. Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 4 | 53,283.92 | 47,545.97 |
| (b) Deferred Tax Liabilities (Net) | 5 | 4,899.09 | 4,400.35 |
| (c) Other Long Term Liabilities | 6 | 1,098.26 | 1,006.96 |
| (d) Long Term Provisions | 7 | 851.30 | 699.10 |
| 4. Current Liabilities | | | |
| (a) Short Term Borrowings | 8 | 36,913.25 | 44,317.18 |
| (b) Trade Payables | 9 | 15,178.63 | 16,769.56 |
| (c) Other Current Liabilities | 10 | 23,327.30 | 16,112.75 |
| (d) Short Term Provisions | 11 | 2,797.71 | 2,050.02 |
| Total | | 212,012.14 | 193,623.68 |
| ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible Assets | | 55,291.75 | 53,772.15 |
| (ii) Intangible Assets | | 32,157.34 | 32,195.93 |
| (iii) Capital Work-in-progress | | 15,769.81 | 5,397.34 |
| (iv) Intangible Assets under Development | | 8,988.30 | 8,358.02 |
| (b) Non-Current Investments | 13 | 6,109.53 | 5,467.48 |
| (c) Long Term Loans and Advances | 14 | 11,235.61 | 9,785.39 |
| (d) Other Non-Current Assets | 15 | 323.07 | 269.11 |
| 2. Current Assets | | | |
| (a) Inventories | 16 | 27,569.77 | 28,397.38 |
| (b) Trade Receivables | 17 | 46,719.45 | 43,868.01 |
| (c) Cash and Bank Balances | 18 | 4,247.18 | 2,037.06 |
| (d) Short Term Loans and Advances | 19 | 3,410.76 | 3,748.41 |
| (e) Other Current Assets | 20 | 189.57 | 327.40 |
| Total | | 212,012.14 | 193,623.68 |
| Significant Accounting Policies | 1 | | |
| Notes on Accounts | 2-34 | | |

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

H.G. BUCH
Partner
Membership No. 033114

R.K. MALHOTRA
Group Chief Executive Officer

CHINTAMANI D THATTE
Head Compliance & Company Secretary

RAJIB MUKHOPADHYAY
Chief Financial Officer

For and on behalf of the Board of Directors

K.K. MODI
Chairman and Managing Director

CHARU MODI
Executive Director

DR. ATCHUTUNI RAO
Director - Mfg., Oprs., Safety & SPCD Business

SAMIR MODI
ALIYA MODI
M. N. THAKKAR
SANJAY BUCH
SUNIL ALAGH
S. LAKSHMINARAYANAN
MANOJ SINGH
Directors

Mumbai, June 30, 2016

Phuket, June 22, 2016

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED ON MARCH 31, 2016

| | | ₹ in Lacs | |
|---|----------|---------------------------|---------------------------|
| Particulars | Note No. | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Revenue from Operations | 21 | 181,623.47 | 162,698.57 |
| Less : Excise Duty | | (13,022.99) | (11,604.33) |
| Net Revenue from Operations | | 168,600.48 | 151,094.24 |
| Other Income | 22 | 188.27 | 1,106.11 |
| Total Revenue | | 168,788.75 | 152,200.35 |
| EXPENSES: | | | |
| Cost of Materials Consumed | 23 | 71,766.36 | 73,404.27 |
| Purchases of Stock-in Trade | 24 | 8,275.98 | 9,186.33 |
| Changes in Inventories of Finished Goods/Stock in Trade | 25 | 1,704.27 | (4,083.08) |
| Employee Benefits Expenses | 26 | 13,468.64 | 11,543.81 |
| Finance Costs | 27 | 7,388.87 | 9,436.90 |
| Depreciation & Amortization Expenses | 12 | 6,710.56 | 7,992.37 |
| Other Expenses | 28 | 38,900.88 | 34,824.60 |
| Total Expenses | | 148,215.56 | 142,305.20 |
| Profit Before Tax | | 20,573.19 | 9,895.15 |
| Tax Expenses | | | |
| Current Tax | | 4,820.95 | 3,342.67 |
| MAT Credit Entitlement | | (422.07) | (3,268.59) |
| Deferred Tax | | 498.74 | 754.05 |
| Tax Effect of Earlier Years | | (1.62) | (0.13) |
| Profit After Tax | | 15,677.19 | 9,067.15 |
| Less: Unrealised Profit on Stock in Hand | | (31.84) | (11.45) |
| Add: Minority Interest in Loss | | 391.21 | 840.81 |
| Add: Pre-Acquisition Loss | | - | 343.07 |
| Less: Share in Loss of Associate Company | | (0.04) | (0.01) |
| Net Profit For the Year | | 16,036.52 | 10,239.57 |
| Earning per Equity Share : | | | |
| Basic & Diluted | | 75.11 | 49.14 |
| Significant Accounting Policies | 1 | | |
| Notes on Accounts | 2-34 | | |

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

H.G. BUCH
Partner
Membership No. 033114

R.K. MALHOTRA
Group Chief Executive Officer

CHINTAMANI D THATTE
Head Compliance & Company Secretary

RAJIB MUKHOPADHYAY
Chief Financial Officer

For and on behalf of the Board of Directors

K.K. MODI
Chairman and Managing Director

CHARU MODI
Executive Director

DR. ATCHUTUNI RAO
Director - Mfg., Oprs., Safety & SPCD Business

SAMIR MODI
ALIYA MODI
M. N. THAKKAR
SANJAY BUCH
SUNIL ALAGH
S. LAKSHMINARAYANAN
MANOJ SINGH

Directors

Mumbai, June 30, 2016

Phuket, June 22, 2016

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON MARCH 31, 2016

₹ in Lacs

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2016 | Year Ended March 31, 2015 | Year Ended March 31, 2015 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/(Loss) before tax | | 20,573.19 | | 9,895.15 |
| Adjustment for Non-Cash/Non-Operating Items: | | | | |
| Depreciation/Amortization | 6,710.56 | | 7,992.37 | |
| Finance Cost | 7,388.87 | | 9,436.90 | |
| Interest Income | (120.34) | | (403.73) | |
| Dividend Income | (1.43) | | (1.71) | |
| Sundry Balances Written Back | (6.17) | | (572.63) | |
| (Profit)/Loss on Sale of Assets | 2.59 | | (2.86) | |
| Provision for Bad and Doubtful Debts | 719.90 | | 300.00 | |
| Foreign Exchange Loss/(Gain) | 689.38 | 15,383.36 | (2,339.97) | 14,408.37 |
| Operating Profit Before Changes in Working Capital | | 35,956.55 | | 24,303.52 |
| Adjustments for Changes in Working Capital | | | | |
| (Increase)/Decrease in Trade Investments | (642.06) | | (688.30) | |
| (Increase)/Decrease in Inventories | 801.34 | | (4,446.23) | |
| (Increase)/Decrease in Short Term Trade Receivables | (3,571.33) | | 15.99 | |
| (Increase)/Decrease in Short Term Loans & Advances | 337.71 | | 271.59 | |
| (Increase)/Decrease in Long Term Loans & Advances | (87.95) | | 92.83 | |
| (Increase)/Decrease in Other Current Assets | 12.12 | | 179.26 | |
| (Increase)/Decrease in Other Non - Current Assets | (53.96) | | (73.76) | |
| Increase/(Decrease) in Trade Payables | (1,590.93) | | (6,371.96) | |
| Increase/(Decrease) in Other Short Term Payables | 4,635.05 | | 684.32 | |
| Increase/(Decrease) in Other Long Term Payables | 243.50 | 83.49 | 250.51 | (10,085.75) |
| Cash Generated From Operations | | 36,040.04 | | 14,217.77 |
| Less: Taxes Paid(net of refund received) | | (4,373.52) | | (4,617.63) |
| Net Cash From Operating Activities | | 31,666.52 | | 9,600.14 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| For Purchase of Fixed Assets (Net of Interest Capitalised & Forex Translation) | (17,669.73) | | (10,876.57) | |
| Amount Received on Sale of Assets | 5.57 | | 6.72 | |
| Interest Received | 246.05 | | 315.80 | |
| Dividend Received | 1.43 | | 1.71 | |
| Net Cash From Investing Activity | | (17,416.68) | | (10,552.34) |
| C CASH FLOW FROM FINANCING ACTIVITY | | | | |
| Repayment of Long Term Borrowings | (5,010.91) | | (22,699.22) | |
| Receipt of Long Term Borrowings | 10,731.95 | | 36,245.44 | |
| Receipt / (Repayment) of Short Term Borrowings | (7,666.28) | | (8,525.65) | |
| Deposits and Margin Money | 395.15 | | 1,605.13 | |

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON MARCH 31, 2016

| Particulars | ₹ in Lacs | | | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Year Ended March 31, 2016 | Year Ended March 31, 2016 | Year Ended March 31, 2015 | Year Ended March 31, 2015 |
| Receipt of Equity Share Capital | - | - | 69.09 | - |
| Receipt of Premium of Equity Share Capital | - | - | 1,769.25 | - |
| Increase in Minority Share Capital | 493.83 | - | 1,545.05 | - |
| Finance Cost (Incl. Interest Cost Capitalized) | (7,687.47) | - | (9,673.59) | - |
| Dividend Paid (Incl. Dividend Distribution Tax) | (1,246.11) | - | (958.26) | - |
| Increase in capital reserve on share forfeiture | - | - | 1.37 | - |
| Net Cash From Financing Activity | | (9,989.84) | | (621.39) |
| EXCHANGE DIFFERENCE ARISING ON CONVERSION CREDITED TO FOREIGN CURRENCY TRANSLATION RESERVE | | (1,654.72) | | 1,547.65 |
| NET CASH FLOW OF THE YEAR | | 2,605.28 | | (25.94) |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | | 335.87 | | 361.81 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS | | 2,941.15 | | 335.87 |

Note:-

- 1 The Above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3' on Cash Flow 'Statements, notified under Section 133 of the Companies Act, 2013.

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

H.G. BUCH
Partner
Membership No. 033114

R.K. MALHOTRA
Group Chief Executive Officer

CHINTAMANI D THATTE
Head Compliance & Company Secretary

RAJIB MUKHOPADHYAY
Chief Financial Officer

For and on behalf of the Board of Directors

K.K. MODI
Chairman and Managing Director

CHARU MODI
Executive Director

DR. ATCHUTUNI RAO
Director - Mfg., Oprs., Safety & SPCD Business

SAMIR MODI
ALIYA MODI
M. N. THAKKAR
SANJAY BUCH
SUNIL ALAGH
S. LAKSHMINARAYANAN
MANOJ SINGH

Directors

Mumbai, June 30, 2016

Phuket, June 22, 2016

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These Consolidated Financial Statements ("the CFS") are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention as also on accrual basis. These CFS have been prepared to comply with the relevant Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Accounting Standards") and the relevant provisions of the Act (to the extent notified). In the light of the first proviso to Section 129 (1) of the Act and Schedule III to the Act, the items and terms contained in these CFS are in accordance with the Accounting Standards as referred to herein.

1.2 Principle of Consolidation

The CFS relate to Indofil Industries Limited ("the Holding Company"), its subsidiary companies (the Holding Company and its subsidiary companies together referred to as "the Group") and its associate company. The financial statements of the subsidiary companies and the associate company 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 :

- a. The financial statements of subsidiary companies have been combined on line to line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances, intra group transactions and the unrealised profits/losses in accordance with Accounting Standard-21- "Consolidated Financial Statements".
- b. In case of foreign subsidiary companies, being non -integral foreign operations, as per Accounting Standard -11- "Effects of Changes in Foreign Exchange Rates", 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.
- c. 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 companies are recognised in the CFS as Goodwill or Capital Reserve, as the case may be.

- d. Minority interest's share of net profit of consolidated subsidiary companies for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Holding Company .
- e. Minority interest's share of net assets of consolidated subsidiary companies for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Holding Company's shareholders .
- f. The investments in the associate company are accounted for using the Equity Method of accounting as laid down under Accounting Standard- 23, "Accounting for Investment in Associate in Consolidated Financial Statements". The investments are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The unrealised profits/losses on transactions with the associate company are eliminated by reducing the carrying amount of investments.
- g. The difference between the cost of investment in the associate company and the share of net asset at the time of acquisition of shares in the associate company is identified in the CFS as Goodwill or Capital Reserve as the case may be.
- h. 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.

1.3 Other Investments

Investments other than in subsidiary companies and associate company have been accounted as per Accounting Standard -13 on "Accounting for Investments "

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

1.4 Companies considered for Consolidation :

| Name of Company | Subsidiaries / Associates | Country of Incorporation | % of Holdings |
|---|---------------------------|--------------------------|---------------|
| Indobaijin Chemicals Pvt. Ltd. | Subsidiary | India | 51% |
| Good Investment (India) Ltd.* | Subsidiary | India | 100% |
| Quick Investment (India) Ltd.* | Subsidiary | India | 100% |
| Indofil – Costa Rica S.A. | Subsidiary | Costa Rica | 100% |
| Indofil Bangladesh Industries Pvt. Ltd. | Subsidiary | Bangladesh | 100% |
| Indofil Industries Netherlands BV | Subsidiary | Netherland | 100% |
| HIIFIL Chemicals Pvt. Ltd. | Associate | India | 49% |

* The company is registered as Non-Banking Finance Company (NBFC) under Section 45-IA of Reserve Bank of India Act, 1934.

1.5 The subsidiary companies have investment in the following Companies which are Associates of these Companies .

| Name of Company | % Holdings of subsidiary companies as on 31.03.2016 |
|--|---|
| Modi Care Ltd. | 40.96 % |
| International Research Park Laboratories Ltd | 20.00 % |

The Holding Company, either directly or indirectly through its one or more subsidiary companies ,though holding more than 20% in these companies, does not have significant influence/ participation in the

policy decision of the investee companies and hence such companies are not considered for consolidation purpose.

1.6 Fixed Assets and Depreciation / Amortization

The intangible assets in Indofil Industries (Netherlands) B. V. are amortized on Straight Line Method over a period of twenty years.

1.7 Other Significant Accounting Policies and Additional Information

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 TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 2 : SHARE CAPITAL

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Authorised | | |
| 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 |
| | 5,000.00 | 5,000.00 |
| Issued, Subscribed & Paid Up | | |
| 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 |
| | 2,135.11 | 2,135.11 |

a) Reconciliation of the number of shares outstanding :

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Shares at the beginning | 22,958,222 | 2,135.11 | 20,662,400 | 2,066.02 |
| Add: Rights Issue of Equity Share made during the year | - | - | 2,295,822 | 68.87 |
| Add : Calls in arrears received during the year | - | - | - | - |
| Less: Shares Forfeited During the year | - | - | (4,335) | (0.21) |
| Add : Re-issue of Forfeited Shares | - | - | 4,335 | 0.43 |
| Shares at the end | 22,958,222 | 2,135.11 | 22,958,222 | 2,135.11 |

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, 2016 | | As at March 31, 2015 | |
|--|----------------------|-------|----------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| K.K.Modi Investment and Financial Services Pvt. Ltd. | 10,098,073 | 43.99 | 9,748,073 | 42.46 |
| APMS Investment Fund Ltd.(FIL) | 1,945,822 | 8.48 | 2,295,822 | 10.00 |
| 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 TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 3 : RESERVES AND SURPLUS

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Capital Reserve (On Consolidation) | 629.54 | 419.26 |
| Capital Redemption Reserve | 508.00 | 508.00 |
| Securities Premium | | |
| Balance brought forward | 10,804.26 | 9,035.01 |
| Add: Premium On Issue of Equity Shares | - | 1,767.78 |
| Add : Calls received during the year | - | 0.01 |
| Less: Shares Forfeited during the year | - | (1.14) |
| Add: Re-issue of Forfeited Shares | - | 2.60 |
| Balance carried forward | 10,804.26 | 10,804.26 |
| General Reserve | | |
| Balance brought forward | 5,170.27 | 3,718.35 |
| Add: Transfer from Statement of Profit and Loss | - | 1,451.92 |
| Balance carried forward | 5,170.27 | 5,170.27 |
| Capital Reserve | | |
| Balance brought forward | 1.37 | - |
| Add: Shares Forfeited during the year | - | 1.37 |
| Balance carried forward | 1.37 | 1.37 |
| Special Reserve | | |
| Balance brought forward | 636.30 | 521.75 |
| Add: Adjustments on consolidation | 30.46 | - |
| Add: Transfer from Statement of Profit and Loss | 89.32 | 114.55 |
| Balance carried forward | 756.08 | 636.30 |
| Foreign Currency Translation Reserve | | |
| Balance brought forward | 1,547.66 | 0.01 |
| Add: During the year | (1,654.72) | 1,547.65 |
| Balance carried forward | (107.06) | 1,547.66 |
| Surplus | | |
| Balance brought forward | 36,641.48 | 29,273.06 |
| Less : Adjustments on consolidation | (240.75) | - |
| Add: Profit after Tax for the year | 16,036.52 | 10,239.57 |
| Less : Depreciation Adjusted for earlier Years | - | (49.47) |
| Amount available for appropriation | 52,437.25 | 39,463.16 |
| Less Appropriations: | | |
| Transfer to General Reserve | - | (1,451.92) |
| Transfer to Special Reserve | (89.32) | (114.55) |
| Dividend on Shares | (1,281.07) | (1,041.89) |
| Dividend Distribution Tax | (268.06) | (213.32) |
| Balance carried forward | 50,798.80 | 36,641.48 |
| | 68,561.26 | 55,728.60 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 4 : LONG TERM BORROWINGS

| Particulars | ₹ in Lacs | |
|-----------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| From Banks : | | |
| Secured : | | |
| Rupee Term Loans | 3,750.00 | 5,000.00 |
| Foreign Currency Term Loans | 49,470.30 | 42,405.63 |
| Rupee Hire Purchase Loans | 63.62 | 140.34 |
| | 53,283.92 | 47,545.97 |

I. Rupee Term Loans :

- Term Loan amounting to ₹ 4,000 lacs (₹ 5,000 lacs) carries interest at the rate of 11.75% p.a. (12.75% p.a.) as at year end and is repayable in 16 equal quarterly installments of ₹ 250 lacs each.
- Term Loan amounting to ₹ 1,125 lacs (₹ 1,500 lacs) carries interest at the rate of 12.20% p.a. (12.70% p.a.) as at year end and is repayable in 12 equal quarterly installments of ₹ 93.75 lacs each.
- Hire purchase loan amounting to ₹ 10.19 lacs (₹ 26.64 lacs) carries interest at the rate of 9.02% p.a. (9.02% p.a.) and is repayable in 7 equated monthly installments.
- Hire purchase loan amounting to ₹ 20.24 lacs (₹ 89.89 lacs) carries interest at the rate of 11% p.a. (11% p.a.) and is repayable in 4 equated monthly installments.
- Hire purchase loan amounting to ₹ 100.84 lacs (₹ 141.83 lacs) carries interest at the rate of 11% p.a. (11% p.a.) and is repayable in 25 equated monthly installments.
- Hire Purchase loan aggregating to ₹ 8.38 lacs (₹ 14.65 lacs) is repayable in monthly installments.

II. Foreign Currency Term Loans:

- All term loans carry interest rate between of 3% p.a. to 5.90% p.a. (3% p.a. to 5.80% p.a.)
- Term loan amounting to ₹ 1,100.11 lacs outstanding as on March 31, 2015 has been repaid during the year.
- Term loan amounting to ₹ 5,873.22 lacs (₹ 6,132.94 lacs) is repayable over 4 Years in 15 installments of ₹ 251.71 lacs each and 1 installment of ₹ 2,097.58 lacs.
- Term loan amounting to ₹ 1,873.38 lacs (Nil) is repayable in 52 equated monthly installments of ₹ 36.02 lacs each.
- Term loan amounting to ₹ 5,046.38 lacs (Nil) is repayable over 8 Years in 15 installments of ₹ 151.39 lacs each and 10 installments of ₹ 277.55 lacs each.
- Term loan amounting to ₹ 2,942.91 lacs (Nil) is repayable over 6 years in 48 equated monthly installments.
- Term loan amounting to ₹ 822.59 lacs (Nil) is repayable over 6 years in 48 equated monthly installments.
- Term Loan amounting to ₹ 6,659.82 lacs (₹ 7,335.64 lacs) repayable over 22 quarterly installments.
- Term Loan amounting to ₹ 3,913.64 lacs (₹ 3,755.45 lacs) is repayable in 25 quarterly installments.
- Term Loan aggregating to ₹ 7,991.78 lacs (₹ 8,998.05 lacs) is repayable in 23 quarterly installments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

- k) Term Loan aggregating to ₹ 8,172.83 lacs (₹ 7,594.92 lacs) is repayable over 3 equal quarterly installments of ₹ 290.94 lacs each, 12 equal quarterly installments of ₹ 365.00 lacs each and one installment of ₹ 2,920.00 lacs.
- l) Term Loan aggregating to ₹ 6,340.94 lacs (₹ 5,890.28 lacs) is repayable over 3 equal quarterly installments of ₹ 223.18 lacs each and 20 equal quarterly installments of ₹ 283.57 lacs each.
- m) Term Loan aggregating to ₹ 7,282.97 lacs (₹ 6,767.91 lacs) is repayable over 3 equal quarterly installments of ₹ 259.26 lacs each and 20 equal quarterly installments of ₹ 325.26 lacs each.

All the above term loans, except loan amounting to ₹ 7,886.28 lacs (₹ 6,405.95 lacs) 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 along with the Working Capital Lenders.

Foreign currency Term Loan amounting to ₹ 7,746.63 lacs (₹ 6,132.94 lacs) and Hire Purchase loan of ₹ 139.65 lacs (₹ 273.01 lacs) are secured by specific assets financed by them.

Term loan aggregating to ₹ 1,125 lacs (₹ 1,500 lacs) have additional exclusive charge on the assets financed by them.

An amount of ₹ 796.36 lacs (₹ 1,250 lacs) has been held as Debt Service Reserve Account with Bank. (Refer Note no. 18)

Amounts falling due in respect of all the above loans upto 31.03.2017 have been grouped under "Current maturities of Long Term Debts " under Note No. 10

NOTE 5 : DEFERRED TAX LIABILITY (NET)

| Particulars | ₹ in Lacs | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Deferred Tax Liability | 6,009.32 | 5,170.19 |
| Deferred Tax Assets | (1,110.23) | (769.84) |
| Deferred Tax Liability (Net) | 4,899.09 | 4,400.35 |

NOTE 6 : OTHER LONG TERM LIABILITIES

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Security Deposits Received From Customers | 1,021.83 | 930.53 |
| Other Liabilities | 76.43 | 76.43 |
| | 1,098.26 | 1,006.96 |

NOTE 7 : LONG TERM PROVISIONS

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Provision for Employee Benefits : | | |
| Leave Encashment | 851.30 | 699.10 |
| (Refer Note No. 11) | | |
| | 851.30 | 699.10 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 8 : SHORT TERM BORROWINGS

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Secured Loans Repayable on demand from banks : | | |
| Working Capital Loans from Banks | 36,913.25 | 44,317.18 |
| (Secured by first pari passu charge, by way of hypothecation of respective Companies' current assets and other movable assets and second pari passu charge on the fixed assets both present and future, along with the Term Lenders) | | |
| | 36,913.25 | 44,317.18 |

NOTE 9 : TRADE PAYABLES

| Particulars | ₹ in Lacs | |
|------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Sundry Creditors | 15,178.63 | 16,769.56 |
| | 15,178.63 | 16,769.56 |

NOTE 10 : OTHER CURRENT LIABILITIES

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Current maturities of Long Term Debts (Refer Note No. 4) | 8,901.19 | 6,802.37 |
| Interest accrued but not due on borrowings | 278.78 | 243.21 |
| Unclaimed Dividend * | 49.37 | 40.26 |
| Other Payables | 14,097.96 | 9,026.91 |
| * There is no amount due and outstanding to be credited to Investor Education and Protection Fund. | | |
| | 23,327.30 | 16,112.75 |

NOTE 11 : SHORT TERM PROVISIONS

| Particulars | ₹ in Lacs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Provisions for Employee Benefits | | |
| Leave Encashment | 604.79 | 513.37 |
| (Refer Note No. 7) | | |
| Others : | | |
| For Taxation (Net of Advance Taxes) | 643.79 | 281.44 |
| For Dividend | 1,281.07 | 1,041.89 |
| For Corporate Dividend Tax | 268.06 | 213.32 |
| | 2,797.71 | 2,050.02 |

NOTE 12: FIXED ASSETS

1 Includes Assets taken on Hire Purchase :-

Includes Borrowing Cost of ₹ 334.16 lacs(₹ 385.39 lacs) capitalized during the year in terms of Para 6 of the "Accounting Standard 16- Borrowing Costs" and Employee Cost of ₹ 142.59 lacs(₹ 111.92 lacs).

Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets of ₹ 1,688.70 lacs (₹ 2,432.21 lacs) capitalized during the year in terms of Para 46A of "Accounting Standard 11 - Effects of Changes in Foreign Exchange Rates". Unamortised Amount as at March 31, 2016 - ₹ 4,373.21 lacs (₹ 2,837.62 lacs)

Capital Work in Progress as on March 31, 2016 includes ₹ 13,506.66 lacs incurred on the new Agro Synthesis Plant at Dahaj SEZ, Gujrat. The plant is expected to commence commercial production during the financial year ended March 31, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 13 NON CURRENT INVESTMENTS

| Particulars | No. of Shares/Units | ₹ in Lacs | |
|---|------------------------|-------------------------|-------------------------|
| | | As at March 31, 2016 | As at March 31, 2015 |
| A. Trade Investments | | | |
| Associates | | | |
| a. Unquoted: at Cost | | | |
| Investment in Equity Instruments | | | |
| HIFIL Chemical Pvt. Ltd. | 4,900 | 0.17 | 0.21 |
| Face Value ₹ 10/- each | (4,900) | | |
| Others | | | |
| a. Quoted : At Cost | | | |
| Investment in Equity Instruments | | | |
| Modi Industries Ltd. | 5,580 | 0.88 | 0.88 |
| Face Value ₹ 10/- each | (5,580) | | |
| Less : Provision for Diminution in the Value | | (0.88) | (0.88) |
| Godfrey Phillips India Limited | 6,476,020 | 5,611.00 | 3,900.99 |
| Face Value ₹ 2/- each | (6,177,020) | | |
| Modi Spinning & Weaving Mills Co. Ltd. | 75,631 | 7.60 | 7.60 |
| Face Value ₹ 10/- each | (75,631) | | |
| Less : Provision for Diminution in the Value | | (7.60) | (7.60) |
| Birla Sun Life Dynamic Bond Fund Retail-Growth | - | - | 197.75 |
| Face Value ₹ 10/- each | (1,042,980) | | |
| Kotak Bond Short term Plan-Growth | - | - | 60.00 |
| Face Value ₹ 10/- each | (272,802) | | |
| DSP Black Rock Strategic Bond Fund Institutional Growth | - | - | 208.00 |
| Face Value ₹ 1000/- each | (14,947) | | |
| J.P.Morgan Mutual Fund | 602,461 | 73.83 | 194.00 |
| Short Term Income Fund Regular Plan - Growth | (1,583,884) | | |
| ICICI Prudential Income Regular Plan - Growth | - | - | 55.00 |
| Face Value ₹ 10/- each | (148,151) | | |
| ICICI Prudential Dynamic Bond Fund Regular Plan - Growth | - | - | 50.00 |
| Face Value ₹ 10/- each | (366,757) | | |
| Kotak Mutual Fund : Bond-Short Term - Growth | - | - | 58.00 |
| Face Value ₹ 10/- each | (263,708) | | |
| Birla Sunlife Mutual Fund Dynamic Bond Fund Retail - Growth | - | - | 119.00 |
| Face Value ₹ 10/- each | (578,997) | | |
| Modi Rubber Ltd. | 1,100 | 0.42 | 0.42 |
| Face Value ₹ 10/- each | (1,100) | | |
| Investment in Preferential Instruments | | | |
| Modi Spinning & Weaving Mills Co. Ltd. *- 13.5% Redeemable | 165 | 0.17 | 0.17 |
| Cumulative (Face Value ₹ 100/- each) | (165) | | |
| Less : Provision for Diminution in the Value | | (0.17) | (0.17) |
| Investment in Non Convertible Debentures Instruments | | | |
| Modi Industries Limited (12.5% Redeemable Non-Cumulative) | 328 | 0.66 | 0.66 |
| Face Value ₹ 200/- each | (328) | | |
| Less : Provision for Diminution in the Value | | (0.66) | (0.66) |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Continued from page no. 128)

| | | ₹ in Lacs | |
|--|------------------------|-------------------------|-------------------------|
| Particulars | No. of Shares/Units | As at March 31, 2016 | As at March 31, 2015 |
| b. Unquoted : At Cost | | | |
| Investment in Equity Instruments | | | |
| International Research Park Laboratories Limited | 50,000 | 5.00 | 5.00 |
| Face Value ₹ 10/- each | (50,000) | | |
| Agache Associates Limited | 6,250 | 0.63 | 0.63 |
| Face Value ₹ 10/- each | (6,250) | | |
| Less : Provision for Diminution in the Value | | (0.63) | (0.63) |
| Beacon Travels Pvt. Limited | 4,500 | 0.45 | 0.45 |
| Face Value ₹ 10/- each | (4,500) | | |
| Modi Care Limited | 8,000,000 | 200.00 | 200.00 |
| Face Value ₹ 2.5/- each | (8,000,000) | | |
| Less : Provision for Diminution in the Value | | (200.00) | - |
| Rajputana Fertilizers Limited | 15,126 | - | - |
| Face Value ₹ 10/- each | (15,126) | | |
| Haryana Distillery Limited | 15,126 | - | - |
| Face Value ₹ 10/- each | (15,126) | | |
| Investment in Preferential Instruments | | | |
| Premium Tradelinks Private Limited - 8% Non-Cumulative | 956,000 | 95.60 | 95.60 |
| Redeemable (Face Value ₹ 10/- each) | (956,000) | | |
| Modi Care Limited -8% non cummulative Redeemable | 2,500,000 | 250.00 | 250.00 |
| Face Value ₹ 10/- each | (2,500,000) | | |
| B. Other than Trade Investments | | | |
| Others | | | |
| a. Quoted : At Cost | | | |
| Investment in Equity Instruments | | | |
| Modi Rubber Ltd. | 214,211 | 0.00 | 0.00 |
| Face Value ₹ 10/- each | (214,211) | | |
| Union KBC Mutual Fund | 249,990 | 25.00 | 25.00 |
| Face Value ₹ 10/- each | (249,990) | | |
| b. Unquoted : At Cost | | | |
| Investment in Equity Instruments | | | |
| The Cosmos Co-op. Bank Ltd. | 14,250 | 14.25 | 14.25 |
| Face Value ₹ 10/- each | (14,250) | | |
| KKM Management Centre Private Limited | 338,100 | 33.81 | 33.81 |
| Face Value ₹ 10/- each | (338,100) | | |
| | | 6,109.53 | 5,467.48 |
| Aggregate amount of quoted investment | | 5,719.56 | 4,877.47 |
| Aggregate market value of quoted investment | | 77,192.20 | 27,482.53 |
| Aggregate amount of unquoted investments | | 599.91 | 599.95 |
| Aggregate Provision for diminution in the value of investments | | (209.94) | (9.94) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 14: LONG TERM LOANS & ADVANCES

| Particulars | ₹ in Lacs | |
|-----------------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Capital Advances | | |
| - Unsecured Considered Good | 1,904.95 | 881.29 |
| Security / Other Deposits | 666.07 | 563.57 |
| Loans to Employees | | |
| - Secured Considered Good | 85.90 | 100.45 |
| Mat Credit Entitlement | 8,278.39 | 7,856.31 |
| Advance Taxes (Net of Provisions) | 300.30 | 383.77 |
| | 11,235.61 | 9,785.39 |

NOTE 15: OTHER NON-CURRENT ASSETS

| Particulars | ₹ in Lacs | |
|--|----------------------|----------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Long Term Trade Receivables | 1,751.55 | 1,031.65 |
| Less: Provision for Doubtful Debts | (1,751.55) | (1,031.65) |
| Balances with Govt. authorities under litigation | 323.07 | 269.11 |
| | 323.07 | 269.11 |

NOTE 16 : INVENTORIES

| Particulars | ₹ in Lacs | |
|----------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Raw Materials | | |
| - Raw Materials | 6,692.17 | 5,764.16 |
| - Raw Materials in Transit | 2,823.29 | 2,854.88 |
| Finished Goods | 14,321.84 | 15,890.66 |
| Stock in trade | 3,119.87 | 3,255.32 |
| Stores & Spares | 612.60 | 632.36 |
| | 27,569.77 | 28,397.38 |

NOTE 17 : TRADE RECEIVABLES

| Particulars | ₹ in Lacs | | | |
|---|----------------------|-----------|----------------------|-----------|
| | As at March 31, 2016 | | As at March 31, 2015 | |
| Sundry Debtors: | | | | |
| Exceeding six months from the due date: | | | | |
| Secured - Considered Good | 87.11 | | 57.76 | |
| Unsecured - Considered Good | 2,710.93 | 2,798.04 | 1,913.18 | 1,970.94 |
| Others: | | | | |
| Secured - Considered Good | 503.99 | | 469.74 | |
| Unsecured - Considered Good | 43,417.42 | 43,921.41 | 41,427.33 | 41,897.07 |
| | 46,719.45 | | 43,868.01 | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 18 : CASH AND BANK BALANCES

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Cash and Cash Equivalents : | | |
| Balances with Bank : | | |
| - Unpaid Dividend Accounts | 49.37 | 40.26 |
| - Current Accounts | 2,361.08 | 286.32 |
| Cheques in hand | 512.64 | - |
| Cash-on-Hand | 18.06 | 9.29 |
| Other Bank Balances : | | |
| Fixed Deposits ^{1 2} | 1,303.03 | 1,698.19 |
| Margin Money Pledged with Banks ¹ | 3.00 | 3.00 |
| ¹ Includes ₹ 796.36 lacs (₹ 1,250 lacs) charged to bank as Reserve for Interest and Debt re-payment. | | |
| ² Includes Fixed Deposits amounting to ₹ 796.36 lacs (NIL) maturing after a period of more than 12 months | | |
| | 4,247.18 | 2,037.06 |

NOTE 19 : SHORT TERM LOANS & ADVANCES

| Particulars | ₹ in Lacs | |
|--------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Advances Recoverable in Cash or Kind | | |
| - Unsecured Considered Good | 2,471.89 | 2,616.18 |
| Prepaid Expenses | 401.34 | 513.95 |
| Balance with Excise Authorities | 537.53 | 618.28 |
| | 3,410.76 | 3,748.41 |

NOTE 20 : OTHER CURRENT ASSETS

| Particulars | ₹ in Lacs | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Export Incentive Receivable | 68.33 | 112.97 |
| Interest Receivable | 92.40 | 212.41 |
| Deferred Premium On Forward Contracts | 28.84 | 2.02 |
| | 189.57 | 327.40 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 21: REVENUE FROM OPERATIONS

₹ in Lacs

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|--|------------------------------|------------------------------|
| Sale of Products : | | |
| - Agrochemicals | 157,210.39 | 139,381.09 |
| - Speciality and Performance Chemicals | 18,608.23 | 19,532.00 |
| - Other Chemicals | 4,868.97 | 2,595.06 |
| | 180,687.59 | 161,508.15 |
| Other Operating Income : | | |
| Dividend Income | 518.08 | 485.53 |
| Interest Income | 12.31 | 24.15 |
| Profit on sale of Investment | 212.14 | 109.49 |
| Indenting Commission | 32.38 | 25.77 |
| Compensation Received | - | 19.54 |
| Export Incentives and Entitlements | 145.91 | 184.40 |
| Miscellaneous Income | 15.06 | 341.54 |
| | 181,623.47 | 162,698.57 |

NOTE 22: OTHER INCOME

₹ in Lacs

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|-------------------------------|------------------------------|------------------------------|
| Interest Income | 120.34 | 403.73 |
| Dividend Income | 1.43 | 1.71 |
| Other Non-Operating Income : | | |
| - Profit on Sale of Assets | - | 2.86 |
| - Rent Income | 7.20 | 7.20 |
| - Insurance Claims | 26.53 | 26.38 |
| - Sundry Balance Written Back | 6.17 | 572.63 |
| - Other | 26.60 | 91.60 |
| | 188.27 | 1,106.11 |

NOTE 23 : COST OF MATERIALS CONSUMED

₹ in Lacs

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|---------------------------|------------------------------|------------------------------|
| Raw Material Consumed | 65,162.66 | 66,992.17 |
| Packing Material Consumed | 6,603.70 | 6,412.10 |
| | 71,766.36 | 73,404.27 |

NOTE 24 : PURCHASE OF STOCK IN TRADE

₹ in Lacs

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|----------------------------|------------------------------|------------------------------|
| Purchase of Stock in Trade | 8,275.98 | 9,186.33 |
| | 8,275.98 | 9,186.33 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NOTE 25 : CHANGES IN INVENTORIES OF FINISHED GOODS /STOCK IN TRADE

| ₹ in Lacs | | | | |
|---|------------------------------|-------------|------------------------------|-------------|
| Particulars | Year Ended March 31, 2016 | | Year Ended March 31, 2015 | |
| Opening Stocks : | | | | |
| - Finished Goods | 15,890.66 | | 13,307.68 | |
| - Stock in trade | 3,255.32 | 19,145.98 | 1,755.22 | 15,062.90 |
| Less: Closing Stocks : | | | | |
| - Finished Goods | (14,321.84) | | (15,890.66) | |
| - Stock in trade | (3,119.87) | (17,441.71) | (3,255.32) | (19,145.98) |
| (Increase) / Decrease in Finished Goods / Stocks in Trade | | 1,704.27 | | (4,083.08) |

NOTE 26 : EMPLOYEE BENEFITS EXPENSES

| ₹ in Lacs | | |
|---|------------------------------|------------------------------|
| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Salaries, Wages & Bonus | 11,265.02 | 9,504.04 |
| Contribution to Provident & Other Funds | 768.74 | 702.72 |
| Gratuity | 350.29 | 344.00 |
| Staff Welfare Expenses | 1,084.59 | 993.05 |
| | 13,468.64 | 11,543.81 |

NOTE 27 : FINANCE COSTS

| ₹ in Lacs | | |
|-----------------------|------------------------------|------------------------------|
| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Interest Expenses | 6,391.94 | 8,768.09 |
| Other Borrowing Costs | 996.93 | 668.81 |
| | 7,388.87 | 9,436.90 |

NOTE 28 : OTHER EXPENSES

| ₹ in Lacs | | |
|--|------------------------------|------------------------------|
| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Consumption of Stores and Spares | 1,173.85 | 948.75 |
| Power, Fuel and Utilities | 4,099.48 | 4,153.32 |
| Processing Charges | 3,222.16 | 2,899.07 |
| Excise Duty * | (150.26) | 450.19 |
| Rent / Lease rent / Hire Charges | 520.82 | 462.56 |
| Repairs to Buildings | 394.47 | 191.63 |
| Repairs to Plant & Machinery | 956.91 | 774.28 |
| Other Repairs | 375.09 | 348.37 |
| Insurance | 559.36 | 438.77 |
| Rates and Taxes | 146.32 | 238.91 |
| Pollution Control Expenses | 426.86 | 336.10 |
| Legal and Professional Fees | 4,341.12 | 3,314.34 |
| General Office Expenses | 3,000.06 | 2,620.04 |
| Foreign Exchange Fluctuation (Net) | 446.05 | 996.48 |
| Advertisement, Publicity & Sales Promotion | 7,910.09 | 6,465.66 |
| Outward Freight Charges | 4,609.38 | 4,551.54 |
| Loading and Unloading Charges | 217.06 | 253.40 |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Continued from page no. 133)

| Particulars | ₹ in Lacs | |
|--|------------------------------|------------------------------|
| | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
| Cash Discounts | 2,585.04 | 2,174.28 |
| Provision for Doubtful Debts | 719.90 | 300.00 |
| Travelling & Conveyance | 3,047.36 | 2,658.77 |
| Payment to Auditors | | |
| - Audit Fees | 24.82 | 18.00 |
| - Transfer Pricing Audit Fees | 4.50 | 5.00 |
| - Taxation Matter & Other Advisory Matters | 11.77 | 13.17 |
| - Certification Charges and others | 5.71 | 5.72 |
| - Reimbursement of Expenses | 0.52 | 0.51 |
| Corporate Social Responsibility Expense | 208.31 | 166.13 |
| Donations | 41.54 | 39.61 |
| Loss on Sale of Fixed Assets (Net) | 2.59 | - |
| | 38,900.88 | 34,824.60 |

* Represents the difference between the Excise duty on Opening and Closing stock of Finished Goods

29. CONTINGENT LIABILITIES

- 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 lacs 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 lacs 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.
- Disputed liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2016 :

| ₹ in Lacs | | | | |
|------------------------------|-------------|---|--|---------------|
| Statute | Particulars | Financial years to which the matter pertains | Forum where matter is pending | Net Liability |
| Madhya Pradesh VAT Act, 2002 | Sales Tax | 2009-10 | Addl Commr. | 27.21 |
| Maharashtra VAT Act, 2002 | Sales Tax | 2005-06 | Dy. Commr. | 13.50 |
| Madhya Pradesh Entry Tax Act | Entry Tax | 2009-10 / 2012-13 | Addl Commr. | 59.86 |
| Central Sales Tax Act, 1956 | Sales Tax | 2000-01 / 2003-04 / 2004-05 / 2005-06 / 2006-07 / 2007-08 / 2008-09 / 2009-10 | Dy. Commr. / Addl Commr / Jt. Commr. | 175.18 |
| Central Excise Act, 1944 | Excise Duty | 2004-05 / 2005-06 / 2008-09 / 2012-13 | CESTAT / Asstt Commr./ Jt. Commr. | 56.11 |
| The Finance Act, 1994 | Service Tax | 2001-02 / 2005-06 / 2006-07 / 2008-09 | Commr. (Appeal)/ Asstt Commr. / CESTAT | 109.96 |
| Total : | | | | 441.82 |

The total of disputed liabilities on account of Sales Tax, Entry Tax, Excise Duty, Service Tax and Income Tax as at March 31, 2015 is ₹ 441.82 lacs.

30. EARNINGS PER SHARE

| Description | 2015-16 | 2014-15 |
|---|------------|------------|
| Profit after Tax as per Statement of Profit & Loss - ₹ in lacs | 16,036.52 | 10,239.57 |
| Weighted average no. of Equity Shares of ₹ 10/- each for Basic / Diluted EPS. | 21,351,147 | 20,837,889 |
| Earnings per Share Basic / Diluted (₹) | 75.11 | 49.14 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

31. RELATED PARTY DISCLOSURE

1. The Holding Company

- a. Indofil Industries Limited

2. Key Management Personnel (KMP)

- a. K. K. Modi – Chairman and Managing Director of Indofil Industries Ltd.
 b. Charu Modi – Executive Director of Indofil Industries Ltd.
 c. Manish Anand – Managing Director of Indofil Industries (Netherlands) B.V.
 d. Mukter Sarkar – Managing Director of Indofil Bangladesh Industries Pvt. Ltd.
 e. Pankaj Patil – Managing Director of Indofil Industries (Netherlands) B.V.

3. Promoter Group Companies / Entities in which Key Management Personnel and / or their relatives, are interested:

- a. Godfrey Phillips India Ltd.
 b. H.M.A. Udyog Pvt. Ltd.
 c. Beacon Travels Pvt. Ltd.
 d. Bina Fashions & Food Pvt. Ltd.
 e. Premium Merchants Ltd.
 f. Modi Rubber Ltd.
 g. KKM Management Centre Pvt. Ltd.
 h. International Research Park Laboratories Ltd.
 i. Shanghai Baijin Chemical Group Co Ltd.
 j. Modi Care Ltd.

4. Associate Companies

- a. HIFIL Chemicals Pvt. Ltd.

| | | | | | ₹ in Lacs |
|---|--------------------------|---|-------------------|-----------------|-----------------|
| Particulars | Key Management Personnel | Promoter Group Companies / Entities in which KMP's relatives are interested | Associate Company | Total 2015-16 | Total 2014-15 |
| RECEIVING OF SERVICES | | | | | |
| 1. Godfrey Phillips India Ltd. | - | 4.75 | - | 4.75 | 9.32 |
| 2. HMA Udyog Pvt. Ltd. | - | 3.55 | - | 3.55 | 3.75 |
| 3. Beacon Travels Pvt. Ltd. | - | 723.85 | - | 723.85 | 646.8 |
| 4. Bina Fashions and Food Pvt. Ltd. | - | 36.48 | - | 36.48 | 62.37 |
| 5. Modi Care Ltd | - | 4.1 | - | 4.1 | 1.99 |
| 6. Shanghai Baijin Chemical Group Co Ltd. | - | 8.8 | - | 8.8 | |
| Total | - | 781.53 | - | 781.53 | 724.23 |
| MANAGEMENT CONTRACTS | | | | | |
| 1. KKM Management Center Pvt. Ltd. | - | 1,579.40 | - | 1,579.40 | 1,500.57 |
| Total | - | 1,579.40 | - | 1,579.40 | 1,500.57 |
| DIVIDEND INCOME | | | | | |
| 1. Godfrey Phillips India Ltd. | - | 518.8 | - | 518.8 | 475.76 |
| Total | - | 518.8 | - | 518.8 | 475.76 |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Continued from page no. 135)

₹ in Lacs

| Particulars | Key Management Personnel | Promoter Group Companies / Entities in which KMP's relatives are interested | Associate Company | Total 2015-16 | Total 2014-15 |
|--|--------------------------|---|-------------------|-----------------|----------------|
| LICENSE AGREEMENT | | | | | |
| Rent Expense | | | | | |
| 1. Premium Merchant Ltd. | - | 5.13 | - | 5.13 | 5.06 |
| 2. Charu Modi | 6.22 | - | - | 6.22 | 5.18 |
| 3. Modi Care Ltd. | - | 7.2 | - | 7.2 | 3.3 |
| Total | 6.22 | 12.33 | - | 18.55 | 13.54 |
| Rent Income | | | | | |
| 1. Modi Rubber Ltd. | - | 7.2 | - | 7.2 | 7.2 |
| Total | - | 7.2 | - | 7.2 | 7.2 |
| OUTSTANDING BALANCES | | | | | |
| Receivables | | | | | |
| 1. Godfrey Phillips India Ltd. | - | 0.78 | - | 0.78 | 0.8 |
| Total | - | 0.78 | - | 0.78 | 0.8 |
| Payables | | | | | |
| 1. Beacon Travels Pvt. Ltd. | - | 46.9 | - | 46.9 | 12.57 |
| 2. KKM Management Center Pvt. Ltd. | - | 162.17 | - | 162.17 | 239.48 |
| 3. Premium Merchant Ltd. | - | - | - | - | 1.92 |
| 4. Bina Fashion Pvt. Ltd. | - | 0.16 | - | 0.16 | 0.27 |
| Total | - | 209.23 | - | 209.23 | 254.24 |
| Investments | | | | | |
| 1. KKM Management Center Pvt. Ltd. | - | 33.81 | - | 33.81 | 33.81 |
| 2. Modi Care Limited (Equity) | - | - | - | - | 200 |
| 3. Modi Care Limited (Preference) | - | 250 | - | 250 | 250 |
| 4. Beacon Travels (Equity) | - | 0.45 | - | 0.45 | 0.45 |
| 5. Godfrey Philips India Ltd. | - | 5,611.00 | - | 5,611.00 | 3,900.99 |
| 6. Modi Rubber Ltd. | - | 0.42 | - | 0.42 | 0.42 |
| 7. HIFIL Chemicals Pvt. Ltd. | - | - | 0.17 | 0.17 | 0.21 |
| 8. Premium Tradelinks Private Limited (Preference) | - | 95.6 | - | 95.6 | - |
| 9. International Park Laboratories Ltd. | - | 5 | - | 5 | 5 |
| Total | - | 5,996.28 | 0.17 | 5,996.45 | 4390.88 |
| Remuneration Payments to KMP | 1,062.22 | - | - | 1,062.22 | 805.51 |
| Total | 1,062.22 | - | - | 1,062.22 | 805.51 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

32. SEGMENT REPORTING

| A Primary Segment (by Business Segment) | For the year ended March 31, 2016 | | | | | For the year ended March 31, 2015 | | | | |
|---|-----------------------------------|------------------|---------------|-----------------|-------------------|-----------------------------------|------------------|---------------|-----------------|-------------------|
| | AGRO | SPCD | Investment | Chemicals | TOTAL | AGRO | SPCD | Investment | Chemicals | TOTAL |
| | ₹ in Lacs | | | | | | | | | |
| a) Revenue : | | | | | | | | | | |
| External Sales and other Income | 147,326.56 | 16,979.62 | 742.53 | 3,622.92 | 168,671.63 | 131,242.32 | 17,814.16 | 619.17 | 1,885.69 | 151,561.34 |
| Inter Segment Sales and other Income | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 147,326.56 | 16,979.62 | 742.53 | 3,622.92 | 168,671.63 | 131,242.32 | 17,814.16 | 619.17 | 1,885.69 | 151,561.34 |
| b) Result : | | | | | | | | | | |
| Segment Result | | | | | | | | | | |
| Unallocable Corporate Expenses | 25,991.41 | 748.53 | 538.85 | 883.07 | 28,161.86 | 18,015.36 | 575.92 | 615.19 | (186.55) | 19,019.92 |
| Unallocable Corporate Income | | | | | (316.92) | | | | | (326.88) |
| | | | | | 117.12 | | | | | 639.01 |
| Profit before Interest and Tax | 25,991.41 | 748.53 | 538.85 | 883.07 | 27,962.06 | 18,015.36 | 575.92 | 615.19 | (186.55) | 19,332.05 |
| Less :- Finance Cost | | | | | 7,388.87 | | | | | 9,436.90 |
| Profit Before Tax | | | | | 20,573.19 | | | | | 9,895.15 |
| Provision for Tax & Deferred Taxes | | | | | 4,896.00 | | | | | 828.00 |
| Profit After Tax | | | | | 15,677.19 | | | | | 9,067.15 |
| Add / Less: Adjustment | | | | | | | | | | |
| Unrealised Profit on Stock in Hand | | | | | (31.84) | | | | | (11.45) |
| Minority Interest in Loss | | | | | 391.21 | | | | | 840.81 |
| Pre-Acquisition Loss | | | | | - | | | | | 343.07 |
| Share in Loss of Associate Company | | | | | (0.04) | | | | | (0.01) |
| Net Profit For the Year | | | | | 16,036.52 | | | | | 10,239.57 |
| c) Other Information : | | | | | | | | | | |
| Segment Assets | 137,210.95 | 10,332.27 | 6,260.69 | 32,073.33 | 185,877.24 | 124,323.62 | 10,160.69 | 5,518.35 | 30,948.10 | 170,950.76 |
| Unallocable Assets | | | | | 26,134.90 | | | | | 22,672.92 |
| Total Assets | | | | | 212,012.14 | | | | | 193,623.68 |
| Segment Liabilities | 26,677.13 | 2,536.47 | 21.53 | 1,418.72 | 30,653.85 | 21,308.07 | 3,927.85 | 0.78 | 1,368.32 | 26,605.02 |
| Unallocable Liabilities | | | | | 8,597.25 | | | | | 7,631.35 |
| Total Liabilities | | | | | 39,251.10 | | | | | 34,236.37 |
| Capital Expenditure during the Year | 17,385.77 | 449.01 | - | 1,367.70 | 19,202.48 | 8,036.07 | 371.72 | - | 4,925.96 | 13,333.75 |
| Depreciation & Amortization | 4,409.33 | 111.31 | - | 1,873.00 | 6,393.64 | 5,575.76 | 113.50 | - | 1,976.22 | 7,665.48 |
| Unallocable Depreciation | | | | | 316.92 | | | | | 326.89 |
| Non-Cash Expense other than Depreciation | | | | | 719.90 | | | | | 300.00 |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Continued from page no. 137)

₹ in Lacs

| B Secondary Segment Information (by Geographic Segments) | For the year ended March 31, 2016 | | | For the year ended March 31, 2015 | | |
|---|-----------------------------------|------------------|-------------------|-----------------------------------|------------------|-------------------|
| | Domestic | Export | TOTAL | Domestic | Export | TOTAL |
| Revenues | | | | | | |
| AGRO | 73,207.64 | 74,118.92 | 147,326.56 | 66,220.57 | 65,021.75 | 131,242.32 |
| SPCD | 14,734.11 | 2,245.51 | 16,979.62 | 15,260.49 | 2,553.67 | 17,814.16 |
| Investment | 742.53 | - | 742.53 | 619.17 | - | 619.17 |
| Chemicals | 1,847.34 | 1,775.58 | 3,622.92 | 1,761.20 | 124.49 | 1,885.69 |
| Total | 90,531.62 | 78,140.01 | 168,671.63 | 83,861.43 | 67,699.91 | 151,561.34 |

Notes:

The Group has identified four reportable business segments viz. Agrochemicals (Agro), Specialty & Performance Chemicals Division (SPCD), Investments and Chemicals as primary segment and geographic segments viz. Domestic and Export as secondary segment. Segments have been identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

33. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARY / ASSOCIATES.

| Name of Enterprise | Net Assets ie total assets minus total liabilities | | Share in profit or loss | |
|---|---|--------------------------|---|--------------------------|
| | As % of consolidated net assets | Amount (₹ in lacs) | As % of consolidated profit or loss | Amount (₹ in lacs) |
| Parent | | | | |
| Indofil Industries Ltd. | 72.51 (69.41) | 53,413.83 (42,147.69) | 151.37 (211.57) | 23,681.60 (19,159.32) |
| Subsidiaries | | | | |
| Indian | | | | |
| Quick Investment (India) Ltd. | 1.81 (1.79) | 1,331.59 (1,089.50) | 1.55 (2.02) | 242.09 (183.34) |
| Good Investment (India) Ltd. | 6.69 (7.29) | 4,928.12 (4,428.07) | 1.45 (4.30) | 227.33 (389.38) |
| Indo Baijin Chemicals Pvt. Ltd. | 5.83 (7.43) | 4,292.38 (4,512.62) | -59.23 (-100.51) | -9,266.58 (-9,101.79) |
| Foreign | | | | |
| Indofil Bangladesh Industries Pvt. Ltd. | 0.04 (0.06) | 31.84 (33.67) | -0.69 (-0.58) | -107.93 (-52.78) |
| Indofil -Costa Rica S.A. | 0.00 (0.00) | 0.01 (0.01) | 0.00 (0.00) | 0.00 (0.00) |
| Indofil Industries (Netherland) B. V. | 9.09 (9.31) | 6,698.43 (5,651.94) | 8.05 (-7.52) | 1,260.09 (-680.95) |

(Continued on page 139)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Continued from page no. 138)

| Name of Enterprise | Net Assets ie total assets minus total liabilities | | Share in profit or loss | |
|--|---|-----------------------|---|-----------------------|
| | As % of consolidated net assets | Amount (₹ in lacs) | As % of consolidated profit or loss | Amount (₹ in lacs) |
| Minority interests in all the Subsidiaries | 4.03 | 2,966.31 | -2.50 | -391.21 |
| | (4.71) | (2,858.08) | (-9.28) | (-840.81) |
| Associates (Investments as per the equity method) | | | | |
| Indian | | | | |
| HIFIL Chemicals Pvt. Ltd. | 0.00 | 0.17 | 0.00 | -0.04 |
| | (0.00) | (0.21) | (0.00) | (-0.01) |

34. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group's Financial Statements.

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

H.G. BUCH
Partner
Membership No. 033114

R.K. MALHOTRA
Group Chief Executive Officer

CHINTAMANI D THATTE
Head Compliance & Company Secretary

RAJIB MUKHOPADHYAY
Chief Financial Officer

For and on behalf of the Board of Directors

K.K. MODI
Chairman and Managing Director

CHARU MODI
Executive Director

DR. ATCHUTUNI RAO
Director - Mfg., Oprs., Safety & SPCD Business

SAMIR MODI
ALIYA MODI
M. N. THAKKAR
SANJAY BUCH
SUNIL ALAGH
S. LAKSHMINARAYANAN
MANOJ SINGH

Directors

Mumbai, June 30, 2016

Phuket, June 22, 2016

Notes

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Notes

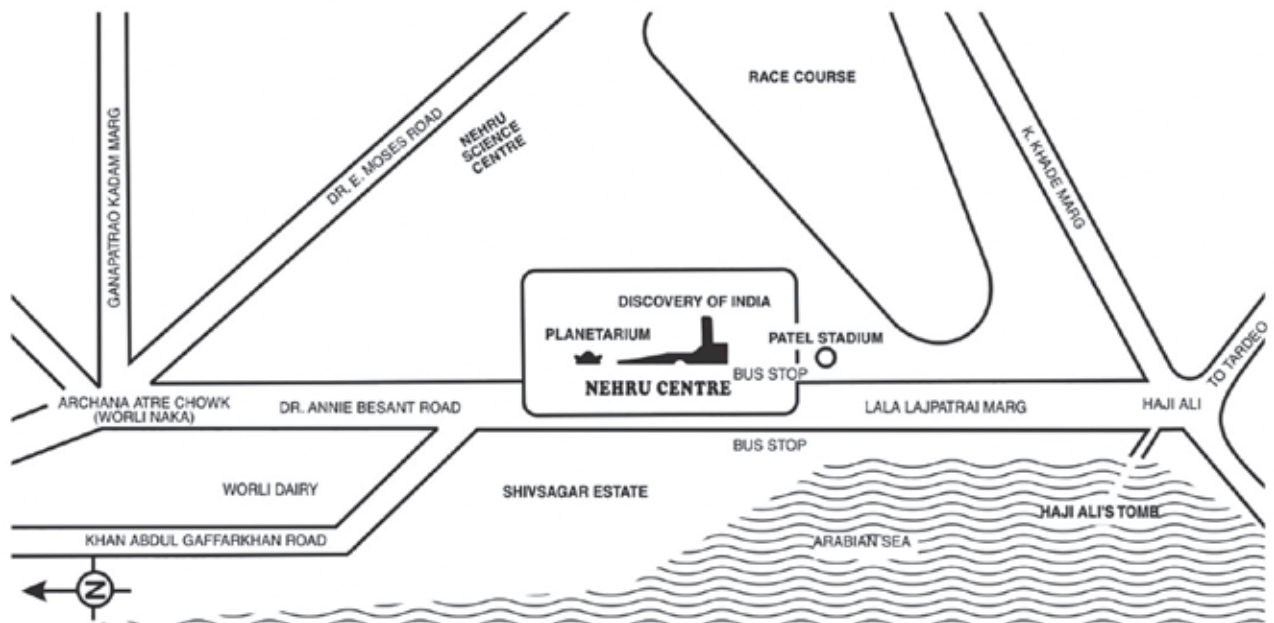
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ROUTE MAP TO THE VENUE OF THE 23RD ANNUAL GENERAL MEETING OF INDOFIL INDUSTRIES LIMITED

Day & Date : Friday, September 23, 2016

Time : 11.00 A.M.

Venue : Hall of Culture, Nehru Centre, Dr. A.B. Road, Worli, Mumbai 400 018.





Form No. MGT-11

INDOFIL INDUSTRIES LIMITED

CIN: U24110MH19193PLC070713

Registered Office: Kalpataru Square, 4th Floor, Kondivita Road, Off Andheri Kurla Road,
Andheri (East) Mumbai – 400 059

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 member(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: _____ as my/our

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Friday, 23rd September, 2016 at 11.00 A.M. at Hall of Culture, Nehru Centre, Dr. A.B. Road, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business: Resolution No. 1 _____ 2. _____ 3. _____ 4. _____

Special Business: Resolution No 5. _____ 6. _____ 7. _____

(For Resolutions, Explanatory Statement and notes, please refer to the Notice of 23rd Annual General Meeting)

Signed this _____ day of _____ 2016

Affix
Revenue
Stamp

Signature of shareholder / Signature of Proxy holder(s)

Note: This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. K.K. Modi

Chairman and Managing Director

Ms. Charu Modi

Executive Director

Mr. Samir Kumar Modi

Non-Executive, Non Independent Director

Ms. Aliya Modi

Non-Executive, Non Independent Director
(Appointed w.e.f March 18, 2016)

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. Manoj Singh

Nominee Director – UPSIDCL

Dr. Atchutuni Rao

Director - Manufacturing, Operations,
Safety and SPCD Business
(Appointed w.e.f March 18, 2016)

Mr. R.K. Malhotra

Group Chief Executive Officer

Mr. Chintamani Thatte

Head Compliance & Company Secretary

Mr. Rajib Mukhopadhyay

Chief Financial Officer

STATUTORY AUDITORS

M/s. Bansi S. Mehta & Co.

INTERNAL AND OPERATIONAL 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.

Indian Overseas Bank

Bank of India

Hongkong and Shanghai Banking Corporation Ltd.

South Indian Bank Ltd.

Kotak Mahindra Bank Ltd.

Yes Bank Ltd.

DBS Bank Ltd.

Ratnakar Bank Ltd.

HDFC Bank Ltd.

Cosmos Co-operative Bank Ltd.

The Shamrao Vitthal Co-operative Bank Ltd.

Development Credit 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

Email : 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



REGISTERED OFFICE:
KALPATARU SQUARE, 4th FLOOR,
KONDIVITA ROAD,
OFF ANDHERI-KURLA ROAD,
ANDHERI [EAST], MUMBAI 400059, INDIA
T: +91 22 66637373
indofil@modi.com | www.indofilcc.com
CIN: U24110MH1993PLC070713