

Good Gets

Better



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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.



One of the fascinating aspects of India is that the creativity of its people, along with their innovation and entrepreneurial skills is setting an interesting benchmark in socio-economic growth. That too at a time, when the world is passing through a phase of significant volatility and fragile economic growth.

At Indofil, we work hard to create a better future every day. We partner our clients to increase their productivity with our agro and specialty chemicals and help them enhance productivity.

Our outlook is inherently long term. Our objective is to support farmers in their journey towards sustainable success. We aim to be flexible, innovative and efficient in all our operations consistently.

Our strategic focus is on increasing and delivering specific solutions to help farmers meet and exceed the challenges of today and tomorrow. We are committed to boosting agricultural productivity through innovation and technology.

At Indofil, we have crossed several milestones, but our achievements have never made us complacent. We are enhancing our capability to deliver on the expectations of our customers every day.

We strengthened our business across multiple fronts and continued

to move towards building a long term strategy. During the year, we grew our offerings and geographic reach to address food security. We enhanced our R&D investments to drive leadership in advancing agricultural technologies. At the same time, we forayed into the Plant Nutrition business to seek new avenues of growth.

We invested and added our manufacturing capability for future growth requirements. Above all, we improved farmer profitability through more efficient, sustainable technology and products that increase their productivity.

The outcome of our initiatives is encouraging from a financial and operational perspective. And we will continue to focus on making a good company an even better one.

Strengthening a Vibrant Enterprise

Indofil Industries Limited (Indofil) is a research led, fully integrated chemical company under the proud parentage of K. K. Modi Group of Companies. It is engaged in the manufacturing, distribution and marketing of agrochemicals and specialty and performance chemicals globally.

At Indofil, we have multi-product, state-of-the-art, PLC-based (Programmable Logic Controller) manufacturing facilities and several contract manufacturing units across India. Our manufacturing facilities have international product quality accreditations, including ISO 9001 and ISO 14001.

We operate with a simple philosophy of enlarging our customer base and retaining their loyalty by addressing their specific requirements. At the same time, we pay equal attention to the needs of our existing customers. We are committed to enrich the experience of our customers in different ways and they have been our partners in our journey of over five decades. We aim to grow by partnerships in the domain of manufacturing, marketing and research & development (R&D) initiatives globally.

904
EMPLOYEES ACROSS INDIA

₹ 1,910 Crores
STANDALONE REVENUE

₹ 28 Crores
R&D INVESTMENT

Key Facts

● Excellence in concept development through innovative marketing organisation

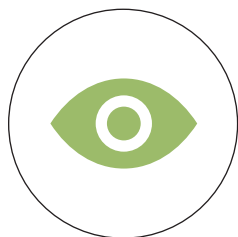
● One of the world's largest Mancozeb producer

● Presence in 95+ countries

● Strong domestic brand and distribution network

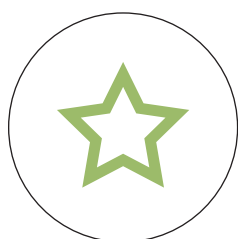
● Focused approach on crop care concept and productivity improvement

● Strong R&D with GLP certified Analytical Lab and Registration team



Vision

To be a global leader in growth and customer success.



Enduring Values

Customer Success

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

Knowledge

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

Prosperity

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

Teamwork

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

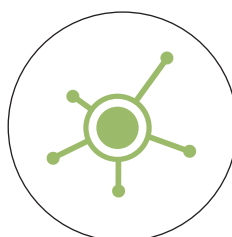
Velocity

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



Mission

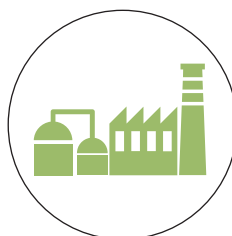
Our mission is to achieve leadership in growth rate. We all leverage our efficient R&D, registration, manufacturing and marketing competencies through our committed and proficient team. We will strive to make our customers successful by providing high quality products, services and solutions in domestic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



Business Domains

Agrochemicals (fungicides, insecticides, herbicides, acaricides, plant growth regulators, surfactants and plant nutrition)

Specialty and Performance Chemicals (Performance chemicals for textile, plastic, coating & construction, and leather industries)



Manufacturing Capacities

Plant	Existing Capacity (Tonnes)
Thane, Maharashtra	20,000 TPA
Dahej, Gujarat	30,000 TPA
Synthesis Plant, Dahej, Gujarat	4,000 TPA

Global Presence

Offices

- ① Mumbai, India
- ② Dhaka, Bangladesh
- ③ Shanghai, China
- ④ Amsterdam, Netherlands
- ⑤ Milan, Italy
- ⑥ Costa Rica
- ⑦ Sao Paulo, Brazil
- ⑧ Yangon, Myanmar

- Exploratory Markets
- Existing Markets



New Registrations/Approvals

- Submitted 71 applications for International registrations
- Received 49 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 facility.
- National Accreditation Board for Testing and Calibration Laboratories (NABL) for our R&D facility.
- OHSAS 18001 and ISO 14001 for Dahej Plant.



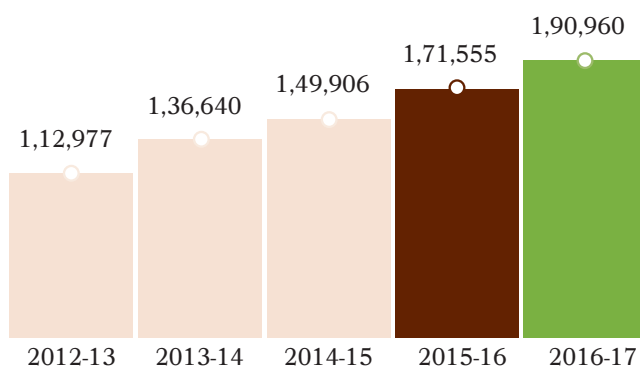
Awards & Recognition

- Recognised as the Industry Best (Manufacturing & Production) and India's Best companies to work for 2017 – Top 50 a study conducted by The Economic Times in partnership with the Great Place to Work® Institute.
- 2017- 'Best Welfare Practices Award 2017' (Rank 2) was awarded to Thane Plant by the Directorate of Industrial Safety And Health (DISH) covering the entire Thane Division, at the Belapur Industrial Association Hall, Thane.
- 'Silver Award' to Thane Plant under HR (Retention Strategy) category. The award was presented by 'Ek Kaam Desh Ke Naam (EKDKN)' in 1st Annual EKDKN Exceed Award 2017 at New Delhi.
- 'Gold Award' to Thane Plant & Dahej Plant Under 'Best OHS System Award' category. The award was presented by 'Ek Kaam Desh Ke Naam (EKDKN)' in 1st Annual EKDKN Exceed Award 2017 at New Delhi.
- 'Gold Medal and Achievement Certificate' to Dahej Plant from India Green Manufacturing Challenge 2016.
- Honourable Chairman Shri K. K. Modi awarded 'Excellence as The Agro ALCHEMIST' at the GLOBE Platinum Awards 2016 (World Business Conclave, December 11, 2016).
- Indofil was awarded 'The Pioneer in Agrochemical Manufacturing' at the GLOBE Platinum Awards 2016 (World Business Conclave, December 11, 2016).
- Indofil Thane Plant awarded the Certificate of Merit for achieving Zero Accident Frequency in the year by the National Safety Council – Maharashtra Chapter.
- Indofil won a Silver award in the Coaching and Mentoring Category at the TISS – Leap Vault CLO Awards held during the 5th edition of Chief Learning Officers Summit in Mumbai.

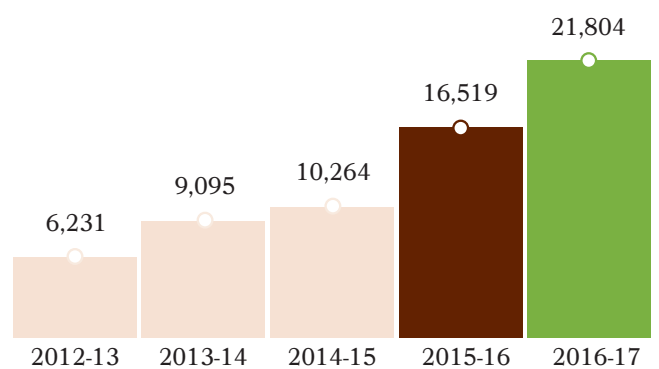
Financial Highlights



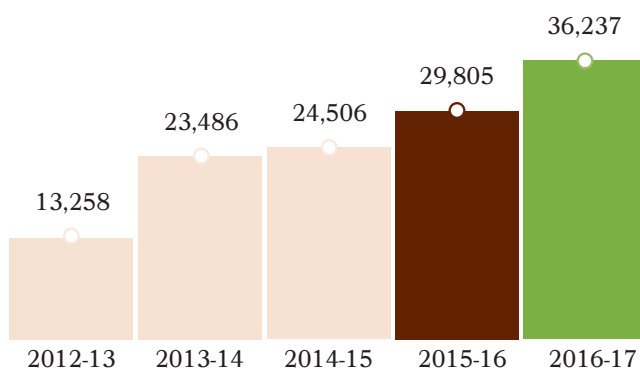
Standalone Total Revenue (₹ in Lakhs)



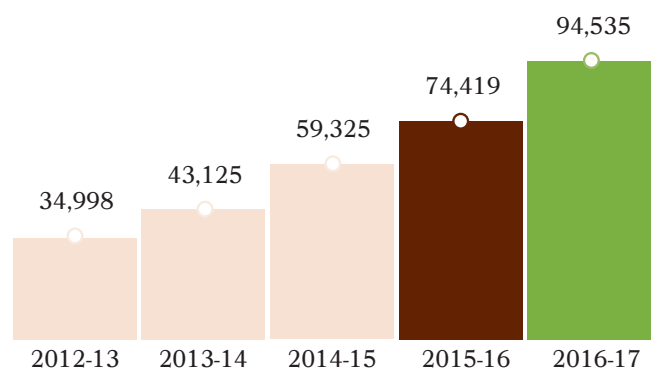
Standalone Profit After Tax (₹ in Lakhs)



Standalone EBITDA (₹ in Lakhs)



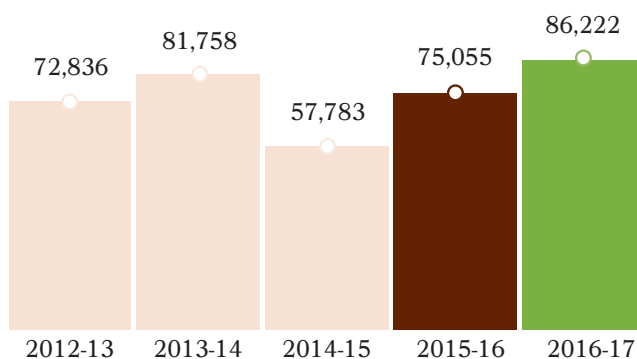
Standalone Net Worth (₹ in Lakhs)



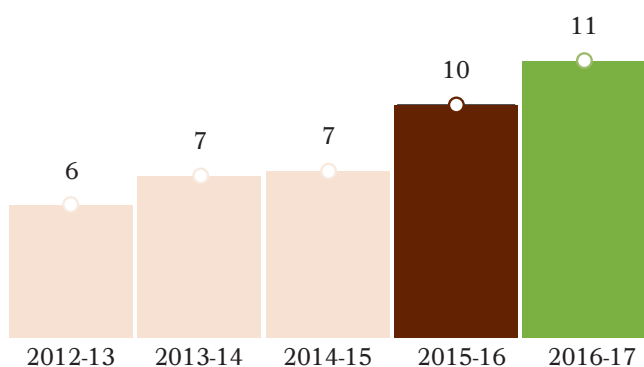


Standalone Gross Fixed Assets

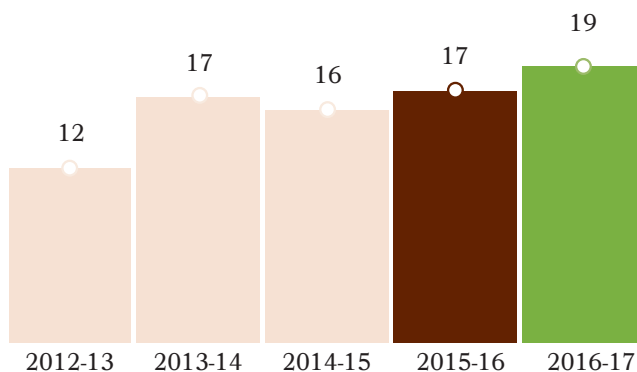
(₹ in Lakhs)



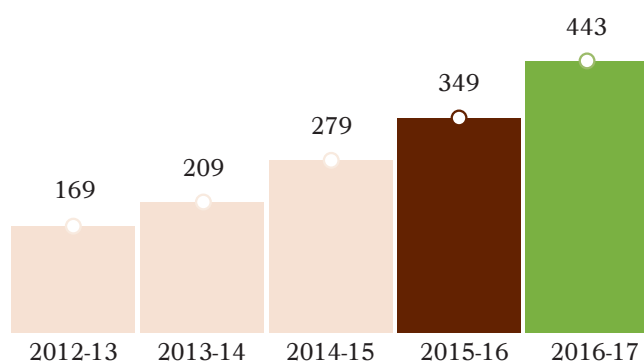
Standalone Net Profit Margin (%)



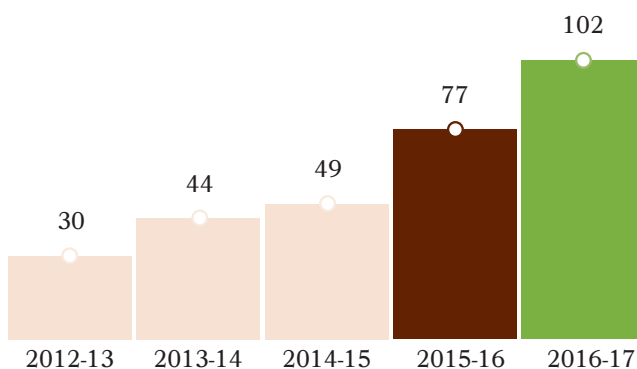
Standalone EBITDA Margin (%)



Standalone Book Value Per Share (₹)



Standalone Earnings Per Share (₹)



Business Review

Agrochemicals

Indofil's portfolio of agrochemicals includes fungicides, insecticides, herbicides, acaricides, plant growth regulators, surfactants and plant nutrition. The division can develop and deliver innovative active ingredients and improved formulations that increase the crop health and lead to a better farm output.

We are committed to excellence in product quality and service. Our focus is on ensuring the well-being of farmers and to protect crops and

generate better farm yield. The division is supported by agricultural graduates/doctorates and strong marketing, technical, sales/logistics group. The crop productivity improvement programme is designed to educate farmers for effective and economic ways of crop protection and improve crop yields.

Key Highlights – 2016-17

- Achieved record growth in revenue and profitability vis-à-vis the previous year, despite adverse climatic condition due to optimum product positioning and pricing
- Introduced Zechor, a herbicide in the paddy segment; its early post emergent paddy herbicide having best efficacy against sedges, broad leaf weeds and grasses
- Co-marketing initiative helped to support business growth and penetration; introduced three new products by way of Co-marketing (Indo TPM – Thiophanate Methyl, Speed Extra – Pendimethalin CS and Prakat – Metsulfuron Methyl)

Domestic

9

**REGIONAL SALES
OFFICES IN INDIA**

5,400

**DISTRIBUTORS
ACROSS INDIA**

₹ 901 Crores
REVENUE

46%
REVENUE SHARE

14%
REVENUE GROWTH





Business Review (Contd.)



Fungicides

Fungicides represent a class of pesticides, 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.

Brands

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

Insecticides

Once insects infect crops, it becomes difficult to contain the infection naturally. They spread fast, causing considerable loss to crops. Insecticides offered by us kills or prevents multiplication of insects in the crop. These also help to increase farm yield significantly.

Brands

Rimon, Token, Beacon GR, Becon SP, Atom, Atom Power, Agent plus, Agent Capsule, Volax, Lift, Gem, Blaze, Stalker SC, Stalker GR, Click, Flash, Dash, Asset, Raze.

Herbicides

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

Brands

Society, Oxygold, Passport, Gromate, Zechor, Chase, Offset, Clean up, Atrafil, Overtake, Prakat, Speed Extra.



Acaricides

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

Brands

Mitex, Colonel-S.

Surfactants & Plant Growth Regulators

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

Brands

Indtron AE, Filwet Premium, Ethefol, Superfix, Banole.

Plant Nutrition

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

Brands

Indolife Crop Energy, Indolife Fruit Energy, Indolife Vital Energy, Indolife Green Energy.



International Business

Key Highlights – 2016-17

- Achieved a record growth over previous years in stark contrast to a challenging global agrochemical market, aggressive pricing and competition.
- Fully operationalised our Netherlands subsidiary, registering a record profit during the year. The

focus now would be on increasing our market penetration further in Europe.

- In line with our global outreach programme, set up offices in Brazil, Myanmar and at advanced stages in the Philippines.
- Focusing on improving our global registration portfolio, especially in Europe, LATAM and APAC regions.

International

43%
REVENUE SHARE

300+
DISTRIBUTORS

15%
REVENUE GROWTH

7
OVERSEAS
OFFICES

₹ 846 Crores
REVENUE

International Offerings

Indofil's International Business comprises offerings from Agrochemicals as well as Specialty Chemicals across 95+ countries

Technicals

Mancozeb, Cymoxanil, Metalaxyl, 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 Division (SPCD)

The Specialty and Performance Chemicals (SPC) division caters to the needs of small, medium and large industrial manufacturers globally through a network of zonal, regional offices and stock points at major centres.

With our state-of-the-art technologies and strong brand equity, we emerged as the leading manufacturer and supplier in the SPCD industry. We have three manufacturing facilities in Thane, Navi Mumbai and Vapi, along with highly qualified and well-experienced sales team. The primary industries to whom we supply comprises leather, coating, textile, plastics and construction.

Key Highlights

- SPCD Business has seen an increase in customer engagements, by getting new application laboratories established in key customer demand zones. This has led to an increase in the number of end users for the products and partners with enhanced geographic reach.
- It has successfully launched new products in key growth industries such as Plastics Additives and Coatings.
- It is working in close partnership with end customers and is now progressing to establish applications in new innovative requirements of the industry.



Leather Industry

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 Industry

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

Plastic Industry

Impact modifiers, Plasticisers, Processing aids, Heat stabilisers, Blowing Agents and lubricants

Coatings and Construction

Water Based Emulsions, Dispersing Agents, Thickeners, Defoamers/Wetting Agents, Re-Dispersible Powders, Cement Modifiers, Water Proofing Chemicals, Rheology Modifiers

Domestic

10%
REVENUE SHARE

80
DISTRIBUTORS

14%
REVENUE GROWTH

4
OFFICES

₹ 185.53 Crores
REVENUE

International

1%
REVENUE SHARE

27%
REVENUE GROWTH

₹ 28.52 Crores
REVENUE

Business Model & Strategic Priorities

Robust Model for Value Creation

At Indofil, our key differentiation rests in the unique value proposition we provide to our customers. We leverage our capabilities across the value chain and provide integrated and innovative solutions. We believe in partnership approach, which we have built over the years on the strong foundation of Trust, Integrity and IP protection.

What We Do

(Key Differentiators)

Integrated Business Model

Our end-to-end capabilities across research & development, manufacturing and formulation, product development, brand building, marketing and distribution and a strong customer connect, based on partnership method differentiate us. This strategy provides control over the complete value chain and helps produce consistent product excellence, delivered on time across geographies.

What We Create

(Products, Services and Solutions)

Agriculture Chemicals

Fungicides, Insecticides, Herbicides, Acaricides, Plant Growth Regulators, Surfactants, Plant Nutrition.



The Value we Provide

(Key Beneficiaries)



Customers

We offer complete crop care solutions from seeds to post-harvest solutions.

Strategic Priorities

Augment and Modernise Production Capacities:

Indofil has drawn up plans to modernise its production facility, particularly for the specialty and performance chemicals division.

Launch New Products and Chemicals:

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

Increase International Presence:

Experts have warned that global warming will affect agricultural production across the world, with increased incidences of droughts, floods and other extreme weather events. The global demand for agrochemicals is thus estimated to grow attractively. Indofil is rapidly expanding its international business, along with value-added distribution and collaboration to capitalise on this opportunity.

Strengthen the R&D Activities:

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

Long-Standing Relationship

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

Focused Approach

We focus on creating products and solutions for major food grains, fruits and vegetables.

We concentrate on markets and develop products and solutions according to the requirements of those geographies.

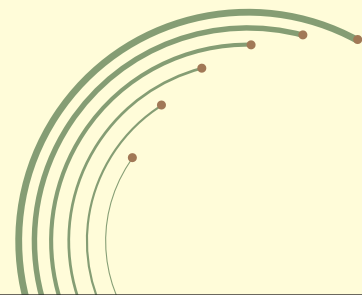
We enhance distribution to reach key markets and within these markets penetrate deeper.

World-class infrastructure

Our research facilities, QC laboratories and manufacturing units are equipped with modern machinery, equipment, technology and processes and have best-in-class certifications and accreditations.

Specialty & Performance Chemicals

Textile, Plastic, Coating and Leather Chemicals.



Employees

We employ a global talent pool of 915 employees from 5 countries. We drive business growth through efficient team operations.



Community

We invest in community support initiatives in the fields of health and education.



Shareholders

We appreciate shareholder value (Net Worth) by 2.7 times over the last five years.

Better by **Global Outreach**

We are expanding our capacity, enhancing our global presence and developing our capabilities in line with the customer aspirations. At the same time, we are building a risk-minimised business model as a part of our commitment to create long term value for all stakeholders.

Capacity Expansion

During the year, we completed the setting up of a new Greenfield Multipurpose Agro Synthesis facility (Synthesis Project) for the manufacturing of multi-products (Technical and Export Formulations) at the new plot in Dahej SEZ, Gujarat. This facility has a production capacity of 4,000 TPA of Technicals. This plant is operational from August 2016. It plant is yet another milestone in Indofil's journey towards manufacturing excellence, quality and efficiency.

In view of the increasing demand, we also commenced Green-Field Mancozeb (EBDC) and Specialty & Performance Chemicals Plant with an annual production capacity of 35,000 MTs of EBDC chemicals and 36,000 MTs of Specialty & Performance Chemicals.

Offices in Brazil, Myanmar and The Philippines

We have forayed into the international market to emerge as the most preferred supplier. Over the years, we have covered a lot of ground across global markets. We are recognised across geographies for being in step with evolving customer aspirations, offering a wider range of quality products, technical & logistic support, customised packing and prompt delivery.

Our products have reached 95+ countries and our clients include multinationals. Over the years, we have worked on backward integration and fortified our raw materials position to ensure uninterrupted supply.

During the year, we set up offices in Sao Paulo, Brazil and Yangon, Myanmar. We are also in advanced stage of setting up a office in Manila,

The Philippines. These offices will facilitate the organisation and development of various agro business activities and bolstering business development in these countries. The facilities mark a new beginning towards the expansion of our Agrochemicals business.

Going forward, the key focus will be to achieve full potential of all these markets by elevating them to the next growth phase. With our continued success and profound insight of domestic markets, we will explore new geographies and build new relations, while strengthening our existing markets and customer relationships. Today, we have carved out a presence in the global arena and earned the recognition of being a reputed supplier.



Better by

Consistent Innovation

Creating value proposition in a world that is constantly changing is a challenge in itself. At Indofil, we have progressed by developing innovative processes, upgrading technologies and staying relevant to the business across global markets. Our strong R&D expertise and rich industry experience enable us to launch new products with speed and precision.

discovering and developing pioneering solutions.

We are Committed:

- To invest in R&D to drive leadership in advancing agricultural technologies.
- To launch new and innovative products and upgrades across all brands.
- To help farmers optimise their farms.
- To invest in state-of-the-art manufacturing.

Infrastructure

Indofil has three multi-product, state-of-the-art, manufacturing facilities and multiple toll units across various locations in India. The processes are fully automated with advanced equipment and environmentally-compliant machines, ensuring faster throughput and safe working conditions. These fully integrated complexes provide a strong competitive advantage to Indofil to manage product development from design to dispatch to the customers.

These sites have multiple dedicated and flexible manufacturing facilities to suit specific client needs. The labs are equipped with advanced equipment to follow global best practices and bring the best to the table to ensure that the quality quotient remains steadfast and in line with customer's expectations.

Crop Management Concept

The Agro Business Division is based on the concept of Crop District Approach. Indofil is promoting the 'Crop Care Concept' throughout crop districts, where the needs and problems of crops are identified and an attempt is made to provide existing solutions or procure new and correct solutions.

The market potential is worked out by a systematic approach, which helps to determine market share on every important crop in the district. This also helps to identify new avenues and understand customer's requirements better. The field staff is in constant touch with the market and customers to achieve this objective. A meticulous 'Journey Cycle Plan' is chalked out well in advance, taking into consideration the requirements of the area.



We have designed an innovative framework to broaden our product base, drive revenue growth and create a stable product basket. We are encouraged by the opportunities emerging in our industry space, and are steadily investing in extensive research and development efforts.

Our R&D team, comprising 48 qualified and dedicated scientists, is constantly striving hard to innovate products that maintain the highest quality standards. Our team of outstanding scientists is the single most critical element in creating an innovative organisation, focused on

8
**PATENTS (IPR) GRANTED;
AND APPLIED FOR
FURTHER 10**

48+
SCIENTISTS

₹ 28 Crores
INVESTMENTS

1.5%
OF TOTAL TURNOVER

Better by

Reaching New Frontiers

Farmers constantly face the challenge to cater to the growing global food demand, while reducing the adverse impact of crop protection practices on consumers, farm workers and the environment. The development of agricultural practices in India has led to the increasing elimination of secondary nutrients and micronutrients from the soil and multiple nutrient deficiencies. These deficiencies are becoming a major restraint to further increase production. This is basically due to nutrient removals far more than nutrient additions.

The frequent use of synthetic fertilisers leads to soil infertility, eutrophication of water bodies and accumulation of toxic heavy metals in soil. Thanks to the recent technological advances and increasing environment and safety concerns, biologically-derived products are becoming increasingly important.

During the year, we at Indofil, added the Plant Nutrition vertical under the brand name of Indolife Super Specialty Chemicals. The Plant Nutrition portfolio includes patented technology products in collaboration with a USA-based Company. These are Amino acid based bio simulants that can be used on any crop for productivity improvement. This business complements our efforts to improve farm productivity by supplementing secondary and micronutrient deficiency, prevailing in Indian soils and focuses on the

marketing of concept products for Indian agriculture.

In our effort to encourage balanced fertilisation, our objective is to emerge as a plant nutrition solution company by adding speciality nutrients to our portfolio. We focus on enhanced customisation to cater to the varying needs of our customers.



Better by

Farmer Engagement and Digitis

We have steadily evolved from our role as a company focusing only on product sale to one putting emphasis on enhancing farmer prosperity. Our function has been that of an evangelist in educating farmers, creating cost-effective products around their specific needs and preparing adequate response to counter climate change and cropping patterns through innovative initiatives. At the same time, we have elevated ourselves from a product supplier to an inclusive crop-solutions company.

In response to the growing digitisation in the agriculture sector, we plan to develop an exclusive digital platform. The strategy is to create specific data models in the realm of digital farming, so that we can give farmers more tailored and sustainable agronomic recommendations for improving their yields.

Key Initiatives

- Agricultural information services, providing early warning of weather events, information on the best times to harvest and guidance on crop techniques to enhance yields
- Field audit enabling auditors observing quality, sustainability and certification requirements to move away from paper records and as an alternative implement electronic reporting via tablets and mobile data, thereby enhancing efficiency

- Smartphone-enabled services to offer deeper functionality and better source of information than is possible, using basic SMS and voicemail services

We have modified the distribution network to ensure a constant interaction between the sales force, the distributor and the end consumer. Besides, we have shifted our focus from crop protection chemical supplier to a Crop Care Company to stimulate crop care concept (right solution to crop problem).

Regular Crop Care training programmes for farmers are organised to create awareness of effective crop protection techniques to minimise crop losses and improve yields.

The Company's business processes are online and are guided through a robust ERP platform. This is done with the

objective of making sure the products and services reach the customers in the shortest possible time. Indofil consistently strives to develop new concepts to meet the challenges of changing crop requirements.

At Indofil, we help farmers to develop their productivity, increase resource efficacy and earn a better living. Our training and support enable farmers to add value to communities, while improving food security for millions of people.



ation

Environment, Health and Safety

Indofil is committed to integrating EHS excellence into business decisions and activities to protect the environment and ensure the safety of employees, contractors, visitors, the communities it operates in and any activity, connected directly or indirectly with Indofil.

The Company operates facilities in a manner that is consistent with all applicable EHS laws and regulations and proactively responds to any emergency situation that may originate from its operations.

- Designing and operating facilities and operations with process safety in mind to prevent events that could have an adverse impact on people, property and the environment
- Providing a safe and healthy work environment to all employees, contractors and subcontractors, including transporters
- Conserving natural resources, energy efficiency and minimising waste from operations and prevent pollution; and thus strive for Sustainable Development
- Reviewing and reporting EHS performance externally, while constantly challenging ourselves to do better
- Putting in place appropriate international EHS standards and resources to ensure Indofil can achieve EHS goals





Responsible Operations

We focus on continuous improvement of occupational safety and welfare as well as reducing the environmental impact of our own operations. Our objective is zero harm. We have also set strong targets for reducing water and energy consumption as well as waste generation, including protecting the land and conserving scarce resources. Our Synthesis Plant at Dahej, Gujarat as well as proposed EBDC plant are Zero Discharge (ZLD) Plant. This will ensure sustainability and environment friendliness.



Environmental Stewardship

The aim of our environmental stewardship initiative is to be a prominent business promoter and conserve the environment for the benefit of future generations. We recognise the potential of working in a manner that is environmentally suitable and responsible.

We are dedicated to working with our employees, suppliers and customers to deliver on our promise environment friendly practices. We continue to support sustainable agriculture by increasing best practices with farmers.

People Matter at Indofil

At Indofil, we believe that our human capital is our biggest asset. Our talent pool provides our organisation a unique identity. Our success story is defined by a talented workforce collaborating with a united vision to provide high-quality products, services and solutions. We place a premium on regular training and development of our people to refine their skills.



During 2016-17, we expanded our recruitment to Brazil, the Philippines and Bangladesh. Our first step towards global expansion was to recruit consultants in the three countries, which will enable us to hire the right talent required for the right profile. We plan to hire people from other countries in the near future as well.

We imbibe the Lakshya 2x3 vision in our corporate DNA to support hiring and nurturing of our people; and also for building capabilities. We regularly revisit our HR policies to ensure that they remain relevant to the external environment. We were featured on the India's Best Companies to work for 2017 - Top 50 a study conducted by The Economic Times in partnerships with the Great Place to Work® Institute.



Talent Pipeline

We invest deeply in leadership development programmes from time to time to strengthen the skill sets of our people and build new ones. Our executives rigorously attend curriculums of programmes like Advanced Management Programme - Harvard, III-Tier Leadership Programme 'IIM A', Linking HR strategy to Business strategy - ISB and so on.

We believe that our leadership development is integral to our business strategy - not just aligned with the strategy. We emphasise on 'on-the-job training' where employees are encouraged to take up new responsibilities. They are imparted with new skills and knowledge, taking into consideration their aptitude and overall performance.



Leadership Development on the Job

Our plant-centric approach allows employees to develop a strong sense of self-motivation, initiative and leadership. They have the opportunity to independently manage day-to-day activities at the local level, while keeping the overall company goals and profitability in sight.



Workplace Safety

In the areas of efficient energy usage, environmental protection and workplace safety, we meet the highest standards of corporate citizenship. We have a zero-tolerance policy towards ensuring the safety and discipline of our employees. We treat safety as an ongoing process and conduct regular meetings to drive safety in our facilities. It has led to a significant reduction of grievances of our employees.



Rewards & Recognition

We recognise our employees' contribution and reward superlative performance by providing both training opportunities and development on the job. Further, our compensation practices ensure employees receive incentives for good work. We celebrate both individual and team achievements and ensure colleagues are recognised for their contributions.



Executive Vice President People Strategy along with Chief Operating Officers of Global Agro I and II Business receiving the "Great Place To Work 2017" award.

Social Commitments

At Indofil, we believe that corporate social responsibility (CSR) is critical to our organisational growth and sustainability. Our CSR initiatives are not just about this mandate, but also about working towards improving the lives of the communities we touch.

Our CSR strategy ensures that along with business development, the living standards of communities around our projects also improve. Our CSR Committee actively considers the policies to be implemented and initiatives to be undertaken to align with 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 our social endeavours. We believe that the strength of a nation lies in the hands of an empowered and enlightened society.

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

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

In line with 'Promoting Education' as the thrust area of the Company's CSR initiatives, contributions 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 educational initiatives has been appointed as an Implementing Agency to conduct CSR initiatives, 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 an amount of ₹ 10 Lakhs to Centre for Research in Information, Publication and Training (CRIPT), Hyderabad for their Health Skill Training Program for Youth to be carried in Uttar Pradesh under the Skill Development and Health awareness initiative.

The Company has contributed an amount of ₹ 5 Lakhs as donation to Rajasthan Bal Kalyan Samiti, Udaipur, Rajasthan, a society registered under Society Registration Act, 1958 towards their 'Hansraj Children Home' Project for imparting education to orphan girls children and activities in relation thereto.

For the year 2016-17

₹ **274 Lakhs**
EDUCATION

₹ **32.29 Lakhs**
OTHERS

For the year 2015-16

₹ **178 Lakhs**
EDUCATION

₹ **10 Lakhs**
PUBLIC HEALTH

₹ **32.29 Lakhs**
OTHERS

Chairman's Message



We successfully commissioned our 4,000 TPA Agro Synthesis Plant at Dahej this year and taking forward our legacy of 'Making Good Better'. We commenced the construction of our largest Mancozeb manufacturing facility.

₹ 1,971 Crores
CONSOLIDATED
TOTAL INCOME

₹ 259 Crores
CONSOLIDATED
NET PROFIT

Dear Fellow Shareholders,

It gives me immense pleasure to report that your Company has delivered a remarkable financial performance, improved capital efficiency and continued strong project execution. Our financial and operational performance in 2016-17 was outstanding, materialising into a record net profit.

India's GDP grew by 7.1%, supported by strong consumption and enhanced government spending. The agricultural sector began on a positive note in 2016, with a better monsoon and good initial rainfall. The increase in acreages and production had a critical impact on the agri input industry as well.

Growth was not consistent across India, with some areas undergoing the delayed onset of monsoon or dry spells and excess rainfall in other areas. Demonetisation had a pronounced broad-based impact on the economy in the fourth quarter. Despite economic slowdown, the agricultural sector held up with robust consumption.

On the other side, the pace of global economic activity was mixed in 2016 due to monetary and fiscal crisis looming across several developed economies and uncertainties surrounding Brexit. Overall, the demand for crop protection chemicals from Latin America and Europe was favourable and a depreciating rupee during the most part of the year enhanced the profit pool.

At Indofil, 'Good keeps getting Better' as we continue our quest for sustainable growth. Our Consolidated Total Income for the year ended March 31, 2017 stood at ₹ 1,971 Crores, a growth of 14.4% vis-à-vis last year. Our Consolidated Net Profit for the year stood at ₹ 259 Crores, compared



We continue to invest in people with right expertise at all levels, technology and advanced analytics to keep pace with the growth and to ensure that we are well positioned to leverage our established and growing network.

to ₹ 161 Crores in 2015-16, crossing yet another milestone. We witnessed a 62% growth vis-à-vis last year and it is one of the best in the industry.

We successfully commissioned our 4,000 TPA Agro Synthesis Plant at Dahej, Gujarat this year and taking forward our legacy of 'making good better', we commenced the construction of our largest Mancozeb manufacturing facility. With this facility, we have embarked upon the journey to become one of the world's largest and preferred Mancozeb supplier. Besides, we also initiated the construction of our Specialty & Performance Chemicals plant to make our business self-reliant and sustainable.

With our Netherlands subsidiary fully operational, we have set eyes on Brazil and the Philippines for expanding our Value Added Distribution (VAD) network.

Future Ahead

As an economy with a strong agricultural base, India is blessed with immense natural resources, which

if harnessed responsibly have the potential to impel us to sustainable economic growth for the next few decades.

The focus of the current regime is towards creating a strong, self-reliant nation. Goods and Service Tax (GST), Make In India Campaign and other such reform measures are expected to go a long way in fulfilling this desire. The Government has also put significant thrust on rural and farm development, evident through its record high budgetary allocation towards agricultural credit, development and integration of NABARD, Fasal Bima Yojna, National Agricultural Market (e-NAM) and MGNREGA, among others.

We are aware that this vision of ours will come true only if we are able to successfully partner with our consumer (crop), user (farmer) and customer (channel). At Indofil, we have taken necessary steps towards the realisation of our final goal. We are certain that we will be able to achieve our goals and create greater value, going forward.

We are continuously investing in our strong in-house research and incentivising our R&D team to create farm solutions. These solutions are agronomically conducive and add value to customers and our portfolio.

We are confident that the long term dynamics of Indian agriculture are very attractive. We, at Indofil, are committed to leverage the growth prospects nationally and internationally. Besides, with plans in the near future to expand internationally, the Company believes that we are well placed to embark upon the next stage of growth and stakeholder value creation.

We continue to invest in people with relevant expertise at all levels. We are also adopting high technology standards and advanced analytics to keep pace with growth; and to ensure that we are well-positioned to leverage our established and growing network.

Our success is attributed to our robust sales force, research and development team, committed leadership, distributors, suppliers, shareholders, bankers and most importantly the farmers with whom we work. I am grateful to my fellow shareholders for supporting our vision and encouraging us to keep making good better.

I take this opportunity to express my sincere appreciation to all our stakeholders for their steadfast support that helped set new benchmarks and seek new frontiers.

We look forward to your continued support and co-operation in our journey towards making Indofil an even better company, in the years to come.

Regards,

K.K. Modi

Chairman and Managing Director

Message from Group Chief Executive Officer



2016-17 proved to be yet another successful year at Indofil for a number of reasons. During the year, Consolidated Total Income increased from ₹ 1,723 Crores to ₹ 1,971 Crores. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) stood at ₹ 422 Crores for the year under review as against ₹ 320 Crores for the previous year, registering an increase of 32%.

Dear Shareholders,

The year 2016-17 has been a dynamic one for India, with the economic activities formed by tax reforms, normal southwest monsoon after two preceding drought years, globally weak commodity prices and demonetisation drive. It is encouraging to see Agriculture sector returning to higher growth numbers, as policy push and near normal monsoons improved sowings and subsequent consumption.

At Indofil, we are committed to create new growth avenues guided by our perseverance and tenacity. We work in an environment which is highly susceptible to change and one needs to be prepared to take on challenges which may arise. We take pride in our people who are prepared to quickly read, adapt and attune themselves to market signals. Our philosophy is both people and profit oriented. We are determined to create leaders amongst our workforce

by motivating and supporting them, who in turn drive our profit agenda.

At Indofil, we believe that crop protection is probably the most cost-effective, immediate and long term intervention directed at enhancing farm security. To address the predominant need to provide adequate food in a cost-effective way, we are addressing the challenge through delivery of crop protection periods, nutrients and value-added services directed at enhancing soil fertility. Indofil is using science to develop effective crop protection solutions that help farmers improve their productivity and profitability, thus improving livelihoods and moving the nation towards food security.

Year in Review

2016-17 proved to be yet another successful year at Indofil for a number of reasons. During the year, Consolidated Total Income increased from ₹ 1,723 Crores to ₹ 1,971 Crores. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) stood at ₹ 422 Crores for the year under review as against ₹ 320 Crores for the previous year, registering an increase of 32%. Our EBITDA margin stood at 21.40% against 18.58% making us one of the most profitable company in the Indian Agrochemical industry. Improved realisation in both Domestic and International markets, favourable currency impacts on account of a depreciating domestic currency, reduced input prices, improved operating efficiencies and economies of scale have all contributed to these improved margins. At Indofil, we believe that this sustained outperformance is the result of a focus on the development of innovative farm solutions. We do not just manufacture products; we address marketplace gaps.

Last year, through Lakshya 2x3 we had laid our aspiration to become a two billion dollar company (Enterprise Value) over the next three years. During the financial year 2016-17, the team has articulated the detailed road map to achieve these. These plans are being very well executed and constantly monitored by the top management. We have aligned our strategic priorities in line with this vision and we are confident that we will be able to achieve our vision.

The new Agro Synthesis Plant at Dahej, Gujarat commenced commercial production during the year. The plant achieved a production of over 467 MT with 4 products during the year in review. Now that the manufacturing operations at the new plant have been stabilised, the scale of activity is expected to be pumped up and commercial production of newer molecules is expected to commence during the coming financial year. Our business development team is closely working on increasing the market penetration and customer base for these products.

As a first major step towards achieving our Value Added Distribution (VAD) targets, our Netherlands subsidiary namely, Indofil Industries (Netherlands) B.V. successfully completed its first full year of commercial operations. The Net Profit for the year of the entity stood at Euro 3.48 million during the year under review against a loss of Euro 0.63 million in the last year.

To further our VAD goals, we have also set up a step down subsidiary in Brazil namely, Indofil Industries DO Brasil LTDA. There was no activity/transaction in the subsidiary during the year under review. We are also in advanced stage of setting up a subsidiary in Philippines.

In view of the changing requirements of local regulations in Bangladesh and to further boost our VAD activities in the

country, the management has decided to set up a Formulation/Packing unit at Bangladesh. We are currently in the process of completing all necessary regulatory formalities and due diligence for the same.

We have also set up a Liaison Office at Myanmar with a view to strengthen our product registration portfolio in the country as well as obtain first hand market information, customer insights, etc.

These are the stepping stones towards our long term target of replicating our distribution expertise in these geographies.

With a view to align our operational capacities with our long term strategies, we initiated the construction of a 35,000 TPA EBDC plant at Dahej, Gujarat. This state-of-the-art facility will be Indofil's largest manufacturing plant and together with our existing capacities will make us one of the biggest Mancozeb player in India and a preferred supplier to most MNC's. Our team is confident of commencing commercial production at the plant in a record time.

We reinforced our product basket by launching the plant nutrition business under the brand name of Indolife Super Specialty Chemicals. We foresee, that it has a huge potential which needs to be unlocked and the day is yet to come when this business also should grow and give substantial profits.

Innovation has always been central to the value we bring, and that remains true today. But now, more than ever before, we are leveraging digital capabilities to expand the reach and impact of our solutions. Through connected technology and data-driven insight, our ability to help customers understand their operations better and reliably do more with less is even greater.

We are reinforcing our competitiveness through stretch targets achieved within stipulated tenures, collaborative engagements between the R&D and production teams to achieve process and product improvements.

We have reinforced our focus on our Specialty and Performance Chemical Division and the divisions profitability has improved significantly over the last few years. We have also invested in a new manufacturing facility which should commence production in the 1st Quarter of 2018. We strongly believe that this division will contribute substantially in our growth strategy.

Looking ahead

With expectation of normal, well distributed monsoons and relatively lower channel inventories in the system, the business outlook seems positive for a prosperous year ahead. Further, introduction of GST in 2017-18 lends vigour, going forward. At Indofil, we have aligned our processes to meet these changing scenarios and hope to partner with our stakeholders to enable an instant transition. It is our endeavour to accomplish farmers' expectations and I am confident that our agri solutions will continue to touch farmer's hearts and add to his well-being.

We are aware of the huge potential that agriculture sector has to offer and we hope to become strategic partners in the development of the same. We are grateful to our shareholders for supporting our vision, plans and strategic initiatives and as before, we will remain steadfast to enhance shareholder value in the future.

Warm Regards,

R.K. Malhotra

Group Chief Executive Officer

Board of Directors

MR. K. K. MODI

Chairman & Managing Director:
Indofil Industries Ltd.

President & Managing Director:
Godfrey Philips India Ltd.

Chairman:
Modi Enterprises

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

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

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

- President - Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) (2002-2004, 2004-2006)
- President - Federation of Indian Chamber of Commerce and Industry (FICCI) (1997-98)
- President - PHD Chamber of Commerce and Industry (1983-84)

- Member of the Board of Governors - Indian Institute of Management (IIM), Lucknow
- Life Member - All India Heart Foundation, Delhi

As the President of FICCI, Mr. Modi put his efforts to initiate Government investments in infrastructure and privatisation in various sectors. He has also contributed in restructuring and redesigning 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 and Promoter:
Modi Healthcare Placement

Ms. Charu Modi, daughter of Mr. K. K. Modi, is an eminent educationist, who has played an instrumental role in the field of education in India. Educated at Lady Shriram College, New Delhi and Thunderbird - The American Graduate School of International Management 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 access to finest global education to the deserving Indian students. She has already established several 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.

MR. SAMIR KUMAR MODI

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

Executive Director:
Godfrey Philips India Limited

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

He was instrumental in starting India's first 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 (FICCI)
- Prominent Member - Retailers' Association of India
- Chairman - CSR Committee of PHD Chamber of Commerce & Industry
- Life Member - All India Management Association (AIMA)

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

MS. ALIYA MODI

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

Ms. Aliya Modi grand daughter of Mr. K. K. Modi has graduated from Brandeis University located in Waltham, Massachusetts, USA. She holds a 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 enhance its international market. She joined the Board on March 18, 2016.

MR. M. N. THAKKAR

Non-Executive and Independent Director: Indofil Industries Limited

Mr. M. N. Thakkar is a practising Chartered Accountant since 1967 and was the Senior Partner of M/s. N. M.

Raiji & Co. Chartered Accountants, Mumbai. He has a wealth of experience in handling accounting, auditing and management consultancy matters of large corporate clients in diversified sectors. He occupies the following prestigious positions:

- Director - Samkrig 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 Indian Institute of Management Calcutta (IIMC), has a rich experience in marketing and brand building strategies. During his tenure as the Managing Director, 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 medalist 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 & Gati Import Export Trading Limited

- Board Member - Prasar Bharti
- Chairman - SKA Advisors Private Limited
- 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
- Former 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. S. LAKSHMI-NARAYANAN, IAS (RETD.)

Non-Executive and Independent Director:

Indofil Industries Limited

Mr. S. Lakshminarayanan has over 36 years of service in the Indian Government. He holds Master's degrees in Science in Chemistry and has a Postgraduate Diploma from University of Manchester (the U.K.) in Advanced Social and Economic Studies. Mr. Lakshminarayanan is a member of the Indian Administrative Service (retired) and has 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 of the 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. Ltd.
- Independent Director - Shriram Life Insurance Co. Ltd.
- Independent Director - Shriram Automall India Ltd.

- Member - Board of Trustees of Lilavati Hospital and Research Centre, Mumbai
- Member - Advisory Board of Hughes Communication India Ltd.
- Member - Advisory Board of NXP Semiconductors Pvt. Ltd.
- Director - Corporate Affairs, SUN Group
- Chairman - ELCOM Group

MR. RANVIR PRASAD

Nominee Director:

Indofil Industries Limited

Mr. Ranvir Prasad, I.A.S., is the Nominee Director of Uttar Pradesh State Industrial Development Corporation Limited, Kanpur and a senior I.A.S. officer in the Government of Uttar Pradesh. He is B. Tech in Electrical Engineering and is a member of Indian Administrative Service (IAS). He is the Managing Director of Uttar Pradesh State Industrial Development Corporation Limited, Kanpur and Commissioner and Director - Industries Department, Government of Uttar Pradesh. Mr. Ranvir Prasad joined the Board on June 29, 2017.

MR. SANJAY BUCH

Non-Executive and Independent Director:

Indofil Industries Limited

Mr. Sanjay Buch is a practising advocate and solicitor at the High Court of Judicature in Mumbai. With an expertise of 20 years, he advises several companies, including large domestic and international corporations having their establishments in India. Besides

Business and Corporate law practice, he also practises in the area of Transaction Advisory (including Mergers and Acquisitions). He 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 20 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 and Convergence Chemicals Private Limited and Indo Baijin Chemical Private Limited.

DR. ATCHUTUNI L. RAO

Whole time Director – Operations: Indofil Industries Limited

Dr. Atchutuni L. Rao, designated as Whole time Director – Manufacturing, Operations and Safety joined Indofil in February, 2012. Prior to joining Indofil, he worked with Clariant Chemicals India Limited and Clariant International for 19 years in various 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, an M. Tech Degree from IIT, Delhi and a Ph.D in Chemistry from South Gujarat University. Dr. Rao has attended Advanced Management Program at Harvard Business School, USA. He joined the Board on March 18, 2016.



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Notice

NOTICE is hereby given that 24th Annual General Meeting of the Members of the Company will be held on Friday, the 15th September, 2017 at 11.00 A.M. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020 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, 2017 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 the Company hereby ratifies the appointment of Messrs Bansi S. Mehta & Co, Chartered Accountants, Mumbai (Firm Registration No 100991W), as approved by the members at the 23rd Annual General Meeting, as Statutory Auditors of the Company to hold office till the conclusion of the 25th Annual General Meeting to be held in the year 2018 on such remuneration as shall be fixed by the Board of Directors of the Company”

SPECIAL BUSINESS

5. To re-appoint Mr. Krishna Kumar Modi (DIN: 00029407) as Chairman and Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED AS A SPECIAL RESOLUTION THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for

the time being in force) and subject to such approvals as may be required, approval of the Company be and is hereby accorded to the re-appointment of Mr. Krishna Kumar Modi (DIN: 00029407) as Chairman and Managing Director of the Company, for a period of 5 (five) years with effect from 1st March, 2017 on the terms and conditions including remuneration as set out hereunder, with remuneration payable from April 1, 2017, with liberty to the Board of Directors (which shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr Krishna Kumar Modi, 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 guidelines relating to managerial remuneration as may be notified by the Government of India from time to time;

- a. Salary : ₹ 60 lakhs per month, subject to revision upwards as may be permitted under Companies Act, 2013 and/or any amendment thereof and/or as may be approved by the Board including the Nomination & Remuneration Committee of the Board.
- b. Commission : Payment of Commission equivalent to 5% of the net profits of the Company, for each financial year, less salary and value of perquisites/allowances/benefits paid for each financial year, computed in the manner laid down under Sections 198 and other applicable provisions of the Companies Act, 2013
- c. Perquisites : In addition to salary and commission, he shall be entitled to the following perquisites:
 - I. Rent free, furnished accommodation owned /leased by the Company or house rent allowance in lieu thereof as per rules of the Company
 - II. Re-imbursement of expenses on actual pertaining to gas, electricity, water and other expenses for upkeep, maintenance and security of residential accommodation.
 - III. Two personal attendants.

- IV. Contribution to Provident Fund and Superannuation Fund up to such limits as may be prescribed under the Income-tax Act and the Rules made thereunder for this purpose.
- V. Medical Expenses : Reimbursement of all expenses including mediclaim insurance premium incurred for self and members of his family, at actual.
- VI. Club Fees : Fees of club subject to a maximum of two clubs
- VII. Leave Travel Concession : For self and family in accordance with rules of the Company.
- VIII. Gratuity at the time of retirement / cessation of service as per rules of the Company.
- IX. Leave and encashment of unavailed leave, as per rules of the Company.
- X. Company maintained chauffeur driven car for use on Company's business and personal purposes.
- XI. Fees for credit cards.
- XII. Personal Accident Insurance Premium as per rules of the Company.
- XIII. Telecommunication facility at residence including mobile phone, internet facility and any other means of communication facility
- XIV. Re-imburement of entertainment, travelling and other expenses incurred for the business of the Company as per rules of the Company
- XV. Re-imburement of expenses incurred in connection with transfer as per rules of the Company.

RESOLVED FURTHER THAT the aggregate of the remuneration i.e. Salary, Commission, Perquisites, allowances and benefits etc payable to Mr. Krishna Kumar Modi shall be subject to overall ceiling of 5% of the net profits for one such managerial personnel and 10% of the net profits for all the managerial personnel in case

of more than one such managerial personnel, provided that the total managerial remuneration including the remuneration received by him from Godfrey Phillips India Limited as President and Managing Director shall not be higher than the maximum limit payable from either of the two Companies in terms of the applicable provisions and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT where in any financial year during the term of office of Mr. Krishna Kumar Modi as Chairman and Managing Director, the Company makes no profits or the profits made are inadequate, the Company may pay Mr. Krishna Kumar Modi the remuneration by way of salary, perquisites, allowances and benefits as may be agreed to by the Board of Directors and Mr. Krishna Kumar Modi not exceeding the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT Mr. Krishna Kumar Modi shall not be paid any Sitting Fees for attending the meetings of the Board of Directors or any Committee thereof during the currency of his tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (which shall be deemed to include the Nomination & Remuneration Committee of the Board of Directors) be and is hereby authorised to do all such acts and take all such steps as it may consider necessary or desirable to give effect to this resolution including obtaining approval of the Central Government, if required, and to alter and vary the terms and conditions of the said reappointment and / or remuneration as it may deem fit and as may be acceptable to Mr Krishna Kumar Modi, subject to the same not exceeding the limits specified under Section 197 and Schedule V to the Companies Act, 2013 or any statutory modifications(s) or re-enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time.

RESOLVED FURTHER THAT Mr Krishna Kumar Modi shall have the general control and management of the business of the Company and strategic business decisions and initiatives which span a variety of areas, including corporate strategy, business growth strategy, strategic planning, portfolio strategy, business restructuring and be and is hereby vested with the same

powers and authorities as are vested in the Board of Directors of the Company, subject to such restrictions and limitations which the Board may prescribe from time to time or which under the Articles of Association of the Company or under the Companies Act, 2013 can only be exercised either with the approval of the Board or Shareholders of the Company.

RESOLVED FURTHER THAT in view of appointment of Dr Atchutuni Rao, Director – Operations, as Occupier under Factories Act, 1948 and rules made there under, of all factories and manufacturing units and plants of the Company, Mr. K.K. Modi, as Managing Director of the Company, shall not be a person in charge of and/or a person responsible for the management, supervision and/or day to day affairs and/or operations of any and all the factories/ manufacturing units and plants of the Company at various locations.

6. To approve revision in terms of remuneration of Ms. Charu Modi (DIN: 00029625), Executive 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 in partial modification of Resolution passed at the 22nd Annual General Meeting of the Company held on 16th September, 2015 for revision in terms of remuneration of Ms. Charu Modi (DIN: 00029625), Executive Director of the Company and pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Ms. Charu Modi, Executive Director of the Company with effect from 1st April, 2017 for the remaining period of her tenure i.e upto 31st March, 2019, on the terms and conditions 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) to fix, alter and vary the terms and conditions of appointment and / or remuneration as it may deem fit and as may be acceptable to Ms. Charu Modi, subject to the same not exceeding the limits specified under Section 197 read with 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. Salary : ₹ 30 lakhs per month, subject to revision upwards as may be permitted under Companies

Act, 2013 and/or any amendment thereof and/or as may be approved by the Board including the Nomination & Remuneration Committee of the Board.

- b. Commission : Payment of Commission equivalent to 5% of the net profits of the Company, for each financial year, less salary and value of perquisites/ allowances/benefits paid to her and whole time director, if any, for each financial year, computed in the manner laid down under Sections 198 and other applicable provisions of the Companies Act, 2013
- c. Perquisites : In addition to salary and commission, she shall be entitled to the following perquisites:
 - I. Rent free, furnished accommodation owned / leased by the Company or house rent allowance in lieu thereof as per rules of the Company.
 - II. Re-imbursement of expenses on actual pertaining to gas, electricity, water and other expenses for upkeep, maintenance and security of residential accommodation.
 - III. Two personal attendants.
 - IV. Contribution to Provident Fund and Superannuation Fund up to such limits as may be prescribed under the Income-tax Act and the Rules made thereunder for this purpose.
 - V. Medical Expenses : Reimbursement of all expenses including mediclaim insurance premium incurred for self and members of her family, at actual.
 - VI. Club Fees : Fees of club subject to a maximum of two clubs.
 - VII. Leave Travel Concession: For self and family in accordance with rules of the Company
 - VIII. Gratuity at the time of retirement / cessation of service as per rules of the Company.
 - IX. Leave and encashment of unavailed leave, as per rules of the Company.
 - X. Company maintained chauffeur driven car for use on Company's business and personal purposes.

- XI. Fees for credit cards.
- XII. Personal Accident Insurance Premium as per rules of the Company.
- XIII. Telecommunication facility at residence including mobile phone, internet facility and any other means of communication facility
- XIV. Re-imbursement of entertainment, travelling and other expenses incurred for the business of the Company as per rules of the Company
- XV. Re-imbursement of expenses incurred in connection with transfer as per rules of the Company.

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

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

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

RESOLVED FURTHER THAT subject to the supervision, overall control of the Chairman & Managing Director and the Board of Directors, Ms. Charu Modi will be primarily responsible for setting-up the Company's and its international subsidiaries' strategic direction and supporting a range of strategic initiatives which initiatives span a variety of areas, including corporate strategy, business growth strategy, strategic planning, portfolio strategy, business restructuring. In addition, Ms. Charu Modi will be carrying out such duties and

exercise such powers as may be entrusted to her by the Chairman and Managing Director and / or the Board of Directors of the Company from time to time.

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

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

7. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018 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, 2018, amounting upto ₹ 2,20,000 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 authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board,
For Indofil Industries Limited

CS. Chintamani D Thatte
Head Compliance and
Company Secretary

Mumbai, June 29, 2017

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 9th September, 2017 to Friday, the 15th September, 2017 (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 15th September, 2017. 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 8th September, 2017 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 12th September, 2017 (9:00 am) and ends on 14th September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 8th September, 2017, 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		

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 authorised to vote, to the Scrutiniser through e-mail to scrutiniserindofil@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 8th September, 2017.
- 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. 8th September, 2017, 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.
- 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 Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

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

- H. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith
- I. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.indofilcc.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing.

EXPLANATORY STATEMENT 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

Mr. Krishna Kumar Modi was appointed as Chairman and Managing Director of the Company at the 19th Annual General Meeting of the Company held on September 12, 2012 at a remuneration of ₹ 10,00,000/- per month, Commission of 2% of the net profits of the Company computed under then provisions of Sections 349 and 350 of the Companies Act, 1956, for a particular year, along with perquisites, allowances and benefits with effect from March 1, 2012 for a period of five years. Mr Krishna Kumar Modi is also President and Managing Director of Godfrey Phillips India Limited and drawing remuneration from there.

The aforesaid term of appointment and payment of remuneration to Mr Krishna Kumar Modi was valid upto February 28, 2017 and as such keeping in view a substantial increase in the turnover and profits of the Company with substantial growth in domestic and international business under his dynamic leadership and able control, management and valuable guidance and his vast long and rich experience and expertise in various fields, the Board of Directors at their meeting held on 23rd December, 2016, on the recommendation of Nomination & Remuneration Committee, reappointed him as Chairman and Managing Director for a further period of five years with effect from March 1, 2017 and at their subsequent meeting held on 3rd March, 2017, on the recommendation of Nomination & Remuneration Committee, approved the payment of increased remuneration of ₹ 60,00,000 per month, Commission along with Perquisites, allowances, benefits,

and other terms and condition as stated in the resolution with effect from April 1, 2017 till remaining period of his tenure upto February 28, 2022.

Mr Krishna Kumar Modi has attained the age of 75 years and hence in terms of the provisions of Schedule V of the Companies Act, 2017 a special resolution is needed to be passed as mentioned in item no 5 of the accompanying notice. The Directors recommend the passing of special 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.

No Director except Mr. K.K. Modi, Ms Charu Modi, Mr. Samir Kumar Modi and Ms. Aliya Modi and No Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution. Mr. Krishna Kumar Modi is the father of Ms. Charu Modi and Mr. Samir Kumar Modi and is grandfather Ms. Aliya Modi.

Item No. 6

The shareholders will recall the appointment of Ms. Charu Modi as Executive Director of the Company with effect from 1st April, 2014 for a period of 5 years at the 21st Annual General Meeting of the Company held on 22nd September, 2014

Since her appointment as Executive Director of the Company, with effect from 1st April, 2014, the Company has achieved remarkable growth in overall performance including turnover and profits. Moreover, the Company is aggressively concentrating on its expansion plans besides exploring opportunities both in India and abroad. Under her leadership, apart from existing plant at Dahej for manufacture of Mancozeb, the Company has set up new Synthesis plant at Dahej and has been setting up another EBDC & SPC products plant at Dahej. These new facilities will significantly increase the Company's manufacturing strength, thereby expanding its product portfolio. As a part of expanding business to new geographies, the Company has set-up a subsidiary in Brazil. Ms Charu Modi has been leading as Sponsor to activate the operations of this subsidiary to make it a successful business venture.

Keeping in view a considerable increase in the duties and responsibilities performed by Ms. Charu Modi and the growth in performance of the Company during her tenure as Executive Director and after considering the prevailing managerial remuneration in industry, the Board of Directors at their meeting held on 3rd March, 2017, on the recommendation made by the Nomination and Remuneration Committee, decided to increase the same suitably so as to

bring it in line with the remuneration of Executive Directors in other comparable organisations and also considering the general increase in cost of living. The Board has approved the revision in her salary from ₹ 20 lacs per month to ₹ 30 lacs per month and payment of Commission @ 5% of the net profits of the Company, for each financial year, less salary and value of perquisites/allowances/benefits paid to her and whole time director, if any, for each financial year, computed in manner as provided under Companies Act, 2013 and rules there under and/or any amendment thereof w.e.f. 1st April, 2017 to remaining period of her tenure i.e. upto 31st March, 2019. All other terms and conditions of her appointment as the Executive Director of the Company as approved earlier, shall remain unchanged and have been reproduced in the resolution for reference of shareholders, provided that the salary, commission and monetary value of perquisites/allowances/benefits shall be subject to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, the Companies Act, 2013. However, the Board of Directors shall be authorised to make necessary variations, amendments or revisions in the salary, commission, perquisites and benefits etc., within the ceiling of total remuneration approved by the shareholders.

No Director except Ms Charu Modi, Mr. K.K. Modi, Mr. Samir Kumar Modi and Ms Aliya Modi and No Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution. Ms. Charu Modi is daughter of Mr. K. K. Modi and sister of Mr. Samir Kumar Modi. Ms Aliya Modi is the niece of Ms Charu Modi.

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, 2018. They are proposed to be appointed at a remuneration of upto ₹ 2,20,000/- per annum for cost audit of these products for the financial year ending March 31, 2018.

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, 2018.

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 recommends 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, June 29, 2017

Management Discussion & Analysis

ECONOMIC OVERVIEW

Global Economy

According to International Monetary Fund (IMF), the global economy gained momentum in the fourth quarter of 2016 from a rather lacklustre performance in the beginning of the year. Some of the important global developments during the year included the US Federal Reserve increasing policy rates in December 2016 and subsequently in March 2017, partial recovery in global commodity prices, a revival in global trade flows and political events including the US Presidential elections and the UK referendum decision to withdraw from the European Union.

The US economy strengthened following a weak start to 2016 mainly driven by strong labour market and improved household balance sheets, which are translating into strengthening consumption, increased manufacturing sales and better prospects for investment. In Europe, industrial activity recovered and economic expectations have risen across several large developed economies, although the political environment poses risks in 2017 with several core country elections. The Chinese economy grew by 6.7% in 2016, marginally lower than the 6.9% growth recorded in 2015. This growth was supported by fiscal stimulus policies encouraged by the Chinese Government, as well as the preservation of accommodative monetary policy.

Global Growth (%)

Particulars	2016	Projections	
		2017	2018
World Output	3.1	3.5	3.6
Advanced Economies	1.7	2.0	2.0
United States	1.6	2.3	2.5
Euro Area	1.7	1.7	1.6
Japan	1.0	1.2	0.6
United Kingdom	1.8	2.0	1.5
Other Advanced Economies *	2.2	2.3	2.4
Emerging and Developing Economies	4.1	4.5	4.8
China	6.7	6.6	6.2

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

OUTLOOK

The global growth is expected to rise to 3.6% in 2018. The outlook for emerging market economies is expected to improve, by and large, though capital flow volatility will remain a challenge. The reason being the markets will adjust to the higher US interest rate environment and prospective capital repatriation in Mexico and other emerging market countries, and capital outflows in China. The US economy is also expected to rise to 2.5% in 2018, reflecting solid consumption growth.

INDIA

According to the Economic Survey 2016-17, India's real GDP growth is projected at 7.1% for 2017, and could reach 6.75-7.5% in 2018. This further projects India as one of the fastest growing countries in the milieu of a submissive and uncertain global economy. The decline in consumption due to demonetisation along with slowdown in the industrial sector resulted in moderated growth rate towards the end of

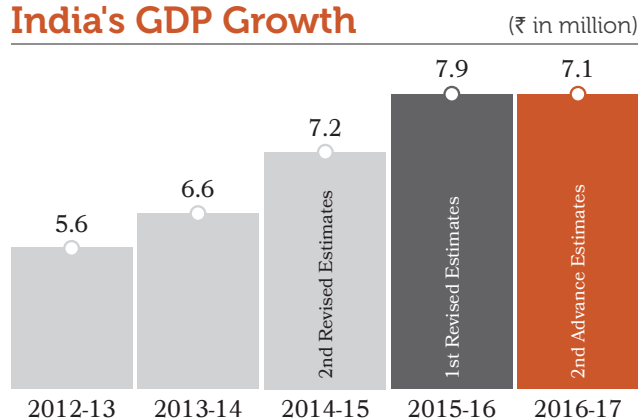
2017. However, the agriculture sector showcased enhanced performance, owing to a favourable monsoon after two consecutive years of drought.

The government has made certain significant progress on important economic reforms to support strong and sustainable growth. The much awaited upcoming implementation of the Goods and Services Tax (GST) will enhance the efficiency of production and movement of goods and services across Indian states. During the year, the demonetisation of highest currency had a negative impact but it also beholds long-term benefits. It presents an opportunity to broaden the financial intermediation in the longer term and support a widening of the tax base. It would also help to reduce the fiscal deficit, enhance bank liquidity and promote greater financial inclusion.

The Indian government is expected to meet its fiscal deficit target of 3.5% of GDP in 2017, as tax revenues are

anticipated to increase post the launch of income disclosure schemes in 2017. Moreover, consumer inflation moderated to 4.5% in 2017 vis-à-vis 4.9% in 2016; and is expected to remain below 5% in 2018. Due to moderation in inflation and normal monsoons, RBI reduced the repo rate by 50 bps during 2017.

India's GDP Growth



(Source: CSO)

OUTLOOK

India is poised to grow at 7.6% in 2017-18 and 7.8% in 2018-19. Owing to shift in consumer behaviour and expenditure pattern, the country is expected to become the third largest consumer economy in the world. India has positioned itself as the most dynamic emerging economy among the largest countries. It is also expected to remain the fastest growing on the back of robust private consumption and significant domestic reforms gradually being implemented by the Government.

AGRICULTURE SECTOR

Global

Agriculture is an important source of employment and is a basic necessity for everyone's livelihood. By 2050, the global food requirement will increase considerably, driven by a population increase to and demand for improved diets, predominantly in emerging markets. Agriculture is receiving increasing attention worldwide as government and non-government authorities identify a need to accelerate productivity in order to ensure food security and enriched nutrition to a growing population. Farmers will need to produce around 1.4% more grain every year, representing an increase of approximately 30% by 2030 and around 70% by 2050. (Source: FAO) At the same time, responding to changes in climate, using the limited natural resources in a

sustainable way and respecting biodiversity pose additional challenges to achieving increased farm productivity at the required promptness.

The world has the resources and technology to remove hunger and ensure long-term food security for all, in spite of many challenges and risks. It needs to mobilise political will and build the essential institutions to make sure that key decisions on investment and policies to eradicate hunger are taken and executed effectively. The time to act is now.

India

Agriculture, with its allied sectors, is indisputably the largest livelihood provider in India, more so in the vast rural areas. It also contributes a significant figure to the Gross Domestic Product (GDP). Sustainable agriculture, in terms of food security, rural employment, and environmentally sustainable technologies such as soil conservation, natural resource management and biodiversity protection, are essential for holistic rural development.

According to the Central Statistics Office (CSO), the share of agriculture and allied sectors is expected to be at 17.3% of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices. The agriculture sector alone is poised to grow at 4.4% in GVA for 2016-17, an aggressive jump from the previous year's growth rate of 0.8%. This growth however, shows the high dependency on the monsoons and the continued reliance on traditional methods. The country observed highest food grain production due to good rainfall in 2016 and various policy initiatives taken by the Government.

Foodgrain production in India has grown by 8.1% to 271.98 million tonnes in 2016-17, as per the 2nd advance estimates released by the ministry of agriculture and farmer welfare. The main reason for this growth was driven by favourable monsoon and various policy initiatives taken by the government.

Rice: Total production of rice is estimated at record 108.86 million tonnes which is a new record. Production of rice



The share of agriculture and allied sectors is expected to be at 17.3% of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices.

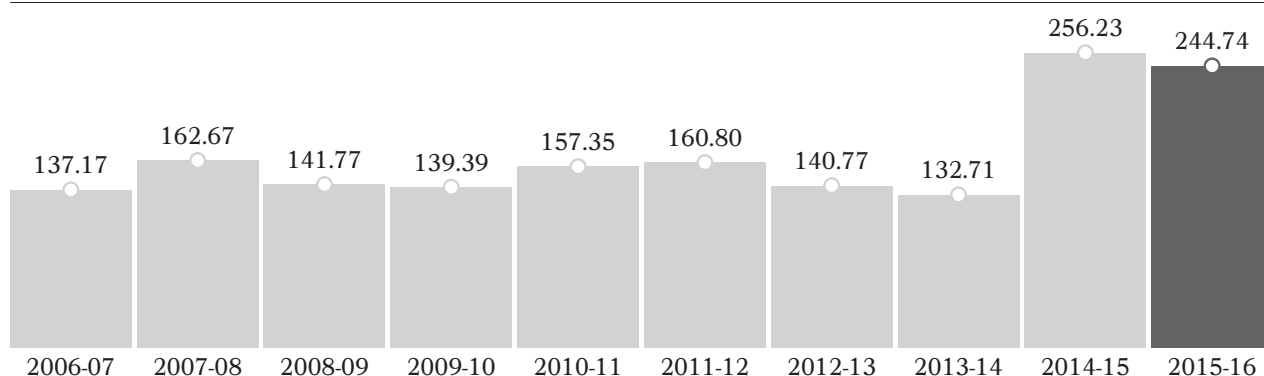
has increased significantly by 4.45 million tonnes than the production of 104.41 million tonnes during 2015-16.

Wheat: Production of wheat, estimated at 96.64 million tonnes is also a record. Production of Wheat during 2016-17 is also higher by 4.03 million tonnes than the average wheat production. The current year's production is higher by 4.36 million tonnes as compared to Wheat production of 92.29 million tonnes achieved during 2015-16.

Coarse Cereals: Total production of coarse cereals is estimated at a new record level of 44.34 million tonnes, higher than the average production by 3.00 million tonnes. Current year's production is also higher by 5.82 million tonnes as compared to production of 38.52 million tonnes achieved during 2015-16.

India's GDP Growth

(₹ in million)



Source: Ministry of Agriculture, Print Release, RBI, TechSci Research

Notes: GDP – Gross Domestic Product, MOSPI – Ministry of Statistics and Programme Implementation FY16 – Advance Estimates

2nd Advance Estimates of production of major crops for 2016-17

Commodity	2015-16 (million tonnes)	2016-17 (million tonnes)	y-o-y %
Foodgrains	251.57	271.98	8.1
Rice	104.41	108.86	4.3
Wheat	92.29	96.64	4.7
Coarse Cereals	38.52	44.34	15.1
Pulses	16.35	22.14	35.4
Oilseeds	25.25	33.6	33.1
Soyabean	8.57	14.13	64.9
Groundnut	6.73	8.47	25.9
Cotton*	30.01	32.51	8.3
Sugarcane	348.45	309.98	(11.0)

*million bales of 170 kg each

OUTLOOK

The Indian agriculture sector remains a key component of the economy, despite of the persistent challenges. To mitigate the challenges and enhance the productivity of the agricultural sector, Government has been very supportive through a number of policy measures and initiatives. With the help of rising income of the farmers and the initiatives taken by Government, there has been a substantial increase in Minimum Support Prices (MSPs) across crop categories and in the outlay for rural welfare schemes. Going forward, the agriculture sector in India is expected to gain further momentum due to the increased investments in agricultural infrastructure.

AGROCHEMICAL INDUSTRY

Global

The global agrochemical industry is expected to witness decent growth and reach an estimate of US \$266 billion by 2021 from \$213.2 billion in 2016 at a CAGR of 4.5%. A rise in the global demand for nutritious and high-quality food and the shrinking of arable land is likely to drive the agrochemical industry over the forecast period. (Source: Research and Markets)

The Agrochemical industry is highly consolidated and consists of insecticides, fungicides, and herbicides. Agrochemicals have significantly increased farm productivity

in both developed and developing countries. Increased production of soybeans and sugarcane in Latin America is also driving growth in the region. Fungicide products based on innovative technology offer proficient and long-lasting disease control and have positive effects on plant physiology, which in turn increases its adaptability across the globe.

India

The Agrochemical industry has transformed the agricultural landscape in India, promoting the farming community in terms of better yields and crop performance. India is currently the fourth largest producer of agrochemicals globally, after US, Japan and China. The sector is expected to grow at a rate of 8% per annum to become ₹ 180 billion entity by 2017-18. The Indian agrochemicals market is supported by strong growth drivers. Availability of cheap labour and low processing costs offers opportunity for MNCs to setup their manufacturing hubs in India for their export markets. The sector is also driven by huge probability for contract manufacturing and research for Indian players due to large accessibility of technically skilled labour.

In India, on an average 15-25% of food produced are damaged by pests. Due to the rising population and decreasing arable land, demand for food grains is increasing at a much larger pace. Therefore, there is an emerging need for crop protection. The usage of suitable chemicals and medicines will prevent pest damage, while improving the crop productivity and soil fertility.

KEY SEGMENTS OF THE AGROCHEMICAL INDUSTRY

Insecticides: It provides protection to the crops from the insects by either killing them or by preventing their attack. They also help in controlling the pest population below a desired threshold level. Consumption of insecticides for cotton has significantly reduced to 50% from 63% of the total volume after introduction of BT cotton.

Fungicides: Major crop loss across the world is due to Fungi. In order to protect the crops from the attack of fungi, fungicides are used. It is of two types – protectants and eradicants. Fungicides help in improving productivity, reduce blemishes on crop and also improve storage life and quality of harvested crop. The growing horticulture market in India owing to the government support has further boosted the fungicide usage.

Herbicides: They are also termed as weedicides, and are used to kill undesirable plants. Their main competition is cheap labour which is employed to manually pull out weeds. Sales are seasonal, owing to the fact that weeds flourish in damp, warm weather and die in cold spells.

Bio-pesticides: These are derived from natural substances like animals, plants, bacteria and certain minerals. Currently



The Agrochemical sector is expected to grow at a rate of 8% per annum to become ₹ 180 billion entity by 2017-18.

a small segment, but it is expected to enhance in future with respect to government support and increasing awareness about use of non-toxic, environment friendly pesticides.

OPPORTUNITIES OF THE INDIAN AGROCHEMICAL INDUSTRY

Robust manufacturing potential

India stands amongst the largest exporter of pesticides. The demand driving factors are its capability in low cost manufacturing, the availability of technically trained resources, seasonal domestic demand, overcapacity, better price realisation globally and a strong presence in generic pesticide manufacturing.

Off-patent products and export opportunities

It is expected that Indian agrochemicals worth US\$ 4.1 billion would go off-patent by 2020. This would further boost demand and provide significant export opportunities for Indian companies which will have expertise in manufacturing generic products.

Growth in Herbicides and Fungicides

Over the past few years, the availability of cheap labour for manually picking up weed has limited growth for herbicides. With the rising labour shortages, enhancing labour costs and new genetically modified crops have increased usage of herbicides. This has eventually led to an increase of 15% per year and will keep increasing over the next five years. In the last five years, it has grown by 7.5% and is expected to grow further, going forward.

Low consumption of pesticides in India

As compared to other countries, India's per hectare consumption of pesticides is the lowest. In comparison to China's 13 kg per hectare, India is 0.6 kg per hectare. Increasing usage will help to boost production yields.

Rising innovation in agro-chemistry

Due to excessive labour shortage, the introduction of slow and controlled release type of formulations helps in avoiding multiple sprays. In today's world with innovation at a rise, new technologies are being introduced to help boost farm productivity. With this farmer are also investing more and more in better seed treatment agrochemicals to ensure disease resistance along with uniform germination.

CHALLENGES FACED BY THE INDIAN AGROCHEMICAL INDUSTRY

Lack of proper awareness and education among farmers:

Despite the strong growth drivers, Indian agrochemicals industry faces challenges in terms of low awareness among farmers (only 25-30% of the farmers are aware of agrochemical products and their usage). It is very important to educate farmers about the appropriate kind of pesticide, its dosage and quantity and application frequency, without which it can also damage the crop. However, the Government of India has now started taking corrective measures to educate the farmers in many different languages which in turn, would provide better crop quality.

Low focus on R&D by domestic manufacturers:

For development of any specialty molecule, huge capital and manpower investments are required. However, Indian companies spend only 1-2% of their revenues in R&D as compared to global multinational companies which invests around 8-10% of their revenues.

Need for efficient distribution systems:

Effectiveness of current supply chain management (SCM) practices in agrochemicals is another area of concern for the industry. In India, there is a definite lack of strong and efficient distribution network for the crop protection market. Furthermore, the industry has been plagued by problems arising out of inadequate storage and infrastructure problems. Due to lack of proper distribution system, it becomes difficult for agrochemical companies to reach out to farmers and promote their products and also educate them about their benefits.

OUTLOOK

The Indian Agrochemical industry holds huge potential in today's emerging markets. With government policies such as Make in India and other tax reforms measures such as the Goods and Services Tax (GST), crop protection and crop enhancement solutions are being developed based on best global practices and latest technologies. Accurately designed and executed, current initiatives can help India become a global manufacturing hub of quality crop protection chemicals. Regulators need to increase their inspection staff to ensure regular checks to contain the growth of spurious products. There is also a need to encourage R&D and ease

registration process for development of new molecules. Large MNCs can look at strategic alliances with Indian counterparts to increase their marketing and distribution reach or expand into newer product categories. Smaller Indian companies can look at tie-ups with MNCs to explore opportunities in contract research and manufacturing. Companies also need to relook at strengthening their supply chain strategies to improve their distribution reach.

SPECIALTY CHEMICALS INDUSTRY

Global

The global specialty chemicals market is estimated to be valued at US\$ 828.9 billion in 2015 and is expected to grow at a CAGR of 5% during 2016-2022. The factors influencing the growth are large base of end-use industries, high demand from Asia-Pacific, increasing demand from automotive industry and technological advancements in the industry. (Source: P&S Market Research)

The increasing demand for foodgrains and rapid urbanisation in countries such as Brazil, Russia, India, China and South Africa (BRICS) is boosting the growth of the global specialty chemicals market. The increasing partnerships and enhancement of the distribution channels are projected to contribute extensively towards the overall development of the global specialty chemicals market in the next few years. The overall industry is majorly driven by the high demand for specialty chemicals agriculture and construction industries. On the other hand, the growing construction activities in Asia-Pacific and development of environment friendly products offer ample revenue generation opportunities to the manufacturers of specialty chemicals.

India

According to Indian Specialty Chemical Manufacturer's Association (ISCMA), India's specialty chemicals industry is valued at about \$25 billion, has successfully delivered 13% growth over the past five years, primarily led by domestic consumption. By constituting about 3% of the global specialty chemicals market, this sector has great potential and is to grow to 6-7% in 2023 with market size in the range of \$ 80-100 billion.

From past several years, foreign firms have strengthened their presence in India due to its massive size and returns of the market. The total FDI inflows from April 2000 to September 2016 were US\$ 12.43 billion. In 2016, polymer production was recorded at around 9 million tonnes. To further attract more FDIs, the Government has allowed 100% FDI for the chemical industry.

The Government has also launched the Draft National Chemical Policy, which aims to further augment the sector growth. In 2016, Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilisers,



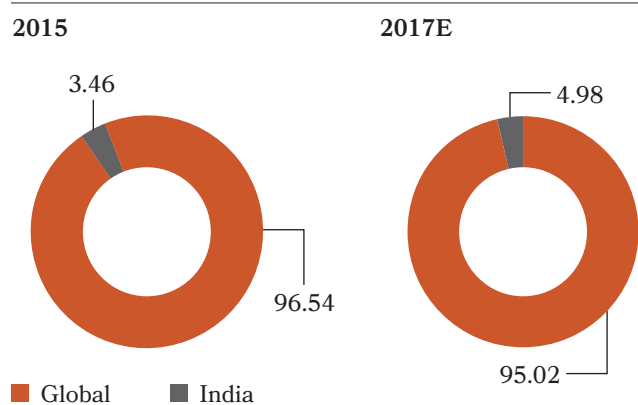
India's specialty chemicals industry is valued at about \$25 billion, has successfully delivered 13% growth over the past five years, primarily led by domestic consumption.

Govt. of India and Federation of Indian Chambers of Commerce & Industry (FICCI) launched, 'India Chem-2016' to develop Indian Chemical and Petrochemical Industry.

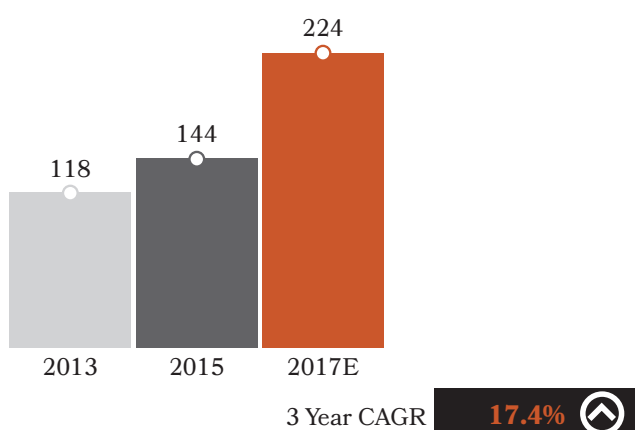
Domestic demand of specialty chemicals is expected to follow an accelerated growth path. This demand is mostly driven by the strong growth outlook for end use industries. This along with increased adoption of specialty chemicals and usages can propel the growth further. Indian specialty chemical manufacturers have strong presence in export market also.

The key specialty segments in India are agrochemicals, paints coating and construction chemicals, colorants, Active Pharmaceutical Ingredients (APIs), personal care chemicals and flavours & fragrances. APIs and colorants including dyes and pigments are the key export oriented products. India exports specialty chemicals to nearby Asia Pacific countries which don't have competitive scale of productions. India also exports to developed countries of Europe and USA where it leverages its low cost of production and quality talent pool. Compliance with global regulations and India's manufacturing competitiveness has helped the export market to grow significantly.

Contribution to global chemical industry would increase



Strong growth outlook for the Indian chemicals industry



(Source: IBEF)

Sub-segment of Indian Specialty Chemicals Industry and its Growth Drivers

Sub-segment	Growth Driver
Paints and Coatings	This segment is rapidly growing at a rate of 2x with accounting for 13.5% CAGR in the last five years. Due to enhancing incomes of households and thrust for better homes.
Specialty Polymers	Growth in plastic demands resulting from increased usage in packaging, construction and automotive.
Construction Chemicals	Rising population demands more housing. In addition, the Government initiative to build Housing for All by 2022, will lead to risen demand for the construction chemicals.
Paper Chemicals	The industry is currently growing at 10% due to enhancing demand for creativity used with papers.

GROWTH DRIVERS OF THE INDIAN SPECIALTY CHEMICALS INDUSTRY

Increasing end users demand

With the increasing GDP growth, Indian middle class household is expected to grow to 148 million by 2030. Urban population is also estimated to rise by 275 million people by 2030, which would lead to consumption led double digit growth in key market. The key driving demand for the sector would be the rising demand for the need of better products such as clean municipal water, enhanced usage of construction chemicals and others.

Increased intensity of consumption

Compared to countries like USA or China, the current penetration of specialty chemicals is low. With an increased focus, improved products and customer awareness, the use of specialty chemicals will increase (e.g. Construction Chemicals, Pesticides use in India).

High domestic consumption

The chemicals industry in India is the largest consumer of its own products. It is estimated that more than 50% of its output is consumed within India only. With this promising growing trend, the chemical industry is set to rise exceptionally.

Diversified industry

The Indian chemicals industry has a huge diversified manufacturing base which produces world-class products. There is a substantial presence of downstream industries in all segments. Further, this large and expanding domestic chemicals market also boasts of a large pool of highly-trained scientific manpower.

Government initiatives

Favourable initiatives by the Indian government in developing chemical clusters with adequate infrastructure, expediting international investment and the Make in India campaign gives better visibility for the industry.

OUTLOOK

The outlook for the chemical industry is poised to grow further. Despite a spate of headwinds and sudden shock of demonetisation affect in the overall economy, the industry has performed well due to continued support from growing automotive and construction markets. The industry will keep improving and growing on account of enhancing operating environment and strategic measures including productivity

improvement and portfolio re-structuring. Going further, it would accelerate because of the enhancing government attention and policies accompanied with increasing mergers and acquisitions in the industry.

COMPANY OVERVIEW

A part of well renowned K. K. Modi Group of Companies, Indofil has emerged as a prominent and customer-centric brand. Headquartered in Mumbai, the Company runs on a simple philosophy of retaining loyalty and enlarging its fold of satisfied customers. Over the years, it has grown tremendously and occurred as a fully integrated and research led chemical company.

The Company holds a very strong domestic base, with well recognition internationally. It is constantly growing and expanding in both of its businesses i.e., Agricultural Chemicals and Specialty & Performance Chemicals through partnerships and joint ventures for manufacturing and research & development activities. The Company aims to build strong partnerships in the domain of manufacturing, marketing and R&D globally.

FINANCIAL REVIEW

Snapshot

(₹ in Crores)			
Year	2016-17	2015-16	Growth (%)
Total Revenue	1,90,959.57	1,71,554.77	11.31
EBITDA	36,236.51	29,805.45	21.57
PBT	28,079.68	21,406.25	31.17
PAT	21,804.21	16,519.01	31.99

RESEARCH AND DEVELOPMENT

R&D success is a key element of Indofil's strategic roadmap, driving best-in-class performance through agility and innovation. We believe that being truly innovative requires global ambitions, significant investments and a diverse approach where multiple initiatives go hand in hand. Our continued focus is to keep improving the current processes, aimed at better operations and productivity. We are focused on undertaking dedicated R&D in areas, which we believe, have significant growth potential. We believe that our R&D has led, and will continue to lead to new, innovative processes that can increase the efficiencies of production including developing cost effective manufacturing processes, as well as address opportunities that we have identified in the global market for our businesses.

Our R&D team not only focuses on projects that would generate short-term profit, but emphasises on the future aspects as well. The pipeline has been designed for catering to molecules of variable complexities in areas of chemistry, IP, regulatory, engineering and manufacturing. The centre's

infrastructure is being developed, with priority given to safety and quality of the products. We invest actively in R&D to ensure that we continue manufacturing quality products and deliver the best. Our operational team focuses on improving processes in order to improve yield, and reduce waste and develop technologically advanced products.

HUMAN RESOURCE

At Indofil, we believe a determined and motivated team can drive our long-term growth strategies sustainably. We are imparting industry relevant training to our people and providing them the right environment to grow their professional acumen. We are proud of our people and of the open, innovative culture at the heart of our company. We strive towards diversity among our employees, to obtain beneficial effects on creativity, innovation, progress and mutual enrichment. Such diversity establishes conditions that allow all employees, without discrimination in any criteria, to enrich their professional skills and career within the Company.

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 AND ADEQUACY

The Company has adequate internal control system to safeguard all assets and ensure operational excellence. Timely reviews ensure that all transactions are correctly



The Company's products go through rigorous testing procedures clearly showcasing positive impacts on human, crop and environment.

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 STATEMENT

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 24th Annual Report with Audited Financial Statements for the year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

₹ in Crores

	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	1,892.96	1,708.70
Total Income	1,909.60	1,715.55
Earnings Before Interest, Tax, Depreciation & Amortisation	362.37	298.05
Finance Cost	34.65	50.96
Depreciation and Amortisation	46.92	33.03
Profit before Exceptional Item & Tax	280.80	214.06
Exceptional Item	Nil	Nil
Profit before Tax	280.80	214.06
Tax Expense	62.75	48.87
Profit After Tax	218.04	165.19

The Financial statements for the year 2016-17 have been prepared under Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act 2013 ("the Act") with effect from April 01, 2016.

The Company does not propose to transfer any amount to General Reserve.

DIVIDEND

The Board of Directors have decided to recommend dividend of ₹ 8 per share (80%) on fully paid-up Equity Shares of ₹ 10 each and pro-rata on partly paid-up Rights Equity Shares of ₹ 10 each (paid up amount ₹ 3 each) for the year ended March 31, 2017. This dividend, if approved by the members at the Annual General meeting, will absorb ₹ 20.65 Crores (P.Y. ₹ 15.49 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 ₹ 1,708.70 Crores to ₹ 1,892.96 Crores. Profit before Tax and Exceptional Items was ₹ 280.80 Crores for the year under review as against ₹ 214.06 Crores for the

previous year, registering an increase of 31%. The Company has mainly been in the Agro Chemicals segment for more than five decades and enjoys a strong brand image and recall with its customers.

Production volume of Agrochemicals Division for the year has been 67,013 MT as against 60,775 MT in the previous year and sales volume have been 54,453 MT against 50,065 MT in the previous year.

In case of Specialty Chemicals Division, the production volume has been 19,719 MT as against 15,674 MT in the previous year and the sales volume have been 20,718 MT against 17,784 MT in the previous year.

EXPORTS

The Company made exports (FOB) worth ₹ 807.06 Crores against ₹ 742.81 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 2017-18.

Your Directors are pleased to inform that the Company has completed setting up a new Greenfield Multipurpose Agro Synthesis facility (Synthesis Project) for manufacture of Multi-products (Technical and Export Formulations) at Company's new Plot at Dahej SEZ, Gujarat with production capacity of 4000 TPA of Technicals and the commercial production at the plant was started successfully in November, 2016. This plant is another landmark in company's journey towards manufacturing excellence, quality and efficiency.

Keeping in view the increasing demand, the Company has now commenced the setting up of a Green-Field Mancozeb (EBDC) and Specialty & Performance Chemicals Plant with production capacity of 35,000 MTs per annum of EBDC and 36,000 MTs per annum of SP Chemicals. The Company has already identified and purchased land admeasuring 101,945 sq. mtrs at GIDC Dahej, Gujarat for this.

With a vision to graduate 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 \$2B 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 customised 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, has ensured uninterrupted supply of CS₂ to the Company, eliminating the import of CS₂ and thus help saving significant amount of foreign exchange. Besides, the JV is actively catering to external demand for CS₂ in India & overseas. For the first time the JV reported a Profit Before Tax of ₹ 37.35 Crores during FY. 2016-17.

SETTING UP OF OFFICES/SUBSIDIARY IN MYANMAR, BRAZIL AND PHILIPPINES

The company has set up office/subsidiary in Yangon, Myanmar and Sao Paulo, Brazil and is in advanced stages of setting up a office in Manila, The Philippines. These offices will work as a significant facility in coordinating and developing various agro business activities and boosting business development in these countries. The facilities certainly mark a new beginning towards the expansion of Company's Agrochemicals business.

AGRICULTURAL BUSINESS DIVISION

Opportunities and Threats

A rise in the global demand for nutritious and high-quality food, rising population, the shrinking of arable land and consumer awareness associated with the benefits of pesticides in crop production is expected to drive the growth of agrochemicals industry. The global agrochemicals industry is estimated to reach US\$ 250.5 billion at a CAGR of 3.2% by 2020.

Agrochemicals have significantly increased farm productivity in both developed and developing countries. Improving income levels coupled with demand for higher volumes of balanced nutrition in developing countries such as China and India will further boost the demand for agrochemicals.

The high growth potential in emerging markets and untapped regions, provide new growth opportunities for the market players. Further the growth of this market is driven by growing farmer's attention towards superior quality agrochemicals, which should be balanced and nutritive. 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. Increased production of soyabeana and sugarcane in Latin America is also driving the growth in the region.

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

Outlook

The agriculture sector in India continues to receive focused attention from governments, government bodies, banks, financial institutions and other agencies and authorities. The Central Government has initiated several policy measures to enable farmers to gain access to credit facilities, the primary driver for the agrochemicals market. There is a huge potential for growth in the future as currently the consumption levels of agrochemicals are low as compared to the world. Further, we are all set to receive normal rains in 2017 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, Myanmar

and Philippines is among the strategic imperatives Indofil is looking at besides increasing the product portfolio.

SPECIALTY AND PERFORMANCE CHEMICALS DIVISION

Industry scenario

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 robust growth in end user segments, government's and industry's focus towards manufacturing, value addition accompanied by global shift towards Asia as world's chemicals manufacturing hub accompanied by India, is likely to emerge as a major player in the global specialty chemicals domain

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 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.

Opportunities

India has only 3% share of the global specialty chemicals market. 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.

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 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.

RESEARCH AND DEVELOPMENT

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

Agrochemicals

Your Company has started new Synthesis facility in Dahej as planned. R&D is playing a critical role by providing cost effective processes with improved quality of products. Production of five products has already commenced whereas balance are in line. The focus now is effluent reduction which will bring down the treatment cost.

Synthesis team was also engaged in developing processes for new products. Besides in-house efforts, partnerships

with private CROs and Institutes of International repute has brought velocity. Exposure to Institutes like IIT Mumbai, ICT, Mumbai University, IICT Hyderabad is providing opportunity to scientists to update knowledge and skills.

Formulation team continues its efforts in developing newer formulations and three way mixtures which will be patentable, providing unique position to our marketing. Formulations developed by our team have been recognised and appreciated by International clients.

Specialty and Performance Chemicals Division

The Specialty and Performance Chemical Division has four verticals viz. Coating, Leather, Textile and Plastics. Focus is on profitable and unique products. R&D is working on improving the processes so that profitability can be improved. Coating focus is on user friendly products like waterproofing products and new concept of anti-efflorescence 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 diversified 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 stabilisers

The team work

The team is totally charged and highly motivated to fulfill Company's dream of ambitious plans.

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, authorised and reported correctly apart from safeguarding its assets against loss from wastage, unauthorised use and disposition. The internal control is supplemented by an extensive program of internal audit by Messrs 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, 2017, 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 2016-17 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 an amount of ₹ 5 lakhs as Donation to Rajasthan Bal Kalyan Samiti, Udaipur, Rajasthan, a Society registered under Society Registration Act, 1958 towards their 'Hansraj Children Home' Project for imparting education to orphan girls children and activities in relation thereto. The Company has contributed an amount of ₹ 10 lakhs as Donation to 'Centre for Research in Information, Publication and Training' (CRIPT), Hyderabad for their Health Skill Training Program for Youth to be carried in Uttar Pradesh under their 'Skill development and Health awareness' initiative. These contributions are towards Company's CSR activity for the financial year 2016-17.

The total CSR contribution during the year stands at ₹ 306 lakhs.

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

DIRECTORS

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.

During the year, the tenure of Mr Krishna Kumar Modi as Chairman & Managing Director came to an end on 28th February, 2017 and the Board of Directors at their meeting held on 23rd December, 2016, on the recommendation of Nomination & Remuneration Committee, reappointed him as Chairman & Managing Director for a period of 5 years with effect from 1st March, 2017 on the terms subject to the approval of the

shareholders at the ensuing Annual General Meeting to be held on 15th September, 2017. 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.

During the year, UPSIDC appointed Mr Amit Kumar Ghosh, IAS, as nominee Director on the Board of the Company in place of Mr Manoj Singh, IAS with effect from 22nd June, 2016.

Further, UPSIDC has appointed Mr. Ranvir Prasad, IAS, as Nominee Director on the Board of the Company in place of Mr. Amit Kumar Ghosh, IAS with effect from 29th June, 2017.

None of the Directors of the Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013.

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.

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 Bansi S. Mehta & Co, Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s Bansi S. Mehta & Co as statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the twenty-fifth Annual General Meeting to be held in the year 2018, subject to ratification of their appointment at the ensuing Annual General Meeting.

Cost Auditors

The Board of Directors have appointed Messrs. 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 2017-18 on a remuneration payable upto ₹ 2,20,000 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 Messrs Ragini Chokshi & Company, Mumbai, Practicing Company Secretaries, as Secretarial Auditor of the Company for the year 2017-18. The Report of the Secretarial Audit for year 2016-17 is annexed herewith as "Annexure B" and doesn't contain any qualification, reservation, adverse remark or disclaimer.

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:

- (a) that in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) that the Directors had prepared the annual accounts for the financial year ended March 31, 2017 on a 'going concern' basis;
- (e) 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 2016-17 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 Bajjin Chemicals Private Limited (IBCPL): IBCPL which started the commercial production of Carbon Disulphide (CS₂) in April, 2014 produced 50,438 MTs and sold 50,546 MTs of CS₂ and achieved a turnover of ₹ 183 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 assigned to IIN. This restructuring will enable the Company to have ease of business operations in Europe.

Indofil Industries Brazil: The Company has set up a wholly owned stepdown subsidiary in Brazil. The Company did not have major operations during the year.

Indofil Industries (International) B.V. (IIN): The Company has set up 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, the wholly owned investments subsidiaries of the company and the other two subsidiaries **Indofil Bangladesh Industries 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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21 – Consolidated Financial Statements, form part of this Annual Report. The Consolidated Accounts have been prepared on the basis of audited financial statements received from the subsidiary and associate companies, as approved by their respective Boards.

RIGHTS ISSUE AND PAID UP SHARE CAPITAL

To part finance the multipurpose agro synthesis and specialty chemicals projects at Dahej SEZ and Dahej GIDC, 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, 2017 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.

Considering risk as an integral part of its business, your Company takes proper steps to manage all risks in a proactive and efficient manner. There are no risks which, in the opinion of the Board, threaten the very existence of your Company.

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, Sr. Vice President-Finance as the Chief Finance Officer in relation to the financial statements for the year ended March 31, 2017 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,

Mumbai

Date: June 29, 2017

(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. Ranvir Prasad, Nominee Director

3. **Average net profit of the Company for last three financial years:**

Average net profit: ₹ 152.15 Crores

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

The Company was required to spend ₹ 3.04 Crores towards CSR activities.

5. **Details of CSR spend for the financial year:**

a. Total amount spent for the financial year: ₹ 3.06 Crores

b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Project Activities	Sector Locations	Locations District (State)	Amount 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	₹ 2.74 crore	₹ 2.74 crore	₹ 2.74 crore	₹ 2.74 crore
2.	Rajasthan Bal Kalyan Samiti	Education	Village Udaipur Dist: Udaipur, Rajasthan	₹ 0.05 crore	₹ 0.05 crore	₹ 0.05 crore	₹ 0.05 crore
3.	Centre for Information, Publication & Training (CRIPT)	Education	Village Hyderabad Dist: Hyderabad Telangana	₹ 0.10 crore	₹ 0.10 crore	₹ 0.10 crore	₹ 0.10 crore
4.	Others	Education/ Public Welfare	Dahej Gujarat	₹ 0.17 crore	₹ 0.17 crore	₹ 0.17 crore	₹ 0.17 crore

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

- Channelising 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, Group Chief Executive Officer, Senior Managers and all employees and consultants working for Indofil.

Review of Policy

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

Annexure 'B' to Directors' Report

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members

INDOFIL INDUSTRIES LIMITED

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 authorised 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, 2017, 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, 2017 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. Rahini Chokshi
(Partner)
C.P. No. 1436
FCS No. 2390

Place: Mumbai
Date: May 2, 2017

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

(i) 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.

(ii) 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

(iii) Future plan:

Continued efforts for development of new products for Specialty and Performance Chemicals business groups
Ongoing research on development of combination of existing and new fungicides

(iv) Expenditure on R& D

Particulars	As at March 31, 2017	As at March 31, 2016
Capital including Capital Work in Progress	1,647.66	2,773.89
Recurring	1,141.89	1,020.03
TOTAL	2,789.55	3,793.92
R & D Expenditure as a percentage of Revenue from Operation	1.5%	2.22%

C) Foreign Exchange Earnings and Outgo

Particulars	As at March 31, 2017	As at March 31, 2016
i) Foreign Exchange Earned	80,705.51	74,280.61
ii) Foreign Exchange expensed	35,699.91	42,275.51

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 Lakhs

1	Sl No	1	2	3	4	5	6	7
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) B.V.	Indofil Industries (International) B.V.	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	NA
4	Reporting current and Exchange Rate as on last date of the relevant Financial Year in the case of foreign subsidiaries	NA	NA	NA	BDT - ₹ 0.81 / BDT	Euro - ₹ 69.22 / Euro	Euro - ₹ 69.22 / Euro	Costa Rica Colon - ₹ 0.12 / Colon
5	Share Capital	70.11	12.52	8,560.97	257.94	69.22	69.22	0.01
6	Reserves & Surplus	4,890.65	1,859.63	706.46	(243.74)	9,588.70	Nil	Nil
7	Total Assets	4,961.15	1,886.67	31,268.70	16.38	34,258.51	69.22	0.01
8	Total Liabilities	0.39	14.47	22,001.27	2.18	24,600.59	Nil	Nil
9	Investments	4,890.41	1,832.31	Nil	Nil	Nil	Nil	Nil
10	Turnover (Total Revenue)	348.20	213.59	18,689.09	-	20,813.83	Nil	Nil
11	Profit Before Taxation	328.72	211.34	3,735.04	(90.05)	3,237.66	Nil	Nil
12	Provision for Taxation	0.53	3.03	532.61	-	676.66	Nil	Nil
13	Profit after taxation	328.19	208.31	3,202.43	(90.05)	2,560.27	Nil	Nil
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15	% of Shareholding	100%	100%	51%	100%	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.
Indofil Industries DO Brasil LTDA
- Names of subsidiaries which have been liquidated or sold during the year : NA

PART "B": ASSOCIATES AND JOINT VENTURES

Name of Associates/Joint Ventures		HIFIL Chemicals Pvt. Ltd.
1.	Latest audited Balance Sheet Date	31/03/2017
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)	(0.13)
7.	Profit / Loss for the year	
	i. Considered in Consolidation (₹ in lacs)	(0.17)
	i. Not Considered in Consolidation (₹ in lacs)	(0.46)

- 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

M. N. THAKKAR
SANJAY BUCH
SUNIL ALAGH
DR. ATCHUTUNI L. RAO } Directors

Mumbai, June 29, 2017

Annexure 'E' to Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.3.2017

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

I. REGISTRATION AND OTHER DETAILS:

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

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
2	Specialty & Performance chemicals	20297	11

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Description of main products/ services	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Good Investment (India) Ltd., A-1, Maharani Bagh New Delhi – 110065	U65993DL1979PLC010060	Subsidiary	100%	2(87)
2	Quick Investment (India) Ltd., A-1, Maharani Bagh, New Delhi – 110065	U65993DL1979PLC010018	Subsidiary	100%	2(87)
3	Indobaijin Chemicals Pvt. Ltd., Plot No. Z-7/1, SEZ Area, Dahej SEZ Ltd, Taluka Vagra, District 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)

Sl. No.	Name and Description of main products/ services	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 (Internationl) BV Piet Heinkade 55, 1019 GM Amsterdam, Netherklands	Foreign Company	Subsidiary	100%	2(87)
8	Hifil Chemicals Private Ltd., Kalpataru Square, 4th Floor, Kondivita Road, 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	–	4,98,550	4,98,550	2.172	–	4,98,550	4,98,550	2.172	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1,06,91,504	19,16,666	1,26,08,170	54.918	1,29,18,170	–	1,29,18,170	56.268	1.350
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other.	1,45,722	7,01,033	8,46,755	3.688	1,45,722	7,01,033	8,46,755	3.688	–
Sub-total (A) (1):-	1,08,37,226	31,16,249	1,39,53,475	60.778	1,30,63,892	11,99,583	1,42,63,475	62.128	1.350
(2) Foreign									
a) NRIs Individuals	–	–	–	–	–	–	–	–	–
b) Other individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	1,08,37,226	31,16,249	1,39,53,475	60.778	1,30,63,892	11,99,583	1,42,63,475	62.128	1.350
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	450	1,050	1,500	0.007	450	1,050	1,500	0.007	–
b) Banks/FI	150	562	712	0.003	150	562	712	0.003	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	21,69,956	–	21,69,956	9.452	21,69,956	–	21,69,956	9.452	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs									
h) Foreign Venture Capital Funds	2,96,557	–	2,96,557	1.292	2,96,557	–	2,96,557	1.292	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	24,67,113	1,612	24,68,725	10.754	24,67,113	1,612	24,68,725	10.754	–

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	12,19,683	11,61,559	23,81,242	10.372	9,32,856	11,61,559	20,94,415	9.123	(1.249)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	5,65,271	4,72,627	10,37,898	4.521	8,98,972	4,78,074	13,77,046	5.998	1.477
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	2,79,610	2,35,149	5,14,759	2.242	2,68,560	1,83,343	4,51,903	1.968	(0.274)
c) Others (specify)									
i) NRI/OCB	25,61,723	75	25,61,798	11.158	22,62,130	75	22,62,205	9.854	(1.304)
ii) Clearing Member	285	–	285	0.001	413	–	413	0.001	–
iii) Trust	83	–	83	–	83	–	83	–	–
iv) Directors & their relatives	39,957	–	39,957	0.174	39,957	–	39,957	0.174	–
Sub-total (B)(2):-	46,66,612	18,69,410	65,36,022	28.469	44,02,971	18,23,051	62,26,022	27.119	(1.350)
Total Public Shareholding (B)= (B)(1) + (B)(2)	71,33,725	18,71,022	90,04,747	39.222	68,70,084	18,24,663	86,94,747	37.872	(1.350)
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	1,79,70,951	49,87,271	2,29,58,222	100.00	1,99,33,976	30,24,246	2,29,58,222	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	1,00,98,073	43.985	–	1,02,73,073	44.747	–	0.762
2	Rajputana Fertilisers Limited	19,16,666	8.348	–	–	–	–	(8.348)
3	Rajputana Developers Limited	–	–	–	19,16,666	8.348	–	8.348
4	Premium Merchants Limited	4,64,760	2.024	–	4,64,760	2.024	–	–
5	Kaushambi Industries Private Limited	3,671	0.016	–	3,671	0.016	–	–
6	Super Investment (India) Limited	1,25,000	0.544	–	1,25,000	0.544	–	–
7	HMA Udyog Pvt. Ltd	–	–	–	1,35,000	0.588	–	0.588
8	Mr. K. K. Modi	2,33,850	1.019	–	2,33,850	1.019	–	–
9	Mrs. Bina Modi	2,18,607	0.952	–	2,18,607	0.952	–	–
10	Mr. Lalit K. Modi	10,455	0.046	–	10,455	0.046	–	–
11	Mr. Ruchirkumar Lalit Modi	9,873	0.043	–	9,873	0.043	–	–
12	Mr. Samir K. Modi	25,765	0.112	–	25,765	0.112	–	–
13	IOIL Senior Executives (O) Benefit Trust	9,877	0.042	–	9,877	0.042	–	–
14	IOIL Senior Executives (O) Welfare Trust	2,39,144	1.042	–	2,39,144	1.042	–	–
15	IOIL Senior Executives (F) Welfare Trust	1,42,698	0.622	–	1,42,698	0.622	–	–

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	
16	IOIL Junior Employees (O) Welfare Trust	1,42,698	0.622	–	1,42,698	0.622	–	–
17	IOIL Junior Employees (F) Welfare Trust	1,75,805	0.766	–	1,75,805	0.766	–	–
18	IOIL Senior Executives (F) Benefit Trust	65,127	0.284	–	65,127	0.284	–	–
19	IOIL Junior Employees (O) Benefit Trust	25,914	0.113	–	25,914	0.113	–	–
20	IOIL Junior Employees (F) Benefit Trust	45,492	0.198	–	45,492	0.198	–	–
Total		1,39,53,475	60.778	–	1,42,63,475	62.128	–	1.350

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

Sl. No.		Shareholding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1,39,53,475	60.778	1,39,53,475	60.778
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):				
	7th April, 2016 transfer from APMS Investment Fund Ltd. to K. K. Modi Investment & Financial Services Pvt. Ltd.	–	–	1,75,000	0.762
	31st January, 2017 (transfer from APMS Investment Fund Ltd. to HMA Udyog Pvt Ltd.)	–	–	1,35,000	0.588
3.	At the End of the year	1,39,53,475	60.778	1,42,63,475	62.128

(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 share holding 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 Investment Fund Ltd	19,45,822	8.475	16,35,822	7.125
2.	UPSIDC Ltd.	21,69,956	9.452	21,69,956	9.452
3.	Modi Industries Limited	10,50,000	4.574	10,50,000	4.574
4.	Status Mark Finvest Ltd	9,86,666	4.298	6,52,666	2.842
5.	Cresta Fund Limited	5,00,000	2.178	5,00,000	2.178
6.	Life Ins. Corp.of India	2,96,482	1.291	2,96,482	1.291
7.	Umesh Kumar Modi	1,11,678	0.486	1,11,678	0.486
8.	Govind Swaroop	1,00,000	0.436	1,00,000	0.344
9.	Laoleen Investment Pvt. Ltd	62,394	0.272	62,394	0.272
10.	Arms Securites. (P)Ltd	58,586	0.255	–	–
11.	Shree Parasram Holding Pvt Ltd	–	–	79,053	0.436
12.	Anupam Securities Pvt. Ltd	–	–	50,595	0.220

(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.	For Each of the Directors and KMP				
2.	At the beginning of the year				
	Directors				
1.	Mr. K. K. Modi	2,33,850	1.019	2,33,850	1.019
2.	Ms. Charu Modi	—	—	—	—
3.	Ms. Aliya Modi	—	—	—	—
4.	Mr. Samir Kumar Modi	25,765	0.112	25,765	0.112
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	—	—	—	—
8.	Mr. S. Lakshminarayanan	—	—	—	—
9.	Mr. Amit Kumar Ghosh	—	—	—	—
10.	Dr. Atchutuni Rao	—	—	—	—
	KMP				
1.	Mr R.K. Malhotra	22,933	0.010	22,933	0.010
2.	Mr. Chintamani Thatte	30	—	30	—
3.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	No Change	Nil	No Change
	At the End of the year				
	Directors				
1.	Mr. K.K. Modi	—	—	2,33,850	1.019
2.	Ms. Charu Modi	—	—	—	—
3.	Ms. Aliya Modi	—	—	—	—
4.	Mr. Samir Kumar Modi	—	—	25,765	0.112
5.	Mr. M.N. Thakkar	—	—	11,417	0.050
6.	Mr. S.K. Alagh	—	—	28,540	0.124
7.	Mr. Sanjay Buch	—	—	—	—
8.	Mr. S. Lakshminarayanan	—	—	—	—
9.	Mr. Amit Kumar Ghose	—	—	—	—
10.	Dr. Atchutuni Rao	—	—	—	—
	KMP				
1.	Mr. R.K. Malhotra	—	—	22,933	1.019
2.	Mr. Chintamani Thatte	—	—	30	—

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
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
Change in Indebtedness during the financial year				
• Addition	26,123.69	Nil	Nil	26,123.69
• Reduction	(8,670.21)	Nil	Nil	(8,670.21)
Net Change	17,453.48	Nil	Nil	17,453.48
Indebtedness at the end of the financial year				
i) Principal Amount	71,308.58	Nil	Nil	71,308.58
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	65.41	Nil	Nil	65.41
Total (i+ii+iii)	71,373.99	Nil	Nil	71,373.99

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/MTD/ Manager			Total Amount ₹ Lakhs
		Mr. K.K. Modi Chairman & Managing Director	Ms. Charu Modi Executive Director	Dr. Atchutuni Rao Whole Time Director	
1.	Gross salary	120.00	240.00	67.57	427.57
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28.70	93.53	16.93	139.16
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	436.48	100.00	–	536.48
	- as % of profit				
	- others, specify...	–	–	–	–
5.	Others, please specify (Retirals)	47.78	81.71	–	129.49
	Total (A)	632.96	515.24	84.50	1,232.70
	Ceiling as per the Act				2,946.71

B. Remuneration to Other Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount
3	Independent Directors	Mr. Sunil K. Alagh	Mr. M.N. Thakkar	Mr. Sanjay Buch	Mr. S Laxminarayanan	
	Fee for attending Board Committee Meetings	9.50	8.50	6.50	5.50	30.00
	Commission	25.00	25.00	25.00	25.00	100.00
	Others	–	–	–	–	–
	Total (1)	34.50	33.50	31.50	30.50	130.00
4	Other Non-Executive Directors	Mr. Samir Modi	Ms. Aliya Modi	Mr. Amit Kumar Ghosh		
	Fee for attending Board Committee Meetings	1.50	3.00	3.25		7.75
	Commission	25.00	25.00	25.00		75.00
	Others	–	–	–		–
	Total (2)	26.50	28.00	28.25	–	82.75
	Total (B) = (1+2)	61.00	61.50	59.75	30.50	212.75
	Total Managerial Remuneration					1,445.45
	Overall Ceiling as per the Act					3,241.39

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					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
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 – Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any – Nil
- (e) Justification for entering into such contracts or arrangements or transactions – Nil
- (f) Date(s) of approval by the Board – Not Applicable
- (g) Amount paid as advances, if any – Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 – Nil

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

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

(K. K. Modi)
Chairman
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 maximise 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 March 31, 2017.

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 (including 2 women Directors), out of which 4 are Non-executive and Independent Directors, 3 Executive Directors, 2 Non-Executive and Non-independent Directors and 1 Nominee Director

of U.P. State Industrial Development Corporation Ltd. (UPSIDC), who is a Senior IAS Officer. Mr. Ranvir Prasad joined the Board w.e.f. 29th June 2017 in place of Mr. Amit Kumar Ghosh who had joined the Board w.e.f. 22nd June 2016 in place of Mr. Manoj Singh. 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 June 22, 2016, September 09, 2016, December 23, 2016 and March 03, 2017. 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	3	Yes	14	2,33,850
Ms. Charu Modi Executive Director	Executive, Promoter	4	No	8	Nil
Mr. Samir K. Modi	Non-Executive Promoter	2	Yes	18	25,765
Ms. Aliya Modi	Non-Executive, Promoter	4	Yes	1	Nil
Mr. M.N. Thakkar	Non-Executive, Independent	4	Yes	5	11,417
Mr. Sunil K. Alagh	Non-Executive, Independent	4	Yes	6	28,540
Mr. Sanjay Buch	Non-Executive, Independent	4	Yes	4	Nil
Mr. Manoj Singh	Nominee	–	NA	3	Nil
Mr. Amit Kumar Ghosh	Nominee	2	No	3	Nil
Mr. Ranvir Prasad	Nominee	–	NA	3	Nil
Mr. S. Lakshminarayanan	Non-Executive, Independent	4	No	5	Nil
Dr. Atchutuni Rao Director - Operations	Executive, Non-Independent	4	Yes	1	Nil

C. AUDIT COMMITTEE

The Board has constituted the 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 2016-17 the Audit Committee held three meetings on June 22, 2016, December 23, 2016 and March 03, 2017.

The scope of the Audit Committee includes the following:

- (i) the 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 statement 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. During the Financial Year 2016-17, the Committee held four meetings on June 22, 2016, September 09, 2016, December 23, 2016 and March 03, 2017. 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 Independent/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 March 31, 2017 are as under:

Directors	Salary ₹	Commission ₹	Perquisites & Retirement Benefits. ₹	Sitting Fees Board/ Committee Meetings ₹
Mr. K. K. Modi Chairman & Managing Director	1,20,00,000	4,36,47,648	54,11,196	-
Ms. Charu Modi Executive Director	2,40,00,000	1,00,00,000	1,64,28,395	-
Mr. Samir K. Modi	-	25,00,000	-	1,50,000
Ms. Aliya Modi	-	25,00,000	-	3,00,000
Mr. M. N. Thakkar	-	25,00,000	-	8,50,000
Mr. Sunil K. Alagh	-	25,00,000	-	9,50,000
Mr. Sanjay Buch	-	25,00,000	-	6,50,000
Mr. S. Lakshminarayanan	-	25,00,000	-	5,50,000
Mr. Manoj Singh/Mr. Amit K. Ghosh*	-	25,00,000	-	3,25,000
Dr. Atchutuni Rao Director - Operations	67,57,110	Nil	16,92,539	Nil

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

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 teamwork, 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 long term 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.

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 November 17, 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

- 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/ WTD/ 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 CEO 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 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

G. ANNUAL GENERAL MEETINGS

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

Year	Type	Location	Date	Time
31.03.2016	AGM	Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018	23.09.2016	11.00 A.M
31.03.2015	AGM	Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018	16.09.2015	11.00 A.M
31.03.2014	AGM	Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018	22.09.2014	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 Ms. Aliya Modi as Director of the Company, appointment and payment of remuneration to Dr. Atchutuni Rao, as Whole Time 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.

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 March 31, 2017, 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 2016-17, the Committee held three meetings on June 22, 2016, December 23, 2016 and March 03, 2017.

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. Amit Kumar Ghosh as Members and Mr. Chintamani Thatte as Secretary of the Committee.

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 2016-17, the Committee held two meetings on June 22, 2016 and March 03, 2017.

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 consideration and approval by the Committee and then are placed before the Board and shareholders whenever 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 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 March 31, 2017. 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 Directors Report.

J. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting:

Date and Time	Friday, September 15, 2017 at 11.00 A.M
Venue	Rama and Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020

2. Financial Year:

The Company follows April-March Financial Year.

3. Book Closure : Saturday, the September 9, 2017 to Friday, the September 15, 2017 (both days inclusive)

4. Dividend for the year ended March 31, 2017.

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-

- 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 September 8, 2017.
- 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 September 15, 2017.

5. Unpaid/Unclaimed Dividend:

No amount of dividends for the Accounting years upto March 31, 2007 are unclaimed / unpaid since no dividend had been declared for these years and in respect of Dividend for the year ended March 31, 2010, March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2016 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 March 31, 2009 has been transferred to Investor Protection & Education Fund in terms of provisions of Companies Act, 2013.

6. Demat ISIN No.in NSDL & CDSL :

INE 07II01016 Fully Paid-up Equity Shares, ₹ 10/- per share

IN907II01014 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 March 31, 2017 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.

8. Distribution of Shareholding

Distribution of shareholding of Equity Shares as on March 31, 2017

No. of Equity Shares held	No. of Shareholders	% age of Shareholders	No. of Shares held	%age of Shareholding
1 – 500	7,611	95.149	7,01,913	3.057
501 – 1000	175	2.188	1,27,898	0.557
1001 – 2000	83	1.038	1,16,429	0.507
2001 – 3000	17	0.213	45,412	0.198
3001 – 4000	11	0.138	39,714	0.173
4001 – 5000	17	0.213	77,440	0.337
5001 – 10000	27	0.338	2,05,053	0.893
10001 and above	58	0.725	2,16,44,363	94.277
Total :	7,999	100.00	2,29,58,222	100.00

9. Dematerialisation of Shares

There were 3,807 shareholders holding 1,99,33,976 shares in electronic form, which constitutes 86.83% of the Paid-up Equity Share Capital of the Company as on March 31, 2017. Balance 4,192 shareholders holding 30,24,246, shares, constituting 13.17% of the paid-up capital, are held in physical form. 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's 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, as the CFO, was placed before the Board of Directors at its meeting held on June 29, 2017.

13. Plant Locations

Thane Off, S.V.Road, Azad Nagar,
Sandoz Bauge, Thane - 400 607 (Maharashtra)
Tel. No.: (022) 67999100

Dahej 1. Plot No. Z-7-1 / Z8, SEZ Area, Dahej SEZ Limited,
Taluka Vagra, Dist. Bharuch, Gujarat - 392 130
Tel. No.: (2641) 304101

2. Plot No. Z12, SEZ Area, Dahej SEZ Limited, Taluka Vagra, Dist. Bharuch, Gujarat - 392 130
Tel. No.: (2641) 677200

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 - 110 020
Tel. No.: 011-26387281-82-83
Tel. No.: 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 - 400 059
Tel. No.: (022) - 66637373
Tel. No.: (022) - 28322272
Investor-icc@modi.com
CIN: U24110MH1993PLC070713

Independent Auditor's Report

TO THE MEMBERS OF INDOFIL INDUSTRIES LIMITED

1. REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Standalone Ind AS Financial Statements of Indofil Industries Limited ("the Company"), comprising the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Standalone Ind AS Financial Statements").

2. MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2017 and its financial performance including Other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- e. On the basis of the written representations received from the Directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 2017 on its financial position in its Standalone Ind AS Financial Statements – Refer Note 36 to the Standalone Financial Statements;
- ii. The Company has long term contracts including derivative contracts. However no provision is required to be made for any foreseeable loss in respect thereof. Accordingly, no such provision is reflected in Standalone Ind AS Financial Statements;
- iii. There were no amounts which were required to be transferred as on March 31, 2017 to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the Standalone Ind AS Financial Statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 13 to the Standalone Ind AS Financial Statements.

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

H.G. BUCH
Partner

Membership No. 033114

Place : Mumbai
Date : June 29, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 5.1 of the Independent Auditor's Report of even date to the members of Indofil Industries Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2017.]

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of Immovable property are held in the name of the Company.
- (ii) Inventories (other than stocks-in-transit) have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks-in-transit at the year-end, the necessary documentary evidences have been obtained. In case of stocks lying with third parties, certificates confirming such stocks have been received in respect of stocks held as on March 31, 2017. 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, Professional Tax and other material statutory dues applicable to it with the appropriate authorities and there were no arrears of outstanding statutory dues as on March 31, 2017 for a period of more than six months from the date they became payable.
- (b) On the basis of the books and records examined by us, as applicable, given herein below are the details of dues of Sales-tax, Service Tax, Excise

Duty and cess and Entry tax which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the Statute	Nature of dues	Financial years to which the matter pertains	Forum where matter is pending	Gross Liability (₹ in Lakhs)	Payment made (₹ in Lakhs)	Net Liability (₹ in Lakhs)
Madhya Pradesh VAT Act, 2002	Sales Tax MP	2012-13	Addl. Comm.	189.64	18.96	170.68 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 Maha	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
Gujarat VAT Act, 2003	Sales Tax Gujarat	2011-12 / 2012-13	Hon. Tribunal/ Jt. Comm.	938.45	57.00	881.45 ²
Central Sales Tax Act, 1956	Sales Tax	2000-01/ 2003-04/ 2004-05/ 2005-06/ 2006-07/ 2007-08/ 2008-09/ 2009-10/ 2011-12/ 2012-13	Dy. Comm./Addl. Comm./ Jt. Comm. / Hon. Tribunal	660.10	124.89	535.21 ³
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
				2,112.16	258.18	1,853.98

Note (1), (2) and (3) : As informed to us, liability to the extent of ₹170.68 Lakhs, ₹ 881.45 Lakhs and ₹ 343.44 Lakhs respectively is unlikely to materialise, as the necessary forms have been submitted to the respective authorities.

- (viii) The Company has not defaulted in the repayment of loans or borrowings to the bank.
- (ix) The term loans have been applied for the purpose for which they were obtained.
- (x) 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) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Indian Accounting Standards.
- (xiv) As per the documents and records examined by us and the information and explanation given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The Company has not entered into any non-cash transaction during the year with Directors or persons connected with him as contemplated in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

H.G. BUCH
Partner
Membership No. 033114

Place : Mumbai
Date : June 29, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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, 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

2. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial

reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statement.

5. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

6. OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Reg. No. 100991W

H.G. BUCH
Partner
Membership No. 033114

Place : Mumbai
Date : June 29, 2017

Standalone Balance Sheet

as at March 31, 2017

₹ in Lakhs

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non - Current Assets				
Property, Plant & Equipment	3	44,357.21	26,734.19	24,688.87
Capital Work - In - Progress	3	4,457.84	15,769.82	5,397.35
Investment Property	3	–	–	–
Other Intangible Assets	3	7,231.79	7,276.96	6,337.70
Intangible Assets under Development	3	9,196.83	8,988.30	8,345.16
Financial Assets				
(i) Investments	4	16,201.60	15,610.96	14,901.83
(ii) Loans	5	911.29	2,067.81	2,141.87
(iii) Others	6	836.59	889.23	506.18
Deferred Tax Assets	7	3,284.21	3,369.32	3,455.96
Non - Current Tax Assets	8	824.18	–	87.17
Other Non - Current Assets	9	4,396.82	2,654.35	1,391.91
Total Non - Current Assets		91,698.36	83,360.94	67,254.00
Current Assets				
Inventories	10	27,715.91	26,324.15	27,664.28
Financial Assets				
(i) Investments	11	4,553.74	–	–
(ii) Trade Receivables	12	60,434.73	44,052.30	42,945.73
(iii) Cash & Cash Equivalents	13	20,327.91	2,689.96	1,387.40
(iv) Bank Balance other than (iii) above	14	615.32	213.39	69.03
(v) Loans	15	555.00	1,175.00	900.00
(vi) Others	16	328.25	445.47	1,266.50
Other Current Assets	17	3,467.26	2,418.89	2,829.09
Total Current Assets		117,998.12	77,319.16	77,062.03
TOTAL ASSETS		209,696.48	160,680.10	144,316.03

Standalone Balance Sheet

as at March 31, 2017

₹ in Lakhs				
Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	18	2,135.11	2,135.11	2,135.11
Other Equity		92,400.38	72,283.98	57,190.08
Total Equity		94,535.49	74,419.09	59,325.19
Liabilities				
Non - Current Liabilities				
Financial Liabilities				
(i) Borrowings	19	39,418.10	18,924.60	10,497.61
(ii) Other Financial Liabilities	20	1,354.24	1,293.60	1,250.80
Provisions	21	1,024.52	851.30	699.10
Total Non - Current Liabilities		41,796.86	21,069.50	12,447.51
Current Liabilities				
Financial Liabilities				
(i) Borrowings	22	28,413.64	32,007.53	41,762.12
(ii) Trade Payables	23	19,311.79	15,125.17	17,726.94
(iii) Other Financial Liabilities	24	20,878.69	13,350.53	10,480.17
Other Current Liabilities	25	4,065.89	3,459.93	2,053.94
Provisions	26	694.12	611.58	520.16
Current Tax Liabilities (Net)	8		636.77	
Total Current Liabilities		73,364.13	65,191.51	72,543.33
Total Liabilities		115,160.99	86,261.01	84,990.84
TOTAL EQUITY AND LIABILITIES		209,696.48	160,680.10	144,316.03
Corporate Information	1			
Significant Accounting Policies	2			
Notes on Accounts	3-48			

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

H.G. BUCH
Partner
Membership No. 033114

Mumbai, June 29, 2017

R.K. Malhotra
Group CEO

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

M.N. Thakkar
Sanjay Buch
Sunil Alagh
Dr. Atchutuni L. Rao

Directors

Mumbai, June 29, 2017

Standalone Statement of Profit and Loss

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
INCOME			
Revenue from Operations	27	189,296.37	170,869.69
Other Income	28	1,663.20	685.08
Total Income		190,959.57	171,554.77
EXPENSES			
Excise Duty on Sale of Goods		13,560.22	11,754.10
Cost of Material Consumed	29	74,542.65	73,541.96
Purchase of Stock In Trade	30	10,832.95	8,394.72
Changes in Inventories of Finished Goods / Stock in Trade	31	1,890.62	1,784.20
Employee Benefit Expenses	32	13,724.72	12,187.16
Finance Cost	33	3,464.69	5,096.06
Depreciation and Amortisation	3	4,692.14	3,303.14
Other Expenses	34	40,171.90	34,087.18
Total Expenses		162,879.89	150,148.52
Profit Before Tax		28,079.68	21,406.25
Tax Expenses			
Current Tax		6,175.23	4,805.52
Deferred Tax		(1,815.70)	508.72
MAT Credit (Entitlement) / Utilisation		1,922.73	(427.00)
(Excess) / Short Provision of Earlier Years		(6.79)	-
Profit After Tax		21,804.21	16,519.01
Other Comprehensive Income not to be reclassified to			
Profit & Loss in subsequent years			
Re-measurement of Gains / (Losses) on Defined Benefit Plans		(346.32)	(250.21)
Net Gain / (Loss) on FVOCI Equity Securities		110.51	29.72
Income Tax relating to aforesaid items		97.15	50.59
Total Other Comprehensive Income for the year		(138.66)	(169.90)
Total Comprehensive Income for the year		21,665.55	16,349.11
Earnings Per Share - Basic & Diluted (₹)		102.12	77.37
Corporate Information	1		
Significant Accounting Policies	2		
Notes on Accounts	3-48		

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Mumbai, June 29, 2017

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Sanjay Buch
Sunil Alagh
Dr. Atchutuni L. Rao } Directors

Mumbai, June 29, 2017

Statement of Cash Flow

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	28,079.67	21,406.23
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortisation	4,692.14	3,303.14
Finance Cost	3,464.70	5,096.06
Interest Income	(333.55)	(322.25)
Dividend Income	(1.14)	(1.43)
Profit on Sale of Investments	(67.38)	-
Guarantee Commission	(327.50)	(359.80)
Sundry Balances Written Back	(15.45)	(6.17)
(Profit) / Loss on Sale of Assets	3.69	2.59
(Gain) / Loss on Fair Valuation of Investments	(55.78)	8.53
Bad Debts	10.43	-
Provision for Bad and Doubtful Debts	701.12	8,071.28
Operating Profit Before Changes in Working Capital	36,150.95	29,846.80
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(17,093.98)	(1,826.47)
(Increase) / Decrease in Inventories	(1,391.75)	1,340.12
(Increase) / Decrease in Other Financial Assets	107.31	332.83
(Increase) / Decrease in Other Non - Financial Assets	(2,790.86)	(852.22)
Increase / (Decrease) in Trade Payables	4,202.06	(2,595.60)
Increase / (Decrease) in Other Financial Liabilities	6,625.88	3,495.02
Increase / (Decrease) in Provisions	(83.78)	(6.58)
Increase / (Decrease) in Other Non - Financial Liabilities	605.97	(9,819.15)
Cash Generated from Operations	26,331.80	31,139.89
Less: Taxes Paid (Net of refund received)	(7,560.96)	(4,026.06)
Net Cash Flow From operating Activity (A)	18,770.84	27,113.83
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment & Intangible Assets	(11,170.23)	(17,311.50)
Sale of Property, Plant & Equipment & Intangible Assets	-	5.57
Investments during the year	(4,910.72)	(687.94)
Financial Assets - Loans (Made) / Repaid	1,776.52	(200.94)
Interest Received	396.10	427.41
Dividend Received	1.14	1.43
Guarantee Commission	327.50	359.80
Net Cash Flow From Investing Activity (B)	(13,579.69)	(17,406.17)

Statement of Cash Flow

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
C CASH FLOW FROM FINANCING ACTIVITY		
Receipt of Long Term Borrowings	26,123.69	10,731.95
Repayment of Long Term Borrowings	(4,643.55)	(2,908.56)
Increase / (Decrease) in Short Term Borrowings	(3,593.89)	(9,754.59)
Deposits and Margin Money	(401.92)	(144.36)
Finance Cost	(3,497.45)	(5,083.43)
Corporate Dividend (incl. Dividend Distribution Tax)	(1,540.08)	(1,246.11)
Net Cash Flow From Financing Activity (C)	12,446.80	(8,405.10)
Net Cash Flow For The Year (A + B + C)	17,637.95	1,302.56
Add: Opening Balance of Cash & Cash Equivalents	2,689.96	1,387.40
Closing Balance of Cash & Cash Equivalents	20,327.91	2,689.96
Corporate Information	1	
Significant Accounting Policies	2	
Notes on Accounts	3-48	

As per our report attached
For **BANSI S. MEHTA & CO.,**
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R.K. Malhotra
Group CEO

For and on behalf of the Board of Directors

K.K. Modi
Chairman and Managing Director

H.G. BUCH
Partner
Membership No. 033114

Chintamani D Thatte
Head Compliance & Company Secretary

Charu Modi
Executive Director

Mumbai, June 29, 2017

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Chief Financial Officer

M.N. Thakkar
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Dr. Atchutuni L. Rao } Directors

Mumbai, June 29, 2017

Statement of Changes in Equity

for the year ended March 31, 2017

A. EQUITY SHARE CAPITAL

	₹ in lakhs
Particulars	
Balance as at April 01, 2015	2,135.11
Add: Changes in Equity Share Capital during the FY. 2015-16	-
Balance as at March 31, 2016	2,135.11
Add: Changes in Equity Share Capital during the FY. 2016-17	-
Balance as at March 31, 2017	2,135.11

B. OTHER EQUITY

	₹ in lakhs						
Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Total
Balance as at April 01, 2015	508.00	10,804.26	1.36	4,972.79	40,903.67		57,190.08
Profit for the period					16,519.01		16,519.01
Other Comprehensive Income							-
- Remeasurements gains / (loss) on defined benefit plans					(250.21)		(199.62)
- Fair value gain on FVOCI financial asset						29.72	29.72
Income Tax relating to aforesaid items					50.59		
Dividends on Shares paid during the year					(1,041.89)		(1,041.89)
Dividend Distribution Tax paid during the year					(213.32)		(213.32)
Balance as at March 31, 2016	508.00	10,804.26	1.36	4,972.79	55,967.85	29.72	72,283.98
Profit for the period					21,804.21		21,804.21
Other Comprehensive Income							-
- Remeasurements gains / (loss) on defined benefit plans					(346.32)		(249.17)
- Fair value gain on FVOCI financial asset						110.51	110.51
Income Tax relating to aforesaid items					97.15		
Dividends on Shares paid during the year					(1,281.07)		(1,281.07)
Dividend Distribution Tax paid during the year					(268.08)		(268.08)
Balances at March 31, 2017	508.00	10,804.26	1.36	4,972.79	75,973.74	140.23	92,400.38

Statement of Changes in Equity

for the year ended March 31, 2017

Nature and Purpose of the Reserves

Capital Redemption Reserve

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

Securities Premium

Security premium account is created on shares issued at premium. A company may utilise the security premium reserve account as per the requirements of the Companies Act.

Capital Reserve

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

General Reserve

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

C. DIVIDENDS PAID / PROPOSED DURING THE YEAR

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Corporate Dividend Paid During the year		
Dividend Paid (₹ in lakhs)	1,281.07	1,041.89
Dividend Per Fully Paid Up Share	6.00	5.00
Corporate Dividend Proposed for the year		
Dividend Proposed (₹ in lakhs)	1,708.09	1,281.07
Dividend Per Fully Paid Up Share	8.00	6.00

Corporate Information	1
Significant Accounting Policies	2
Notes on Accounts	3-48

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Mumbai, June 29, 2017

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 1: CORPORATE INFORMATION

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

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

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on June 29, 2017.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of the Companies Act 2013 ("the Act") with effect from April 01, 2016

The Financial Statements for the year ended March 31, 2017 have been prepared in accordance with the Ind AS issued and effective as at the reporting date. Previous periods have been restated in line with Ind AS.

The Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Indian GAAP") to Ind AS, of the Shareholders' Equity as at March 31, 2016 and April 01, 2015 and of the Total Comprehensive Income for the year ended March 31, 2016.

2.2 Basis of preparation

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

2.3 Use of Estimates and Judgements

The preparation of the financial statements, in conformity with the recognition and measurement

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

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

- Measurement of Defined Benefit Obligation – Note No. 42
- Measurement and likelihood of occurrence of provisions and contingencies – Note No. 21, 26 and 36
- Recognition of Deferred Tax Assets / (Liabilities) – Note No. 7
- Key Assumptions used in Fair Valuation Methods of Financial Assets – Note No. 41
- Impairment of Financial Assets (Trade Receivables) – Note No. 8

2.4

Classification of Assets and Liabilities

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

2.5

Property, Plant and Equipment

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

Cost of acquisition for the aforesaid purpose comprises its purchase price, including import

Notes forming part of Financial Statements

for the year ended March 31, 2017

duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, net of trade discounts, rebates and credits received, if any.

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

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

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

Upon first time adoption of Ind AS, the Company has elected to measure all its Property, Plant and Equipment at the Indian GAAP carrying amount as its deemed cost on the date of transition to Ind AS, i.e., April 01, 2015.

2.6 Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Subsequently, Intangible Assets are carried at cost less any accumulated amortisation and impairment losses.

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

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

2.7 Research and Development Cost

Revenue expenditure on Research and Development is charged off as expense in the

year in which it is incurred under the respective natural heads of account. Expenditure resulting in creation of Capital Assets (Including Intangibles) is capitalised and depreciated / amortised accordingly.

2.8 Investments

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

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Indian GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e. April 01, 2015

2.9 Inventories

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

2.10 Financial instruments

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

Financial Assets

- **Initial recognition and measurement**
On initial recognition, a financial asset is recognised at fair value. In case of Financial Assets which are recognised at fair value through profit and loss (FVTPL),

Notes forming part of Financial Statements

for the year ended March 31, 2017

its transaction costs are recognised in the Statement of Profit and Loss, while in other cases, the transaction costs are attributed to the acquisition value of the financial asset.

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

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

Financial Assets at Amortised Cost

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

Financial Assets at Fair Value through Other Comprehensive Income

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

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

Financial Assets at Fair Value through Profit and Loss

Financial Assets are measured at fair value through Profit and Loss unless it is measured

at amortised cost or at Fair Value through Other Comprehensive Income on initial recognition.

Cash and Cash Equivalents

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

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

Financial liabilities

- **Initial recognition and measurement**
On initial recognition, all financial liabilities are recognised at fair value and in case of loans and borrowings, net of directly attributable transaction costs.
- **Subsequent measurement**
Financial Assets are subsequently classified as measured at
 - Amortised cost
 - Fair Value through Profit and Loss (FVTPL)

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

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

Offsetting of financial instruments

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

Notes forming part of Financial Statements

for the year ended March 31, 2017

2.11 Impairment

● Financial Assets (Other than at Fair Value)

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

● Non – Financial Assets

If internal/external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset/cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset/cash generating unit is reduced to the said recoverable amount.

The recoverable amount is measured as the higher of the fair value less cost of disposal and value in use of such assets/cash generating unit, which is determined by the present value of the estimated future cash flows.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment, a reversal of an impairment loss for an asset is recognised in the Statement of Profit and Loss.

2.12 Provisions and Contingent Liabilities / Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable

estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A present obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets are not recognised and are disclosed when inflow of economic benefits is probable

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.13

Revenue Recognition

Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of the contracts, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will flow from the sale of goods.

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

Notes forming part of Financial Statements

for the year ended March 31, 2017

Income from Export Benefit Entitlement under the Duty Drawback Scheme / Focus Market Scheme / Focus Product Scheme of the Government of India are recognised in the year in which the Revenue from related Export Sales is accounted for. Advance License Benefits on Exports are recognised in the year of utilisation of license.

Insurance claims are accounted upon acceptance of claims.

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

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

2.14 Foreign Currencies

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

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

Non – monetary foreign currency items are carried at cost translated at an exchange rate prevailing on the date of transaction.

Exchange difference arising on settlement or restatement of foreign currency denominated liabilities existing as on / incurred on or after 01.04.2011 but before 31.03.2016 relating to acquisition of depreciable capital assets, have been added to/deducted from the cost of the respective asset and depreciated over the balance life of the asset.

2.15 Employee Benefits

Defined Contribution Plans

Company's contributions paid/payable during the year to Employees' Provident Fund, Family Pension Fund, ESIC, Labour Welfare Fund,

Superannuation Fund are recognised in the Statement of Profit and Loss.

Defined Benefit Plans

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

Service Cost (Both Current and Past) and Net Interest Expenses or Income is recognised as expenses in the Statement of Profit and Loss.

Any difference between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised immediately in Other Comprehensive Income and subsequently not reclassified to the Statement of Profit and Loss.

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

The Retirement Benefit Obligation recognised in the Balance Sheet represents the present value of the Defined Benefit Obligation reduced by the Fair Value of the Plan Assets.

2.16

Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such assets are ready for their intended use.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognised as expense in the Statement of Profit and Loss in the period in which they are incurred.

2.17

Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments

Notes forming part of Financial Statements

for the year ended March 31, 2017

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

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

2.18 Taxes

Income Tax expenses comprise of Current Tax and Deferred Tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognised directly in Equity or in Other Comprehensive Income, in which case, the same are recognised therein.

Current Income Tax

Provision for Current Tax is made on the basis of taxable income for the current year in accordance with the provisions of Income Tax Act, 1961 ("the IT Act"). Credit for Minimum Alternate Tax (MAT) is recognised in respect of liability under MAT provisions, based on expected tax liability under normal provisions of the IT Act during the period specified thereunder.

Deferred Tax

Deferred Tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A Deferred Tax Liability is recognised based on the expected realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted, by the end of the reporting period. Deferred Tax Asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred Tax Assets and Deferred Tax Liabilities are reviewed at each reporting date.

2.19 Earnings Per Share

Basic earnings per share is computed by dividing the net profits for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Gross Block (at cost)			Depreciation / Amortisation			Net Block		₹ in Lakhs
	As at April 1, 2016	Additions / Transfers	Deductions	As at March 31, 2017	As at April 1, 2016	For The Year	On Deductions	As at March 31, 2017	
(A) TANGIBLE ASSETS									
Land - Freehold	176.54	–	–	176.54	–	–	–	176.54	176.54
Factory Buildings	5,151.03	5,787.18	–	10,938.21	2,075.20	522.38	–	2,597.58	8,340.63
Non-Factory Buildings ^{2 4}	9,951.15	390.38	–	10,341.53	2,094.96	462.47	–	2,557.43	7,784.10
Culverts	–	19.69	–	19.69	–	0.77	–	0.77	18.92
Plant & Machinery ⁴	16,839.97	10,672.95	–	27,512.92	4,552.78	986.99	–	5,539.77	21,973.15
Other Plant Equipment	2,321.83	1,754.11	–	4,075.94	579.78	467.33	–	1,047.11	3,028.83
Electrical Installation & Equipment	–	1,157.58	–	1,157.58	–	124.20	–	124.20	1,033.38
Furniture & Fixture	646.48	76.67	–	723.15	444.31	64.89	–	509.20	213.95
Vehicles ¹	1,815.51	246.10	–	2,061.61	1,350.57	211.59	–	1,562.16	499.45
Office Equipments	902.26	173.35	–	1,075.61	789.51	75.06	–	864.57	211.04
Roads	–	437.04	–	437.04	–	60.98	–	60.98	376.06
Computers	671.57	72.68	–	744.25	533.26	82.26	–	615.52	128.73
Capital Expenditure On Research & Development									
Buildings	426.69	–	–	426.69	150.98	28.65	–	179.63	247.06
Plant & Machinery	881.19	–	–	881.19	485.22	75.43	–	560.65	320.54
Furniture & Fixture	23.54	–	–	23.54	17.43	1.67	–	19.10	4.44
Other Equipments	4.33	–	–	4.33	3.90	0.04	–	3.94	0.39
Total - Tangible Assets	39,812.09	20,787.73	–	60,599.82	13,077.90	3,164.71	–	16,242.61	44,357.21
(B) INTANGIBLE ASSETS									
Patents and Know-how in respect of Acquired Business	1,679.13	–	–	1,679.13	518.00	167.90	–	685.90	993.23
Scientific Research Expenditure for Product Development	8,743.81	1,430.55	–	10,174.36	2,682.31	1,339.03	–	4,021.34	6,153.02
Software Licences	62.07	51.71	–	113.78	7.74	20.50	–	28.24	85.54
Total - Intangible Assets	10,485.01	1,482.26	–	11,967.27	3,208.05	1,527.43	–	4,735.48	7,231.79
(C) CAPITAL WORK IN PROGRESS ³									
	15,769.82	7,879.27	19,191.25	4,457.84	–	–	–	–	4,457.84
(D) INTANGIBLES UNDER DEVELOPMENT									
Scientific Research for Product Under Development	8,988.30	1,647.66	1,439.13	9,196.83	–	–	–	–	9,196.83
(E) INVESTMENT PROPERTY ⁵									
Total (A)+(B)+(C)+(D)+(E)	75,055.22	31,796.92	20,630.38	86,221.76	16,285.95	4,692.14	–	20,978.09	65,243.67
Previous Year's Total	57,783.40	22,164.29	4,892.49	84,840.18	13,014.33	3,303.14	31.54	16,349.00	68,491.17
									44,769.07

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Gross Block (at cost)			Depreciation / Amortisation			Net Block		₹ in Lakhs
	As at April 1, 2015	Additions / Transfers	Deductions	As at March 31, 2016	As at April 1, 2015	For The Year	On Deductions	As at March 31, 2016	
(A) TANGIBLE ASSETS									
Land - Freehold	176.54	-	-	176.54	-	-	-	176.54	176.54
Factory Buildings	5,078.02	73.01	-	5,151.03	1,755.92	319.28	-	2,075.20	3,322.10
Non-Factory Buildings ^{2 4}	8,464.46	1,486.68	-	9,951.14	1,708.14	386.82	-	2,094.96	6,756.32
Culverts	-	-	-	-	-	-	-	-	-
Plant & Machinery ⁴	16,035.94	804.03	-	16,839.97	3,824.79	728.01	-	4,552.80	12,211.15
Other Plant Equipment	937.93	1,383.91	-	2,321.84	426.02	153.76	-	579.78	511.91
Electrical Installation & Equipment	-	-	-	-	-	-	-	-	-
Furniture & Fixture	600.39	46.09	-	646.48	373.52	70.78	-	444.30	226.87
Vehicles ¹	1,699.00	156.20	39.70	1,815.50	1,186.38	195.74	31.54	1,350.58	512.62
Office Equipments	872.90	29.36	-	902.26	697.16	92.35	-	789.51	175.74
Roads	-	-	-	-	-	-	-	-	-
Computers	547.76	123.81	-	671.57	451.09	82.17	-	533.26	96.67
Capital Expenditure on Research & Development									
Buildings	426.69	-	-	426.69	118.90	32.08	-	150.98	307.79
Plant & Machinery	787.42	93.78	-	881.20	405.43	79.78	-	485.21	381.99
Furniture & Fixture	23.54	-	-	23.54	14.84	2.58	-	17.42	8.70
Other Equipments	4.33	-	-	4.33	3.86	0.04	-	3.90	0.47
Total - Tangible Assets	35,654.92	4,196.87	39.70	39,812.09	10,966.05	2,143.39	31.54	13,077.90	24,688.87
(B) INTANGIBLE ASSETS									
Patents and Know-how in Respect of Acquired Business	1,679.13	-	-	1,679.13	350.09	167.91	-	518.00	1,329.04
Scientific Research Expenditure for Product Development	6,706.84	2,036.97	-	8,743.81	1,698.18	984.13	-	2,682.31	5,008.66
Software Licences	-	62.07	-	62.07	-	7.74	-	7.74	54.33
Total - Intangible Assets	8,385.97	2,099.04	-	10,485.01	2,048.27	1,159.78	-	3,208.05	6,337.70
(C) CAPITAL WORK IN PROGRESS ³									
	5,397.35	13,188.29	2,815.82	15,769.82	-	-	-	15,769.82	5,397.35
(D) INTANGIBLES UNDER DEVELOPMENT									
Scientific Research Expenditure for Product Under Development	8,345.16	2,680.11	2,036.97	8,988.30	-	-	-	8,988.30	8,345.16
(E) INVESTMENT PROPERTY ⁵									
TOTAL (A)+(B)+(C)+(D)+(E)	57,783.40	22,164.31	4,892.49	75,055.22	13,014.32	3,303.17	31.54	16,285.95	44,769.08

Notes forming part of Financial Statements

for the year ended March 31, 2017

- 1 Includes Assets taken on Hire Purchase :-

₹ in Lakhs						
Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Cost Value	W.D.V	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 ₹ 328.03 lakhs (31 March 2016: ₹ 334.16 lakhs, 1 April 2015: ₹ 385.39 lakhs) capitalised during the year in terms of Para 8 of the “Indian Accounting Standard 23- Borrowing Costs” and Employee Cost of ₹ 160.87 lakhs (March 31, 2016: ₹ 142.59 lakhs, April 1, 2015: ₹ 111.92 lakhs). The Effective Interest Rate (EIR) used to determine the amount of borrowing cost eligible for capitalisation is the EIR of the specific borrowing”
- 4 Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets ₹ 415.54 lakhs (March 31, 2016: ₹ 409.35 lakhs and April 1, 2015: ₹ 112.63 lakhs) capitalised during the year in terms of Para 7AA of “Indian Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates”. Unamortised Amount as at the year end was ₹ 1,191.51 lakhs (March 31, 2016: ₹ 900.08 lakhs and April 1, 2015: ₹ 518.04 lakhs)
- 5 Property at Sameer Vihar, Modi Nagar yielding rental income to the Company is not recognised as Investment Property due to non availability of reliable measurement of cost. The Fair Value of the said Investment Property based on the Management Estimate is ₹ 2,609.88 lakhs as at the year end.

Notes forming part of Financial Statements

for the year ended March 31, 2017

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
INVESTMENT IN EQUITY INSTRUMENTS						
Investment in Subsidiaries (Unquoted At Cost)						
Indofil Industries (Netherlands) B.V. (Face Value - Euro 1 /- each)	100,000	8,584.44	100,000	8,584.44	100,000	8,513.11
Indofil Industries (International) B.V. (Face Value - Euro 1 /- each)	100,000	70.28	—	—	—	—
Indofil Bangladesh Industries Pvt. Ltd. (Face Value - BDT 100 /- each)	319,993	264.45	233,907	189.94	109,386	87.31
Indofil Costa Rica, S.A. (Face Value - Costa Rican Colon 1000 /- each)	10	0.01	10	0.01	10	0.01
Quick Investment (India) Ltd. (Face Value - ₹ 100 /- each)	12,515	342.27	10,015	10.01	10,015	10.01
Good Investment (India) Ltd. (Face Value - ₹ 100 /- each)	70,105	2,173.26	70,105	2,173.26	70,105	2,173.26
Investment in Joint Venture (Unquoted At Cost)						
Indobaijin Chemicals Pvt. Ltd. (Face Value - ₹ 100 /- each)	4,366,096	4,366.10	4,366,096	4,366.10	3,852,113	3,852.11
Hifil Chemicals Pvt. Ltd. (Face Value - ₹ 10 /- each)	4,900	0.49	4,900	0.49	4,900	0.49
Others (Quoted At Fair Value)						
Modi Rubber Ltd. (Face Value - ₹ 10 /- each)	214,211	197.93	214,211	95.00	214,211	62.34
Union KBC Mutual Fund (Face Value - ₹ 10 /- each)	249,990	35.45	249,990	32.37	249,990	40.90
Others (Unquoted At Fair Value)						
The Cosmos Co-Op. Bank Ltd. (Face Value - ₹ 100 /- each)	14,250	70.79	14,250	70.79	14,250	84.50
KKM Management Centre Pvt. Ltd. (Face Value - ₹ 10 /- each)	338,100	96.13	338,100	88.55	338,100	77.79
Total		16,201.60		15,610.96		14,901.83
		₹ in Lakhs		₹ in Lakhs		₹ in Lakhs
Aggregate Amount of Quoted Investment & Market Value thereof		233.38		127.37		103.24
Aggregate amount of Unquoted Investments		15,968.22		15,483.59		14,798.59
Aggregate amount of impairment in value of Investments		—		—		—

Notes forming part of Financial Statements

for the year ended March 31, 2017

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

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured Considered Good			
Loan to Related Parties	836.07	1,981.91	2,041.42
Secured Considered Good			
Loan to Employees	75.22	85.90	100.45
Total	911.29	2,067.81	2,141.87

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

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security and Other Deposits	609.38	480.09	380.82
Fixed Deposits maturing after 12 months	227.21	409.14	125.36
Total	836.59	889.23	506.18

NOTE 7: DEFERRED TAX ASSETS

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred Tax Assets			
Other items giving rise to temporary differences	1,401.91	1,100.25	769.84
MAT Credit Entitlement	6,377.58	8,278.39	7,856.31
	7,779.49	9,378.64	8,626.15
Deferred Tax Liabilities			
Accelerated depreciation for tax purposes	(4,495.28)	(6,009.32)	(5,170.19)
	(4,495.28)	(6,009.32)	(5,170.19)
Net Deferred Tax Assets	3,284.21	3,369.32	3,455.96

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

₹ in Lakhs			
Particulars	Deferred Tax Assets		Deferred Tax Liabilities
	MAT Credit Entitlement	Items giving rise to temporary differences	Accelerated Depreciation for Tax Purpose
Balance as at April 01, 2015	7,856.31	769.84	(5,170.19)
MAT Credit Entitlement / (Utilisation) during FY. 2015-16	422.07	—	—
DTA on Items giving rise to temporary differences	—	330.42	—
DTL on Accelerated Depreciation for tax purpose	—	—	(839.13)
Balance as at March 31, 2016	8,278.38	1,100.26	(6,009.32)
MAT Credit Entitlement / (Utilisation) during FY. 2016-17	(1,900.81)	—	—
DTA on Items giving rise to temporary differences	—	301.66	—
DTA on Accelerated Depreciation for tax purpose	—	—	1,514.04
Closing Balance as at March 31, 2017	6,377.57	1,401.92	(4,495.28)

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 8: NON - CURRENT TAX ASSETS / (LIABILITIES)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non Current Tax Asset / (Liabilities) [Net]	824.18	(636.77)	87.17
Total	824.18	(636.77)	87.17

Reconciliation of Effective Tax Rates

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Statutory Income Tax Rate	34.61%	34.61%
Differences due to:		
Temporary Differences	(4.52%)	0.23%
Income Tax Incentives	(10.20%)	(12.03%)
Others	2.49%	0.02%
Effective Tax Rate	22.37%	22.83%

NOTE 9: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Long Term Trade Receivables	2,452.67		1,751.55		1,031.65	
Less: Impairment Allowance	(2,452.67)	–	(1,751.55)	–	(1,031.65)	–
Capital Advances		2,416.66		1,900.95		672.04
Prepaid Leases		1,615.33		430.33		450.76
Balances with Govt. Authorities under Litigation		364.83		323.07		269.11
Total		4,396.82		2,654.35		1,391.91

NOTE 10: INVENTORIES

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At Lower of Cost or Net Realisable Value			
Raw Materials	7,909.43	5,908.25	5,416.52
Raw Materials in Transit	3,789.23	2,823.29	2,854.88
Finished Goods	12,423.21	14,105.88	15,703.01
Finished Goods in Transit	219.63	–	–
Stock in Trade	2,860.30	3,068.25	3,255.32
Stores and Spares	514.11	418.48	434.55
Total	27,715.91	26,324.15	27,664.28

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 11: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
INVESTMENT IN EQUITY INSTRUMENTS						
Others (Quoted At Fair Value)						
Birla Sun Life Floating Rate Fund Short Term Plan	1,121,940	2,426.06	—	—	—	—
(Face Value - ₹ 100 /- each)						
LIC MF Fund - Growth Plan - LF - GP	65,443	1,922.98	—	—	—	—
(Face Value - ₹ 1000 /- each)						
HDFC Liquid Fund - Regular Plan	6,398	204.70	—	—	—	—
(Face Value - ₹ 1000 /- each)						
Total		4,553.74		—		—
		₹ in Lakhs		₹ in Lakhs		₹ in Lakhs
Aggregate Amount of Quoted Investment & Market Value thereof		4,553.74		—		—
Aggregate amount of Unquoted Investments		—		—		—
Aggregate amount of impairment in value of Investments		—		—		—

NOTE 12: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Trade Receivables at Amortised Cost						
Debts due for more than six months						
Secured - Considered Good	113.44		87.11		57.76	
Unsecured - Considered Good	5,038.54	5,151.98	2,698.86	2,785.97	1,909.28	1,967.04
Others						
Secured - Considered Good	397.27		503.99		469.74	
Unsecured - Considered Good	54,885.48	55,282.75	40,762.34	41,266.33	40,508.95	40,978.69
Total		60,434.73		44,052.30		42,945.73

NOTE 13: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks in Current Accounts	20,274.05	2,159.57	117.53
Cheques in Hand	—	512.64	—
Cash on Hand	51.90	17.75	9.06
Fixed Deposits maturing within 3 months	1.96	—	1,260.81
Total	20,327.91	2,689.96	1,387.40

During the year the Company had Specified Bank Notes (SBN's) and other denomination notes as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 on the details of SBN's held and transacted during the period November 08, 2016 to December 30, 2016.

Notes forming part of Financial Statements

for the year ended March 31, 2017

₹			
Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in Hand as on November 08, 2016	4,472,500	314,719	4,787,219
Add: Permitted Receipts	–	2,189,690	2,189,690
Less: Permitted Payments	–	821,307	821,307
Less: Amount Deposited in Banks	4,472,500	–	4,472,500
Closing Cash in Hand as on December 30, 2016	–	1,683,102	1,683,102

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

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unpaid Dividend Account	58.42	49.37	40.26
Margin Money Pledged with Banks	3.00	3.00	3.00
Fixed Deposits maturing between 3 to 12 months	553.90	161.02	25.77
Total	615.32	213.39	69.03

NOTE 15: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loan to Related Parties	–	275.00	–
Loan to Others	555.00	900.00	900.00
Total	555.00	1,175.00	900.00

NOTE 16: FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance to Related Parties	166.16	302.49	967.09
Export Incentives Receivable	15.75	37.37	82.94
Interest Receivable	43.06	105.61	210.77
Forward Contract Receivable	103.28	–	5.70
Total	328.25	445.47	1,266.50

NOTE 17: OTHER CURRENT ASSETS

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Export Incentive Receivable	772.69	30.96	30.02
Prepaid Expenses	736.36	316.55	488.68
Other Advances	80.15	332.11	482.41
Balances with Excise and VAT Authorities	1,827.04	1,718.84	1,807.55
Prepaid Lease	51.02	20.43	20.43
Total	3,467.26	2,418.89	2,829.09

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 18: EQUITY SHARE CAPITAL

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised			
4,40,00,000 (4,40,00,000) Equity shares of ₹ 10/- par value	4,400.00	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	600.00
Total Authorised Share Capital	5,000.00	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	2,066.24
22,95,822 (22,95,822) Equity Shares of ₹ 10/- par value, ₹ 3/- called up	68.87	68.87	68.87
Total Issued, Subscribed and paid up Share Capital	2,135.11	2,135.11	2,135.11

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares at the beginning	22,958,222	2,135.11	22,958,222	2,135.11	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	22,958,222	2,135.11

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

c) Shareholders holding more than 5% shares each :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
K.K.Modi Investment and Financial Services Pvt. Ltd.	10,273,073	44.75%	10,098,073	43.99%	9,748,073	42.46%
APMS Investment Fund Ltd.(FII)	1,635,822	7.13%	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%	2,169,956	9.45%
Rajputana Fertilisers Ltd.	1,916,666	8.35%	1,916,666	8.35%	1,916,666	8.35%

NOTE 19: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
From Banks (Secured):			
Rupee Term Loan	2,891.38	3,750.00	5,000.00
Foreign Currency Term Loan	36,526.72	15,119.36	5,366.32
Rupee Hire Purchase Loans	-	55.24	131.29
Total	39,418.10	18,924.60	10,497.61

Notes forming part of Financial Statements

for the year ended March 31, 2017

A RUPEE TERM LOANS :

- 1 Term Loan amounting to ₹ 3,000 lakhs (₹ 4,000 lakhs as on March 31, 2016 and ₹ 5,000 lakhs as on April 01, 2015) carries interest at the rate of 11.75% p.a. (11.75% p.a. as on March 31, 2016 and 12.75% p.a. as on April 01, 2015) as at year end and is repayable in 12 Equal quarterly installments of ₹ 250 lakhs each.
- 2 Term Loan amounting to ₹ 656.25 lakhs (₹ 1,125 lakhs as on March 31, 2016 and ₹ 1,500 lakhs as on April 01, 2015) carries interest at the rate of 11.95% p.a. (12.20% p.a. as on March 31, 2016 and 12.70% p.a. as on April 01, 2015) as at year end and is repayable in 7 Equal quarterly installments of ₹ 93.75 lakhs each.
- 3 Term loan amounting to ₹ 760.13 lakhs (Nil) carries interest at the rate of 11.00% p.a. as at year end and is repayable over 20 quarterly installments of ₹ 75 lakhs each starting from December 01, 2017.
- 4 Hire purchase loan amounting to ₹ 131.29 lakhs, outstanding as on March 31, 2016 has been repaid during the year.
- 5 Term loan amounting to ₹ 5,307.21 lakhs (₹ 2,942.91 lakhs as on March 31, 2016 and Nil as on April 01, 2015) is repayable over 48 monthly installments of ₹ 110.57 lakhs each starting from March 31, 2018.
- 6 Term loan amounting to ₹ 3,589.95 lakhs (₹ 822.59 lakhs as on March 31, 2016 and Nil as on April 01, 2015) is repayable over 48 monthly installments of ₹ 74.79 lakhs each starting from March 31, 2018.
- 7 Term loan amounting to ₹ 1,016.64 lakhs (Nil) is repayable over 20 quarterly installments of ₹ 125 lakhs each starting from November 30, 2017.
- 8 Term loans amounting to ₹ 18,224.97 lakhs (Nil) are repayable over 12 quarterly installments of ₹ 532.84 lakhs each and 16 quarterly installments of ₹ 710.45 lakhs each starting from September 30, 2018.

All the above term loans, except loans amounting to ₹ 5,803.10 lakhs (₹ 7,877.92 lakhs as on March 31, 2016 and ₹ 6,391.31 lakhs as on April 01, 2015) are secured by first pari passu charge on the present and future Property, Plant & Equipment as well as Other Intangible Assets including Capital Work in Progress of the Company (except those assets which have been specifically financed) and second pari passu charge on present and future current assets of the Company inter se the Working Capital Lenders.

B FOREIGN CURRENCY TERM LOANS:

- 1 All term loans carry interest rate between 3.00% p.a. to 5.00% p.a. (3.00% p.a. to 5.00% p.a. as on March 31, 2016 and April 01, 2015)
- 2 Term loan amounting to ₹ 4,477.26 lakhs (₹ 5,873.25 lakhs as on March 31, 2016 and ₹ 6,132.94 lakhs as on April 01, 2015) is repayable over 11 installments of ₹ 231.58 lakhs each and 1 installment of ₹ 1,929.86 lakhs.
- 3 Term loan amounting to ₹ 1,325.83 lakhs (₹ 1,873.38 lakhs as on March 31, 2016 and Nil as on April 01, 2015) is repayable over 40 equated monthly installments of ₹ 33.15 lakhs each.
- 4 Term loan amounting to ₹ 4,936.69 lakhs (₹ 5,046.38 lakhs as on March 31, 2016 and Nil as on April 01, 2015) is repayable over 15 quarterly installments of ₹ 148.10 lakhs each and 10 quarterly installments of ₹ 271.52 lakhs each.

Term Loan amounting to ₹ 5,803.10 lakhs (₹ 7,746.63 as on March 31, 2016 and ₹ 6,132.94 lakhs as on April 01, 2015) are secured by specific assets financed by them.

Term Loan aggregating to ₹ 656.25 lakhs (₹ 1,125 lakhs as on March 31, 2016 and ₹ 1,500 lakhs as on April 01, 2015) have an additional exclusive pari passu charge on the assets financed by them.

An amount of ₹ 592.40 lakhs (₹ 409.14 lakhs as on March 31, 2016 and ₹ 1,250 lakhs as on April 01, 2015) has been held as Debt Service Reserve Account with Bank. (Refer Note No. 6, Note No. 13 and Note No. 14)

Amounts falling due in respect of all the above loans upto March 31, 2017 have been grouped under "Current maturities of Long Term Debts" under Note No. 24.

Notes forming part of Financial Statements

for the year ended March 31, 2017

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

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security Deposit Received from Customers	1,150.03	1,021.83	930.53
Financial Guarantee Obligation	127.78	195.34	243.84
Others	76.43	76.43	76.43
Total	1,354.24	1,293.60	1,250.80

NOTE 21: PROVISIONS (NON-CURRENT)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for Employee Benefits	1,024.52	851.30	699.10
Total	1,024.52	851.30	699.10

NOTE 22: FINANCIAL LIABILITIES (SHORT TERM BORROWINGS)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At Amortised Cost (Secured)			
Working Capital Loans from Banks	28,413.64	32,007.53	41,762.12
Total	28,413.64	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, inter se the Term Lenders.

NOTE 23: FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At Amortised Cost			
Sundry Creditors for Goods & Services	19,311.79	15,125.17	17,726.94
Total	19,311.79	15,125.17	17,726.94

Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2017 have been identified as relating to Micro, Small and Medium Enterprises referred to in the said Act.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 24: FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current Maturities of Long Term Debts	3,876.84	2,890.21	3,493.81
Interest Accrued but not due on Borrowings	65.41	98.17	85.54
Financial Guarantee Obligation	63.32	64.73	62.04
Forward Contract Payable	-	4.47	-
Unclaimed Dividend*	58.42	49.37	40.26
Other Payables	16,814.70	10,243.58	6,798.52
Total	20,878.69	13,350.53	10,480.17

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

NOTE 25: OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Other Payables	4,065.89	3,459.93	2,053.94
Total	4,065.89	3,459.93	2,053.94

NOTE 26: PROVISIONS (CURRENT)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for Employee Benefits	694.12	604.79	513.37
Other	-	6.79	6.79
Total	694.12	611.58	520.16

NOTE 27: REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Sale of Products				
Agrochemical	166,830.69		152,141.24	
Specialty & Performance Chemicals	21,358.25	188,188.94	18,546.08	170,687.32
Other Operating Income:				
Indenting Commission		-		32.38
Export Incentives & Entitlements		1,089.74		145.91
Miscellaneous Income		17.69		4.08
Total		189,296.37		170,869.69

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 28: OTHER INCOME

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income	333.55	322.25
Dividend Income	1.14	1.43
Profit on Sale of Current Investments	67.38	-
Foreign Exchange Fluctuation	836.16	-
Other Non - Operating Income:		
Profit on Sale of Assets	3.69	-
Guarantee Commission	264.18	294.90
Rent Income	7.20	7.20
Insurance Claims	64.81	26.53
Sundry Balance Written Back	15.45	6.17
Gain on Fair Valuation of FVTPL Investments	55.78	-
Others	13.86	26.60
Total	1,663.20	685.08

NOTE 29: COST OF MATERIALS CONSUMED

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw Material Consumed	67,601.88	66,938.26
Packing Material Consumed	6,940.77	6,603.70
Total	74,542.65	73,541.96

NOTE 30: PURCHASE OF STOCK IN TRADE

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of Stock in Trade	10,832.95	8,394.72
Total	10,832.95	8,394.72

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

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Stocks :		
Finished Goods	14,105.88	15,703.01
Stock In Trade	3,068.25	3,255.32
Less : Closing Stocks :		
Finished Goods	12,423.21	14,105.88
Stock In Trade	2,860.30	3,068.25
Net Change In Inventories	1,890.62	1,784.20

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 32: EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, Wages and Bonus	11,623.80	10,386.26
Contribution to Provident and Other Funds	883.83	763.15
Gratuity	115.31	100.08
Staff Welfare Expenses	1,101.78	937.67
Total	13,724.72	12,187.16

NOTE 33: FINANCE COST

₹ in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Expenses	2,907.43	4,290.62
Other Borrowing Costs	557.26	805.44
Total	3,464.69	5,096.06

NOTE 34: OTHER EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of Stores and Spares	904.90	1,083.60
Power, Fuel and Utilities	3,594.90	3,682.96
Processing Charges	4,706.67	3,222.16
Excise Duty *	84.65	(150.26)
Lease Rent / Hire Charges	569.14	500.70
Repairs to Building	293.67	372.46
Repairs to Plant and Machinery	1,285.05	856.77
Other Repairs	432.11	347.23
Insurance	527.43	494.98
Rates and Taxes	247.99	138.65
Pollution Control Expenses	526.46	426.86
Legal and Professional Fees	4,454.61	3,676.81
General Office Expenses	3,305.76	2,587.22
Foreign Exchange Fluctuation (Net)	-	388.33
Advertisement, Publicity & Sales Promotion	8,161.57	5,797.81
Outward Freight Charges	6,044.21	4,609.38
Loading and Unloading Charges	246.36	217.06
Royalty Expenses	229.68	1,901.13
Provision for Doubtful Debts	701.12	719.90
Travelling and Conveyance	3,128.85	2,910.41
Payment to Auditors		
- Audit Fees	25.00	20.00
- Transfer Pricing Audit Fees	4.50	4.50
- Taxation and Other Advisory Matters	17.25	11.55
- Certification Charges and Others	8.00	5.50
- Reimbursement of Expenses	0.50	42.05

Notes forming part of Financial Statements

for the year ended March 31, 2017

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Corporate Social Responsibility	306.29	208.31
Donations	354.80	41.54
Loss on Sale of Fixed Assets (Net)	–	2.59
Loss on Fair Valuation of FVTPL Investments	–	8.53
Bad Debts	10.43	–
Total	40,171.90	34,087.18

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

NOTE 35(I): FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The financial statements of the Company, for the year ended March 31, 2017, have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the Accounting Standards ("Indian GAAP") notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

Accordingly, the Company has prepared the comparative period data as at and for the year ended March 31, 2016, as described in the summary of Significant Accounting Policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements as at and for the year ended March 31, 2016, including the balance sheet as at April 01, 2015

Exemptions applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- As per Ind AS 101, a first-time adopter has an option, inter alia, to use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS, if there has been no change in its functional currency on the date of transition. The Company has accordingly elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets.
- Ind AS 101, permits an entity to continue the policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements

for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the provision of Indian GAAP. The Company has accordingly elected to continue with the same.

- Ind AS 101 permits an entity to designate particular equity investments (other than equity investment in subsidiaries, associates and joint arrangements) at Fair Value Through Other Comprehensive Income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified as Fair Value Through Profit or Loss (FVTPL). The Company has opted to avail this exemption to designate certain equity investments as FVOCI on date of transition.
- The Company has elected to apply previous GAAP carrying amounts of its investment in Subsidiaries and Joint Venture as deemed cost as on the date of transition to Ind AS.

Exceptions

1 Estimates

The estimates at April 01, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVOCI – unquoted equity shares
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015 and March 31, 2016.

2 Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 35(II): RECONCILIATION OF EQUITY AS AT APRIL 01, 2015 AND MARCH 31, 2016

₹ in Lakhs

Particulars	As at March 31, 2016			As at April 01, 2015		
	Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
ASSETS						
Non-Current Assets						
Property, Plant & Equipment	27,184.95	(450.76)	26,734.19	25,160.06	(471.19)	24,688.87
Capital Work - In - Progress	15,769.82	—	15,769.82	5,397.35	—	5,397.35
Investment Property	—	—	—	—	—	—
Goodwill	—	—	—	—	—	—
Other Intangible Assets	7,276.96	—	7,276.96	6,337.70	—	6,337.70
Intangible Assets under Development	8,988.30	—	8,988.30	8,345.16	—	8,345.16
Financial Assets	—	—	—	—	—	—
(i) Investments	15,397.30	213.66	15,610.96	14,709.36	192.47	14,901.83
(ii) Loans	12,727.23	(10,659.42)	2,067.81	11,412.71	(9,270.84)	2,141.87
(iii) Others	—	889.23	889.23	—	506.18	506.18
Deferred Tax Assets	—	3,369.32	3,369.32	—	3,455.96	3,455.96
Non-Current Tax Assets	—	—	—	—	87.17	87.17
Other Non-Current Assets	323.07	2,331.28	2,654.35	269.11	1,122.80	1,391.91
Total Non-Current Assets	87,667.63	(4,306.69)	83,360.94	71,631.44	(4,377.45)	67,254.00
Current Assets						
Inventories	26,324.16	(0.01)	26,324.15	27,664.28	—	27,664.28
Financial Assets						
(i) Investments	—	—	—	—	—	—
(ii) Trade Receivables	44,052.30	—	44,052.30	42,945.73	—	42,945.73
(iii) Cash & Cash Equivalents	3,312.49	(622.53)	2,689.96	1,581.80	(194.40)	1,387.40
(iv) Bank Balance other than (iii) above	—	213.39	213.39	—	69.03	69.03
(v) Loans	3,844.98	(2,669.98)	1,175.00	4,645.73	(3,745.73)	900.00
(vi) Others	—	445.47	445.47	—	1,266.50	1,266.50
Current Tax Assets (Net)	—	—	—	—	—	—
Other Current Assets	202.78	2,216.11	2,418.89	325.75	2,503.34	2,829.09
Total Current Assets	77,736.71	(417.55)	77,319.16	77,163.29	(101.26)	77,062.03
Total Assets	165,404.34	(4,724.24)	160,680.10	148,794.73	(4,478.71)	144,316.03

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 35(II): RECONCILIATION OF EQUITY AS AT APRIL 01, 2015 AND MARCH 31, 2016

	₹ in Lakhs					
Particulars	As at March 31, 2016			As at April 01, 2015		
	Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	2,135.11	–	2,135.11	2,135.11	–	2,135.11
Other Equity	70,824.54	1,459.44	72,283.98	56,044.61	1,145.47	57,190.08
Total Equity	72,959.65	1,459.44	74,419.09	58,179.72	1,145.47	59,325.19
Liabilities						
Non - Current Liabilities						
Financial Liabilities						
(i) Borrowings	18,924.59	0.01	18,924.60	10,497.61	–	10,497.61
(ii) Other Financial Liabilities		1,293.60	1,293.60		1,250.80	1,250.80
Provisions	851.30	–	851.30	699.10	–	699.10
Deferred Tax Liabilities (Net)	4,899.09	(4,899.09)	–	4,400.35	(4,400.35)	–
Other Non - Current Liabilities	1,098.26	(1,098.26)	–	1,006.96	(1,006.96)	–
Total Non - Current Liabilities	25,773.24	(4,703.74)	21,069.50	16,604.02	(4,156.51)	12,447.51
Current Liabilities						
Financial Liabilities						
(i) Borrowings	32,007.53	–	32,007.53	41,762.12	–	41,762.12
(ii) Trade Payables	15,125.17	–	15,125.17	17,726.94	–	17,726.94
(iii) Other Financial Liabilities		13,350.53	13,350.53		10,480.17	10,480.17
Other Current Liabilities	16,741.26	(13,281.33)	3,459.93	12,472.05	10,418.12	2,053.94
Provisions	2,797.49	(2,185.91)	611.58	2,049.88	(1,529.72)	520.16
Current Tax Liabilities (Net)	–	636.77	636.77	–	–	–
Total Current Liabilities	66,671.45	(1,479.94)	65,191.51	74,010.99	(1,467.67)	72,543.33
Total Liabilities	92,444.69	(6,183.68)	86,261.01	90,615.01	(5,624.18)	84,990.84
Total Equity And Liabilities	165,404.34	(4,724.24)	160,680.10	148,794.73	(4,478.71)	144,316.03

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 35(III): RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lakhs		
	For the year ended March 31, 2016		
	Indian GAAP	Adjustments	Ind AS
INCOME			
Revenue from Operations	163,809.85	7,059.84	170,869.69
Other Income	620.16	64.92	685.08
Total Income	164,430.01	7,124.76	171,554.77
EXPENSES			
Excise Duty on Sale of Goods		11,754.10	11,754.10
Cost of Material Consumed	73,541.96	–	73,541.96
Purchase of Stock In Trade	8,394.72	–	8,394.72
Changes in Inventories of Finished Goods / Stock in Trade	1,784.20	–	1,784.20
Employee Benefit Expenses	12,437.37	(250.21)	12,187.16
Finance Cost	5,096.06	–	5,096.06
Depreciation and Amortisation	3,323.57	(20.43)	3,303.14
Other Expenses	38,696.40	(4,609.22)	34,087.18
Total Expenses	143,274.28	6,874.24	150,148.52
Profit Before Tax	21,155.73	250.52	21,406.25
Tax Expenses			
Current Tax	4,750.00	55.52	4,805.52
Deferred Tax	498.74	9.98	508.72
Deferred Tax - MAT Credit Entitlement	(422.07)	(4.93)	(427.00)
(Excess) / Short Provision of Earlier Years	–	–	–
Profit After Tax	16,329.06	189.95	16,519.01
Other Comprehensive Income not to be reclassified to			
Profit & Loss in subsequent years			
Re-measurement of Gains / (Losses) on Defined Benefit Plans	–	(250.21)	(250.21)
Net Gain (Loss) on FVOCI Equity Securities	–	29.72	29.72
Income Tax relating to aforesaid items	–	50.59	50.59
Total Other Comprehensive Income for the year	–	(169.90)	(169.90)
Total Comprehensive Income for the year	16,329.06	20.05	16,349.11

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 35 (IV): NOTES TO RECONCILIATION OF EQUITY AS AT APRIL 01, 2015 AND MARCH 31, 2016 AND PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

1 Leasehold land

Leasehold land has been assessed as operating lease under Ind AS 17 "Leases". Consequently, the same has been considered as Prepaid Lease instead of "Fixed Assets" ("Property, Plant and Equipment" in terms of Ind AS) and amortised as lease rent over the remaining lease period.

2 Fair valuation of investments

Under the Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these Investments are measured at Fair Value Through Profit or Loss (FVTPL) or through Other Comprehensive Income (FVOCI) as permissible. Fair Value is determined by the Company in accordance with the principles of Ind AS 109 "Financial Instruments".

Accordingly, the Company has designated Investments in Equity shares of Modi Rubber Ltd., KKM Management Centre Pvt. Ltd. and The Cosmos Co-Op. Bank Ltd. as FVOCI. Other Investments, excluding Investments in Subsidiaries and Joint Ventures are designated as FVTPL.

3 Investment in Indobaijin Chemicals Pvt. Ltd.

The Company holds 51% equity shares in Indobaijin Chemicals Private Limited. The shareholders agreement indicated the arrangement as a Joint Venture. However, in terms of provisions of AS 27 "Financial Reporting of Interests in Joint Ventures", read with AS 21 on "Consolidated Financial Statements" the Company has consolidated its interest in the entity as a subsidiary. In terms of the provisions of Ind AS 111 "Joint Arrangements", the company's interest in the entity has been classified as Joint Venture.

4 Premium on Forward contracts and Deferred Tax Effects

The premium paid on forward contracts is recognised as an expense in Statement of Profit and Loss in the year of acquisition of the contract which was amortised over the period of contract under Indian GAAP. Accordingly, unamortised premium on Forward Contracts has been charged off to Statement of Profit and Loss.

Further, as required under Ind AS 109 "Financial Instruments", Forward Contracts outstanding as at the year end have been fair valued.

Deferred Tax Asset / (Liability) arising on above adjustments have been recognised.

5 Dividends

Under Ind AS 10 "Events after the Reporting Period", Corporate Dividends (including Corporate Dividend Tax thereon) are accounted for in the year in which they are declared / distributed / paid as against in the year to which they relate under Indian GAAP.

6 Revenue from Operations / Excise Duty

Under Ind AS, Excise Duty on Sale of Goods is presented as an item of expenses instead of netting it off from Revenue from Operations under Indian GAAP.

7 Cash discount

Under Ind AS, Cash Discount provided to its customers as well as Direct Commissions paid to Selling Agents is netted off from Revenue from Operations instead of disclosing the same as an item of Expenses

8 Actuarial gain and loss

Under Ind AS, all actuarial gains and losses on employee benefits are recognised in Other Comprehensive Income (OCI) instead of Statement of Profit & Loss as required under Indian GAAP.

9 Other adjustments

Assets and Liabilities as well as items of Income and Expenses have been regrouped / re-classified wherever necessary to align with the provisions of Ind AS.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 36: CONTINGENT LIABILITIES

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

2 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2017

₹ in Lakhs

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Madhya Pradesh VAT Act , 2002	2009-10	Addl Commr.	27.21	27.21	27.21
Maharashtra VAT Act , 2002	2005-06	Dy.Commr.	13.50	13.50	13.50
Madhya Pradesh Entry Tax Act	2009-10 / 2012-13	Addl Commr.	59.86	59.86	59.86
Central Sales Tax Act , 1956	2000-01 / 2003-04	Dy.Commr. / Addl Commr / Jt. Commr.	221.80	175.18	175.18
	/2004-05 / 2005-06				
	/ 2006-07 /2007-08				
	/ 2008-09/ 2009-10 / 2011-12 / 2012-13				
Central Excise Act, 1944	2004-05 / 2005-06 / 2008-09 / 2012-13	CESTAT / Asstt Commr./ Jt. Commr.	56.11	56.11	56.11
The Finance Act, 1994	2001-02 / 2005-06 / 2006-07 /2008-09	Commr.(Appeal)/ Asstt Commr. / CESTAT	109.96	109.96	109.96
Total			488.44	441.82	441.82

3 Gurantees Executed in favour of Corporates

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Guarantees Executed in Favour of Corporates	37,307.72	45,675.41	43,263.23
Less: Counter Guarantees Received	(9,755.62)	(11,500.78)	(11,095.66)
Net Gurantees Executed in favour of Corporates	27,552.10	34,174.63	32,167.57

4 Commitments

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated Amount of Contracts remaining to be executed on capital account	8,269.72	10,396.49	674.06
Less: Advances Paid	(2,776.15)	(7,641.89)	(303.60)
Net Capital Commitments	5,493.57	2,754.60	370.46

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

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 37: CORPORATE SOCIAL RESPONSIBILITY

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Paid		
Construction / Acquisition of any Asset	274.00	178.00
On purposes other than above	32.29	30.31
Total Paid	306.29	208.31
Yet to be paid		
Construction / Acquisition of any Asset	—	—
On purposes other than above	—	—
Total Yet to be Paid	—	—
Gross Total	306.29	208.31

The above includes contribution of ₹ 274 lakhs (₹ 178 lakhs) made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

NOTE 38: EARNINGS PER SHARE

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the year as per Statement of Profit & Loss	21,804.21	16,519.01
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	21,351,147	21,351,147
Earnings Per Share - Basic & Diluted	102.12	77.37

NOTE 39: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

NOTE 40: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company's activities exposes it to a variety of financial risks: market risks, credit risks and liquidity risks. The

Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company has an established Risk Management Policy towards risk identification, analysis & prioritisation of risks, development of risk mitigation plans & reporting on the risk environment of the respective business segments in the Company. A Risk Management Committee (RMC) is formed which comprises of the Executive Management which reports to the Audit Committee of the Directors.

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

Notes forming part of Financial Statements

for the year ended March 31, 2017

(a) Management of Market Risks

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

Currency Risk

Interest Rate Risk

Price Risk

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

Potential Impact of Risk	Management Policy	Sensitivity to Risk
1 Currency Risk		
The Company is subject to risk that changes in foreign currency values impact the Company's export revenue and imports of raw material and Property, Plant and Equipments primarily with respect to USD and Euro	The Company manages currency exposures through use of Forward Exchange Contracts and effecting netting and matching of Foreign Currency Inflows and Outflows. The aim of the Company's approach to management of Currency Risk is to leave the Company with minimal residual risk.	A 5% strengthening of INR against key currencies to which the Company is exposed (Net) would have led to approximately an additional ₹ 1,179.99 lakhs gain in the Statement of Profit & Loss (2015-16 ₹ 687.34 lakhs). A 5% weakening of INR against key currencies would have led to an equal but opposite effect.
As at March 31, 2017, the net unhedged exposure to the Company on holding Financial Assets (Trade Receivables & Other Advances) and Financial Liabilities (Trade Payables and Other Payables) other than in functional currency amounted to USD 100.49 lakhs receivable and Euro 435.20 lakhs payable [₹ 23,599.89 lakhs net payable] (USD 33.22 lakhs payable and Euro 153.41 lakhs payable [₹ 13,746.79 lakhs net payable] as on March 31, 2016 and USD 202.34 lakhs payable and Euro 88.78 lakhs receivable [₹ 6,731.89 lakhs payable as on April 01, 2015)		
2 Interest Rate Risk		
The Company is mainly exposed to Interest Rate risk due to its Long Term and Short Term Borrowings. The interest rate risk arises due to uncertainties about prevailing base rates in future.	The group manages its Interest Rate Risk by having a balanced portfolio of floating rate loans based on Euribor, Libor and INR Base Rate.	A 0.25% decrease in interest rate would have led to approximately an additional ₹ 179.27 lakhs gain in the Statement of Profit & Loss (2015-16 ₹ 134.56 lakhs). A 0.25% increase in interest rates would have led to an equal but opposite effect.
As at March 31, 2017 the exposure to the Company on account of borrowings is ₹ 71,708.58 lakhs (₹ 53,822.34 as on March 31, 2016 and ₹ 55,753.54 lakhs as on April 01, 2015)		
3 Price Risk		
The Company has investments in listed units of Mutual Funds reflecting its temporary surplus of funds. As at March 31, 2017 the net exposure to the Company on account of these investments is ₹ 4,553.75 lakhs (Nil as on March 31, 2016 and April 01, 2015)	The Company manages the Equity Price Risk of such investments through diversification and by placing limits on individual investments	A 5% increase in prices would have led to approximately and additional ₹ 227.69 lakhs gain in the Statement of Profit & Loss. A 1% decrease in prices would have led to an equal but opposite effect.
However, a substantial part of the Company's investments are in Equity Instruments of Subsidiaries, Joint Ventures, Group Companies and other investments mandated by lenders to the Company. These being strategic investments, the Company does not evaluate the equity price risk of such investments.		

Notes forming part of Financial Statements

for the year ended March 31, 2017

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or a counter party fails to meet its contractual obligation.

Trade Receivables and Other Financial Assets

Concentration of Credit Risk with respect to Trade Receivables are limited, due to Company's customer base being large and diverse. All Trade Receivables and other Financial Assets are reviewed and assessed for default on monthly basis. Our historical experience of collecting all receivables is that their Credit Risk is low.

The Company's maximum exposure to Credit Risk as at March 31, 2017, March 31, 2016 and April 01, 2015 is the carrying value of each class of Financial Asset.

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

Particulars	₹ in Lakhs					
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	3,876.84	39,418.10	2,890.21	18,924.60	3,493.81	10,497.61
Security Deposits		1,150.03		1,021.83		930.53
Working Capital Loans from Banks	28,413.64		32,007.53		41,762.12	
Trade Payables	19,311.79		15,125.17		17,726.94	
Other Financial Liabilities	17,001.85	204.21	10,460.32	271.77	6,986.36	320.27
Total	68,604.12	40,772.34	60,483.23	20,218.20	69,969.23	11,748.41

(d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 19 and Refer Note No. 22 for the detailed terms and conditions of the collaterals pledged.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 41: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
FINANCIAL ASSETS			
Fair Value Through Profit & Loss			
Investments (Other than in Subsidiary)	4,589.19	32.37	40.90
Fair Value Through Other Comprehensive Income			
Investments (Other than in Subsidiary)	364.85	254.34	224.63
Derivative Instruments not in Hedging Relationship			
Forward Contract Receivable	103.28	–	5.70
Amortised Cost			
Loans	1,466.29	3,242.81	3,041.87
Trade Receivables	60,434.73	44,052.30	42,945.73
Cash & Cash Equivalents	20,327.91	2,689.96	1,387.40
Other Bank Balances	615.32	213.39	69.03
Other Financial Assets	1,061.56	1,334.70	1,766.98
Total	88,963.13	51,819.87	49,482.24
FINANCIAL LIABILITIES			
Fair Value Through Profit & Loss			
Financial Guarantee Obligation	191.10	260.07	305.88
Derivative Instruments not in Hedging Relationship			
Forward Contract Payable	–	4.47	–
Amortised Cost			
Borrowings	67,831.74	50,932.13	52,259.73
Trade Payable	19,311.79	15,125.17	17,726.94
Other Financial Liabilities	22,041.83	14,379.59	11,425.09
Total	109,376.46	80,701.43	81,717.64

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2017, March 31, 2016 and April 01, 2015 approximate the fair value because of the short term nature.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Fair Value of Investment in Unquoted Equity Shares is determined using the Net Asset Value of the Investee Company as on the Balance Sheet Date.

Fair Value of the Financial Guarantee Obligation is determined through a Discounted Cash Flow Model using weighted average borrowing rate as the discount rate.

Notes forming part of Financial Statements

for the year ended March 31, 2017

For Assets and Liabilities which are Measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarised below:

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial Assets			
Level 1			
Investment in Quoted Equity Shares	197.93	95.00	62.34
Mutual Fund Units	4,589.19	32.37	40.90
Level 2			
Derivative Financial Assets	103.28	–	5.70
Level 3			
Investment in Unquoted Equity Shares	166.92	159.34	162.29
Total	5,057.32	286.71	271.23
Financial Liability			
Level 2			
Derivative Financial Liability	–	4.47	–
Level 3			
Financial Guarantee Obligation	191.10	260.07	305.88
Total	191.10	264.54	305.88

Description of Significant Unobservable Input used in Fair Value measurement categorised within Level 3 of Fair Value Hierarchy

Particulars	Significant Unobservable Input	Sensitivity of Input to Fair Value Measurement
Investment in Unquoted Equity Shares	Fair Value of Net Assets	5% increase in forecasted fair value will increase the value of investment by ₹ 8.35 lakhs (₹ 7.97 lakhs as on March 31, 2016) and 5% decrease will have equal but opposite effect.
Financial Guarantee Obligation	Discount Rate 6.23%	1 % increase in Discount Rate will have P&L Loss of ₹ 1.24 lakhs (₹ 1.27 lakhs as on March 31, 2016) and a 1% decrease in Discount Rate will have a equal but opposite effect.

(c) Reconciliation of Level 3 Fair Value Measurement

₹ in Lakhs		
Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance of Level 3 Financial Assets / (Liability)	(100.73)	(143.59)
Add / (Less): Changes during the year		
Guarantee Commission Income recognised	63.32	64.90
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through OCI	7.58	(2.95)
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	5.65	(19.09)
Closing Balance of Level 3 Financial Assets / (Liability)	(24.18)	(100.73)

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 42: EMPLOYEE BENEFITS

(a) Defined contribution plans

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

Amount recognised and included in Note No. 32, "Employee Benefits Expenses" of Statement of Profit and Loss ₹ 883.83 lakhs (₹ 763.15 lakhs).

(b) Defined benefit plans

Gratuity is administered under the GGCA scheme of Life Insurance Corporation of India to which the contributions are made.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

		₹ in Lakhs	
Sr. No.	Particulars	FY 2016-17 (Funded)	FY 2015-16 (Funded)
I	Change in present value of defined benefit obligation during the year		
1	Present Value of defined benefit obligation at the beginning of the year	2,401.45	2,132.17
2	Interest cost	193.08	170.36
3	Current service cost	97.78	84.80
4	Past Service Cost - Non-Vested Benefit Incurred During the Period	—	—
5	Past Service Cost - Vested Benefit Incurred During the Period	—	—
6	Liability Transferred In/ Acquisitions	—	—
7	Liability Transferred out / Divestment	—	—
8	(Gains)/ Losses on Curtailment	—	—
9	Liabilities Extinguished on Settlement	—	—
10	Benefits paid directly by the employer	—	—
11	Benefits paid from the fund	(182.56)	(229.74)
12	The Effect Of Changes in Foreign Exchange Rates	—	—
13	Actuarial changes arising from changes in demographic assumptions	—	—
14	Actuarial changes arising from changes in financial assumptions	78.29	(24.24)
15	Actuarial changes arising from changes in experience adjustments	251.06	268.09
16	Present Value of defined benefit obligation at the end of the year	2,839.10	2,401.44
II	Change in fair value of plan assets during the year		
1	Fair value of plan assets at the beginning of the year	2,183.41	1,940.96
2	Interest Income	175.55	155.08
3	Contributions paid by the employer	350.29	323.47
5	Expected Contributions by the Employees	—	—
6	Assets Transferred In/ Acquisitions	—	—
7	Assets transferred out / divestments	—	—
8	Benefits paid from the fund	(182.56)	(229.74)
9	Assets Distributed on Settlements	—	—
10	Effects of Asset Ceiling	—	—
11	The Effect of Changes In Foreign Exchange Rates	—	—
12	Return on plan assets excluding interest income	(16.97)	(6.36)
13	Fair value of plan assets at the end of the year	2,509.72	2,183.41

Notes forming part of Financial Statements

for the year ended March 31, 2017

		₹ in Lakhs	
Sr. No.	Particulars	FY 2016-17 (Funded)	FY 2015-16 (Funded)
III	Net asset / (liability) recognised in the balance sheet		
1	Present Value of defined benefit obligation at the end of the year	(2,839.10)	(2,401.44)
2	Fair value of plan assets at the end of the year	2,509.72	2,183.41
3	Funded Status (Surplus/ (Deficit))	(329.38)	(218.03)
4	Net (Liability)/Asset Recognised in the Balance Sheet	(329.38)	(218.03)
IV	Net Interest Cost for Current Period		
1	Present Value of Benefit Obligation at the Beginning of the Period	2,401.44	2,132.17
2	Fair Value of Plan Assets at the Beginning of the Period	(2,183.41)	(1,940.96)
3	Net Liability/(Asset) at the Beginning	218.03	191.21
4	Interest Cost	193.08	170.36
5	Interest Income	(175.55)	(155.08)
6	Net Interest Cost for Current Period	17.53	15.28
V	Expenses recognised in the statement of profit and loss for the year		
1	Current service cost	97.78	84.80
2	Interest cost on benefit obligation (Net)	17.53	15.28
3	Past Service Cost - Non-Vested Benefit Recognised During the year	—	—
4	Past Service Cost - Vested Benefit Recognised During the year	—	—
5	Expected Contributions by the Employees	—	—
6	(Gains)/Losses on Curtailments And Settlements	—	—
7	Net Effect of Changes in Foreign Exchange Rates	—	—
8	Total expenses included in employee benefits expense	115.31	100.08
VI	Recognised in other comprehensive income for the year		
1	Actuarial changes arising from changes in demographic assumptions	—	—
2	Actuarial changes arising from changes in financial assumptions	78.29	(24.24)
3	Actuarial changes arising from changes in experience adjustments	251.06	268.09
4	Return on plan assets excluding interest income	16.97	6.36
5	Change in Asset Ceiling	—	—
6	Recognised in other comprehensive income	346.32	250.21
VII	Cash Flow Projection: From the Fund		
1	Within the next 12 months (next annual reporting period)	1,547.45	1,286.62
2	2nd following year	78.70	143.78
3	3rd following year	132.28	115.09
4	4th following year	112.25	118.87
5	5th following year	153.19	107.06
6	Sum of years 6 to 10	766.13	631.41
The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (31 March 2016: 5 years).			

Notes forming part of Financial Statements

for the year ended March 31, 2017

		₹ in Lakhs	
Sr. No.	Particulars	FY 2016-17 (Funded)	FY 2015-16 (Funded)
VII	Quantitative sensitivity analysis for significant assumption Projected Benefit Obligation on Current Assumptions		
(i)	Delta Effect of +1% Change in Rate of Discounting	(92.32)	(73.17)
(ii)	Delta Effect of -1% Change in Rate of Discounting	104.49	82.58
(i)	Delta Effect of +1% Change in Rate of Salary Increase	106.83	85.12
(ii)	Delta Effect of -1% Change in Rate of Salary Increase	(95.86)	(76.53)
(i)	Delta Effect of +1% Change in Rate of Employee Turnover	22.78	23.97
(ii)	Delta Effect of -1% Change in Rate of Employee Turnover	(25.29)	(26.51)
2	Usefulness and Methodology adopted for Sensitivity Analysis		
	Sensitivity Analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between the assume and the actual is not following the parameters of the sensitivity analysis.		

			₹ in Lakhs
Sr. No.	Particulars	FY 2016-17 (Funded)	FY 2015-16 (Funded)
VIII	The major categories of plan assets as a percentage of total		
	Insurer managed funds	100%	100%
IX	Actuarial assumptions		
1	Discount rate	7%	8%
2	Salary escalation	4%	4%
3	Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	N.A.	N.A.
5	Rate of Employee Turnover	2%	2%
7	Expected Return on Plan Assets	7%	8%

c) Other Long Term Employee Benefits

The defined benefit obligations which are provided for but not funded as on March 31, 2017 are as under :

			₹ in Lakhs
Sr. No.	Particulars	FY 2016-17	FY 2015-16
1	Leave Encashment	1,718.64	1,456.09

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 43: LEASES

The Company has entered into Operating Leases on Immovable Properties and Plant & Machinery. There are no escalation clauses in the lease arrangements for which Lease Rent is provided on straight line basis.

Future minimum rentals payable under non-cancellable operating leases as at March 31, 2017 are, as follows:

		₹ in Lakhs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
(a)	In respect of operating lease on Immovable properties and Plant & Machineries lease payments recognised in Statement of Profit and Loss.	569.14	500.70
(b)	Future minimum lease payments under operating leases:		
	For a period not later than one year	211.29	199.84
	For the period later than one year and not later than five years	383.17	279.99

Assets Given on Lease

		₹ in Lakhs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognised in Statement of Profit and Loss.	7.20	7.20
(b)	Future minimum lease payments under operating leases :		
	For a period not later than one year	7.20	7.20
	For the period later than one year and not later than five years	28.80	28.80

NOTE 44: RELATED PARTY

List of related parties

Wholly Owned Subsidiaries

Quick Investments (India) Ltd
Good Investment (India) Ltd
Indofil Bangladesh Industries Private Ltd
Indofil Costa Rica SA
Indofil Industries (International) BV
Indofil Industries (Netherlands) BV

Other Related Parties in which directors are interested

Godfrey Phillips India Ltd
H.M.A. Udyog Pvt. Ltd.
Modi Care Ltd.
Beacon Travels Pvt. Ltd.
Bina Fashions & Food Pvt. Ltd.
Premium Merchants Ltd.
Modi Rubber Ltd.
KKM Management Centre Pvt. Ltd

Joint Ventures (Extent of holding)

Indo baijin Chemicals Private Ltd (51%)
Hifil Chemicals Private Ltd (49%)

Key Management Personnel

Executive Director
Mr. Krishan Kumar Modi
Ms. Charu Modi
Mr Atuchutni Rao

Non Executive Director

Ms. Aliya Modi
Mr. Samir Modi
Mr. Mahendra Naranji Thakkar
Mr. Sunil Kumar Alagh
Mr. Sanjay Buch
Mr. Lakshminarayanan Subramanian
Mr. Amit Kumar Ghosh (with effect from 9th September, 2016)

Notes forming part of Financial Statements

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2016-17	Total 2015-16
RECEIVING OF SERVICES					
1. Godfrey Phillips India Ltd.	–	–	1.05	1.05	4.75
2. HMA Udyog Pvt. Ltd.	–	–	6.73	6.73	3.55
3. Beacon Travels Pvt. Ltd.	–	–	657.49	657.49	723.85
4. Bina Fashions and Food Pvt. Ltd.	–	–	77.09	77.09	36.48
5. Modi Care Ltd	–	–	5.54	5.54	4.10
Total	–	–	747.90	747.90	772.73
PURCHASE OF GOODS					
1. Indo Baijin Chemicals Pvt. Ltd.	8,853.58	–	–	8,853.58	9,050.35
Total	8,853.58	–	–	8,853.58	9,050.35
SALE OF GOODS					
1. Indofil Industries (Netherlands) B. V.	14,894.01	–	–	14,894.01	3,073.34
Total	14,894.01	–	–	14,894.01	3,073.34
ROYALTY EXPENSE					
1. Indofil Industries (Netherlands) B. V.	229.68	–	–	229.68	1,901.13
Total	229.68	–	–	229.68	1,901.13
MANAGEMENT CONTRACTS					
1. KKM Management Center Pvt. Ltd.	–	–	777.40	777.40	1,579.40
Total	–	–	777.40	777.40	1,579.40
RENT EXPENSE					
1. Premium Merchants Ltd.	–	–	5.17	5.17	5.13
2. Charu Modi	–	6.22	–	6.22	6.22
3. Modi Care Ltd.	–	–	–	–	7.20
Total	–	6.22	5.17	11.39	18.55
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.	200.86	–	–	200.86	229.99
2. Indo Baijin Chemicals Pvt. Ltd.	63.32	–	–	63.32	65.05
Total	264.18	–	–	264.18	295.04
REIMBURSEMENT OF EXPENSES					
1. Indo Baijin Chemicals Pvt. Ltd.	27.46	–	–	27.46	23.11
2. Indofil Industries (Netherlands) B.V.	–	–	–	–	72.50
Total	27.46	–	–	27.46	95.60
INTEREST INCOME					
1. Indo Baijin Chemicals Pvt. Ltd.	182.40	–	–	182.40	190.94
2. Good Investments (India) Ltd.	17.71	–	–	17.71	22.83
Total	200.11	–	–	200.11	213.77
LOANS GIVEN					
1. Indo Baijin Chemicals Pvt. Ltd.	–	–	–	–	560.00
Total	–	–	–	–	560.00

Notes forming part of Financial Statements

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Subsidiary Companies and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2016-17	Total 2015-16
ADVANCE GIVEN TO SUBSIDIARIES					
1. Indofil Industries (Netherlands) B. V.	655.64	–	–	655.64	302.49
2. Good Investments (India) Ltd.	–	–	–	–	600.00
3. Hilfil Chemicals Pvt. Ltd.	0.68	–	–	0.68	–
Total	656.32	–	–	656.32	902.49
OUTSTANDING BALANCES					
Receivables					
1. Indofil Industries (Netherlands) B.V.	7,605.57	–	–	7,605.57	2,485.01
2. Godfrey Phillips India Ltd.	–	–	18.11	18.11	0.78
Total	7,605.57	–	18.11	7,623.68	2,485.79
Payables					
1. Modi Care Ltd.	–	–	0.48	0.48	–
2. Beacon Travels Pvt. Ltd.	–	–	50.83	50.83	46.90
3. KKM Management Center Pvt. Ltd.	–	–	96.75	96.75	162.17
4. Bina Fashion Pvt. Ltd.	–	–	17.94	17.94	0.16
5. Indofil Industries (Netherlands) B. V.	102.37	–	–	102.37	64.49
6. Indo Baijin Chemicals Pvt. Ltd.	633.82	–	–	633.82	795.79
7. HMA Udyog Pvt Ltd	–	–	0.61	0.61	–
Total	736.19	–	166.61	902.80	1,069.51
INVESTMENTS					
1. Indo Baijin Chemicals Pvt. Ltd.	4,366.10	–	–	4,366.10	4,366.10
2. Indofil Bangladesh Industries Pvt. Ltd.	264.45	–	–	264.45	189.94
3. Indofil - Cost Rica SA	0.01	–	–	0.01	0.01
4. Quick investment (India) Ltd.	342.27	–	–	342.27	10.02
5. Good Investment (India) Ltd.	2,173.26	–	–	2,173.26	2,173.26
6. KKM Management Center Pvt. Ltd.	–	–	96.13	96.13	33.81
7. Hilfil Chemicals Pvt. Ltd.	0.49	–	–	0.49	0.49
8. Indofil Industries (Netherlands) B. V.	8,584.44	–	–	8,584.44	8,584.44
9. Indofil Industries (International) B. V.	70.28	–	–	70.28	–
10. Modi Rubber Ltd.	–	–	197.93	197.93	–
Total	15,801.30	–	294.06	16,095.36	15,358.07
LOANS GIVEN					
1. Indo Baijin Chemicals Pvt. Ltd.	860.80	–	–	860.80	1,981.91
Total	860.80	–	–	860.80	1,981.91
ADVANCES					
1. Indofil Industries (Netherlands) B. V.	140.76	–	–	140.76	302.49
2. Good Investments (India) Ltd	–	–	–	–	275.00
3. Hilfil Chemicals Pvt. Ltd	0.68	–	–	0.68	–
Total	141.44	–	–	141.44	577.49
CORPORATE GUARANTEES					
1. Indo Baijin Chemicals Pvt. Ltd.	10,153.81	–	–	10,153.81	23,470.98
2. Indofil Industries (Netherlands) B.V.	17,398.29	–	–	17,398.29	22,204.43
Total	27,552.10	–	–	27,552.10	45,675.41
REMUNERATION PAYABLE TO KMP					
Total	–	1,502.41	–	1,502.41	1,157.04
Total	–	1,502.41	–	1,502.41	1,157.04

Notes forming part of Financial Statements

for the year ended March 31, 2017

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹Nil, 31st March 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loan to Joint Venture:

The loan granted to Indo Baijin Chemicals Private Limited is intended to business purpose. The loan is unsecured and repayable in full. The loan has been utilised for the purpose it was granted.

Remuneration to KMP:

Particulars	₹ in Lakhs					
	For the Year Ended March 31, 2017			For the Year Ended March 31, 2016		
	Executive Directors	Non - Executive Directors	Total	Executive Directors	Non - Executive Directors	Total
Short-term employee benefits	1,158.88	180.00	1,338.88	896.24	137.04	1,033.28
Post-employment gratuity and medical benefits	125.40	–	125.40	95.46	–	95.46
Sitting Fees	–	38.13	38.13	–	28.30	28.30
	1,284.28	218.13	1,502.41	991.70	165.34	1,157.04

NOTE 45: SEGMENT REPORTING

As per Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

NOTE 46: Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.

NOTE 47: Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation.

NOTE 48: Figures in brackets indicate previous year's figures.

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

H.G. BUCH
Partner
Membership No. 033114

Mumbai, June 29, 2017

R.K. Malhotra
Group CEO

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

M.N. Thakkar
Sanjay Buch
Sunil Alagh
Dr. Atchutuni L. Rao } Directors

Mumbai, June 29, 2017

Independent Auditor's Report

TO THE MEMBERS OF INDOFIL INDUSTRIES LIMITED

1. REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Ind AS Financial Statements of **INDOFIL INDUSTRIES LIMITED** (herein after referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

2. MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors (BoD) is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (herein after referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder. The respective BoD of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Ind AS 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 thereunder.

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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditor on the financial statements of the subsidiary companies, the aforesaid Consolidated Ind AS Financial Statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at March 31, 2017, and its consolidated financial performance (including other comprehensive income), its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

5. OTHER MATTERS

We did not audit the financial statements and financial information of the subsidiary companies, whose financial statements and financial information reflect total assets of ₹ 41,299.29 lakhs and net assets of ₹ 16,574 lakhs as at March 31, 2017, total revenue of ₹ 21,417.79 lakhs and net cash inflows of ₹ 1,663.91 lakhs for the year ended on that date, as considered in the preparation of the Consolidated Ind AS Financial Statements. These financial statements and financial information have been audited by other auditors whose Reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and our Report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary companies, are based solely on the Reports of the other auditors.

Our opinion on the Consolidated Ind AS 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 Ind AS Financial Statements.
- b. In our opinion and as reported by the auditors of the subsidiary companies, proper books of account as required by law relating to preparation

of the aforesaid Consolidated Ind AS Financial Statements have been kept by the respective companies included in the Group, so far as it appears from the examination of those books.

- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the statement of other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant financial statements adopted by the BoD of respective companies and the related working statements maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the relevant Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.
- e. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2017 taken on record by the BoD of the Holding Company and as reported by the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group are disqualified as on March 31, 2017 from being appointed as a Director of the respective company in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of a subsidiary, as noted in the 'Other Matter' paragraph:
 - i. The Consolidated Ind AS Financial Statements disclose the impact of pending

litigations on the Consolidated Financial Position of the Group - Refer Note 36 to the Consolidated Ind AS 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 Ind AS Financial Statements;
- iii. There were no amounts which were required to be transferred as on March 31, 2017 to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and the associate company incorporated in India.
- iv. The requisite disclosures in the Consolidated Ind AS Financial Statements as to holding

as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 have been provided with respect to Holding Company and subsidiaries incorporated in India. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company and subsidiaries incorporated in India and as produced to us by the Management of the Holding Company – Refer Note 13 to the Consolidated Ind AS Financial Statements.

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

H.G. BUCH
Partner
Membership No. 033114

Place : Mumbai
Date : June 29, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDOFIL INDUSTRIES LIMITED

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **INDOFIL INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiary companies, which are companies incorporated in India (the Holding Company and its subsidiary companies together referred to as "the Group"), as of that date (Refer paragraph 7 below on "Other Matters").

2. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

3. 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 control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of Group companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

4. MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. OPINION

In our opinion, the Group companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the respective company, considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI (Refer paragraph 7 below on "Other Matters").

7. OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to two subsidiary companies, which are companies incorporated in India and which have been considered for consolidation, is based on the corresponding reports in that regards of the auditors of such companies.

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

Place : Mumbai
Date : June 29, 2017

H.G. BUCH
Partner
Membership No. 033114

Consolidated Balance Sheet

as at March 31, 2017

₹ in Lakhs

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	3	44,357.52	26,734.19	24,688.87
Capital Work - In - Progress	3	4,457.84	15,769.82	5,397.35
Investment Property	3	—	—	—
Other Intangible Assets	3	30,024.71	31,654.82	32,180.60
Intangible Assets under Development	3	9,196.83	8,988.30	8,358.03
Financial Assets				
(i) Investments	4	79,472.36	80,617.05	31,282.10
(ii) Loans	5	911.29	2,067.81	2,141.87
(iii) Others	6	1,258.18	1,286.27	607.86
Deferred Tax Assets	7	3,164.09	3,808.62	3,757.68
Non - Current Tax Assets (Net)	8	447.88	—	87.31
Other Non-Current Assets	9	4,396.82	2,654.35	1,391.91
Total Non - Current Assets		177,687.52	173,581.23	109,893.58
Current Assets				
Inventories	10	27,715.91	26,388.67	27,664.28
Financial Assets				
(i) Investments	11	4,553.74	—	—
(ii) Trade Receivables	12	60,573.31	44,382.17	43,019.65
(iii) Cash & Cash Equivalents	13	22,209.56	2,838.48	1,439.78
(iv) Bank Balance other than (iii) above	14	724.32	413.67	172.38
(v) Loans	15	555.00	900.00	900.00
(vi) Others	16	191.42	130.21	745.42
Other Current Assets	17	3,477.74	2,431.26	2,829.47
Total Current Assets		120,001.00	77,484.46	76,770.98
TOTAL ASSETS		297,688.52	251,065.69	186,664.56

Consolidated Balance Sheet

as at March 31, 2017

₹ in Lakhs				
Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	18	2,135.11	2,135.11	2,135.11
Other Equity		163,387.31	141,174.84	79,881.64
Total Equity		165,522.42	143,309.95	82,016.75
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	19	52,857.41	37,427.28	30,056.74
(ii) Other Financial Liabilities	20	1,354.24	1,293.60	1,250.80
Provisions	21	1,024.52	851.30	699.10
Total Non - Current Liabilities		55,236.17	39,572.18	32,006.64
Current Liabilities				
Financial Liabilities				
(i) Borrowings	22	28,413.64	32,007.53	41,762.12
(ii) Trade Payables	23	19,226.96	15,034.53	17,061.70
(iii) Other Financial Liabilities	24	24,529.29	16,709.27	11,243.27
Other Current Liabilities	25	4,065.92	3,459.95	2,053.92
Provisions	26	694.12	611.58	520.16
Current Tax Liabilities (Net)	8	–	360.70	–
Total Current Liabilities		76,929.93	68,183.56	72,641.17
Total Liabilities		132,166.10	107,755.74	104,647.81
TOTAL EQUITY AND LIABILITIES		297,688.52	251,065.69	186,664.56
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As per our report attached
For **BANSI S. MEHTA & CO.,**
Chartered Accountants
Firm Reg. No. 100991W

H.G. BUCH
Partner
Membership No. 033114

Mumbai, June 29, 2017

R.K. Malhotra
Group CEO

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

M.N. Thakkar
Sanjay Buch
Sunil Alagh
Dr. Atchutuni L. Rao

Directors

Mumbai, June 29, 2017

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
INCOME			
Revenue from Operations	27	195,677.93	171,826.39
Other Income	28	1,444.64	432.25
Total Income		197,122.57	172,258.64
EXPENSES			
Excise Duty on Sale of Goods		13,560.22	11,754.10
Cost of Material Consumed	29	74,697.76	73,544.53
Purchase of Stock In Trade	30	10,832.95	8,394.72
Changes in Inventories of Finished Goods / Stock in Trade	31	1,735.51	1,719.68
Employee Benefit Expenses	32	13,954.79	12,290.88
Finance Cost	33	4,131.60	5,923.59
Depreciation and Amortisation	3	6,237.75	4,817.13
Other Expenses	34	40,154.85	32,542.14
Total Expenses		165,305.43	150,986.77
Profit Before Tax		31,817.14	21,271.87
Tax Expenses			
Current Tax		6,860.10	4,876.47
Deferred Tax		(1,251.87)	371.13
MAT Credit Entitlement		1,918.33	(427.00)
(Excess) / Short Provision of Earlier Years		(6.92)	(1.62)
Profit After Tax		24,297.50	16,452.89
Share of Profit / (Loss) of Joint Ventures		1,633.06	(397.56)
Profit For The Year		25,930.56	16,055.33
Other Comprehensive Income to be reclassified to Profit & Loss in subsequent years			
Exchange Differences on Translation of Financial Statements of Foreign Operations		1,529.00	(2,115.10)
Other Comprehensive Income not to be reclassified to Profit & Loss in subsequent years			
Re-measurement of Gains / (Losses) on Defined Benefit Plans		(346.32)	(250.21)
Net Gain / (Loss) on FVOCI Equity Securities		(3,444.90)	48,807.83
Share of OCI of Joint Ventures		(3.89)	—
Tax Effect relating to aforesaid items		97.15	50.59
Total Other Comprehensive Income for the year		(2,168.96)	46,493.11
Total Comprehensive Income for the year		23,761.60	62,548.44
Earnings Per Share - Basic & Diluted (₹)		121.45	75.20
Corporate Information	1		
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As per our report attached
For **BANSI S. MEHTA & CO.,**
Chartered Accountants
Firm Reg. No. 100991W

H.G. BUCH
Partner
Membership No. 033114

Mumbai, June 29, 2017

R.K. Malhotra
Group CEO

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

M.N. Thakkar
Sanjay Buch
Sunil Alagh
Dr. Atchutuni L. Rao

Directors

Mumbai, June 29, 2017

Statement of Cash Flow

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	31,817.14	21,271.87
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortisation	6,237.75	4,817.13
Finance Cost	4,131.59	5,923.59
Interest Income	(315.85)	(299.42)
Dividend Income	(1.14)	(1.43)
Profit on Sale of Investments	(67.38)	–
Provision for Diminution in Value of Investment	–	200.00
Sundry Balances Written Back	(15.45)	(6.17)
(Profit) / Loss on Sale of Assets	(3.69)	2.59
(Gain) / Loss on Fair Valuation of Investments	(46.63)	231.41
Bad Debts	10.43	–
Provision for Bad and Doubtful Debts	701.12	719.90
Operating Profit Before Changes in Working Capital	42,447.89	32,859.47
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(16,902.70)	(2,082.41)
(Increase) / Decrease in Inventories	(1,327.23)	1,275.60
(Increase) / Decrease in Other Financial Assets	(78.98)	(183.21)
(Increase) / Decrease in Other Non - Financial Assets	(2,788.96)	(864.22)
Increase / (Decrease) in Trade Payables	4,207.87	(2,020.96)
Increase / (Decrease) in Other Financial Liabilities	6,636.50	3,489.82
Increase / (Decrease) in Provisions	(83.78)	(6.58)
Increase / (Decrease) in Other Non - Financial Liabilities	605.97	1,405.99
Cash Generated from Operations	32,716.58	33,873.50
Less: Taxes Paid (Net of refund received)	(7,593.32)	(4,371.32)
Net Cash Flow from operating activity (A)	25,123.26	29,502.18
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment & Intangible Assets	(11,127.51)	(17,347.61)
Sale of Property, Plant & Equipment & Intangible Assets	3.69	5.57
Investments during the year	(5,184.61)	(2,224.00)
Sale Proceeds from Investments	73.83	867.92
Financial Assets - Loans (Made) / Repaid	1,501.52	74.06
Interest Received	361.71	419.43
Dividend Received	1.14	1.43
Net Cash Flow from investing activity (B)	(14,370.23)	(18,203.20)

Statement of Cash Flow

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
C CASH FLOW FROM FINANCING ACTIVITY		
Receipt of Long Term Borrowings	26,123.71	10,731.93
Repayment of Long Term Borrowings	(9,417.09)	(1,365.02)
Increase / (Decrease) in Short Term Borrowings	(3,593.89)	(9,754.59)
Deposits and Margin Money	(310.65)	(241.29)
Finance Cost	(4,172.95)	(5,910.10)
Corporate Dividend (incl. Dividend Distribution Tax)	(1,540.08)	(1,246.11)
Net Cash Flow from Financing Activity (C)	7,089.05	(7,785.18)
Exchange Differences On Translation Of Foreign Operations	1,529.00	(2,115.10)
Net Cash Flow for the year (A + B + C)	19,371.08	1,398.70
Add: Opening Balance of Cash & Cash Equivalents	2,838.48	1,439.78
Closing Balance of Cash & Cash Equivalents	22,209.56	2,838.48
Corporate Information	1	
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As per our report attached
For **BANSI S. MEHTA & CO.,**
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H.G. BUCH
Partner
Membership No. 033114

Mumbai, June 29, 2017

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Mumbai, June 29, 2017

Statement of Changes in Equity

for the year ended March 31, 2017

A. EQUITY SHARE CAPITAL

	₹ in lakhs
Particulars	
Balance as at April 01, 2015	2,135.11
Add: Changes in Equity Share Capital during the FY. 2015-16	-
Balance as at March 31, 2016	2,135.11
Add: Changes in Equity Share Capital during the FY. 2016-17	-
Balance as at March 31, 2017	2,135.11

B. OTHER EQUITY

	₹ in lakhs									
Particulars	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Capital Reserve	Special Reserve	Foreign Currency Translation	General Reserve	Retained Earnings	Equity Instruments through OCI	Total
Balance as at April 01, 2015	629.54	508.00	10,804.26	1.36	666.76	1,606.15	5,170.27	60,495.30	-	79,881.64
Profit for the period								16,055.33		16,055.33
Transfer from Surplus					89.32			(89.32)		-
Other Comprehensive Income										
- Exchange Differences on translation of foreign operations						(2,115.10)				(2,115.10)
- Remeasurements gains / (loss) on defined benefit plans								(250.21)		(250.21)
- Fair value gain on FVOCI financial asset									48,807.83	48,807.83
- Share of OCI of Joint Ventures									-	-
- Tax Effect on aforesaid items								50.59		50.59
Dividends on Shares								(1,041.89)		(1,041.89)
Dividend Distribution Tax								(213.35)		(213.35)
Balance as at March 31, 2016	629.54	508.00	10,804.26	1.36	756.08	(508.95)	5,170.27	75,006.45	48,807.83	141,174.84
Profit for the period								25,930.56		25,930.56
Transfer from Surplus					107.31			(107.31)		-
Other Comprehensive Income										
- Exchange Differences on translation of foreign operations						1,529.00				1,529.00
- Remeasurements gains / (loss) on defined benefit plans								(346.32)		(249.15)
- Fair value loss on FVOCI financial asset									(3,444.90)	(3,444.90)
- Share of OCI of Joint Ventures									(3.89)	(3.89)
- Tax Effect on aforesaid items								97.15		-
Dividends on Shares								(1,281.07)		(1,281.07)
Dividend Distribution Tax								(268.08)		(268.08)
Balance as at March 31, 2017	629.54	508.00	10,804.26	1.36	863.39	1,020.05	5,170.27	99,031.40	45,359.04	163,387.31

Statement of Changes in Equity

for the year ended March 31, 2017

Nature and Purpose of the Reserves

Capital Redemption Reserve

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

Securities Premium

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

Capital Reserve

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

Special Reserve

Special Reserve created by transfer from Surplus of Statement of Profit & Loss in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

General Reserve

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

C. DIVIDENDS PAID / PROPOSED DURING THE YEAR

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Corporate Dividend Paid During the year		
Dividend Paid (₹ in lakhs)	1,281.07	1,041.89
Dividend Per Fully Paid Up Share	6.00	5.00
Corporate Dividend Proposed for the year		
Dividend Proposed (₹ in lakhs)	1,708.09	1,281.07
Dividend Per Fully Paid Up Share	8.00	6.00

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As per our report attached
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H.G. BUCH
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Mumbai, June 29, 2017

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Mumbai, June 29, 2017

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 1: CORPORATE INFORMATION

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

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

The Company, its Subsidiaries and its Joint Ventures (jointly referred to as the "Group" herein under) considered in these Consolidated Financial Statements ("CFS") are:

a) Subsidiaries

Name of the Company	Country of Incorporation	Principal Activities	Proportion of Equity Interest (%)
Indofil Industries (Netherlands) B.V.	The Netherlands	Marketing & Distribution of agrochemicals	100%
Indofil Bangladesh Industries Pvt. Ltd.	Bangladesh		100%
Indofil Costa Rica S.A.	Costa Rica		100%
Indofil Industries (International) B.V.	The Netherlands	Holding Company	100%
Good Investment (India) Ltd.	India	Investment Company	100%
Quick Investment (India) Ltd.	India		100%

Share Capital of Indofil Industries (International) B.V. has been subscribed during the year. There is no change during the year ended March 31, 2017 and March 31, 2016 in the proportion of Equity Interest (%) in any other subsidiaries.

b) Joint Ventures

Name of the Company	Country of Incorporation	Principal Activities	Proportion of Equity Interest (%)
Indobaijin Chemicals Pvt. Ltd.	India	Manufacture, Marketing & Distribution of Chemicals	51%
Hifil Chemicals Pvt. Ltd.	India	Distribution of Chemicals	49%

There is no change during the year ended March 31, 2017 and March 31, 2016 in the proportion of Equity Interest (%) in any of the Joint Ventures.

c) Group Companies not considered for Consolidated Financial Statements:

The Group holds 20% of the Equity Interest of International Research Park Laboratories Ltd. Indirectly through its subsidiaries. However, the Group does not exercise any significant influence on the investee company in terms of para 5 and 6 of Ind AS 28 on "Investment in Associates and Joint Ventures" and hence such companies are not considered for consolidation purpose.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 with effect from April 01, 2016, the Consolidated Financial Statements for the year ended March 31, 2017 have been prepared in accordance with the Ind AS issued and effective as at the reporting date. Previous periods have been restated in line with Ind AS.

The Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Indian GAAP") to Ind AS, of the Shareholders' Equity as at March 31, 2016 and April 01, 2015 and of the total Comprehensive Income for the year ended March 31, 2016.

2.2 Basis of preparation

The financial statements of the Subsidiaries and the Joint Ventures used for consolidation are drawn/prepared for consolidation upto the same reporting date as the Holding Company. The CFS have been prepared on the following basis:

- The financial statements of subsidiary companies have been combined on line to line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances, intra group transactions and the unrealised profits/losses in accordance with Ind AS 110 – "Consolidated Financial Statements"
- In case of foreign subsidiary companies, revenue and expense items are converted at the average exchange rate prevailing during the period. All assets and liabilities

Notes forming part of Financial Statements

for the year ended March 31, 2017

are converted at the exchange rate prevailing at the year end. All resulting exchange differences arising out of translation are accumulated in the Foreign Currency Translation Reserve in accordance with Ind AS 21 – “The Effects of Changes in Foreign Exchange Rates”.

- The difference between the cost of investments in subsidiary companies over the respective net assets at the time of acquisition of shares in the subsidiary companies are recognised in the CFS as Goodwill or Capital Reserve, as the case may be.
- 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.
- 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.
- The investments in the Joint Ventures are accounted for using the Equity Method of accounting as laid down under Ind AS 28 – “Investment in Associates and Joint Ventures”. The investments are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The unrealised profits/losses on transactions with the associate company are eliminated by reducing the carrying amount of investments.
- The difference between the cost of investment in the Joint Ventures and the share of net asset at the time of acquisition of shares in the Joint Ventures is identified in the CFS as Goodwill or Capital Reserve as the case may be.
- The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's Standalone Financial Statement (“SFS”), except as specified

2.3 Use of Estimates and Judgements

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

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

- Measurement and likelihood of occurrence of provisions and contingencies – Note No. 21, 26 and 36
- Recognition of Deferred Tax Assets / (Liabilities) – Note No. 7
- Key Assumptions used in Fair Valuation Methods of Financial Assets – Note No. 40
- Impairment of Financial Assets (Trade Receivables) – Note No. 12

2.4 Intangible Assets

The Intangible Assets in Indofil Industries (Netherlands) B.V. are amortised on Straight Line Method over a period of twenty years

2.5 Other Significant Accounting Policy and Additional Information's

The other Significant Accounting Policies are set out in Significant Accounting Policies as given in the SFS. Additional information and notes not impacted by consolidation are set out in the SFS.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Description	Gross Block (at cost)			Depreciation / Amortisation			Net Block	
	As at April 1, 2016	Additions / Transfers	Deductions / Adjustment	As at April 1, 2016	For The Year	Adjustments On Deductions	As at March 31, 2017	As at April 1, 2016
(A) TANGIBLE ASSETS								
Land - Freehold	176.54	–	–	–	–	–	176.54	176.54
Factory Buildings	5,151.03	5,787.18	–	2,075.20	522.38	–	2,597.58	3,075.83
Non-Factory Buildings ^{2 4}	9,951.15	390.38	–	2,094.96	462.47	–	2,557.43	7,856.19
Culverts	–	19.69	–	–	0.77	–	0.77	–
Plant & Machinery ⁴	16,839.97	10,672.95	–	4,552.78	986.98	–	5,539.76	12,287.19
Other Plant Equipment	2,321.83	1,754.11	–	579.78	467.33	–	1,047.11	1,742.05
Electrical Installation & Equipment	–	1,157.58	–	–	124.20	–	124.20	–
Furniture & Fixture	646.48	76.67	–	444.31	64.89	–	509.20	202.17
Vehicles ¹	1,815.51	246.10	–	1,350.57	211.59	–	1,562.16	464.94
Office Equipments	902.26	173.35	–	789.51	75.06	–	864.57	112.75
Roads	–	437.04	–	–	60.98	–	60.98	–
Computers	671.57	73.06	–	533.26	82.34	–	615.60	138.31
Capital Expenditure On								
Research & Development								
Buildings	426.69	–	–	150.98	28.65	–	179.63	275.71
Plant & Machinery	881.19	–	–	485.22	75.43	–	560.65	395.97
Furniture & Fixture	23.54	–	–	17.43	1.67	–	19.10	6.11
Other Equipments	4.33	–	–	3.90	0.04	–	3.94	0.43
Total - Tangible Assets	39,812.09	20,788.11	–	13,077.90	3,164.78	–	16,242.68	26,734.19
(B) INTANGIBLE ASSETS								
License, Registration, Etc. In Respect of Acquired Business	27,947.00	–	38.97	2,419.67	1,711.49	–	4,131.16	25,527.33
Scientific Research Expenditure for Product Development	8,757.42	1,429.94	–	2,684.26	1,340.98	(0.18)	4,025.06	6,073.16
Software Licences	62.07	51.71	–	7.74	20.50	–	28.24	54.33
Total - Intangible Assets	36,766.49	1,481.65	38.97	5,111.67	3,072.97	(0.18)	8,184.46	31,654.82
CAPITAL WORK IN PROGRESS ^{3 5}	15,769.82	7,879.27	19,191.25	–	–	–	–	15,769.82
(D) INTANGIBLES UNDER DEVELOPMENT								
Scientific Research Expenditure for Product Under Development	8,988.30	1,647.66	1,439.13	–	–	–	–	8,988.30
(E) INVESTMENT PROPERTY ⁵								
Total (A)+(B)+(C)+(D)+(E)	101,336.70	31,796.69	20,669.35	18,189.57	6,237.75	(0.18)	24,427.14	83,147.13
Previous Year's Total	75,670.74	19,533.14	2,855.52	13,403.92	4,817.13	0.02	18,189.53	70,624.85

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Description	Gross Block (at cost)			Depreciation / Amortisation			Net Block	
	As at April 1, 2015	Additions Transfers	Deductions / Adjustment	As at March 31, 2016	As at April 1, 2015	For The Year	As at March 31, 2016	As at March 31, 2015
(A) TANGIBLE ASSETS								
Land - Freehold	176.54	–	–	176.54	–	–	–	176.54
Factory Buildings	5,078.02	73.01	–	5,151.03	1,755.92	319.28	2,075.20	3,322.10
Non-Factory Buildings ^{2 4}	8,464.46	1,486.68	–	9,951.14	1,708.14	386.82	2,094.96	7,856.18
Culverts	–	–	–	–	–	–	–	–
Plant & Machinery ⁴	16,035.94	804.00	–	16,839.94	3,824.79	727.98	4,552.77	12,287.17
Other Plant Equipment	937.93	1,383.91	–	2,321.84	426.02	153.76	579.78	1,742.06
Electrical Installation & Equipment	–	–	–	–	–	–	–	–
Furniture & Fixture	600.39	46.09	–	646.48	373.52	70.78	444.30	202.18
Vehicles ¹	1,699.00	156.20	39.70	1,815.50	1,186.38	195.74	1,350.58	464.92
Office Equipments	872.90	29.36	–	902.26	697.16	92.35	789.51	112.75
Roads	–	–	–	–	–	–	–	–
Computers	547.76	123.81	–	671.57	451.09	82.17	533.26	138.31
Capital Expenditure On								
Research & Development								
Buildings	426.69	–	–	426.69	118.90	32.08	150.98	275.71
Plant & Machinery	787.42	93.78	–	881.20	405.43	79.78	485.21	395.99
Furniture & Fixture	23.54	–	–	23.54	14.84	2.58	17.42	6.12
Other Equipments	4.33	–	–	4.33	3.86	0.04	3.90	0.43
Total - Tangible Assets	35,654.92	4,196.84	39.70	39,812.06	10,966.05	2,143.36	13,077.87	24,688.87
(B) INTANGIBLE ASSETS								
License, Registration, Etc. In Respect of Acquired Business	27,911.63	35.36	–	27,946.99	739.69	1,679.98	2,419.67	25,527.32
Scientific Research Expenditure for Product Development	6,706.84	2,050.58	–	8,757.42	1,698.18	986.05	2,684.25	6,073.17
Software Licences	–	62.07	–	62.07	–	7.74	7.74	54.33
Total - Intangible Assets	34,618.47	2,148.01	–	36,766.48	2,437.87	2,673.77	5,111.66	32,180.60
(C) CAPITAL WORK IN PROGRESS ³								
	5,397.35	13,188.29	2,815.82	15,769.82	–	–	–	15,769.82
(D) INTANGIBLES UNDER DEVELOPMENT								
Scientific Research Expenditure for Product Under Development	8,358.03	2,680.10	2,049.83	8,988.30	–	–	–	8,988.30
(E) INVESTMENT PROPERTY ⁵								
TOTAL (A)+(B)+(C)+(D)+(E)	75,670.74	19,533.14	2,855.52	92,348.36	13,403.92	4,817.13	18,189.53	70,624.85

Notes forming part of Financial Statements

for the year ended March 31, 2017

- 1 Includes Assets taken on Hire Purchase :-

Particulars	₹ in Lakhs					
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Cost Value	W.D.V	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 ₹ 328.03 lakhs (31 March 2016: ₹ 334.16 lakhs, 1 April 2015: ₹ 385.39 lakhs) capitalised during the year in terms of Para 8 of the “Indian Accounting Standard 23- Borrowing Costs” and Employee Cost of ₹ 160.87 lakhs (March 31, 2016: ₹ 142.59 lakhs, April 1, 2015: ₹ 111.92 lakhs). The Effective Interest Rate (EIR) used to determine the amount of borrowing cost eligible for capitalisation is the EIR of the specific borrowing
- 4 Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets ₹ 415.54 lakhs (31 March 2016: ₹ 409.35 lakhs and April 1, 2015: ₹ 112.63 lakhs) capitalised during the year in terms of Para 7AA of “Indian Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates”. Unamortised Amount as at the year end was ₹ 1,191.51 lakhs (March 31, 2016: ₹ 900.08 lakhs and April 1, 2015: ₹ 518.04 lakhs)
- 5 Property at Sameer Vihar, Modi Nagar yielding rental income to the Company is not recognised as Investment Property due to non availability of reliable measurement of cost. The Fair Value of the said Investment Property based on the Management Estimate is ₹ 2,609.88 lakhs as at the year end.

Notes forming part of Financial Statements

for the year ended March 31, 2017

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
INVESTMENT IN EQUITY INSTRUMENTS						
Investment in Joint Venture (Unquoted)						
Indobaijin Chemicals Pvt. Ltd.	4,366,096	4,726.39	4,366,096	3,097.04	3,852,113	2,980.58
(Face Value - ₹ 100 /- each)						
Hifil Chemicals Pvt. Ltd.	4,900	—	4,900	0.17	4,900	0.21
(Face Value - ₹ 10 /- each)						
Others (Quoted At Fair Value)						
Godfrey Philips India Limited	6,545,020	74,158.35	6,476,020	76,967.50	6,177,020	26,227.63
(Face Value - ₹ 2 /- each)						
Modi Rubber Ltd.	215,311	198.95	214,211	95.49	214,211	62.66
(Face Value - ₹ 10 /- each)						
Modi Spinning & Weaving Mills Co. Ltd.	75,631	7.60	75,631	7.60	75,631	7.60
(Face Value - ₹ 10 /- each)						
Less: Provision for Diminution in Value of Investment		(7.60)		(7.60)		(7.60)
Modi Industries Limited	5,580	0.88	5,580	0.88	5,580	0.88
(Face Value - ₹ 10 /- each)						
Less: Provision for Diminution in Value of Investment		(0.88)		(0.88)		(0.88)
Union KBC Mutual Fund	249,990	35.45	249,990	32.37	249,990	40.90
(Face Value - ₹ 10 /- each)						
Birla Sunlife Dynamic Bond Fund - Growth	—	—	—	—	1,621,977	396.45
(Face Value - ₹ 10 /- each)						
Kotak Bond Short Term Plan - Growth	—	—	—	—	536,510	140.07
(Face Value - ₹ 10 /- each)						
DSP Blackrock Strategy Bond Fund - Growth	—	—	—	—	14,947	272.12
(Face Value - ₹ 10 /- each)						
JP Morgan India Short Term Income Fund - Growth	—	—	602,462	82.98	1,583,884	242.72
(Face Value - ₹ 10 /- each)						
ICICI Prudential Income Plan - Growth	—	—	—	—	148,151	65.03
(Face Value - ₹ 10 /- each)						
ICICI Prudential Dynamic Bond - Growth	—	—	—	—	366,757	57.38
(Face Value - ₹ 10 /- each)						
Others (Unquoted At Fair Value)						
The Cosmos Co-Op. Bank Ltd.	14,250	70.79	14,250	70.79	14,250	84.50
(Face Value - ₹ 100 /- each)						
KKM Management Centre Pvt. Ltd.	338,100	96.13	338,100	88.55	338,100	77.79

Notes forming part of Financial Statements

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
(Face Value - ₹ 10 /- each)						
International Research Park Laboratories	50,000	51.78	50,000	51.78	50,000	57.94
(Face Value - ₹ 10 /- each)						
Beacon Travels Pvt. Ltd.	4,500	38.90	4,500	34.76	4,500	30.50
(Face Value - ₹ 10 /- each)						
Modi Care Limited	8,000,000	200.00	8,000,000	200.00	8,000,000	200.00
(Face Value - ₹ 2.5 /- each)						
Less: Diminution in Value of Investment		(200.00)		(200.00)		
Agache Associates Limited	6,250	0.63	6,250	0.63	6,250	0.63
(Face Value - ₹ 10 /- each)						
Less: Diminution in Value of Investment		(0.62)		(0.62)		(0.62)
Rajputana Fertiliser Limited	15,126	—	15,126	—	15,126	—
(Face Value - ₹ 10 /- each)						
Harayana Distillery Limited	15,126	—	15,126	—	15,126	—
(Face Value - ₹ 10 /- each)						
Rajputana Developers Limited	15,126	—	15,126	—	15,126	—
(Face Value - ₹ 10 /- each)						
INVESTMENT IN PREFERENCE SHARES						
Others (Quoted At Fair Value)						
Modi Spinning & Weaving Mills Co. Ltd.	165	0.17	165	0.17	165	0.17
(Face Value - ₹ 100 /- each)						
Less: Provision for Diminution in Value of Investment		(0.16)		(0.16)		(0.16)
Others (Unquoted At Fair Value)						
Premium Tradelinks Pvt. Ltd.	956,000	95.60	956,000	95.60	956,000	95.60
(Face Value - ₹ 10 /- each)						
Modi Care Limited	2,500,000	—	2,500,000	—	2,500,000	250.00
(Face Value - ₹ 10 /- each)						
INVESTMENT IN DEBENTURES						
Modi Industries Limited	328	0.66	328	0.66	328	0.66
(Face Value - ₹ 200 /- each)						
Less: Provision for Diminution in Value of Investment		(0.66)		(0.66)		(0.66)
Total		79,472.36		80,617.05		31,282.10
		₹ in Lakhs		₹ in Lakhs		₹ in Lakhs
Aggregate Amount of Quoted Investment & Market Value thereof		74,392.76		77,178.35		27,504.97
Aggregate amount of Unquoted Investments		5,079.60		3,438.70		3,777.13
Aggregate amount of impairment in value of Investments		209.92		209.92		9.92

Notes forming part of Financial Statements

for the year ended March 31, 2017

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

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured Considered Good			
Loans to Related Parties	836.07	1,981.91	2,041.42
Secured Considered Good			
Loans to Employees	75.22	85.90	100.45
Total	911.29	2,067.81	2,141.87

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

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security and Other Deposits	618.72	489.91	387.98
Fixed Deposits maturing after 12 months	639.46	796.36	219.88
Total	1,258.18	1,286.27	607.86

NOTE 7: DEFERRED TAX ASSETS

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred Tax Assets			
Undistributed Losses of Joint Ventures	-	439.30	301.72
Other items giving rise to temporary differences	1,401.91	1,100.25	769.84
MAT Credit Entitlement	6,381.98	8,278.39	7,856.31
	7,783.89	9,817.94	8,927.87
Deferred Tax Liabilities			
Undistributed Profits of Joint Ventures	(124.52)	-	-
Accelerated depreciation for tax purposes	(4,495.28)	(6,009.32)	(5,170.19)
	(4,619.80)	(6,009.32)	(5,170.19)
Net Deferred Tax Assets	3,164.09	3,808.62	3,757.68

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

₹ in Lakhs				
Particulars	Deferred Tax Assets / (Liability)			
	MAT Credit Entitlement	Items giving rise to temporary differences	Accelerated Depreciation for Tax Purpose	Undistributed Profits / (Losses)
Balance as at April 01, 2015	7,856.31	769.84	(5,170.19)	301.72
MAT Credit Entitlement / (Utilisation) during FY. 2015-16	422.14			
DTA on Items giving rise to temporary differences		330.42		
DTL on Accelerated Depreciation for tax purpose			(839.13)	
DTA on Undistributed Losses of Joint Ventures				137.59
Balance as at March 31, 2016	8,278.45	1,100.26	(6,009.32)	439.31
MAT Credit Entitlement / (Utilisation) during FY. 2016-17	(1,896.41)			
DTA on Items giving rise to temporary differences		301.66		
DTA on Accelerated Depreciation for tax purpose			1,514.04	
DTL on Undistributed Profits of Joint Ventures				(563.83)
Balance as at March 31, 2017	6,382.04	1,401.92	(4,495.28)	(124.52)

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 8: NON - CURRENT TAX ASSETS / (LIABILITIES)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non Current Tax Asset / (Liabilities) [Net]	447.88	(360.70)	87.31
	447.88	(360.70)	87.31

Reconciliation of Effective Tax Rates

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

₹ in Lakhs		
Particulars	As at March 31, 2017	As at March 31, 2016
Statutory Income Tax Rate	34.61%	34.61%
Differences due to:		
Temporary Differences	-2.22%	0.23%
Income Tax Incentives	-9.01%	-12.03%
Tax on Income at Different Rates	-1.39%	0.00%
Others	1.64%	-0.16%
Effective Tax Rate	21.99%	22.81%

NOTE 9: OTHER NON-CURRENT ASSETS

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Long Term Trade Receivables	2,452.67	1,751.55	1,031.65
Less: Impairment Allowance	(2,452.67)	(1,751.55)	(1,031.65)
Capital Advances	2,416.66	1,900.95	672.04
Prepaid Leases	1,615.33	430.33	450.76
Balances with Govt. Authorities under litigation	364.83	323.07	269.11
Total	4,396.82	2,654.35	1,391.91

NOTE 10: INVENTORIES

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At Lower of Cost or Net Realisable Value			
Raw Materials	7,909.43	5,908.25	5,416.52
Raw Materials - Goods in Transit	3,789.23	2,823.29	2,854.88
Finished Goods	12,423.21	14,105.88	15,703.01
Finished Goods in Transit	219.63	64.52	–
Stock in Trade	2,860.30	3,068.25	3,255.32
Stores and Spares	514.11	418.48	434.55
Total	27,715.91	26,388.67	27,664.28

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 11: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

₹ in Lakhs

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
INVESTMENT IN EQUITY INSTRUMENTS						
Others (Quoted At Fair Value)						
Birla Sun Life Floating Rate Fund Short Term Plan	1,121,940	2,426.06				
(Face Value - ₹ 100 /- each)						
LIC MF Fund - Growth Plan	65,443	1,922.98	—	—	—	—
(Face Value - ₹ 1000 /- each)						
HDFC Liquid Fund - Regular Plan	6,398	204.70	—	—	—	—
(Face Value - ₹ 1000 /- each)						
TOTAL		4,553.74	—	—	—	—
Aggregate Amount of Quoted Investment & Market Value thereof		4,553.74	—	—	—	—
Aggregate amount of Unquoted Investments		—	—	—	—	—
Aggregate amount of impairment in value of Investments		—	—	—	—	—

NOTE 12: FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
TRADE RECEIVABLES AT AMORTISED COST						
Debts due for more than six months						
Secured - Considered Good	113.44		87.11		57.76	
Unsecured - Considered Good	5,038.54	5,151.98	2,698.86	2,785.97	1,909.28	1,967.04
Others						
Secured - Considered Good	397.27		503.99		469.74	
Unsecured - Considered Good	55,024.06	55,421.33	41,092.21	41,596.20	40,582.87	41,052.61
Total		60,573.31		44,382.17		43,019.65

NOTE 13: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks in Current Accounts	22,155.70	2,308.09	169.91
Cheques in Hands	—	512.64	—
Cash on Hand	51.90	17.75	9.06
Fixed Deposits maturing within 3 months	1.96	—	1,260.81
Total	22,209.56	2,838.48	1,439.78

During the year the Group had Specified Bank Notes (SBN's) and other denomination notes as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 on the details of SBN's held and transacted during the period November 08, 2016 to December 30, 2016.

Notes forming part of Financial Statements

for the year ended March 31, 2017

₹			
Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in Hand as on November 08, 2016	4,472,500	314,719	4,787,219
Add: Permitted Receipts	–	2,189,690	2,189,690
Less: Permitted Payments	–	821,307	821,307
Less: Amount Deposited in Banks	4,472,500	–	4,472,500
Closing Cash in Hand as on December 30, 2016.	–	1,683,102	1,683,102

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

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unpaid Dividend Account	58.42	49.37	40.26
Margin Money Pledged with Banks	3.00	3.00	3.00
Fixed Deposits maturing within 3 to 12 months	662.90	361.30	129.12
Total	724.32	413.67	172.38

NOTE 15: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans to Others	555.00	900.00	900.00
Total	555.00	900.00	900.00

NOTE 16: FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances to Related Parties	25.85	0.44	444.37
Export Incentives Receivable	15.75	37.37	82.94
Interest Receivable	46.54	92.40	212.41
Forward Contract Recievable	103.28	–	5.70
Total	191.42	130.21	745.42

NOTE 17: OTHER CURRENT ASSETS

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Export Incentives Receivable	772.69	30.96	30.02
Prepaid Expenses	736.59	316.75	488.86
Other Advances	84.72	340.47	482.61
Balances with Excise and VAT Authorities	1,832.72	1,722.65	1,807.55
Prepaid Lease	51.02	20.43	20.43
Total	3,477.74	2,431.26	2,829.47

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 18: EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised			
4,40,00,000 (4,40,00,000) Equity shares of ₹ 10/- par value	4,400.00	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	600.00
Total Authorised Share Capital	5,000.00	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	2,066.24
22,95,822 (22,95,822) Equity Shares of ₹ 10/- par value, ₹ 3/- called up	68.87	68.87	68.87
Total issued, subscribed and paid up share capital	2,135.11	2,135.11	2,135.11

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares at the beginning	22,958,222	2,135.11	22,958,222	2,135.11	20,662,400	2,066.02
Add: Rights Issue of Equity Shares 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	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, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
K.K.Modi Investment and Financial Services Pvt. Ltd.	10,273,073	44.75%	10,098,073	43.99%	9,748,073	42.46%
APMS Investment Fund Ltd.(FIL)	1,635,822	7.13%	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%	2,169,956	9.45%
Rajputana Fertilisers Ltd.	1,916,666	8.35%	1,916,666	8.35%	1,916,666	8.35%

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 19: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
From Banks (Secured):			
Rupee Term Loan	2,891.38	3,750.00	5,000.00
Foreign Currency Term Loan	49,966.03	33,622.04	24,925.45
Rupee Hire Purchase Loans	–	55.24	131.29
Total	52,857.41	37,427.28	30,056.74

A Rupee Term Loans:

- Term Loan amounting to ₹ 3,000 lakhs (₹ 4,000 lakhs as on March 31, 2016 and ₹ 5,000 lakhs as on April 01, 2015) carries interest at the rate of 11.75% p.a. (11.75% p.a. as on March 31, 2016 and 12.75% as on April 01, 2015) as at year end and is repayable in 12 Equal quarterly installments of ₹ 250 lakhs each.
- Term Loan amounting to ₹ 656.25 lakhs (₹ 1,125 lakhs as on March 31, 2016 and ₹ 1500 lakhs as on April 01, 2015) carries interest at the rate of 11.95% p.a. (12.20% p.a. as on March 31, 2016 and 12.70% as on April 01, 2015) as at year end and is repayable in 7 Equal quarterly installments of ₹ 93.75 lakhs each.
- Term loan amounting to ₹ 760.13 lakhs (Nil) carries interest at the rate of 11.00% p.a. as at year end and is repayable 20 quarterly installments of ₹ 75 lakhs each starting from December 01, 2017
- Hire purchase loan amounting to ₹ 131.29 lakhs, outstanding as on March 31, 2016 has been repaid during the year.
- Term loan amounting to ₹ 4,936.69 lakhs (₹ 5,046.38 lakhs as on March 31, 2016 and Nil as on April 01, 2015) is repayable over 15 quaterly installments of ₹ 148.10 lakhs each and 10 quaterly installments of ₹ 271.52 lakhs each.
- Term loan amounting to ₹ 5,307.21 lakhs (₹ 2,942.91 lakhs as on March 31, 2016 and Nil as on April 01, 2015) is repayable over 48 monthly installments of ₹ 110.57 lakhs each starting from March 31, 2018.
- Term loan amounting to ₹ 3,589.95 lakhs (₹ 822.59 lakhs as on March 31, 2016 and Nil as on April 01, 2015) is repayable over 48 monthly installments of ₹ 74.79 lakhs each starting from March 31, 2018.
- Term loan amounting to ₹ 1,016.64 lakhs (Nil) is repayable over 20 quarterly installments of ₹ 125 lakhs each starting from November 30, 2017.
- Term loan amounting to ₹ 6,380.45 lakhs (₹ 8,172.83 lakhs as on March 31, 2016 and ₹ 7,594.92 lakhs as on April 01, 2015) is repayable over 11 quaterly installments of ₹ 335.81 lakhs each and 1 installments of ₹ 2,686.50 lakhs each.

B Foreign Currency Term Loans:

- All term loans carry interest rate between of 3.00% p.a. to 5.00% p.a. (3.00% p.a. to 5.00% p.a. as on March 31, 2016 and April 01, 2015)
- Term loan amounting to ₹ 4,477.26 lakhs (₹ 5,873.25 lakhs as on March 31, 2016 and ₹ 6,132.94 lakhs as on April 01, 2015) is repayable over 11 installments of ₹ 231.58 lakhs each and 1 installment of ₹ 1,929.86 lakhs.
- Term loan amounting to ₹ 1,325.83 lakhs (₹ 1,873.38 lakhs as on March 31, 2016 and Nil as on April 01, 2015)
- Term loan amounting to ₹ 4,957 lakhs (₹ 6340.94 lakhs as on March 31, 2016 and ₹ 5,890.28 lakhs as on April 01, 2015) is repayable over 19 quaterly installments of ₹ 260.89 lakhs each.
- Term loan amounting to ₹ 5,685.69 lakhs (₹ 7,282.90 lakhs as on March 31, 2016 and ₹ 6,767.91 lakhs as on April 01, 2015) is repayable over 19 quaterly installments of ₹ 268.98 lakhs each.

Notes forming part of Financial Statements

for the year ended March 31, 2017

11. Term loans amounting to ₹ 18,224.97 lakhs (Nil) is repayable over 12 quarterly installments of ₹ 532.84 lakhs each and 16 quarterly installments of ₹ 710.45 lakhs each starting from September 30, 2018

All the above term loans, except loans amounting to ₹ 5,803.10 lakhs (₹ 7,877.92 lakhs as on March 31, 2016 and ₹ 6,391.31 lakhs as on April 01, 2015) are secured by first pari passu charge on the present and future Property, Plant & Equipment as well as Other Intangible Assets including Capital Work in Progress of the Company (except those assets which have been specifically financed) and second pari passu charge on present and future current assets of the Company inter se the Working Capital Lenders.

Term Loan amounting to ₹ 5,803.10 lakhs (₹ 7,746.63) are secured by specific assets financed by them.

Term Loan aggregating to ₹ 656.25 lakhs (₹ 1,125 lakhs) have an additional exclusive pari passu charge on the assets financed by them.

An amount of ₹ 1,004.65 lakhs (₹ 796.36 lakhs as at March 31, 2016 and ₹ 1,344.51 lakhs as on April 01, 2015) has been held as Debt Service Reserve Account with Bank. (Refer Note No. 6, 13 and 14)

Amounts falling due in respect of all the above loans upto March 31, 2017 have been grouped under "Current maturities of Long Term Debts" under Note No. 24.

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

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security Deposit Received from Customers	1,150.03	1,021.83	930.53
Financial Guarantee Obligation	127.78	195.34	243.84
Others	76.43	76.43	76.43
Total	1,354.24	1,293.60	1,250.80

NOTE 21: PROVISIONS (NON-CURRENT)

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for Employee Benefits	1,024.52	851.30	699.10
Total	1,024.52	851.30	699.10

NOTE 22: FINANCIAL LIABILITIES (SHORT TERM BORROWINGS)

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At Amortised Cost (Secured)			
Working Capital Loans from Banks	28,413.64	32,007.53	41,762.12
Total	28,413.64	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, inter se the Term Lenders).

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 23: FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At Amortised Cost			
Sundry Creditors for Goods & Services	19,226.96	15,034.53	17,061.70
Total	19,226.96	15,034.53	17,061.70

Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2017 have been identified as relating to Micro and Small Enterprises referred to in the said Act.

NOTE 24: FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current Maturities of Long Term Debts	7,460.66	6,184.19	4,187.81
Interest Accrued but not due on Borrowings	111.21	152.57	139.08
Financial Guarantee Obligation	63.32	64.73	62.04
Forward Contract Payable	–	4.47	–
Unclaimed Dividend*	58.42	49.37	40.26
Other Payables	16,835.68	10,253.94	6,814.08
Total	24,529.29	16,709.27	11,243.27

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

NOTE 25: OTHER CURRENT LIABILITIES

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Other Payables	4,065.92	3,459.95	2,053.92
Total	4,065.92	3,459.95	2,053.92

NOTE 26: PROVISIONS (CURRENT)

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for Employee Benefits	694.12	604.79	513.37
Other	–	6.79	6.79
Total	694.12	611.58	520.16

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 27: REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Sale of Products				
Agrochemical	172,659.61		152,578.29	
Specialty & Performance Chemicals	21,358.25	194,017.86	18,546.08	171,124.37
Interest Income		15.59		12.31
Dividend Income		518.08		518.08
Profit on Sale of Current Investments		18.97		(10.74)
Other Operating Income:				
Indenting Commission		—		32.38
Compensation Received		—		—
Export Incentives & Entitlements		1,089.74		145.91
Miscellaneous Income		17.69		4.08
Total		195,677.93		171,826.39

NOTE 28: OTHER INCOME

₹ in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income	315.85	299.42
Dividend Income	1.14	1.43
Profit on Sale of Current Investments	67.38	—
Foreign Exchange Fluctuation (Net)	836.16	—
Other Non - Operating Income:		
Profit on Sale of Assets	3.69	—
Guarantee Commission	63.32	64.90
Rent Income	7.20	7.20
Insurance Claims	64.81	26.53
Sundry Balance Written Back	15.45	6.17
Gain on Fair Valuation of FVTPL Investments	55.78	—
Others	13.86	26.60
Total	1,444.64	432.25

NOTE 29: COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw Material Consumed	67,756.99	66,940.83
Packing Material Consumed	6,940.77	6,603.70
Total	74,697.76	73,544.53

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 30: PURCHASE OF STOCK IN TRADE

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of Stock in Trade	10,832.95	8,394.72
Total	10,832.95	8,394.72

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

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Stocks :		
Finished Goods	14,170.40	15,703.01
Stock In Trade	3,068.25	3,255.32
Less : Closing Stocks :		
Finished Goods	12,642.84	14,170.40
Stock In Trade	2,860.30	3,068.25
Net Change In Inventories	1,735.51	1,719.68

NOTE 32: EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, Wages and Bonus	11,840.04	10,485.44
Contribution to Provident and Other Funds	892.84	766.07
Gratuity	115.31	100.08
Staff Welfare Expenses	1,106.60	939.29
Total	13,954.79	12,290.88

NOTE 33: FINANCE COST

₹ in Lakhs		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Expenses	3,548.66	4,988.25
Other Borrowing Costs	582.94	935.34
Total	4,131.60	5,923.59

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 34: OTHER EXPENSES

		₹ in Lakhs
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of Stores and Spares	904.90	1,083.60
Power, Fuel and Utilities	3,594.90	3,682.96
Processing Charges	4,706.67	3,222.16
Excise Duty *	84.65	(150.26)
Lease Rent / Hire Charges	616.90	541.25
Repairs to Building	293.67	372.46
Repairs to Plant and Machinery	1,285.05	856.77
Other Repairs	432.11	347.23
Insurance	529.77	494.98
Rates and Taxes	248.33	138.65
Pollution Control Expenses	526.46	426.86
Legal and Professional Fees	4,495.54	3,732.28
General Office Expenses	3,378.48	2,631.36
Foreign Exchange Fluctuation (Net)	–	388.33
Advertisement, Publicity & Sales Promotion	8,161.85	5,800.03
Outward Freight Charges	6,044.21	4,609.38
Loading and Unloading Charges	246.36	217.06
Provision for Doubtful Debts	701.12	719.90
Travelling and Conveyance	3,175.40	2,922.87
Payment to Auditors		
- Audit Fees	26.71	21.25
- Transfer Pricing Audit Fees	4.50	4.50
- Taxation and Other Advisory Matters	17.25	11.55
- Certification Charges and Others	8.00	5.50
- Reimbursement of Expenses	0.50	0.50
Corporate Social Responsibility	306.29	208.31
Donations	354.80	41.54
Loss on Sale of Fixed Assets (Net)	–	2.59
Loss on Fair Valuation of FVTPL Investments	–	8.53
Provision for Diminution in Value of Investment	–	200.00
Bad Debts	10.43	–
Total Other Expenses	40,154.85	32,542.14

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

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 35(I): FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The financial statements of the Group, for the year ended March 31, 2017, have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under the section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015. For all periods upto and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with the Accounting Standards ("Indian GAAP") notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

Accordingly, the Group has prepared the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements as at and for the year ended March 31, 2016, including the balance sheet as at April 01, 2015.

Exemptions applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

- 1 As per Ind AS 101, a first-time adopter has an option, inter alia, to use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS, if there has been no change in its functional currency on the date of transition. The Group has accordingly elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets.
- 2 Ind AS 101, permits an entity to continue the policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the provision of Indian GAAP. The Group has accordingly elected to continue with the same.

- 3 Ind AS 101 permits an entity to designate particular equity investments (other than equity investment in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified as fair value through profit or loss (FVTPL).

The Group has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

- 4 The Group holds 51% interest in Indobaijin Chemicals Private Limited. The shareholders agreement indicated the arrangement as a Joint Venture. However, in terms of provisions of AS 27, "Financial Reporting of Interests in Joint Ventures", the Group has consolidated its interest in the entity as a subsidiary. In terms of the provisions of Ind AS 111 "Joint Arrangements", the Group's interest in the entity has been classified as Joint Venture.
- 5 The Group has elected to apply previous GAAP carrying amount of its investment in subsidiaries, associates and Joint venture as deemed cost as on the date of transition to Ind AS.

Exceptions

1 Estimates

The estimates at 1 April 2015 and 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVOCI – unquoted equity shares
- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015 and as at 31 March 2016.

2 Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 35(II): RECONCILIATION OF EQUITY AS AT APRIL 01, 2015 AND MARCH 31, 2016

₹ in Lakhs

Particulars	As at March 31, 2016			As at April 01, 2015		
	Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
ASSETS						
Non - Current Assets						
Property, Plant & Equipment	55,291.78	(28,557.59)	26,734.19	53,772.18	(29,083.31)	24,688.87
Capital Work - In - Progress	15,769.82	–	15,769.82	5,397.35	–	5,397.35
Investment Property	–	–	–	–	–	–
Other Intangible Assets	32,157.35	(502.53)	31,654.82	32,195.94	(15.34)	32,180.60
Intangible Assets under Development	8,988.30	–	8,988.30	8,358.03	–	8,358.03
Financial Assets		–			–	
(i) Investments	6,109.54	74,507.51	80,617.05	5,467.47	25,814.63	31,282.10
(ii) Loans	11,235.60	(9,167.79)	2,067.81	9,785.39	(7,643.52)	2,141.87
(iii) Others		1,286.27	1,286.27		607.86	607.86
Deferred Tax Assets		3,808.62	3,808.62		3,757.68	3,757.68
Non - Current Tax Assets (Net)			–		87.31	87.31
Other Non - Current Assets	323.07	2,331.28	2,654.35	269.11	1,122.80	1,391.91
Total Non - Current Assets	129,875.46	43,705.77	173,581.23	115,245.47	(5,351.89)	109,893.58
Current Assets						
Inventories	27,569.77	(1,181.10)	26,388.67	28,397.38	(733.10)	27,664.28
Financial Assets						
(i) Investments		–	–		–	–
(ii) Trade Receivables	46,719.44	(2,337.27)	44,382.17	43,868.01	(848.36)	43,019.65
(iii) Cash & Cash Equivalents	4,247.18	(1,408.70)	2,838.48	2,037.05	(597.27)	1,439.78
(iv) Bank Balance other than (iii) above		413.67	413.67		172.38	172.38
(v) Loans	3,410.69	(2,510.69)	900.00	3,748.40	(2,848.40)	900.00
(vi) Others	–	130.21	130.21	–	745.42	745.42
Other Current Assets	189.57	2,241.69	2,431.26	327.40	2,502.07	2,829.47
Total Current Assets	82,136.65	(4,652.19)	77,484.46	78,378.24	(1,607.26)	76,770.98
Total Assets	212,012.11	39,053.58	251,065.69	193,623.71	(6,959.15)	186,664.56

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 35(II): RECONCILIATION OF EQUITY AS AT APRIL 01, 2015 AND MARCH 31, 2016

₹ in Lakhs

Particulars	As at March 31, 2016			As at April 01, 2015		
	Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	2,135.11	–	2,135.11	2,135.11	–	2,135.11
Other Equity	68,561.23	72,613.61	141,174.84	55,728.56	24,153.08	79,881.64
Total Equity	70,696.34	72,613.61	143,309.95	57,863.67	24,153.08	82,016.75
Minority Interest	2,966.31	(2,966.31)	–	2,858.08	(2,858.08)	–
Liabilities						
Non - Current Liabilities						
Financial Liabilities						
(i) Borrowings	53,283.92	(15,856.64)	37,427.28	47,545.97	(17,489.23)	30,056.74
(ii) Other Financial Liabilities		1,293.60	1,293.60	–	1,250.80	1,250.80
Provisions	851.30	–	851.30	699.10	–	699.10
Deferred Tax Liabilities (Net)	4,899.09	(4,899.09)	–	4,400.35	(4,400.35)	–
Other Non - Current Liabilities	1,098.26	(1,098.26)	–	1,006.96	(1,006.96)	–
Total Non - Current Liabilities	60,132.57	(20,560.39)	39,572.18	53,652.38	(21,645.74)	32,006.64
Current Liabilities						
Financial Liabilities						
(i) Borrowings	36,913.25	(4,905.72)	32,007.53	44,317.18	(2,555.06)	41,762.12
(ii) Trade Payables	15,178.63	(144.10)	15,034.53	16,769.56	292.14	17,061.70
(iii) Other Financial Liabilities		16,709.27	16,709.27	–	11,243.27	11,243.27
Other Current Liabilities	23,327.29	(19,867.34)	3,459.95	16,112.80	(14,058.88)	2,053.92
Provisions	2,797.71	(2,186.13)	611.58	2,050.04	(1,529.88)	520.16
Current Tax Liabilities (Net)		360.70	360.70	–	–	–
Total Current Liabilities	78,216.88	(10,033.32)	68,183.56	79,249.58	(6,608.41)	72,641.17
Total Liabilities	138,349.45	(30,593.71)	107,755.74	132,901.96	(28,254.15)	104,647.81
Total Equity And Liabilities	212,012.10	39,053.59	251,065.69	193,623.71	(6,959.15)	186,664.56

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 35(III): RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lakhs		
	For the year ended March 31, 2016		
	Indian GAAP	Adjustments	Ind AS
INCOME			
Revenue from Operations	168,600.48	3,225.91	171,826.39
Other Income	188.26	243.99	432.25
Total Income	168,788.74	3,469.90	172,258.64
EXPENSES			
Excise Duty on Sale of Goods		11,754.10	11,754.10
Cost of Material Consumed	71,766.36	1,778.17	73,544.53
Purchase of Stock In Trade	8,275.97	118.75	8,394.72
Changes in Inventories of Finished Goods / Stock in Trade	1,704.27	15.41	1,719.68
Employee Benefit Expenses	13,468.64	(1,177.76)	12,290.88
Finance Cost	7,388.87	(1,465.28)	5,923.59
Depreciation and Amortisation	6,710.56	(1,893.43)	4,817.13
Other Expenses	38,900.87	(6,358.73)	32,542.14
Total Expenses	148,215.54	2,771.23	150,986.77
Profit Before Tax	20,573.20	698.67	21,271.87
Tax Expenses			
Current Tax	4,820.95	55.52	4,876.47
Deferred Tax	498.74	(127.61)	371.13
Deferred Tax - MAT Credit Entitlement	(422.07)	(4.93)	(427.00)
(Excess) / Short Provision of Earlier Years	(1.62)	–	(1.62)
Profit After Tax	15,677.20	775.69	16,452.89
Unrealised Profit on Stock in Hand	(31.84)	31.84	
Minority Interest	391.21	(391.21)	
Share of Profit / (Loss) of Joint Ventures	(0.04)	(397.52)	(397.56)
Profit For The Year	16,036.53	18.80	16,055.33
Other Comprehensive Income to be reclassified to Profit & Loss in subsequent years			
Exchange Differences on Translation of Financial Statements of Foreign Operations	–	(2,115.10)	(2,115.10)
Other Comprehensive Income not to be reclassified to Profit & Loss in subsequent years			
Re-measurement of Gains / (Losses) on Defined Benefit Plans	–	(250.21)	(250.21)
Net Gain (Loss) on FVOCI Equity Securities	–	48,807.83	48,807.83
Share of OCI of Joint Ventures	–	–	–
Tax Effect relating to aforesaid items	–	50.59	50.59
Total Other Comprehensive Income for the year	–	46,493.11	46,493.11
Total Comprehensive Income for the year	16,036.53	46,511.91	62,548.44

NOTE 35 (IV): NOTES TO RECONCILIATION OF EQUITY AS AT APRIL 01, 2015 AND MARCH 31, 2016 AND PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

1 Joint Venture

The group holds 51% interest in Indobaijin Chemicals Pvt. Ltd. By virtue of the holding-subsidiary relationship, the group had consolidated its interest as Subsidiary under Indian GAAP using total consolidation approach.

However, under Ind AS, interest in Joint Ventures are required to be consolidated using Equity Method.

2 Deferred Tax on Undistributed Profits / Losses of Joint Ventures

Ind AS 12 on "Income Taxes", in certain cases, requires

Notes forming part of Financial Statements

for the year ended March 31, 2017

the group to recognise Deferred Tax Asset / Liability on undistributed losses / profits of Joint Ventures. Accordingly the Group has recognised Deferred Tax Asset on Undistributed Losses of its Joint Ventures namely, Indobaijin Chemicals Pvt. Ltd. and Hifil Chemicals Pvt. Ltd.

3 Leasehold land

Leasehold land has been assessed as operating lease under Ind AS 17 "Leases". Consequently, the same has been considered as Pre-Paid Lease instead of "Fixed Assets" ("Property, Plant and Equipment" in terms of Ind AS) and amortised as lease rent over the remaining lease period.

4 Fair valuation of investments

Under the Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these Investments are measured at Fair Value Through Profit or Loss (FVTPL) or through Other Comprehensive Income (FVOCI) as permissible. Fair Value is determined by the Company in accordance with the principles of Ind AS 109 "Financial Instruments".

Accordingly, the Company has designated the followings Investments as FVOCI:

Investment in Equity Instruments (Quoted)

- 1 Godfrey Philips India Limited
- 2 Modi Rubber Limited
- 3 Modi Spinning & Weaving Mills. Co. Ltd.
- 4 Modi Industries Limited
- 5 Beacon Travels Pvt. Ltd.
- 6 Rajputana Fertiliser Ltd.
- 7 Harayana Distillery Ltd.
- 8 Rajputana Developers Ltd.

Investment in Equity Instruments (Unquoted)

- 1 The Cosmos Co-Op. Bank Ltd.
- 2 KKM Management Centre Pvt. Ltd.
- 3 Modi Care Limited
- 4 International Research Park Laboratories
- 5 Agache Associates Ltd.

Investment in Preference Shares

- 1 Modi Spinning & Weaving Mills. Co. Ltd.
- 2 Premium Tradelinks Pvt. Ltd.
- 3 Modi Care Limited

Investment in Debentures

1 Modi Industries Limited

Other Investments, (excluding Investments in Joint Ventures) are designated as FVTPL.

5 Premium on Forward contracts and Deferred Tax Effects

The premium paid on forward contracts is recognised as an expense in Statement of Profit and Loss in the year of acquisition of the contract which was amortised over the period of contract under Indian GAAP. Accordingly, unamortised premium on Forward Contracts has been charged off to Statement of Profit and Loss.

Further, as required under Ind AS 109 "Financial Instruments", Forward Contracts outstanding as at the year end have been fair valued.

Deferred Tax Asset / (Liability) arising on above adjustments have been recognised.

6 Dividends

Under Ind AS 10 "Events after the Reporting Period", Corporate Dividends (including Corporate Dividend Tax thereon) are accounted for in the year in which they are declared / distributed / paid as against in the year to which they relate under Indian GAAP.

7 Revenue from Operations / Excise Duty

Under Ind AS, Excise Duty on Sale of Goods is presented as an item of expenses instead of netting it off from Revenue from Operations under Indian GAAP.

8 Cash discount

Under Ind AS, Cash Discount provided to its customers as well as Direct Commissions paid to Selling Agents is netted off from Revenue from Operations instead of disclosing the same as an item of Expenses.

9 Actuarial gain and loss

Under Ind AS, all actuarial gains and losses on employee benefits are recognised in Other Comprehensive Income (OCI) instead of Statement of Profit & Loss as required under Indian GAAP.

10 Other adjustments

Assets and Liabilities as well as items of Income and Expenses have been regrouped / re-classified wherever necessary to align with the provisions of Ind AS.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 36: CONTINGENT LIABILITIES

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

2 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2017

₹ in Lakhs

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Madhya Pradesh VAT Act , 2002	2009-10	Addl Commr.	27.21	27.21	27.21
Maharashtra VAT Act , 2002	2005-06	Dy.Commr.	13.50	13.50	13.50
Madhya Pradesh Entry Tax Act	2009-10 / 2012-13	Addl Commr.	59.86	59.86	59.86
Central Sales Tax Act , 1956	2000-01 / 2003-04 / 2004-05 / 2005-06 / 2006-07 / 2007-08 / 2008-09 / 2009-10 / 2012-13	Dy.Commr. / Addl Commr / Jt. Commr.	221.80	175.18	175.18
Central Excise Act,1944	2004-05 / 2005-06 / 2008-09 / 2012-13	CESTAT / Asstt Commr./ Jt. Commr.	56.11	56.11	56.11
The Finance Act, 1994	2001-02 / 2005-06 / 2006-07 / 2008-09	Commr.(Appeal)/ Asstt Commr. / CESTAT	109.96	109.96	109.96
Total			488.44	441.82	441.82

3 Gurantees Executed in favour of Corporates

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Guarantees Executed in Favour of Corporates	19,909.43	23,470.98	22,644.20
Less: Counter Guarantees Received	(9,755.62)	(11,500.78)	(11,095.66)
Net Gurantees Executed in favour or Corporates	10,153.81	11,970.20	11,548.54

4 Comittments

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated Amount of Contracts remaining to be executed on capital account	8,269.72	10,396.49	674.06
Less: Advances Paid	(2,776.15)	(7,641.89)	(303.60)
Net Capital Commitments	5,493.57	2,754.60	370.46

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

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 37: EARNINGS PER SHARE

Particulars	₹ in Lakhs	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit for the year as per Statement of Profit & Loss	25,930.56	16,055.33
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	21,351,147	21,351,147
Earnings Per Share - Basic & Diluted	121.45	75.20

NOTE 38: CAPITAL MANAGEMENT

The Group's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Group. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Group. The capital requirement is determined based on annual operating plans and long term and strategic investment and capital expenditure plans of each company within the group. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of each Company within the Group as well as the Board of Directors of the parent company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

NOTE 39: FINANCIAL RISK MANAGEMENT AND POLICIES

The Group's activities exposes it to a variety of financial risks: market risks, credit risks and liquidity risks. The Group's focus is to foresee the unpredictability of financial

markets and seek to minimise potential adverse effects on its financial performance. The Group has an established Risk Management Policy towards risk identification, analysis & prioritisation of risks, development of risk mitigation plans & reporting on the risk environment of the respective business segments in the Group.

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

(a) Management of Market Risks

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

Currency Risk

Interest Rate Risk

Price Risk

Notes forming part of Financial Statements

for the year ended March 31, 2017

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

Potential Impact of Risk	Management Policy	Sensitivity to Risk
1 Currency Risk		
<p>The Group is subject to risk that changes in foreign currency values impact the Group's revenue and imports of raw material and Property, Plant and Equipments primarily with respect to USD and Euro</p> <p>As at March 31, 2017, the net unhedged exposure to the Group on holding Financial Assets (Trade Receivables & Other Advances) and Financial Liabilities (Trade Payables and Other Payables) other than in functional currency amounted to USD 100.49 lakhs receivable and Euro 654.01 lakhs payable [₹ 38,745.74 lakhs net payable] (USD 33.22 lakhs payable and Euro 430.93 lakhs payable [₹ 34,625.18 lakhs net payable] as on March 31, 2016 and USD 202.34 lakhs payable and Euro 207.33 lakhs [₹ 27,086.24 lakhs net payable] as on April 01, 2015)</p>	<p>The Group manages currency exposures through use of Forward Exchange Contracts and effecting netting and matching of Foreign Currency Inflows and Outflows. The aim of the Group's approach to management of Currency Risk is to leave the Group with minimal residual risk.</p>	<p>A 5% strengthening of INR against key currencies to which the Group is exposed (Net) would have led to approximately an additional ₹ 1,937.29 lakhs gain in the Statement of Profit & Loss (2015-16 ₹ 1731.26 lakhs). A 5% weakening of INR against key currencies would have led to an equal but opposite effect.</p>
2 Interest Rate Risk		
<p>The Group is mainly exposed to Interest Rate risk due to its Long Term and Short Term Borrowings. The interest rate risk arises due to uncertainties about prevailing base rates in future.</p> <p>As at March 31, 2017 the exposure to the Group on account of borrowings is ₹ 88,744.57 lakhs (₹ 75,619 lakhs as on March 31, 2016 and ₹ 76,006.66 lakhs as on April 01, 2015)</p>	<p>The group manages its Interest Rate Risk by having a balanced portfolio of floating rate loans based on Euribor, Libor and INR Base Rate.</p>	<p>A 0.25% decrease in interest rate would have led to approximately an additional ₹ 221.86 lakhs gain in the Statement of Profit & Loss (2015-16 ₹ 189.05 lakhs). A 0.25% increase in interest rates would have led to an equal but opposite effect.</p>
3 Price Risk		
<p>The Group has investments in listed units of Mutual Funds reflecting its temporary surplus of funds. As at March 31, 2017 the net exposure to the Group on account of these investments is ₹ 4,553.75 lakhs (₹ 82.92 lakhs as on March 31, 2016 and ₹ 1214.67 lakhs as on April 01, 2015)</p> <p>However, a substantial part of the Group's investments are in Equity Instruments / Preference Instruments / Debentures of Subsidiaries, Joint Ventures, Group Companies and other investments mandated by lenders to the Group. These being strategic investments, the Group does not evaluate the equity price risk of such investments.</p>	<p>The Group manages the Equity Price Risk of such investments through diversification and by placing limits on individual investments.</p>	<p>A 5% increase in prices would have led to approximately and additional ₹ 227.69 lakhs gain in the Statement of Profit & Loss (2015-16 ₹ 4.15 lakhs) A 5% decrease in prices would have led to an equal but opposite effect.</p>

Notes forming part of Financial Statements

for the year ended March 31, 2017

(b) Credit Risk

Credit Risk is the risk of financial loss to the Group if a customer or a counter party fails to meet its contractual obligation.

Trade Receivables and Other Financial Assets

Concentration of Credit Risk with respect to Trade Receivables are limited, due to Group's customer base being large and diverse. All Trade Receivables and other Financial Assets are reviewed and assessed for default on monthly basis. Our historical experience of collecting all receivables is that their Credit Risk is low.

The Group's maximum exposure to Credit Risk as at March 31, 2017, March 31, 2016 and April 01, 2015 is the carrying value of each class of Financial Asset.

(c) Liquidity Risk

Liquidity Risk is the risk that the Group will face in meeting its obligation associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Group regularly monitors the rolling forecast to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required) and any excess is invested in any highly marketable equity instruments to optimise cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

Particulars	₹ in Lakhs					
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	7,460.66	52,857.41	6,184.19	37,427.28	4,187.81	30,056.74
Security Deposits		1,150.03		1,021.83		930.53
Working Capital Loans from Banks	28,413.64		32,007.53		41,762.12	
Trade Payables	19,226.96		15,034.53		15,034.53	
Other Financial Liabilities	17,068.63	204.21	10,525.08	271.77	9,082.63	320.27
	72,169.89	54,211.65	63,751.33	38,720.88	70,067.09	31,307.54

(d) Collateral

The Group has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Group. Refer Note No. 19 and Refer Note No. 22 for the detailed terms and conditions of the collaterals pledged.

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 40: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

Particulars	₹ in Lakhs		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
FINANCIAL ASSETS			
Fair Value Through Profit & Loss			
Investments (Other than in Subsidiary)	4,589.19	115.35	1,214.67
Fair Value Through Other Comprehensive Income			
Investments (Other than in Subsidiary)	74,710.52	77,404.49	27,086.64
Derivative Instruments not in Hedging Relationship			
Forward Contract Receivable	103.28	–	5.70
Amortised Cost			
Loans	1,466.29	2,967.81	3,041.87
Trade Receivables	60,573.31	44,382.17	43,019.65
Cash & Cash Equivalents	22,209.56	2,838.48	1,439.78
Other Bank Balances	724.32	413.67	172.38
Other Financial Assets	1,346.32	1,416.48	1,347.58
Total	165,722.79	129,538.45	77,328.27
FINANCIAL LIABILITIES			
Fair Value Through Profit & Loss			
Financial Guarantee Obligation	191.10	260.07	305.88
Derivative Instruments not in Hedging Relationship			
Forward Contract Payable	–	4.47	–
Amortised Cost			
Borrowings	88,731.71	75,619.00	76,006.67
Trade Payable	19,226.96	15,034.53	17,061.70
Other Financial Liabilities	18,231.77	11,554.14	8,000.38
Total	126,381.54	102,472.21	101,374.63

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2017, March 31, 2016 and April 01, 2015 approximate the fair value because of the short term nature.

In case of Investments in Equity Instruments / Preference Shares / Debentures designated as Fair Value through Other Comprehensive Income, which have been provided for, the Group continues to estimate their fair value on the balance sheet date as Nil.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Notes forming part of Financial Statements

for the year ended March 31, 2017

Fair Value of Investment in Unquoted Equity Shares / Preference Shares / Debentures is determined based on the Net Asset Value of the Investee Company as on the Balance Sheet Date.

Fair Value of the Financial Guarantee Obligation is determined through a Discounted Cash Flow Model using weighted average borrowing rate as the discount rate.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarised below:

₹ in Lakhs			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial Assets			
Level 1			
Investment in Quoted Equity Shares	74,357.30	77,062.99	26,290.29
Mutual Fund Units	4,589.19	115.35	1,214.67
Level 2			
Derivative Financial Assets	103.28	–	5.70
Level 3			
Investment in Unquoted Equity Shares	353.22	341.50	796.35
Total	79,402.99	77,519.84	28,307.01
Financial Liability			
Level 2			
Derivative Financial Liability	–	4.47	–
Level 3			
Financial Guarantee Obligation	191.10	260.07	305.88
Total	191.10	264.54	305.88

Description of Significant Unobservable Input used in Fair Value measurement categorised within Level 3 of Fair Value Hierarchy

Particulars	Significant Unobservable Input	Sensitivity of Input to Fair Value Measurement
Investment in Unquoted Equity Shares	Fair Value of Net Assets	5% increase in forecasted fair value will increase the value of investment by ₹ 27.13 lakhs (₹ 26.75 lakhs as on March 31, 2016 and 5% decrease will have equal but opposite effect.
Financial Guarantee Obligation	Discount Rate 6.23%	1 % increase in Discount Rate will have P&L Loss of ₹ 1.24 lakhs (₹ 1.27 lakhs as on March 31, 2016) and a 1% decrease in Discount Rate will have a equal but opposite effect.

(c) Reconciliation of Level 3 Fair Value Measurement

₹ in Lakhs		
Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance of Level 3 Financial Assets / (Liability)	81.41	490.47
Add / (Less): Changes during the year		
Guarantee Commission Income recognised	63.32	64.90
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through OCI	11.73	(454.86)
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	5.65	(19.10)
Closing Balance of Level 3 Financial Assets / (Liability)	162.11	81.41

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 41: LEASES

The Group has entered into Operating Leases on Immovable Properties and Plant & Machinery. There are no escalation clauses in the lease arrangements for which Lease Rent is provided on straight line basis.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

		₹ in Lakhs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
(a)	In respect of operating lease on Immovable properties and Plant & Machineries lease payments recognised in Statement of Profit and Loss.	616.90	541.25
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	245.45	236.98
	For the period later than one year and not later than five years	417.33	354.26

Assets Given on Lease

		₹ in Lakhs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognised in Statement of Profit and Loss.	7.20	7.20
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	7.20	7.20
	For the period later than one year and not later than five years	28.80	28.80

NOTE 42: RELATED PARTY

List of related parties

Joint Ventures (Extent of holding)

Indo baijin Chemicals Private Ltd (51%)
Hifil Chemicals Private Ltd (49%)

Other Related Parties in which directors are interested

Godfrey Phillips India Ltd
H.M.A. Udyog Pvt. Ltd.
Modi Care Ltd.
Beacon Travels Pvt. Ltd.
Bina Fashions & Food Pvt. Ltd.
Premium Merchants Ltd.
Modi Rubber Ltd.
KKM Management Centre Pvt. Ltd

Key Management Personnel

Executive Director
Mr. Krishan Kumar Modi
Ms. Charu Modi
Mr Atuchutni Rao
Pankaj Patil
Ashrant Bhartia
Mukter Ahmed Sarkar

Non Executive Director

Ms. Aliya Modi
Mr. Samir Modi
Mr. Mahendra Naranji Thakkar
Mr. Sunil Kumar Alagh
Mr. Sanjay Buch
Mr. Lakshminarayanan Subramanian
Mr. Amit Kumar Ghosh (with effect from 9th September, 2016)

Notes forming part of Financial Statements

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₹ in Lakhs

Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2016-17	Total 2015-16
RECEIVING OF SERVICES					
1. Godfrey Phillips India Ltd.	–	–	1.05	1.05	4.75
2. HMA Udyog Pvt. Ltd.	–	–	6.73	6.73	3.55
3. Beacon Travels Pvt. Ltd.	–	–	657.49	657.49	723.85
4. Bina Fashions and Food Pvt. Ltd.	–	–	77.09	77.09	36.48
5. Modi Care Ltd	–	–	5.54	5.54	4.10
Total	–	–	747.90	747.90	772.73
PURCHASE OF GOODS					
1. Indo Baijin Chemicals Pvt. Ltd.	8,843.01	–	–	8,843.01	9,050.35
Total	8,843.01	–	–	8,843.01	9,050.35
PURCHASE OF LICENSE					
1. Indo Baijin Chemicals Pvt. Ltd.	10.57	–	–	10.57	–
Total	10.57	–	–	10.57	–
MANAGEMENT CONTRACTS					
1. KKM Management Center Pvt. Ltd.	–	–	777.40	777.40	1,579.40
Total	–	–	777.40	777.40	1,579.40
RENT EXPENSE					
1. Premium Merchants Ltd.	–	–	5.17	5.17	5.13
2. Charu Modi	–	6.22	–	6.22	6.22
3. Modi Care Ltd.	–	–	–	–	7.20
Total	–	6.22	5.17	11.39	18.55
RENT INCOME					
1. Modi Rubber Ltd.	–	–	7.20	7.20	7.20
Total	–	–	7.20	7.20	7.20
GUARANTEE COMMISSION INCOME					
2. Indo Baijin Chemicals Pvt. Ltd.	63.32	–	–	63.32	64.90
Total	63.32	–	–	63.32	64.90
REIMBURSEMENT OF EXPENSES					
1. Indo Baijin Chemicals Pvt. Ltd.	27.46	–	–	27.46	23.11
Total	27.46	–	–	27.46	23.11

Notes forming part of Financial Statements

for the year ended March 31, 2017

₹ in Lakhs

Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2016-17	Total 2015-16
INTEREST INCOME					
1. Indo Baijin Chemicals Pvt. Ltd.	182.40			182.40	190.94
Total	182.40	–	–	182.40	190.94
LOANS GIVEN DURING THE YEAR					
1. Indo Baijin Chemicals Pvt. Ltd.				–	560.00
Total		–	–	–	560.00
DIVIDEND INCOME					
1. Godfrey Phillips India Ltd.			518.08	518.08	518.08
Total	–	–	518.08	518.08	518.08
LOANS GIVEN CLOSING BALANCE					
1. Indo Baijin Chemicals Pvt. Ltd.	860.80			860.80	1,981.91
Total	860.80	–	–	860.80	1,981.91
ADVANCE GIVEN DURING THE YEAR					
1. Hilfil Chemicals Pvt. Ltd.	0.68			0.68	–
Total		–	–	0.68	–
ADVANCES CLOSING BALANCE					
1. Hilfil Chemicals Pvt. Ltd.	0.68			0.68	–
Total	0.68	–	–	0.68	–
GURANTEES GIVEN					
1. Indo Baijin Chemicals Pvt. Ltd.	10,153.81			10,153.81	23,470.98
Total	10,153.81	–	–	10,153.81	23,470.98
OUTSTANDING BALANCES					
Receivables					
1. Godfrey Phillips India Ltd.	–		18.11	18.11	0.78
Total	–	–	18.11	18.11	0.78
Payables					
1. Modi Care Ltd.			0.48	0.48	–
2. Beacon Travels Pvt. Ltd.			50.83	50.83	46.90
3. KKM Management Center Pvt. Ltd.			96.75	96.75	162.17
4. Bina Fashion Pvt. Ltd.			17.94	17.94	0.16
5. Indo Baijin Chemicals Pvt. Ltd.	633.82			633.82	795.79
6. HMA Udyog Pvt Ltd			0.61	0.61	
Total	633.82	–	166.61	800.43	1,005.01

Notes forming part of Financial Statements

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₹ in Lakhs

Particulars	Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total 2016-17	Total 2015-16
INVESTMENTS					
1. Indo Baijin Chemicals Pvt. Ltd.	4,366.10			4,366.10	4,366.10
2. Godfrey Phillips India Ltd.			74,158.35	74,158.35	76,967.50
3. Modi Rubber Ltd			198.95	198.95	95.49
4. Premium Trade Link Private Ltd			95.60	95.60	95.60
5. Modi Care Ltd(Equity)*			200.00	200.00	200.00
6. Modi Care Ltd (Preference)			250.00	250.00	–
7. International Research Park Laboratories Ltd			51.78	51.78	51.78
8. Beacons Travel			34.76	34.76	34.76
9. Modi Industries Ltd (Equity)*			0.88	0.88	0.88
10. Modi Industries Ltd (Debentures)*			0.66	0.66	0.66
11. Modi Spinning and Weaving Mills Co Ltd(Equity)*			7.60	7.60	7.60
12. Modi Spinning and Weaving Mills Co Ltd(Preference)*			0.17	0.17	0.17
13. KKM Management Center Pvt. Ltd.			96.13	96.13	88.55
14. Hilfil Chemicals Pvt. Ltd.	0.49			0.49	0.17
Total	4,366.59	–	75,094.87	79,461.45	81,909.24
REMUNERATION PAYABLE TO KMP					
		1,464.28		1,464.28	1,128.74
Total		1,464.28		1,464.28	1,128.74

* These investments have been provided for as at the year end.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹ Nil, 31st March 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loan to Joint Venture:

The loan granted to Indo Baijin Chemicals Private Limited is intended to business purpose. The loan is unsecured and repayable in full. The loan has been utilised for the purpose it was granted.

₹ in Lakhs

Particulars	For the Year Ended March 31, 2017			For the Year Ended March 31, 2016		
	Executive Directors	Non-Executive Directors	Total	Executive Directors	Non-Executive Directors	Total
Short-term employee benefits	1,158.88	180.00	1,338.88	896.24	137.04	1,033.28
Post-employment gratuity and medical benefits	125.40	–	125.40	95.46	–	95.46
	1,284.28	180.00	1,464.28	991.70	137.04	1,128.74

Notes forming part of Financial Statements

for the year ended March 31, 2017

NOTE 43: SUMARISED FINANCIAL INFORMATION FOR JOINT VENTURE

The Group has a 51% equity interest in Indobaijin Chemicals Pvt. Ltd. and 49% equity interest in HIFIL Chemicals Pvt. Ltd, joint ventures involved in Manufacture, Marketing and Distribution of Chemicals. The Group's interest in both of these JVs is accounted for in the consolidated financial statements, using the Equity Method prescribed under Ind AS 28 - Investment in Associates and Joint Ventures. Summarised Financial Information of the Joint Venture, based on its Financial Statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Indobaijin Chemicals Pvt. Ltd.

A Summarised Balance Sheet :

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current Assets	4,623.40	4,665.68	3,121.96
Non-Current Assets	26,645.30	28,286.87	28,806.14
Current Liabilities	10,042.23	8,994.90	6,553.18
Non-Current Liabilities	11,959.03	17,885.03	19,530.65
Equity	9,267.44	6,072.62	5,844.27
Carrying Amount of Investment	4,726.39	3,097.04	2,980.58

B Summarised Statement of Profit and Loss:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	18,689.09	13,154.66
Cost of Material Consumed	8,472.30	7,246.43
Employee benefit	779.16	931.98
Depreciation & amortisation	1,852.62	1,852.37
Finance cost	1,598.61	1,662.52
Other expense	2,251.37	2,240.82
Profit Before Tax	3,735.03	(779.46)
Income Tax Expense	532.61	—
Profit For The Year	3,202.42	(779.46)
Other Comprehensive Income	(7.62)	—
Total comprehensive income for the year	3,194.80	(779.46)
Group's Share of Profit For The Year	1,633.24	(397.52)
Group's Share of Other Comprehensive Income	(3.89)	—

Hifil Chemicals Pvt. Ltd.

A Summarised Balance Sheet :

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current Assets	0.44	0.44	0.44
Non-Current Assets	—	—	—
Current Liabilities	0.71	0.08	0.01
Non-Current Liabilities	—	—	—
Equity	(0.27)	0.36	0.43
Carrying Amount of Investment	—	0.17	0.21

Notes forming part of Financial Statements

for the year ended March 31, 2017

B Summarised Statement of Profit and Loss:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue		
Other Expense	0.63	0.07
Profit Before Tax	(0.63)	(0.07)
Income Tax Expense	–	–
Profit For The Year	(0.63)	(0.07)
Other Comprehensive Income	–	–
Total comprehensive income for the year	(0.63)	(0.07)
Group's Share of Profit For The Year	(0.17)	(0.04)
Group's Share of Other Comprehensive Income	–	–

NOTE 44: ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARY / ASSOCIATES

₹ in Lakhs

Name of the Enterprise	For the Year Ended March 31, 2017							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent								
Indofil Industries Ltd.	57.11%	94,535.49	84.09%	21,804.21	6.39%	(138.66)	91.18%	21,665.55
Subsidiaries								
Indian								
Quick Investment (India) Ltd.	15.39%	25,471.79	0.80%	208.31	53.87%	(1,168.32)	(4.04%)	(960.01)
Good Investment (India) Ltd.	29.60%	48,993.29	1.27%	328.19	110.06%	(2,387.09)	(8.66%)	(2,058.90)
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.01%	14.20	(0.35%)	(90.04)			(0.38%)	(90.04)
Indofil –Costa Rica S.A.	0.00%	0.01	0.00%	–				
Indofil Industries (Netherland) B. V.	5.83%	9,657.66	9.88%	2,560.96	–70.49%	1,529.00	17.21%	4,089.96
Indofil Industries International	0.04%	69.22	0.00%	–				
Joint Venture (as per Equity Method)								
Indian								
Indobaijin Chemicals Pvt Ltd	2.86%	4,726.39	6.30%	1,633.24	0.18%	(3.89)	6.86%	1,629.35
HIFIL Chemicals Pvt. Ltd.	0.00%	(0.13)	0.00%	(0.31)		–	0.00%	(0.31)
Inter Company Elimination	(10.84%)	(17,945.48)	(1.98%)	(513.98)	0.00%	0.01	(2.16%)	(513.97)
Total	100.00%	165,522.44	100.00%	25,930.58	100.00%	(2,168.95)	100.00%	23,761.62

Notes forming part of Financial Statements

for the year ended March 31, 2017

₹ in Lakhs

Name of the Enterprise	FY 2015-16							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent								
Indofil Industries Ltd.	51.93%	74,419.07	102.89%	16,518.99	-0.37%	(169.90)	26.14%	16,349.09
Subsidiaries								
Indian								
Quick Investment (India) Ltd.	10.08%	14,442.62	1.51%	242.09	35.29%	16,409.13	26.62%	16,651.22
Good Investment (India) Ltd.	43.76%	62,718.33	1.27%	204.50	69.62%	32,368.99	52.08%	32,573.49
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.02%	31.84	-0.67%	(107.93)	0.00%		-0.17%	(107.93)
Indofil -Costa Rica S.A.	0.00%	0.01	0.00%	-	0.00%		0.00%	
Indofil Industries (Netherland) B. V.	5.50%	7,877.46	-2.83%	(454.18)	-4.55%	(2,115.10)	-4.11%	(2,569.28)
Indofil Industries International	0.00%	-	0.00%	-	0.00%		0.00%	
Joint Venture (as per Equity Method)								
Indian								
Indobaijin Chemicals Pvt Ltd	2.16%	3,097.04	-2.48%	(397.52)	0.00%	-	-0.64%	(397.52)
HIFIL Chemicals Pvt. Ltd.	0.00%	0.17	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Inter Company Elimination	-13.45%	(19,276.60)	0.31%	49.39	0.00%	(0.01)	0.08%	49.38
Total	100.00%	143,309.94	100.00%	16,055.30	100.00%	46,493.11	100.00%	62,548.41

NOTE 45: SEGMENT REPORTING

₹ in Lakhs

A Primary Segment (by Business Segment)	For the Year Ended March 31, 2017				For the Year Ended March 31, 2016			
	AGRO	SPCD	Investment	Total	AGRO	SPCD	Investment	Total
a) Revenue :								
External Sales and other Income	174,702.85	21,404.27	552.63	196,659.76	152,851.55	18,579.39	519.66	171,950.59
Inter Segment Sales Revenue	-	-	-	-	-	-	-	-
Total Revenue	174,702.85	21,404.27	552.63	196,659.76	152,851.55	18,579.39	519.66	171,950.59
b) Result :								
Segment Result	34,268.95	992.36	548.61	35,809.92	26,141.11	748.53	315.89	27,205.53
Unallocable Corporate Expenses				(323.98)				(318.14)
Unallocable Corporate Income				462.79				308.04
Profit before Interest and Tax	34,268.95	992.36	548.61	35,948.73	26,141.11	748.53	315.89	27,195.43
Less :- Finance Cost				4,131.60				5,923.59
Profit Before Tax				31,817.14				21,271.84
Provision for Tax & Deferred Taxes				7,519.64				4,818.98
Profit After Tax				24,297.50				16,452.86
Share of profit(Loss) of Joint Venture				1,633.06				(397.55)
Profit For the Year				25,930.56				16,055.30
c) Other Information :								
Segment Assets	165,948.11	11,047.32	74,470.30	251,465.73	139,564.92	11,938.77	77,249.65	228,753.34
Unallocable Assets				46,222.79				22,312.32
Total Assets				297,688.52				251,065.66
Segment Liabilities	19,580.35	3,263.41	0.76	22,844.52	15,655.96	2,394.23	0.76	18,050.95
Unallocable Liabilities				20,589.83				14,085.76
Total Liabilities				43,434.35				32,136.71
Capital Expenditure during the Year	10,940.80	186.55	-	11,127.35	17,287.85	195.46	-	17,483.31

Notes forming part of Financial Statements

for the year ended March 31, 2017

₹ in Lakhs									
A	Primary Segment (by Business Segment)	For the Year Ended March 31, 2017				For the Year Ended March 31, 2016			
		AGRO	SPCD	Investment	Total	AGRO	SPCD	Investment	Total
	Depreciation & Amortisation	5,807.05	106.72	–	5,913.77	4,387.68	111.31	–	4,498.99
	Unallocable Depreciation				323.98				318.14
	Non-Cash Expense other than Depreciation				701.12				719.90

₹ in Lakhs							
B	Secondary Segment Information (by Geographic Segments)	For the Year Ended March 31, 2017			For the Year Ended March 31, 2016		
		Domestic	Export	Total	Domestic	Export	Total
	Revenues						
	AGRO	90,140.82	84,562.03	174,702.85	79,319.37	73,532.18	152,851.55
	SPCD	18,552.69	2,851.59	21,404.08	16,333.88	2,245.51	18,579.39
	Investment	552.63		552.63	519.66		519.66
	Total	109,246.14	87,413.62	196,659.76	96,172.91	75,777.69	171,950.59

Notes:

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

- 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”.

NOTE 46: Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.

NOTE 47: Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation.

NOTE 48: FIGURES IN BRACKETS INDICATE PREVIOUS YEAR'S FIGURES.

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

H.G. BUCH
Partner
Membership No. 033114

Mumbai, June 29, 2017

R.K. Malhotra
Group CEO

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

M.N. Thakkar
Sanjay Buch
Sunil Alagh
Dr. Atchutuni L. Rao } Directors

Mumbai, June 29, 2017

Notes

[illegible]



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 24th Annual General Meeting of the Company, to be held on Friday, 15th September, 2017 at 11.00 A.M. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020 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 24th Annual General Meeting)

Signed this _____ day of _____ 2017

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.

ROUTE MAP TO THE VENUE OF THE 24TH ANNUAL GENERAL MEETING OF INDOFIL INDUSTRIES LIMITED



Corporate Information

BOARD OF DIRECTORS

Mr. K. K. Modi

Chairman and Managing Director

Ms. Charu Modi

Executive Director

Mr. Samir Kumar Modi

Non-Executive, Non Independent Director

Ms. Aliya Modi

Non-Executive, Non Independent Director

Mr. M. N. Thakkar

Independent Director

Mr. S. K. Alagh

Independent Director

Mr. Sanjay Buch

Independent Director

Mr. S. Lakshminarayanan, IAS (Retd.)

Independent Director

Mr. Manoj Singh

Nominee Director - UPSIDCL
(upto September 9, 2016)

Mr. Amit Kumar Ghosh

Nominee Director - UPSIDCL
(upto June 29, 2017)

Mr. Ranvir Prasad

Nominee Director - UPSIDCL
(w.e.f. June 29, 2017)

Dr. Atchutuni Rao

Director - Operations

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
Syndicate Bank
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
E-mail: indofil@modi.com
Website: www.indofilcc.com

WORKS

1. Off S.V. Road, Azad Nagar,
Sandoz Baug,
P. O. Thane - 400 607.
Maharashtra.
Tel. No.: +91 22 6799 9100
Fax No.: +91 22 2589 8357
2. Plot No. Z8, SEZ Area,
Dahej SEZ Limited,
Taluka Vagra, Dist. Bharuch,
Gujarat - 392 130.
Tel. No.: +91 2641 677201
Fax No.: +91 2641 304126
3. Plot No. 212, SEZ Area,
Dahej SEZ Limited,
Taluka Vagra,
Dist; Bharuch, Gajral - 392 130
Tel. No.: +91 2641 282501
Fax No.: +91 2641 304126



Registered Office:

Kalpataru Square, 4th Floor,
Kondivita Road,
Off. Andheri Kurla Road,
Andheri East,
Mumbai 400 059
India

Contact:

+91 22 66637373
indofil@modi.com | www.indofilcc.com

CIN:

U24110MH1993PLC070713