INDOFIL INDUSTRIES LIMITED

Annual Report
2022-23

Thinking | Knowledge | Responsibility

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Key Numbers FY23

Consolidated
₹241.14 Crore
Profit After Tax

Standalone
₹189.70 Crore
Profit After Tax

Consolidated
₹112.94
Earning Per Share (EPS)

Standalone
₹88.85
Earning Per Share (EPS)

Visit us at
https://www.indofil.com/

About Indofil

Indofil Industries Limited is in the Agro Specialty and Innovative Solution Business for about six decades. We are a Diverse, Equitable and Inclusive enterprise. We firmly believe in Environmental, Social, and Corporate Governance (ESG) and are committed to a sustainable business.

We are committed to the farmers, crop chemistry, social and our channel partners. We are visible everywhere in India and other countries.

We pride ourselves as a thinking, knowledgeable, responsible firm. We are a true reflection of the legacy and belief of our promoter

We leverage these to tap growing opportunities, propel growth and enhance customer success. We also pursue strategic collaborations to optimize business potential and enter new markets to achieve our goals.

Consolidated
₹3,085.74 Crore
Revenues as on March 31, 2023

Standalone
₹2,877.35 Crore
Revenues as on March 31, 2023

916
Number of Employees across globe

23.35 Crore
R&D Investment in FY23

59
Patent Portfolio ason March 31, 2023

Our Vision

To be a global leader in growth with customer success

Our Mission

Achieve leadership in growth rate.

Leverage efficient R&D, registration, manufacturing and marketing competencies.

Use collaborations, acquisitions and manufacturing proximity to expedite growth in Crop Care, Specialty and Performance chemicals.

Strive to make our customers successful through high quality products, services and solutions in domestic and global markets.

Our Global Footprint

Expanding Our Horizons

32,000 mt/year
Dahej, SEZ, Gujarat (Unit-I)

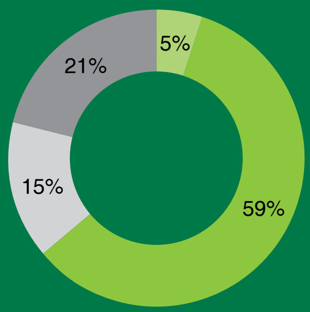
4,000 mt/year
Synthesis Plant, Dahej, SEZ, Gujarat (Unit-II)

35,000 mt/year
Innovative Solutions Plant, Dahej, Gujarat (Unit-III)

35,000 mt/year
EBDC Plant, Dahej, GIDC, Gujarat (Unit-III)

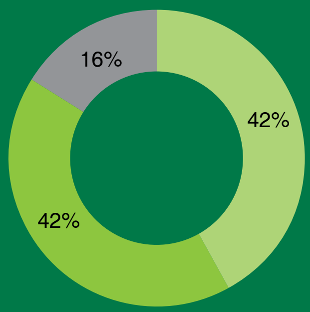
12,000 mt/year
IIS Plant - Powder

Revenue mix - geographies
(At consolidated level)



- Europe
- India
- Latin America
- ROW

Revenue mix - categories
(At consolidated level)



- Agro domestic
- Agro international
- Innovative solutions

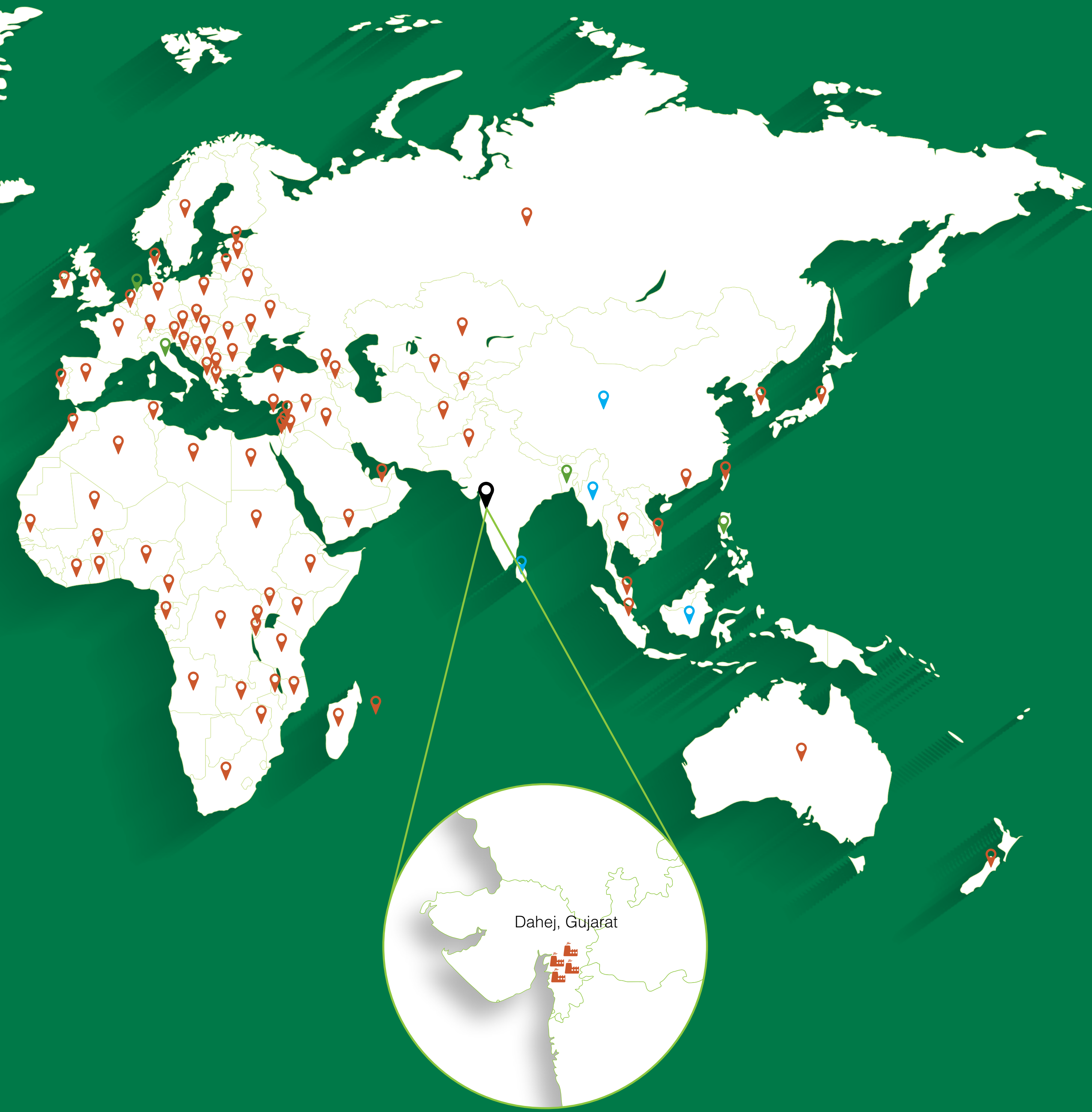
Operating subsidiaries - 5

Representative office - 4

Manufacturing units – 3 and 1 Thane Plant

Head office – 1

Global network – 120 plus countries



Message from the Chairperson

Dr. Bina Modi
Chairperson and Managing Director

During the year, we maintained our focus on controllable measures and cost optimization while continuing to explore untapped opportunities for our products. We also strived to deliver sustainable solutions with higher margins and enhance our market strategy for new products. To sustain the increase in raw material and freight expenses, we implemented price revisions."

Dear Stakeholders,

I am pleased to share that Indofil has delivered an impressive performance to further solidify its position in the industry. With unwavering agility and nimbleness, we successfully navigated the ever-changing market conditions, ensuring a timely and adequate supply of our agrochemical products to farmers in India and worldwide, Additionally, we successfully fulfilled the diverse demands of our specialty chemicals customers. Throughout our various business divisions, our dedication to excellence remained steadfast as we prioritized digital transformation, improved employee welfare, and embraced sustainable business practices, all aimed at fostering prosperity for our valued stakeholders.

The year has been marked by turbulence, with high raw material prices persisting for a considerable period before experiencing some softening in the latter half. The ongoing Ukraine war had a disruptive impact on global supply chains, leading to foreign exchange challenges and increased shipping costs in key export markets and unfavorable climate conditions in certain regions impacted the consumption of our products.

In response to these external headwinds, we focused on controllable measures, proactively exploring untapped opportunities for our product range and driving cost optimization efforts. Emphasizing sustainable solutions with higher margins, we enhanced our market strategy for new products and implemented pricing revisions to counterbalance the substantial increases in raw material and freight expenses. As a result, our revenue increased compared to the previous year, and we achieved strong business profitability, despite business volumes not meeting our high internal targets.

> **Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others.**
>
> **- Jack Welch**

The growth of our domestic agrochemical business was fueled by the successful launch of blockbuster products and the positive response from farmers for our previously introduced offerings. By strategically broadening our presence, we extended our reach to encompass a wider array of crops, thereby effectively capitalizing on new opportunities. Additionally, we implemented a customer-centric approach by establishing local teams in new territories, aiming to enhance our market penetration across India. Our engagement with farmers to promote the adoption of improved agronomic practices, empowering them to enhance their farm yields, also contributed to strengthening our brand connection Our international business prolonged its growth momentum through new product approvals and the expansion of our B2B and B2C segments. The strategic investments made in key markets such as Europe and the US fetched positive results. Additionally, we extended our presence to smaller African countries. Looking ahead, our core priority remains on introducing innovative solutions customized to address the unique requirements of each market, thereby fortifying our international presence. Furthermore, our emphasis continues on nurturing our institutional business through strategic collaborations and partnerships with major corporations.

Our innovative solutions business achieved robust double-digit growth, resulting in the highest ever profit before tax (PBT) in its history. We are diversifying our product offerings by delving into different chemistries. enabling us to meet the diverse needs of industries such as cement, plastics, coatings, and construction. Each industry application demands specific chemistry, and our strategic approach allows us to cater to these unique requirements. In line with our strategic vision, significant investments have been made for enhancing our product portfolio and technological capabilities within our innovative solutions business, paving the way for increased revenue generation for Indofil in the coming years.

Leveraging capabilities to drive efficiency

At Indofil, we are committed to drive operational excellence through our comprehensive digitization efforts. From implementing SAP and advancing our ERP platform to leveraging advanced sales tools and adopting innovative solutions like Ariba and O9 platform, we are enhancing efficiency, transparency, and decision-making across our operations. These strategic investments in digitization empower us to optimize financial processes, gain valuable market insights, improve purchasing effectiveness and enhance overall operational performance. We also focused on strengthening our backward integration, particularly in our innovative solutions business, to enhance product quality and reduce dependence on external suppliers.

> **Innovation is the process of turning ideas into manufacturable and marketable form**
>
> **- Watts Humprey**

Further, by identifying and qualifying alternate vendors domestically and globally, we diversified our supply chain and minimized reliance on China. Multiple initiatives were also implemented across our manufacturing units to drive cost efficiencies and improve productivity.

Our success is driven by our people, and we prioritize investing in their personal and professional growth. Throughout the year, various initiatives were implemented to empower our employees and foster inclusion and diverse workplace. Our organizational culture promotes responsibility and accountability across all levels, and we have provided our employees with the necessary equipment and digital tools to enhance their performance. Additionally, we offer comprehensive training and development programs to support their growth. Encouraging cross-functional collaboration is another aspect we emphasize to facilitate knowledge sharing and collective problem-solving. By prioritizing our employees' well-being and growth, we aim to create a thriving work environment where they can excel and contribute to our overall success.

We strive to earn the trust of present and future generations through ethical business practices, environmental stewardship and community engagement. Our commitment to sustainability is exemplified by adoption of Scaleban technology, which has enabled us to transform all our manufacturing units into zero liquid discharge facilities. We actively contribute to waste reduction by implementing recycling measures, harnessing renewable energy sources, and upholding stringent international quality and health & safety standards. We take great pride in maintaining an impeccable safety record at our sites, with no major accidents or incidents reported for consecutive years.

Our unwavering focus remains on finding innovative solutions that empower farmers to maximize farm yield without compromising plant health and nutrition. We recognize the vast opportunities present in the domestic and global agriculture market and have formulated comprehensive strategies to unlock these prospects. We are committed to ongoing innovation, creating new mixtures and synergistic formulations that effectively combat various crop-related diseases throughout their lifecycle. By delivering these impactful products, we aim to support farmers in their quest for successful crop cultivation and contribute to the sustainable growth of the agricultural industry.

In the realm of specialty performance chemicals, we are well-positioned to capitalize on expanding opportunities presented by India's rapidly growing economy and its increasing reputation as a reliable manufacturing destination.

To facilitate the growth of our business, we have planned to allocate capex for the new fiscal. These investments will be made in enhancing our manufacturing capacities, as well strengthening our R&D, improving our IT systems and advancing our digitization efforts. By undertaking these initiatives, we aim to fortify our position as a more robust and efficient enterprise.

On behalf of the Board, I extend my gratitude to our employees for their invaluable contributions to the growth and success of Indofil. I would also like to express our sincere appreciation to our esteemed investors, loyal customers, reliable suppliers, and trusted business and channel partners for their unwavering support. Indofil remains committed to enhancing the value we deliver for all our stakeholders by fostering a Culture of Thinking, Knowledge and Responsibility.

Yours sincerely,

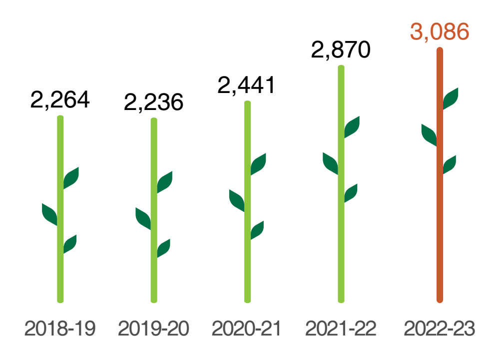
Dr. Bina Modi

Chairperson and Managing Director

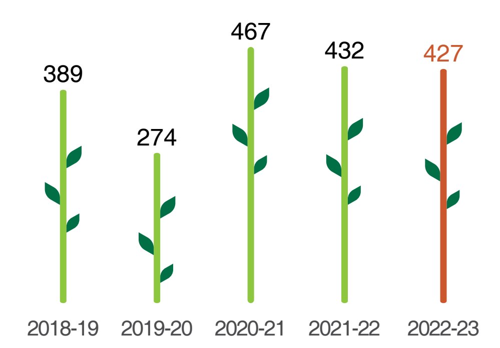
Financial Highlights

Scaling New Heights

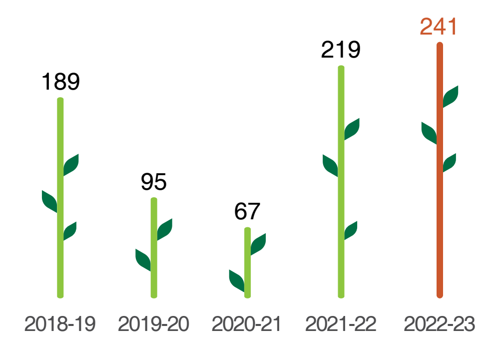
Consolidated Total Income (₹ crore)



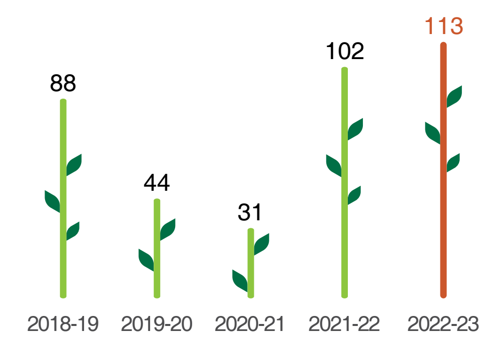
Consolidated EBITDA (₹ crore)



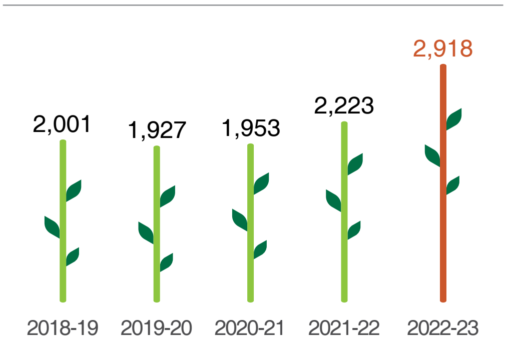
Consolidated PAT (₹ crore)



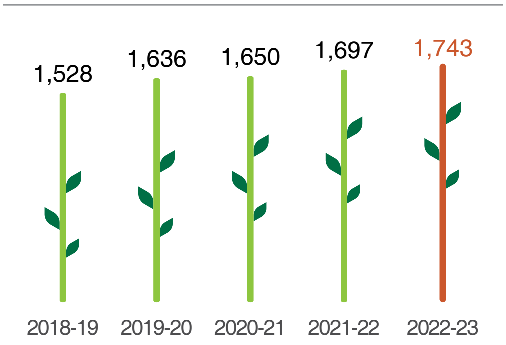
EPS (₹)



Consolidated Networth (₹ crore)



Consolidated Gross Fixed Assets (₹ crore)



Our Diverse Product Portfolio

Developing Niche Offerings for the Global Consumer

Our unique and varied product range caters to a wide customer base across domestic and international markets. Our commitment to innovation, coupled with our understanding of evolving customer needs, enables us to provide sustainable solutions. Our high-quality products deliver superior yield to generate greater value for our customers.

Agrochemicals

Domestic

We are India's leading agrochemical manufacturers and suppliers. Our product portfolio includes high-quality fungicides, insecticides, herbicides, bactericides, acaricides, plant growth regulators, and surfactants that protect crops and enhance agricultural productivity. We are also expanding our presence in the micronutrients and bio-stimulants segments to further strengthen our product portfolio.

Segments and Brands

Fungicides

Fungal infestations have a detrimental impact on produce quality and can potentially lead to yield losses of up to 80%. Our wide range of cost-effective fungicide solutions prevents the growth of fungi, improves yield quality and enhances farmers' productivity.

Brands

Indofil M 45, Manfil, Indofil Z 78, Moximate, Avtar, Merger, Sprint, Itwin, Matco Maxx, Impression, Iglare, Indofil's Baan, Baan Gold, Matco, Boon, Companion, Noor, Debut, Dhan, Benfil, Sitara Plus, Share, Captra, Trucop, Plumage, and Matcogold

Herbicides

Weeds can significantly reduce the yield of main crops by competing for essential resources such as water, nutrients and sunlight. Our range of herbicides effectively targets notorious weeds in various crops, ensuring higher productivity and minimizing yield losses.

Brands

Oxygold, Society, Killog, Nami, Indifil's Mix, Tadka71, Passport, Chase, Golf, Bigul, Pixo, Pixo Maxima

Plant Nutrition and Bio-stimulants

As agriculture becomes increasingly mechanized and technology-driven, the use of plant growth regulators is gaining momentum to enhance crop productivity. Our strategic tie-up with a US-based company enables us to offer exclusive compositions of amino acid-based biostimulants and plant nutrition products developed in-house. These products enhance nutrient absorption and utilization in plants, resulting in significant improvements in crop yields.

Brands

IndoLife Fruit Energy, IndoLife Vital Energy, Indolizer Liquid and Indolizer Granules Maxilizer Liquid and Maxilizer Granules

Insecticides

Each year, insect pests damage approximately one-fifth of the world's crop productions, with potential crop losses as high as 60-70%. We offer innovative solutions that protect crops from insects and minimize yield loss.

Brands

Alecto, Sapper, Skystar, Token, Rimon, Click, Lift, Volax, Atom, Atom Power, Agent Plus, Agent Capsule, Blaze, Indothrin, Flash, Gem, Stalker SC, Bajao, Oopiri, Indodiafen and Akhdir

Surfactants and Plant Growth Regulators

Surfactants are a type of wetting agent that facilitate easy dispersion of liquids by reducing surface tension which increases pesticide efficacy.

Brands

Indtron AE, Filwet Premium, Ethefol

Acaricides

Acari group of organisms like ticks and mites can damage crops severely and reduce productivity. Our acaricides provide effective management of these pests.

Brands

Ceasemite, Dammu, Mitex

Key Crops

Paddy, Cotton, Potato, Chilli, Pulses, Onion, Soybean, Apple

Grapes, Tomato, Wheat, Cumin, Pomegranate, Tea/Coffee, Maize

International

We have a strong presence across 120 plus countries. Our well-diversified distribution network and efficient supply chain caters to large enterprises and individual farmers.

Key Crops

Rice, Soybean

Potato, Tomato

Vines, Banana

Pomes

Other Solanaceous crops

Product Portfolio

Technicals

Mancozeb, Cymoxanil, Metalaxyl, Metalaxyl-M, Tricyclazole, Myclobutanil, Zineb, Dodine, Propiconazole, Thifluzamide, Hexaconazole, Propavgyte

Mixtures and Formulations

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

Innovative Solutions

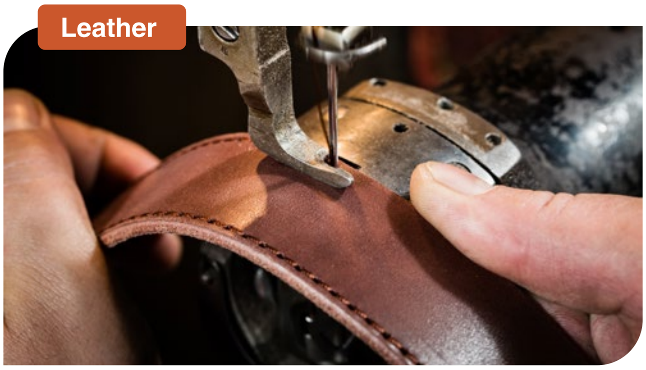
We manufacture and supply innovative solutions by leveraging advanced technology and our in-house product development capabilities. These products find applications across multiple sectors, and coupled with our strong brand equity, has helped us solidify our presence in the Indian subcontinent.

This year, our innovative solutions showed impressive double digit growth, resulting in highest ever PBT in the history of Indofil.

Stringent pollution control norms, high costs of labor and the 'China plus one' strategy are anticipated to encourage global manufacturers to de-risk their supply chains to reduce reliance on China and shift their manufacturing competencies to India. Government policies like Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) policy and Production Linked Incentive (PLI) schemes are further expected to boost the domestic specialty chemical sector.

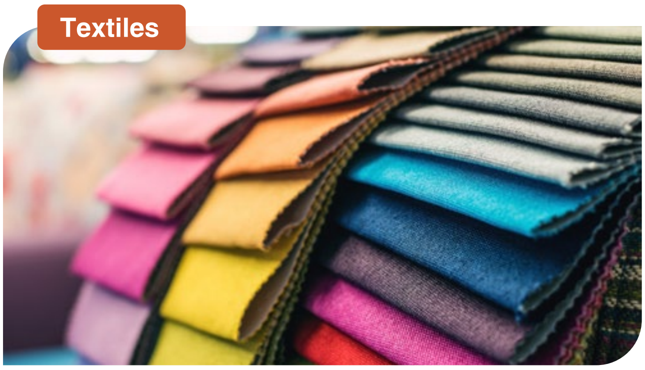
These positive factors could work well for the specialty chemical segment in the coming years. At Indofil, we strive to tap this growing opportunity for our IIS division by continuing to invest in new technologies, R&D, manpower, increase capacities and enter new collaborations.

Leather



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

Textiles



- Acrylic Binders
- Silicone Emulsions
- Water Repellents
- Fixing Agents
- Pigment Dispersions
- Customized Compounds
- Thickeners
- Specialty Binders for Coating applications

Plastics

- Acrylic Impact Modifiers
- Acrylic Processing aids
- MBS based processing aids and impact modifiers
- Acrylonitrile based processing aids and impact modifiers

Coatings and Construction

- Water-based Emulsions
- Dispersing Agents
- Defoamers / Wetting Agents
- Dispersible Powders
- Cement Modifiers
- Waterproofing Chemicals
- Rheology Modifiers
- Specialty additives for Drymix mortars
- Tile adhesives

Business Model

Building Sustainable Value

Inputs

Financial Capital

- Equity share capital of ₹21.35 crore
- Long-term debt fund of ₹189.10 crore

Manufactured Capital

- ₹1,743 crore capex as on 31st March 2023
- ₹610 crore invested in property, plant and equipment, as on March 31, 2023
- 4 manufacturing units
- 5 operating subsidiaries across the globe

Human Capital

- 916 employees across the globe
- 710 contractual employees working in our manufacturing units per day

Intellectual Capital

- ₹23.35 crore investment in R&D activities
- 48 employees in R&D team

Natural Capital

- Renewable and Non-renewable sources of energy
- Water
- Fuel
- Land

Social and Relationship Capital

- Approx. ₹3.75 crore spent towards CSR activities
- Securing strong relationships with suppliers and vendors
- Member of various trade bodies

End-to-end process competence

Manufacturing and Formulation

Product Development

Brand Building and Demand Generation

Marketing and Distribution

Customer Engagement and Feedback

Research and Development

Output → **Outcome** → **Stakeholders impacted** | **SDGs covered**

Agro Chemicals

Insecticides
Fungicides
Herbicides
Plant Growth Regulators
Surfactants
Acaricides

Specialty Performance Chemicals

Textile
Leather
Plastic
Coating

Super Specialty Chemical

Plant Nutrition
Plant Protection
Garden Care

Financial Capital

- 7.51% YoY Growth in consolidated Income
- 9.53% YoY growth in PAT in consolidation

Manufactured Capital

Capacity (in tons)

- 32,000 mt/year Dahej, SEZ, Gujarat (Unit 1)
- 4,000 mt/year Synthesis Plant, Dahej, SEZ, Gujarat (Unit 2)
- 35,000 mt/year- Emulsions & 12,000 mt/year- Powders Innovative Solutions Plant, Dahej, Gujarat (Unit 3)
- 35,000 mt/year EBDC Plant, Dahej, GIDC, Gujarat (Unit 3)

Human Capital

April 2022 - March 2023	Unit 1	Unit 2	Unit 3
Total training hours	4,434.5	2,549	2,928
Total man hours of EHS training	1,706	1,007.5	1,225
Average man-days of training	4.43	3.804	2.40

Intellectual Capital

- 110 brands
- 4 new products launched
- 336 products (186 for domestic and export use both while 150 are exclusively for export)
- 59 patent portfolio as on March 31, 2023

Natural Capital

- 20% of total power is used from renewable sources of energy such hybrid power in Unit 3 (1.8 MWh in day time)
- 100% Zero Liquid Discharge with Multiple Effect Evaporator (MEE), and use of Effluent Treatment Plant (ETP) to reduce emissions. Scaleban and Reverse Osmosis techniques applied
- Pre Heater installed to reduce gas consumption by 25% in Unit I
- 80 KL water recycled through MEE plant and reused in Unit II
- Afforestation drive under Miyawaki Project. Over 6,000 saplings planted

Social and Relationship Capital

- 50k approx, retailers in domestic market
- 4,200 approx. distributors in omestic and 450 plus distributors in international market
- 5 million approx. farmers connected & educated through various field activities
- 120 plus countries where our products are available

Shareholders

Profitability, return on investment

Business partners

Sharing of knowledge, mutually beneficial partnerships

Customers

Increased awareness, satisfaction, enhanced productivity

Employees

Learning and development opportunities, fair remuneration

Government and regulators

Compliance with regulations, transparency, timely contribution to the exchequer

Community

Development and support in fields of education, skill development, rural development

SDGs covered

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Advancing Our Differentiated Portfolio

Prosperity through Innovative Ideas and Collaboration

We foster innovation in our agro chemical and specialty chemical segments to develop a differentiated product range. By engaging with customers through multiple channels, we create product awareness and drive demand, delivering sustained value for all stakeholders.

In our agrochemical segment, we have adopted the 'Crop Care Concept' across our crop districts. The concept helps identify crop needs and issues and supports plant health with existing or new solutions to produce better yields and high quality products for farmers.

We have also expanded our footprint across different crops, especially in India.

New Products

Our core competency in R&D enables us to innovate and provide better crop solutions for farmers. In FY23, we continued our legacy of innovation while pursuing our vision of "Global Leader in Growth with Customer Success". We were successful in strengthening and driving stable growth in the Agro Domestic Business through the launch of three new products Alecto, Sapper and Matco Gold as a part of continuous successful overseas collaborations & in-house development. Matco Gold was developed in-house, making us the first company to manufacture this product in India. These products were launched to manage a wide range of insects and diseases affecting crops.

We conducted around 100 launch events to generate awareness of these brands and educate farmers on their usage across India. With these new launches, we have set a new benchmark for delivering quality while driving business growth.

Recognized as a fungicide giant in the Agro Chemical sector, we registered significant growth in our fungicide segment despite FY 2022-23 being a tough year for the Indian Fungicide Industry. FY23 launched products added 83 crore revenue (Skystar, Alecto, Sapper).

Exceptional growth in Insecticides was propelled by the sales of newly introduced patented products like Ceasemite, Dammu & Skystar in the previous year. Fungicides, Nutrition and Herbicides verticals have also played a pivotal role in pushing the overall Agro Domestic Business growth on above of industry average growth. As of March 31, 2023, our products introduced in FY 2021-22 have generated revenues worth 57 crore, reflecting the positive response from farmers. This success motivates us to continue our efforts in developing innovative crop solutions.

Connecting with Farmers

Demand Generation Activities

Millions of farmers in India rely on our Demand Generation team's trusted crop advisory. As part of our comprehensive product and crop strategy, our team implemented various initiatives to raise awareness about our new products and their end-use. Our efforts included educating farmers on agronomy practices and crop protection from multiple pests and diseases. Additionally, we provide training to farmers on the safe and responsible use of plant protection chemicals.

40.6 Lakh FY23 VS **15 Lakh** FY22

Farmers connected and educated through various field activities

Social Media Engagement

There is a growing trend among farmers to seek knowledge and information about our products and services through social media. To cater to this demand, we have established a strong presence across various social media platforms. We have gained a significant number of followers and subscribers, which demonstrates our success in engaging with our target audience through digital means.

32 Million

FY23

Farmers reached through Social Media Channels

Customer Engagement Centre

Our dedicated state-of-the-art Customer Engagement Centre (CEC) serves as a crucial two-way communication medium to connect with farmers across India. During the year, CEC organized various campaigns that included crop pest surveys and farmers' satisfaction surveys, to gather feedback and improve our offerings. Our expert team provides regular advisory to farmers regarding their standing crops, handles their queries and complaints, and recommends suitable products to meet their needs. The team also helps create awareness about our products and offers purchase tracking services for the convenience of our valued customers.

1.5 Million

Farmers connected through CEC

Engagement with Agricultural Institutions

We collaborate with government institutions such as State Agricultural Universities (SAUs), Krishi Vignan Kendras (KVKs), and crop-specific organizations like the National Research Center for Grapes (NRCG) to educate farmers on crop advisory and keep them informed about various government schemes and policies. By partnering with these institutions, we promote the extension activities conducted by them and invite their scientists and researchers to our events to engage with farmers. Through these partnerships, we aim to provide farmers with access to the latest knowledge and technology, which can help improve their crop yields and overall productivity.

~200

Number of Agricultural Institution Collaborations in FY23

Alternative Channel Partners

FPOs

In India, farmer producer organizations (FPO) – a group consisting of only farmers as members – empower small farmers to gain economies of scale and improve their market standing through collective negotiations. For increasing the reach and penetration of our products, we are actively engaging with FPOs and providing them with timely crop advisory services.

~500

FPOs connected in FY23

Agtech Start-Ups

The increase in the number of agtech start-ups and e-commerce companies has led to enhanced farmer outreach. We collaborate with all major e-commerce companies and agtech start-ups to connect with farmers and address their queries and issues efficiently, thus enabling them to make the most of our solutions.

20

Agtech Start-ups connected in FY23

SDGs impacted

Expanding Our Presence

Demonstrating Agility and Adaptability

International Business faced external headwinds of supply chain issues, rising inflation, the drought situation in Africa and forex challenges that impacted our volumes. Led by our agility and adaptability, we successfully navigated these challenges to deliver stable growth.

During the year, we prioritized higher margin sustainable solutions and strengthened our market approach for new products, which resulted in better revenue mix. We also focused on increasing registrations, tapping new geographies and establishing a robust distribution network for providing better service to our global customers.

We reported the highest growth across South America and European countries. A strategic approach, bolstered by international product mix approvals and expansion of our B2B and B2C businesses, helped increase the revenue and profitability of our international business when compared with the previous year.

Key FY 2022-23 Developments

1. We added new products in the international market to meet specific market needs

2. New product registrations are in process globally to help expand our international outreach in the coming years

3. We commenced business in Burundi and Kazakhstan in FY23

4. Realigning the distribution network in the South American and African markets aided business growth in these regions

5. Different cross-functional forums like Act Now, Plan Now and Sponsor Update were created to support and improve business quality

International Business Review

Brazil

- The Brazilian market is the largest global agrochemical market. Our Brazilian subsidiary continues to be our top international market, both on the distribution and portfolio expansion front.
- Our registration and submission of applications were in place for key portfolio launches, as per our expansion plans in the Brazilian market.
- With the Brazil subsidiary expected to be one of the largest contributors to international business in the medium term, we adopted a balanced approach for our B2B and B2C businesses. This will help improve market penetration and presence, particularly in our strong B2C segment.
- Our upcoming products currently undergoing the registration process are expected to get approval within the next 6-12 months. This development will help us to further strengthen our foothold in the Brazilian region.
- We continue to focus on institutional business through collaborations and key partnerships with large corporations.

Africa, Middle East and Central Asia

- Business in few African countries was impacted by forex challenges, apart from the persistent drought situation in East Africa. To counter the forex challenge and safeguard against any external situations, we planned to adopt advance terms or financing as a secure payment mechanism.
- Started supply of products for the Cocoa Board in West Africa.
- Good volume was achieved across sales of active ingredients.
- Geopolitical situation impacted business across Egypt, Kenya and Ethiopia.

Asia-Pacific

- Stringent and zero-tolerance Covid-19 policy created stress on China's economy. As a result, we faced container unavailability issues throughout H1 2022.
- Floods/Drought in certain Asia-Pacific regions like Australia and New Zealand impacted local demand for our products
- We expect FY24 to be favorable especially in Australia, Indonesia and Thailand backed by good seasonal output. The Australian market is now recovering from a three-year drought, which can create growth opportunities for us in the near future.

Americas

- Business performance was impacted by an unfavorable drought situation in LATAM; however, it is expected to normalize in FY24.
- Freight and container availability challenges that were encountered in H1 FY23 improved in H2 FY23, favoring our business.
- Continuation of existing maximum residue limit (MRL) will aid effective management of Sigatoka disease in bananas.

Philippines

- The Philippines market demonstrated stability wherein it continued to contribute good business from our plantations and F&V segment.
- Indofil Philippines strengthened its position in the banana market through the successful continuation of liquid Mancozeb. It has also successfully collaborated with global suppliers, helping improve our product portfolio and serve the needs of Filipino farmers efficiently.

Bangladesh

- Indofil Bangladesh added products in all the Fungicides, Herbicides & Insecticides (FHI) segments, sourcing from India and Korea.
- Our first manufacturing plant outside India was set up in Bangladesh, which became fully functional in December 2020. It has helped Indofil Bangladesh expand its B2C business presence in the country.
- Our Bangladesh team is also in negotiations with MNCs to scout for alternative revenue models like tolling. Additionally, we are also looking to explore export opportunities in nearby markets.

₹1,281 crores

Revenues as on March 31, 2023
(at consol level)

120 plus

Global Network

Europe

- Indofil Industries (Netherland) B.V., in operation for the last eight years, has been one of the largest contributors for our international business.
- Realignment was undertaken across our existing European set-up along with capital portfolio expansion for the European market. This helped us to cater to the evolving market requirements.
- Through our subsidiary, we acquired Agrowin Biosciences SRL in 2019, an Italian company, helping us to grow in the Italian market.
- Due to the European Union's decision not to renew the registration for Mancozeb, we are proactively planning to introduce new products while ensuring compliance with the necessary legal and technical requirements.

GOING FORWARD

We have planned the submission of new registrations across Africa, Middle East, North America and the Asia-Pacific region. New product registrations and strategic operational initiatives are expected to enhance market penetration in South American and European countries. We will focus on diversifying our product categories, increasing our market share and expanding our footprint through international projects and cooperation and timely regulatory support. As part of our "Global Expansion Initiative", we will actively explore value-added distribution opportunities to enhance our registration portfolio in international markets. The 'China Plus One Strategy', in which companies diversify their operations to alternative destinations alongside China, augurs well for us. It is expected to create opportunities for key synthesis products, which we plan to manufacture through backward integration.

Sustaining Manufacturing Excellence

Robust In-house Capabilities to Boost Growth

During the year, we focused on boosting our manufacturing efficiencies to expand capacities, improve productivity, reduce costs and optimize processes to produce high quality products. As a responsible Corporate, we will continue to integrate safety, sustainability and compatibility into our processes.

Our fully automated and environmentally compliant processes and machines ensure optimal capacity utilization, increased throughput and safety at work. It also helps us to adapt effectively to the needs of our customers.

Our continued efforts towards enhancing manufacturing efficiencies have led to better productivity, increased volumes and consequently higher revenues for the Company. We also introduced key initiatives for process optimization during the year, resulting in considerable overall savings.

Manufacturing Plants

We manufacture diverse products through our four ultra-modern manufacturing facilities that use PLC (Programmable Logic Control) and DCS (Distributed Control System) based systems and through multiple toll manufacturing units. Our manufacturing facilities are located in Dahej, Gujarat (India).

Unit I manufactures 32,000 tons of Mancozeb – our core product. We are the leading Mancozeb player in India, and internationally we sell it across over 120 plus countries. There is increased demand for Mancozeb globally. In an effort to strengthen our existing capacities and processes, we have invested in a key machine that will enable us to improve reliability and capacities. This will help us cater to rising demand for Mancozeb.

Unit II is a Multi Product Synthesis Plant that manufactures diverse fungicides across categories and has a total capacity of 4,000 tons. The unique plant design allows us to align our existing products to evolving market demands and also add new products with minimum lead time.

Unit III was set up specifically to manufacture our innovative solutions, and a select range of agrochemicals, with a higher capacity of 35,000 tons for Mancozeb and 35,000 tons for IIS plant. The increasing demand for specialty chemicals, driven by the expansion of downstream industries, led us to establish this dedicated unit with high capacity and advanced technological capabilities. Our strategic investment enables us to manufacture high-quality specialty chemicals and enhance our overall operational efficiency in the medium term.

In Unit III, we are working towards expanding our capabilities in IIS plant from 35,000 to 65,000 tons per annum.

We also plan to increase overall Mancozeb capacities from 67,000 mt/year to 75,000 mt/year.

Capacity utilization in FY23

80%	50%	Mancozeb-75% IIS-100%
Unit I	Unit II	Unit III

Backward Integration

Our backward integration strategy has resulted in reduced dependency on other markets for the supply of raw materials. It has also helped us maintain stringent quality control, improve profitability and drive faster turnaround in product delivery. Now, our bulk orders are fulfilled with a minimal lead time, leading to cost optimization and increased customer satisfaction.

Propargite at Unit II

Product backward integrated as of March 31, 2023

Safety

The health and well-being of our people is our topmost priority. All manufacturing units have been designed to follow stringent safety norms. Please refer to the ESG section on page 33 for more information on our safety oriented practices.

Driving Excellence

To drive operational excellence, we implement world-class practices such as Six Sigma. By adopting this approach, we proactively identify the issues within our manufacturing processes, thereby minimizing the risks of errors. It has improved process capability, reduced variances and facilitated a more streamlined production flow. As a result, we have achieved better volumes, higher revenues and an engaged workforce.

We also use the 5S (Sort, Set in Order, Shine, Standardize, and Sustain) methodology, a systematic approach to workplace organization and visual management, which promotes better productivity and quality across our units.

₹6 Crore

Cost Savings as on March 31, 2023

Sustainable Practices

We have implemented sustainable processes and systems in our manufacturing facilities to optimize capacity, conserve resources, reduce costs and mitigate risks. Our responsibility towards conserving the environment and business continuity led to the implementation of the Scaleban technology. The strategic intent was to achieve zero liquid discharge and ensure water conservation across our manufacturing units. In FY23, Unit I achieved zero liquid discharge, while Unit II and Unit III achieved this milestone earlier, demonstrating our commitment to responsible manufacturing practices.

As part of our digital initiative, we have introduced QR codes in our packaging, eliminating the need for printed materials for product information. QR codes also enable quick access to detailed product information for customers. We purchase waste steam from a neighboring company and utilize it as an input in our manufacturing process, thereby minimizing environmental impact. Furthermore, we purchase energy from hybrid power sources and employ automated electrical battery-operated forklifts, reducing our carbon footprint. These measures reflect our dedication to eco-friendly practices and sustainable operations.

₹ 0.45 Crore

Saved through
Scaleban Project (FY23)

SDGs Impacted

Plant Certifications

- NABL ISO/IEC 17025:2017 – Certificate of accreditation for Standard of ''General Requirements for the Competence of Testing & Calibration Laboratories''
- GOTS version 6.0 – Global Organic Textile standard Certificate
- OEKO-TEX ECO PASSPORT certification – For product category 1.3 Textile auxiliaries for dyeing and printing
- OEKO-TEX ECO PASSPORT certification – For product category 3.3 Adhesives

Certificates that were renewed post successful completion of annual surveillance audit in December 2022

- ISO 9001 – Quality Management System Standard certification from DNV
- ISO 14001 – Environmental Management System standard certification from DNV
- ISO 45001 – Occupational Health and Safety Management System standard certification from DNV

Research-Led Innovation

Leveraging Scientific Knowledge

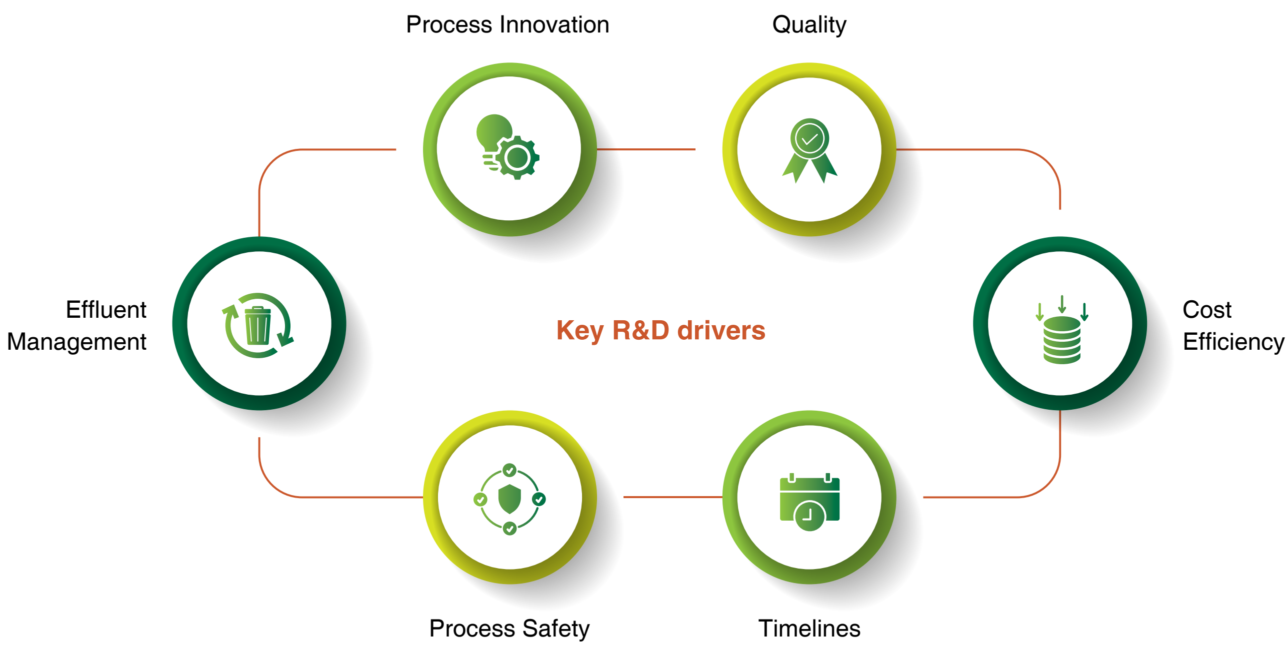
In the past year, our strong R&D capabilities drove innovation, supported by targeted investments in manpower, equipment, technology, and processes, along with strategic collaborations. Our focus remained on developing effective biological crop solutions that enhance crop health, increase output and boost profitability for farmers. To stregthen our IIS segment, we intend to develop eco-friendly products like acrylic emulsion for tufted coir mat backing to replace PVC-backed mats and natural latex mats. Our focus towards developing acrylic-based high molecular weight processing aid (HMWPA) for poly vinyl chloride (PVC) foam sheet and wood plastic composite (WPC) applications will help us gain an entry into the highly specialized market segment. We will continue to prioritize R&D while always upholding world-class quality standards.

Our robust R&D capabilities play a pivotal role in our growth, enabling us to introduce innovative products and technologies while fostering intellectual property. We are one of the few R&D laboratories to have crop care and specialty science under a single unit. Research collaborations with external partners across academic and industrial segments form a core aspect of our R&D innovation strategy, facilitating forward-thinking solutions.

Through our R&D department, we evaluate evolving farmer needs with the aim to increase their output and profitability. Our high-quality crop protection products are developed in collaboration with various stakeholders. As an environmentally conscious organization, our R&D efforts are also focused on bringing effective biological solutions to balance pesticide impact, improve soil health (seaweed and micro-nutrient based products) and launch plant nutrition mechanisms (mycorrhiza based products) and exploring pheromones-based biologically similar products.

We have implemented backward integration to secure key materials for our manufacturing process. This proactive measure enables us to effectively navigate supply chain disruptions and promotes the adoption of Make-in-India products. By this strategic approach, we also reduce our reliance on external sources, particularly China, for raw materials, thereby strengthening our supply chain resilience.

In our effort to strengthen our market foothold and gain a price advantage, we developed three off-patent generics during the year.



R&D Infrastructure and Collaborations

We are staying at the forefront of innovation in our industry through targeted investments in manpower, equipment, technology and processes. We also undertake strategic collaborations to drive our innovation agenda. Finally, our unwavering commitment to upholding world-class standards reinforces our customers' confidence in our R&D capabilities.

New Equipment

- Particle Size Analyzer to optimize the grinding operations of formulations
- HPLC with Smart Automation Kit for efficiency across product changeover to conduct faster analysis
- Advanced Wet and Jet Mills to enhance the milling operations of formulation across Suspension Concentrate (SC) and Water dispersible Granules (WG)
- Dedicated R&D – ETP Plant for treating effluents for meeting EHS Compliance
- 250 litre Glass Line Reactor (GLR) Reactor for effective pilot plant demonstrations/ technology validation

Collaborations

At Indofil, we undertake key tie-ups with technical innovators to gain insights into product potential and performance. These partnerships are mutually beneficial, accelerating the introduction of innovative products to the market.

Through our collaborations, we actively engage in the development of new chemical compositions and processes, enabling our partners to bring products to the market more efficiently. We also work closely together, enabling us to develop in-house patented formulations such as Kuebiko, Dammu and Ceasemite.

Furthermore, we have a collaborative venture with IIT-Delhi, where we invest in development of innovative products for acrylic emulsion for tufted coir mat backing, as well as acrylic-based high molecular weight processing aid (HMWPA) for PVC foam sheet and WPC application.

R&D Certifications

- NABL Accreditation of ADL (R&D) – Desktop Surveillance Audit for Compliance Continuation Check has been received. The certification is valid till December 2023.
- Integrated Management (ISO 9001:2015, ISO 14001:2018, ISO 45001:2018) – Surveillance Audit and Compliance Continuation Check successfully conducted. The renewal is due in March 2025.
- Department of Scientific and Industrial Research (DSIR) certification is valid till March 2024, and renewal is due in March 2024.
- Good Laboratory Practice (GLP) Certification is valid till April 2025.

List of R&D Certifications

- DSIR
- NABL
- IMS (ISO 9001:2015, ISO 14001:2018 and ISO 45001:2018)
- GLP

Key Technology and Process Innovation

We maintained our focus on embedding new-age technologies and processes to drive new product launches and enhance efficiencies while gaining a competitive edge. The following R&D initiatives were undertaken during the year:

Formulation products/process

- Adsorption Technology for Liquid Technical (MATCO GOLD) introduced for the first time
- Water Soluble (eco-friendly) Formulation Packaging for maintaining the safety of our farmers both in India and abroad
- Green Solvent, an eco-friendly and biodegradable solvent for exports
- High Shear process to manufacture niche suspo-emulsion formulation products
- Developed Indofil's first insecticide WG formulation (KUEBIKO)
- Patented unique 3-way mixtures for international markets (14 patents have been filed till date)

Technical products/processes

- Generic version of Optically active technical product (Metalaxyl-M) introduced on a commercial scale
- Generic version of Strobilurin Chemistry Active Ingredient Picoxystrobin Technical was introduced on a commercial scale
- Continuous Flow Chemistry to leverage faster reactions for which laboratory trials are in progress
- Indofil's first living species (Mycorrhiza) product in Plant Nutrition Biological segment (Proof of Concept) is under development.
- New advanced and precise CIPAC HPLC method for Mancozeb analysis was validated in R&D (previously used conventional titrimetric method)
- Supported and accelerated R&D activities of global customers through CRAMS (Contract Research and Manufacturing Services) business
- Enhanced technology for Agro technical products like Dodine, Thifluzamide, Propiconazole and Tricyclazole to generate high yield and low effluents

Digital Technology

- ChemDraw and Chemfinder software in R&D introduced to improve scientific understanding and accelerate research
- SciFinder software upgraded to facilitate faster literature search and generate awareness on global scientific advancements
- Online MSDS database introduced for increasing safety awareness across the Board
- Inventory management software introduced for raw materials and developmental products

Key Projects

Tufted Coir Mat Backing

The objective of this project is to develop acrylic emulsion for tufted coir mat backing. There has been an emerging market demand for an eco-friendly product in this segment, which will replace PVC-backed mats and partially/completely replace natural latex mats. PVC mats will be phased out by US & EU (due to non-biodegradability of such materials), at the same time the challenge with natural rubber is its availability, seasonal variation in latex quality, limited shelf life and high cost of natural latex.

The acrylic emulsions under development though are not completely biodegradable but can be used as a blend with natural latex.

High Molecular Weight Processing Aid (HMWPA) for PVC Foam Sheet & WPC Application

The objective of this project is to develop acrylic-based high molecular weight processing aid (HMWPA) for poly vinyl chloride (PVC) foam sheet and wood plastic composite (WPC) applications. The HMWPA market for these applications is presently catered mainly by Chinese suppliers.

Development of product(s) in these applications will give an entry into this highly specialized market segment. This will also increase plant utilization at Dahej. The successful development and commercialization can help process antidumping application against Chinese imports.

SDGs Impacted

Way Forward

Our capability to innovate new mixtures and synergy formulations will continue to help the product to fight multiple crop-related diseases for better pest management. We will continue to upgrade our R&D infrastructure and align with global laboratory standards to maintain high levels of quality and safety. We will further focus on our formulation lab expansions to meet growing domestic and international product demands. We plan to introduce advanced and sophisticated instruments to boost our analytical efficiencies. We are in the process of developing a new lab facility for in-house product/technology development for biologicals like Mycorrhiza. Kilo Lab upgradation is planned for seamless technology transfer to manufacturing plants. The instrumental landscape is being expanded to enhance formulation performance and boost delivery.

We are committed to nurturing a talented and self-motivated workforce to stay ahead of the curve.

In the wake of growing regulatory tightening and compliances, our strong market presence is expected to work in our favor, in comparison to the non-regulated players across the unorganized sector.

Strengthening Our Supply Chain

Sustaining Momentum

Our strong focus on three foundational pillars of Collaboration, Agility and Resilience helped us sustain momentum in driving an efficient supply chain network amidst a highly constrained external environment. To serve our growing domestic and global consumer network, we will conscientiously invest in digital platforms and partner with stakeholders to further strengthen our robust supply chain.

We remain adaptable to evolving market situations and demands by consistently enhancing our supply chain capabilities. Despite global supply chain disruptions, our well-integrated supply chain network ensured a steady supply of raw materials to support our manufacturing capacities and on-time, in-full services to all our consumers.

Mitigating Risks by Identifying Global Vendors

The pandemic-induced global supply chain disruption and the need to reduce dependency on China have led to the evaluation of new approaches for sourcing materials, both locally and internationally. During the year, we made investments towards identifying global vendors to mitigate risks, especially in raw material sourcing. Our team closely works with the R&D and quality teams to partner with alternate global vendors who meet our stringent quality standards. Additionally, we have identified vendors for environmentally-friendly packaging material as part of our waste reduction efforts.

Responding With Agility

By adopting digital technologies, we have moved towards agile, innovative and automated processes, enabling us to swiftly respond to business needs and customers' expectations. Our diverse network of supply chain partners and digital platforms has further bolstered our resilience in the face of market uncertainties.

Digital Initiatives

We continually invest in robust digital technologies to build agile and robust supply chains towards securing our future. O9 – end-to-end Planning platform, SAP ARIBA – P2P platform, GO Comet – Ocean freight bidding platform, Super Procure – Domestic freight bidding and GPS tracking on all our primary freight trucks were some of the key digital initiatives launched in the current financial year.

SDGs Impacted

During the year, we invested in improving supply chain processes and team capabilities. Going forward, we will focus on stabilizing our digital platforms for enhancing data integrity. We are also actively exploring new partnerships and investing in infrastructure to maintain a robust supply chain.

Environmental, Social and Governance

Committed to Sustainability

As a responsible entity, we hold ourselves accountable to our customers, communities and the ecosystem. Our Environmental, Social and Governance (ESG) policies are designed to create long-term value for all our stakeholders.

Nurturing the Environment

We have implemented an Environmental Management System to ensure the protection of our environment. Our key focus areas encompass resource conservation, effective waste management and the reduction of our carbon footprint. We consistently undertake various initiatives to lower our annual carbon emissions. Additionally, we set new targets each year to further enhance our commitment to nurturing and improving the ecological balance.

World Environment Day Celebration

We celebrate 'World Environment Day' every year. It helps us to create awareness on the importance of safeguarding our planet. Our employees along with their families are encouraged to participate in various activities such as tree plantation drives to increase the green cover in our surroundings.

Key Environmental initiatives for FY23

- Zero Discharge Units – II & III
- Commissioned 100 KLD Reverse Osmosis Plant in Unit III
- Installation of ATFD (Agitated Thin Film Dryer) in Unit II to reduce the pollution load from the Effluent Treatment Plant (ETP)
- Manganese Carbonate recycled to make another product, eliminating disposal and landfilling. 65,000 tons recycled in FY23
- Introduced usage of hybrid power which saved around 31 lakh till March 31, 2023
- Buying steam from a company for whom it is a by-product, to reduce cost and carbon footprint

7,503 KL

Water savings

3,400

Trees planted

Social

We undertake several measures to support and serve the communities where we operate. We believe in making a positive impact on society by addressing social challenges and uplifting those in need. We understand that empowerment is multifaceted, and therefore our initiatives cover various areas of focus. Our CSR initiatives in the field of education, skill development, rural development, healthcare aim to make a significant positive impact and empower lives of the underprivileged. We ensure high standards of health & safety of our employees and contractual staff across our operations. We also nurture our workforce through a slew of learning and development initiatives.

Key Highlights for FY23

- Fire Audit
- Electrical Safety Audit
- Boiler Audit
- EHS Audit
- Cultural Change Initiatives
  - Cluster communication platform for Leadership Team
  - Behavior-based Safety to measure behaviors
- Redefining safety guidelines for FY 2023-24
- Initiated GAP Analysis for Operational Discipline to be implemented in FY24
- CSR initiatives

0
EHS Non-compliance
across all sites during FY23

100%
compliance
to legal requirements, as per Legatrix matrix, at all sites

4
External Audits conducted

Empowering Our Workforce

Our employees are integral to our success journey. Our people-driven policies aim to create an empowered workforce by imbibing a positive culture of team building and cooperation. To keep our employees motivated and engaged, we organize various activities to help them achieve overall growth and success.

Innovative Thinking

To foster Indofil's holistic development and growth, we upgraded our HR strategies to support our diverse work culture. The strategies focused on a top-down approach, authority to take decisions at certain levels, resource availability to employees and creating a sense of responsibility and accountability across all levels.

Our top-down approach ensures that all our employees are well-aware of Indofil's vision, mission, business plan and deliverables.

To enhance motivation levels within our workforce, we gave our senior-level employees the authority to take strategic decisions and considered their ideas and inputs in major decisions. This approach fostered transparency and fairness across the Company.

We also focused on equipping our employees with necessary resources like laptops, digital platforms, etc. to facilitate smooth business operations.

To empower our employees, we instill accountability at all employee levels. This helps inculcate a sense of ownership, leading to more sound decisions, improved productivity and positive business impact.

People-Centric Policy Pillars

- Top-down approach
- Authority to take decisions
- Resource availability
- Empowerment

Our People Initiatives

Open Door Policy

We follow an open door policy for our employees to talk freely about their concerns with the senior managers. Real-time feedback is provided as part of this policy. It has helped facilitate better communication and trust building between the management and our employees. We also encourage open communication to foster inter-team relationship building and a harmonious work culture.

Diversity and Inclusion

We encourage diversity and inclusion at our workplace where we recruit people from different backgrounds, gender, cultures and expertise. Having a diverse employee force adds to our talent pool and expertise leading to better workplace efficiency and productivity. We also strive to have more women in our workforce to maintain a strong gender diversity for improving organizational capabilities.

Training/Learning and Development Programs

Our annual appraisal process has an integrated segment wherein different training is provided as per data identification across levels. We held a training program, conducted by an eminent industry trainer, for all employees of our agrochemical division in Mumbai. We conducted training based on Stephen Covey's habits for leaders to imbibe habitual behavioral traits that will help build future effective leaders and help them succeed in their professional and personal life.

Engagement Initiatives

We are an equal opportunity employer who believes in hiring and retaining talent across different fields to fulfill our broader goals. We regularly undertake measures to have an engaged and loyal workforce. As a continuous process, we have benchmarked salaries by service/industry at certain levels. We introduced various incentive schemes during the year for sales staff. Across other functions, we promote and recognize performance through awards for exceptional performance that includes both a certificate and financial rewards. Our 'Make a Difference' award is provided to employees who have shown consistent efforts over the long term. The 'Spot Award' is given for instant recognition for great workplace contribution. We also have a doctor in our facility who conducts weekly check-ups. We have introduced I-Cas (Wellness and Wellbeing Services) in our facility to help any employee dealing with psychological issues.

We promote various other initiatives throughout the year to keep our employees energized and motivated. We reward our employees for outstanding performance. This practice is aimed at acknowledging and appreciating the efforts and achievements of individuals within the organization. Some of our employees participated in the physically challenging Lahaul Snow Marathon (12,000 ft. run in snow) this year and received accolades.

Employee Health & Safety

At Indofil, safety is a culture. Through our comprehensive Environment, Health and Safety (EHS) framework, we are committed to the health and well-being of our employees. We adopt measures to prevent accidents/incidents within our facilities. As part of our EHS initiatives, we undertake regular assessments of our safety practices. For effective implementation of our EHS policies, we have clearly demarcated our employee roles and responsibilities within our facilities. Our well managed EHS efforts have resulted in continual improvements at all our manufacturing sites in Dahej and our R&D site.

Overall Safety performance in FY23

- National Fire Service Day celebrated to create fire safety awareness among employees
- National Safety Day was celebrated for a week to create safety awareness among employees
- Daily Toolbox talk – daily safety talk to create awareness

2
MTI - Medical Treatment Injury

0
Fatalities reported

0
DO - Dangerous Occurrence

18
FAI - First Aid Injuries

13
NM - Near Misses

1,920
UA/UC-EHS Concerns

0
LTI - Lost Time Incident

12
Number of safety drills conducted

1,465
BBS-BBS Observations

Robust Governance Practices

We have adopted sound corporate governance practices based on our core values, for allocating responsibilities across the Company to ensure transparency and accountability, towards fulfilling our long-term goals. Our robust policies provide a solid framework for decision-making, foster a harmonious work environment, and strengthen our relationships with stakeholders.

Governance Practices

We operate in a highly evolving and complex business environment. It requires us to be updated, informed, watchful and adaptable to deal with uncertainties and be able to mitigate business-relevant risks. To ensure this, we have a dynamic Risk Management Committee that regularly keeps abreast of the business, environmental, operational and legal risks.

The Committee adopts appropriate risk strategies to manage and reduce such risks. We have developed risk assessment tools that rank risks (quantitatively /qualitatively) based on the severity, probability of injury and hazardous aspects. Our risk mechanism helps us reduce risks related to the health and safety of our employees while safeguarding their interests. Through the collaborative effort of our employees and management, we have improved our safety performance in FY23. Our manufacturing units (Units I, II and III) and R&D site reported zero accidents during the year.

Board Diversity

We encourage diverse Board participation across our Board Committee, while giving due consideration to their skills, experience and expertise in selecting them. We believe diversity amongst the Board results in better communication and accountability. It also helps in proper anticipation of risks, identifying opportunities and safeguarding stakeholders' interests, resulting in more efficient strategies and outcomes. We have appointed people from different backgrounds on our Board, including three female directors to manage our Company affairs.

Whistleblower Policy

Through our Whistleblower Policy, employees get to talk about concerns related to any type of inappropriate, unacceptable and unethical workplace behavior. The policy ensures that employees can register such complaints without any fear of the consequences. The Company Whistleblower can directly access the Chairman of the Audit Committee to report grievances of top priority.

Code of Business Conduct and Ethics

We maintain the Code of Business Conduct and Ethics (COBE) that comprises a detailed set of legal and ethical standards to be strictly followed by all our employees, including senior management. We regularly evaluate the Code of Conduct policy to adopt the best industry practices while giving due consideration to our governance values and ethics.

Stakeholder Connect

Stakeholder engagement and value creation lie at the core of our business operations. We have the Stakeholder Relationship Committee to ensure regular stakeholder interaction. The Committee undertakes to look at stakeholder grievances and regular evaluation of policies/procedures. It also works out measures for quick resolution of such complaints. These measures have helped us to continue maintaining a sound relationship with our stakeholders across the organization.

SDGs Impacted

Board of Directors

Dr. Bina Modi
Chairperson & Managing Director

Dr. Bina Modi is a great visionary and entrepreneur with interests across various domains. She has founded and built several successful businesses. Her deep understanding of Modi Enterprises' intrinsic strengths and potentials has been instrumental in inspiring the core leadership team towards achieving the Company's goals.

A successful entrepreneur, she has founded and built several renowned brands, namely, Bina Fashions, Ego Specialty Restaurant Chain, Dessange Salon and Beacon Travels.

She has been conferred with Ph.D. Honoris Causa degree by Dr. K.N. Modi University, Newai, Rajasthan in recognition of her exemplary contribution in the field of Design, Arts, Technology Management, Commerce, Agriculture, Fashion and the Hospitality Industry.

Dr. Bina Modi has been awarded the "Women of the Decade in Business & Leadership 2018" by Women Economic Forum and the prestigious Achiever's Award in 2019. She has also featured in 'India's Most Powerful Women', a book by Prem Ahluwalia.

Ms. Charu Modi
Executive Director

Ms. Charu Modi, is a leading businesswoman and an eminent educationist. She is the Executive Director of Indofil Industries, and the Promoter and Shareholder for Modi Enterprises – K.K. Modi Group. She has been educated at Lady Shriram College, New Delhi and Thunderbird - The American Graduate School of International Management in the US and continues focusing on higher academic specialization in her domain.

She strives to create sustainable long-term value for all Modi Group Stakeholders across businesses. She has been instrumental in integrating her long-term vision and strategy across the company's businesses in India and internationally leading the company to higher profitability and growth. Additionally, her commitment towards ensuring the health and safety of employees has led her to actively guide the EHS Management towards sustainable business practices.

She also heads the Group's education business and is the Chancellor of KK Modi University and has over 20 years of experience. She has helped mold future leaders through skill upgradation and by developing affordable education pathways for all.

Mr. Samir Modi
Non-Executive and Non-Independent Director

Mr. Samir Modi, has played an instrumental role in conceptualizing, strategizing, establishing and running new businesses of the Group. He is a graduate from Hindu College, Delhi University and an alumnus of Harvard Business School, USA. He has extensive leadership and management experience, coupled with excellent analytical and interpersonal skills. His unique management philosophy, innovative strategy and lateral thinking have helped generate disruptive ideas for successful profit-making ventures.

He started India's first Network Marketing Company – Modicare for marketing Consumer Products. He 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, 365 days. He is a Member of Executive Committee of Federation of Indian Chamber of Commerce and Industry (FICCI), Retailers' Association of India, life member of All India Management Association (AIMA). He also actively campaigns for social causes like HIV/AIDS. He has founded the Modicare Foundation to prevent the spread of AIDS, create more awareness and dispel myths and misconceptions.

Ms. Aliya Modi

Non-Executive and Non-Independent Director

Ms. Aliya Modi joined the Board in March 2016. She is a graduate from Brandeis University - Waltham. Massachusetts, USA. She also holds a degree in Bachelor of Arts, having majored in Art History, Criticism and Conservation. Her international qualification, experience and credentials will help Indofil enhance its international market presence.

Mr. S. Lakshminarayanan

Non-Executive and Independent Director

Mr. S. Lakshminarayanan has over 36 years of Government service experience. He holds Master's degrees in Science and Chemistry and has a Postgraduate Diploma from the University of Manchester (the U.K.) in Advanced Social and Economic Studies. He 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 government assignment was as the Secretary of the Union Ministry of Home Affairs. During his tenure with the Government of India, he traveled extensively all over the world. He has served as Vice-Chairman of UNESCO's Communication Development Program (Paris) for five years. In 2008, he was awarded the Honorary of Doctorate Degree by Foro De Federaciones, Mexico. Currently, he holds various prominent positions simultaneously: Chairman - Shriram Transport Finance Co. Ltd.; Director – Shriram Life Insurance Co. Ltd.; Director – ELCOM Systems Pvt. Ltd.; Director – ELCOM Innovations Pvt. Ltd.; Chairman – Shriram Automall India Ltd. And Director – Car Trade Tech Ltd.

Mr. M. N. Thakkar

Non-Executive and Independent Director

Mr. M. N. Thakkar is a practising Chartered Accountant since 1967. Earlier, he was the Senior Partner of M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai. He has vast experience in handling accounting, auditing and management consultancy matters of large corporate clients across diverse sectors. He is the Director of Samkrg Pistons & Rings Limited and Proprietor of MNT & Co, Chartered Accountants.

Mr. Mayur Maheshwari

Nominee Director

Mr. Mayur Maheshwari, IAS, took charge as Managing Director of UPSIDC. UPSIDC nominated him as Director on Indofil's Board. Mr. Mayur Maheshwari brings along with him an extensive experience across diverse areas including the administration and management of large corporations.

Dr. Atchutuni L. Rao

Whole time Director - Operations

Dr. Atchutuni L. Rao, designated as Whole Time Director - Manufacturing, Operations and Safety, joined Indofil in February 2012. He joined the Board in March 2016. Earlier, he worked with Clarient Chemicals (India) Limited and Clarient International for 19 years across various positions as Technical Manager, General Manager Production, as Vice President and Head of the Roha plant. He 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.

Awards and Recognition

Indofil's O9 implementation was recognized by the Global CEO – O9 at Aim10x APAC conference.

Accolades at International Research Institute for Manufacturing

Unit-1 received the diamond trophy for National Awards for Manufacturing in Competitiveness in April 2022. It retained its gold status for the third consecutive year.

Unit-1 won gold in Indian Green Manufacturing Challenges in April 2022.

Unit-3 bagged the silver award in Indian Green Manufacturing Challenges in April 2022.

Unit-3 received the gold award in Indian Green Manufacturing Challenges.

Accolades at QCFI

Unit-1 : All six teams have won gold at TQM Vadodara.

Team Innovation won special awards for 'Best case study presentation' (1st Prize).

Unit-1 achievements at the QCFI State Level Competition, 2022: Four teams participated in QCFI at Ankleshwar chapter and bagged 3 gold and 1 silver award. Two teams participated in QCFI at the Vadodara chapter and both won gold awards.

Unit-3 received the gold award in Water Management, Grow Care.

Indofil Industries Limited was recognized by Bharuch City Administration for their contribution towards "My Livable Bharuch" Initiative.

Annual General Meeting

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Indofil Industries Limited will be held by means of Video Conferencing (VC) / Other Audio Visual Means (OAVM) on Wednesday, 27 September, 2023 at 11:00 a.m. from Registered Office of the Company located at Kalpataru Square, 4th Floor, Kondivita Road, Off Andheri-Kurla Road, Andheri (E) - 400059 to transact the following business:

ORDINARY BUSINESS

1. **To consider and adopt:**

   (a) The Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon and

   (b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Report of Auditors thereon and in this regard to pass the following resolutions as **Ordinary Resolutions**:

   "**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Report of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2023 and in this regard, pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** a Dividend on Equity Shares of the Company at the rate of Rs. 10/- (Ten Rupees only) per Equity Share of Rs. 10/- (Ten Rupees only) each Fully Paid-Up and Rs. 3/- (Three Rupees only) per Equity Share of Rs. 3/- (Three Rupees only) each Partly Paid-Up, be and is hereby declared for the Financial Year ended March 31, 2023 and the same be paid as recommended by the Board of Directors, out of the profits of the Company for the Financial Year ended March 31, 2023."

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

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

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

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

SPECIAL BUSINESS

5. To consider change in designation of Dr. Atchutuni Rao, as Director and to pass following resolution as **Special Resolution**:

   "**RESOLVED THAT** Dr. Atchutuni Rao (DIN: 07467414) who was appointed by members at 27th Annual General Meeting as Whole Time Director of the Company designated as Director – Manufacturing, Operations and EHS and who was subject to approval of members, appointed by Board upon recommendations of Nomination and Remuneration Committee as Whole Time Director designated as Director & Head IIS Business and Occupier of Company's factory with effect from 27th July, 2023 be and is hereby appointed as Director , designated as Director - IIS Business and Occupier up to 26th July, 2024 in terms of provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and upon terms and conditions including remuneration as set out hereunder, with liberty to the Board of Directors (which shall be deemed to include Nomination and Remuneration Committee of the Board of Directors) to re-fix, alter, re-alter and vary the terms and conditions of appointment and / or remuneration as they may deem fit and as may be acceptable to Dr. Atchutuni Rao subject to applicable provisions contained in Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof from time to time).

- Professional Fees (including Non-Executive Commission): ₹70,00,000 per annum.
- Sitting Fees: As per the compliance subject to attending the meetings.

RESOLVED FURTHER THAT where in any of the Financial Year during tenure of the office of Dr. Atchutuni Rao as Director, if the Company makes no profits or where the profits computed in accordance with Section 198 of the Companies Act, 2013 are inadequate, not withstanding anything, the Company may pay to Dr. Atchutuni Rao, the professional fees contained herein or such remuneration as may be modified by the Board from time to time and as may be agreed by Dr Atchutuni Rao, as the minimum professional fees, perquisites, allowances and benefits as per provisions of Companies Act, 2013 and rules made there under (including any statutory modifications or re-enactment thereof as may be in force from time to time) which may exceed the limits laid down under the above stated provisions of the Companies Act, 2013, rules made there under and limits stipulated under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

RESOLVED FURTHER THAT Dr. Atchutuni Rao shall be paid any Sitting Fees for attending the meetings of the Board of Directors or any Committee thereof and will be paid Commission on profits of the Company.

RESOLVED FURTHER THAT Dr. Atchutuni Rao shall be responsible for IIS functions and responsible for the management, supervision and day-to-day affairs and operations, including responsibility as "Occupier" under Factories Act, 1948 and rules there under, of any and all the factories / manufacturing units and plants of the Company at various locations and that he will be carrying out such duties and exercise such powers as may be entrusted to him by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors, Dr. Bina Modi, Chairperson & Managing Director and Ms. Jayni Gada- Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. "To approve the payment of remuneration to Non-Executive Directors and in its regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the non-executive directors of the Company (i.e directors other than the Managing Director and/ or the Whole-Time Director and/ or Executive Director) be paid, in aggregate the Commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof) for Financial Year 2023-24 (which shall be subject to applicable taxes) up to 1% of the Net Profits of the Company computed in accordance with Section 198 and other applicable provisions of the Companies Act, 2013 and rules made there under subject to a maximum limit of ₹ 15 lakhs per Non-Executive Director

   RESOLVED FURTHER THAT the Chairperson and Managing Director of the Company or any person(s) authorized by her be and are hereby authorized severally to do all acts and take all such steps as may be necessary in this regard."

7. To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2023 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s S.N. Addagatla & Co., Cost Accountants, (Membership Number: 103855) appointed as the Cost Auditors by the Board of Directors of the Company at their meeting held on 22nd May, 2023 to conduct the audit of the Cost Records of the Company for the Financial Year ending March 31, 2023 be and is hereby fixed at INR 3,25,000 (Rupees Three Lakhs Twenty-five thousand Only) plus taxes.

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

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

Sd/-
CS Jayni Gada
Company Secretary
(Membership No. ACS 69469)

Place: Mumbai
Date: 29thAugust, 2023

NOTES:

1. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), and MCA Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM..

2. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed Mrs. Bhumika Sidhpura, Practicing Company Secretary (ACS No. 37321, CP No. 19635) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner

3. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy of its Board or governing body resolution/ authorization etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization be sent to the Scrutinizer by email through its registered email address to csbhumikanco@gmail.com with a copy marked to evoting@nsdl.co.in.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at jgada@indofil.com. The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

9. The Register of Members and Shares Transfer Books will remain closed from Thursday, 21 September, 2023 to Wednesday, 27 September, 2023 (both days inclusive) for the purpose of payment of dividend to those Members who hold shares in Physical Form and whose names stand on the Register of Members as on Wednesday, 20 September, 2023.

   The dividend in respect of shares held in Electronic Form will be payable to the beneficial owners of the shares as at the close of business hours on Wednesday, 20 September, 2023 as per details furnished by the depositories for this purpose.

10. As per SEBI Notification, any request for physical transfer of shares shall not be processed w.e.f. April 01,2019

    The following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-

    i. Issue of duplicate share certificate
    ii. Claim from unclaimed suspense account
    iii. Renewal/Exchange of securities certificate
    iv. Endorsement
    v. Sub-division / splitting of securities certificate
    vi. Consolidation of securities certificates/folios
    vii. Transmission
    viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

11. It is mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from 1st January 2022. Registrar will not process , any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder and such shareholders holding will be fridge by RTA on or after 1st April 2023

    The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

    i. PAN; (using ISR-1)

    ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;

    iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;

    iv. Bank Account details including Bank name and branch, Bank account number, IFS code;

    v. Specimen signature. (using ISR-2)

    Any cancellation or change in nomination shall be provided in Form No.SH-14

    All of above required documents/details to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned from RTA website i.e www.masserv.com

12. In compliance with the aforesaid MCA Circulars, the Notice of the AGM along with the Annual Report 2022- 23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM alongwith the explanatory statement and Annual Report 2022-23 are available on the website of the Company at www.indofil.com and on the website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in one English and one vernacular language newspaper.

13. The shares can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar and Share Transfer Agents ("RTA") (Tel. No. 011 26387281/82/83) for assistance in this regard.

14. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company/ RTA in case the shares are held by them in physical form.

15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/RTA if the shares are held by them in physical form.

16. For receiving all future correspondence (including Annual Report) from the Company electronically–

    In case you have not registered your email ID with the Company/ Depositary, please follow below instructions to register your email ID for obtaining Annual Report for FY 2022-2023 and login details for e-voting.

    Physical Holding

    Send a signed request letter to Registrar and Transfer Agents of the Company, MAS Services Limited at investor@masserv.com providing Folio Number, Name of the Shareholder, scanned copy of the Share Certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) with subject line (Register E-mail ID Folio No (Mention Folio No) of Indofil Industries Limited.

    Demat Holding

    Please contact your Depositary Participant (DP) and register your email address as per the process advised by DP

17. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Further, those members who have not registered their e-mail addresses and mobile nos.

and in consequence could not be served the Notice of the AGM and Annual Report may temporarily get themselves registered with RTA by emailing for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communications through e-mail going forward.

Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.indofil.com and on the website of NSDL https://www.evoting.nsdl.com

18. In case a person has become a member of the Company after dispatch of the AGM Notice, but on or before the cut-off date for e-voting i.e. Wednesday, September, 20, 2023, such person may obtain the User ID and Password from RTA by e-mail request on investor@masserv.com

19. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio

20. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form

21. Shareholders of the Company are informed that pursuant to the provisions of the Act and the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the 'Investor Education & Protection Fund (IEPF)' constituted by the Central Govt. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2014-15 has already been transferred to IEPF. Shareholders who have not encashed their dividend warrant(s), for the years 2015-16 to 2021- 22 are requested to make claim with the Registrar & Share Transfer Agent of the Company immediately.

22. Further, pursuant to the provisions of Section 124(6) of the Act read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the IEPF as notified by the Ministry of Corporate Affairs.

    In accordance with the IEPF Rules, the Company has sent notices to all the Shareholders whose shares are due for transfer to the IEPF and has also published the details thereof in notices published in newspapers. The Members whose dividend/shares are transferred to the IEPF may claim the dividend/shares by making an application to the IEPF by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF at http://www.iepf.gov.in/IEPF/refund.html.

23. The depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.

24. It is mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

25. In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/ Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

26. Members holding shares in physical form may communicate these details to the RTA viz. MAS Services Limited having address at RTA i.e. MAS Services Limited, having address at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

    This will facilitate the remittance of the dividend amount in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc. The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

27. We wish to inform you that the Board of Directors of your Company ("Board") have at their meeting held on 29th August, 2023 recommended 100% dividend of ₹ 10/- per equity share having nominal value of ₹ 10/- each and dividend of ₹3/- per Equity Share having nominal value of ₹ 3/- for the Financial Year ended 31st March 2023.

The dividend, as recommended by the Board, if approved at the ensuing Annual General Meeting, will be paid to shareholders holding Equity Shares of the Company, either in Electronic or in Physical Form after the Book Closure date Wednesday, 20th September, 2023 for determining eligibility of shareholders to receive the dividend.

Taxation on Dividend

In terms of the provisions of the Income-tax Act, 1961, ("the Act"), dividend paid or distributed by a Company on or after 1st April 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend. In order to enable a Company to determine the appropriate TDS rate as applicable, All the members are requested to update the residential status and category in their respective Demat accounts with Depository Participant ("DP"), if the shareholding is in Demat form or with the Company's Registrar & Transfer Agent ("RTA"), M/s. MAS Services Limited, if the shareholding is held in physical form. Members are also requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961. The deduction of tax at source will be based on the category of shareholders and subject to fulfilment of conditions as provided herein below:

- **For resident shareholders**

  Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during Financial Year 2023-24 does not exceed ₹ 5,000. Recording of the PAN for the registered Folio/DP ID-Client ID is mandatory. In the absence of valid PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the Act.

  TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:

  As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Shareholders may visit https://www.incometax.gov.in/iec/foportal/. for FAQ issued by the Government on PAN Aadhar linking.

  Where, Permanent Account Number ("PAN") is available and such PAN is valid / operative as per the provisions of IT Act:

  In accordance with Section 194 of the Act, for resident members where tax is deductible at source under this provisions of IT Act, TDS shall be applied from the dividend amount at rate of 10%, except for members (where tax will be deductible at a higher rate as per provisions of Section 206AA or Section 206AB of IT Act), or for resident members who have not filed its return of income for two consecutive previous years and aggregate TDS exceeds ₹ 50,000 in each of the two previous years (as per Section 206AB), to be verified by the Company from the Government enabled online facility.

  The above TDS will be applied by the Company unless exempt under the provisions of the Act and subject to furnishing of the following self-certified documents:

  i. **Form 15G / 15H in the case of eligible Resident Individual members:**

     No TDS shall be applied in the case of a resident individual member, if the member provides duly signed Form 15G (applicable to an individual below the age of 60 years) or Form 15H (applicable to an individual of the age of 60 years and above), provided that all the prescribed eligibility conditions are met (Format of declaration forms are annexed respectively). Please note all fields are mandatory and company shall reject forms if insufficient information is provided.

  ii. **Insurance companies:**

     Declaration that provisions of 194 of the Act are not applicable to them as Insurer along with self-attested copy of PAN card and registration certificate.

  iii. **Mutual Funds:**

     Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of Section 10 of the Act and is covered under Section 196 of the Act.

  iv. **Alternative Investment Fund (AIF) established in India:**

     Self- declaration that its dividend income is not chargeable under the head "Profit and Gains of Business or Profession" and exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations.

  v. **Entities exempt under Section 10 of IT Act:**

     In case of resident non-individual members, if the income is exempt under the Act, the authorized signatory shall submit the declaration along with evidence duly signed with stamp affixed for the purpose of claiming exemption from TDS.

vi. **Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income:**

Documentary evidence that the person is covered under Section 196 of the Act

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file self-declaration with Company in the manner prescribed by the Rules. This declaration should be shared within 2 days from the record date as may be intimated by the Company. Kindly note that no declaration shall be accepted after 2 days from the record date.

Where a shareholder furnishes a valid Nil or lower tax rate deduction certificate under Section 197 of the Act, TDS will be applied as per the rates prescribed in such certificate.

- **For non-resident members (including Foreign Institutional Investors and Foreign Portfolio Investors)**

Tax is required to be withheld in accordance with the provisions of Section 195 and Section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.

As per Section 90 of the Act, a non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if such DTAA are more beneficial to such member. To avail the tax treaty benefits, the non-resident member will have to mandatorily provide the following documents:

a) Self-attested copy of PAN card, if any, allotted by the Indian Income Tax authorities;

b) Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the member is tax resident; evidencing and certifying member's tax residency status during financial year 2023-24.

c) Form 10F filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July 2022 and a subsequent notification dated December 12, 2022 issued by the Central Board of Direct Taxes (CBDT), as required under the Income-tax Act, 1961. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online until September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023 only) [Format of the declaration (only for shareholders not having PAN or are not required to obtain PAN in India) can be downloaded from the link given at the end of this communication.)

d) Self-declaration of having no taxable presence, fixed based or permanent establishment in India in accordance with the applicable tax treaty and beneficial ownership by the non-resident member (Format of the declaration is annexed).

e) In case of a member being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

The Company will apply at its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to non-resident members. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident members.

Where a member furnishes valid nil / lower withholding tax certificate under Section 195 / 197 of IT Act, withholding tax will be applied as per the rates prescribed in such certificate.

Please note: Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than Friday, 22 September, 2023.

To summarise, dividend will be paid after deducting the tax at source as under:

1. NIL for resident members receiving dividend upto ₹ 5000 or in case Form 15G / 15H (as applicable) along with self-attested copy of the PAN card is submitted.
2. 10% for resident members in case copy of PAN card is provided / available.
3. 20% for resident members, if copy of PAN card is not provided / not available / invalid / inoperative / specified person as per Section 206AB of IT Act.
4. Tax will be assessed on the basis of documents submitted by the non-resident members.
5. 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
6. Lower / Nil TDS on submission of self-attested copy of the certificate issued under Section 197 of IT Act.

Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of the TDS return. No communication on the tax determination/deduction shall be entertained after Friday, 22 September, 2023.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, you would still have the option of claiming a refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, or omission of information provided / to be provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

Members, whose valid PAN is updated, will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in/.

Updation of PAN, Email address and other details:

All the members are requested to update the residential status, registered email address, mobile number, category and other details with their relevant depositories through their DPs, if the shareholding is in Demat form or with the Company's RTA, if the shareholding is held in physical form, as may be applicable. The Company is obligated to deduct TDS based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited (collectively referred to as "the Depositories"), in case of shares held in Demat mode and from the RTA, in case of shares held in physical mode and no request will be entertained for revision of TDS return.

Updation of Bank Account for payment of Dividend:

While on the subject, we request you to submit/ update your bank account details with your DP, in case you are holding shares in electronic form. In case your shareholding is in physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with the Company's RTA, M/s. MAS Services Limited, T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, Email: info@masserv.com. This will facilitate the receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank passbook statement, duly self-attested. In absence of a bank account with requisite particulars, the dividend warrants will be posted to you.

Declaration referred above can be downloaded from the link given below or from the website of the Company viz. https://www.indofil.com. Please note that the aforementioned documents should be provided to Company's RTA by email to info@masserv.com. No communication on the tax determination/deduction shall be entertained after Friday, 22 September, 2023.

View/ Download

Form 15G click here

Form 15H click here

Declaration regarding Tax Residency – Non-Resident Members click here

Declaration regarding Category, Beneficial Ownership of shares and other click here

Form 10F - Non-Resident Members not required to have PAN click here

Disclaimer:

This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional. In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your Income Tax return. No claim shall lie against the Company for such taxes deducted.

28. Since the AGM will be held through VC / OAVM, the Route Map is not annexed with this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-

The remote e-voting period begins on Sunday, 24 September, 2023 at 9:00 a.m. and ends on Tuesday, 26 September, 2023 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the Record Date (cut-off date) i.e. Wednesday, 20 September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the Paid-Up Equity Share Capital of the Company as on the cut-off date, being Wednesday, 20 September, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat Mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat Mode are allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are advised to update their Mobile number and e-mail Id in their Demat Accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat Mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat Mode with NSDL	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “**Beneficial Owner**” icon under “Login” which is available under “**IDeAS**” Section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “**Register Online for IDeAS**”Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ Section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat Account Number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Demat Mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in Demat Mode) login through their Depository Participants	You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in Demat Mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat Mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat Mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login method for shareholders other than Individual shareholders holding securities in Demat Mode and shareholders holding securities in Physical Mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ Section.

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat Account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in Demat Account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if Folio Number is 1 and EVEN is 101456 then user ID is 101456000001. If Folio Number is B-1 and even is 101456 the user ID is 101456B000001

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your e-mail ID is registered in your Demat Account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or Folio Number for shares held in Physical Form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ids are not registered

6. If you are unable to retrieve or have not received the " Initial Password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your Demat Account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in Physical Mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat Account number/Folio Number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by E-mail to csbhumikanco@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download Section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Amit Vishal) at evoting@nsdl.co.in

Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in Physical Mode please provide signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to info@masserv.com with subject line of "user detail required for AGM of Indofil Industries Limited (mention Folio Number).

2. In case shares are held in Demat Mode, please update your e-mail id with your depository and send client master copy to info@masserv.com with subject line " user detail required for AGM of Indofil Industries Limited (mention dpid-clid). If you are an Individual shareholders holding securities in Demat Mode, you are requested to refer to the login method explained at step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat Mode.

3. Alternatively Shareholders / Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat Mode are allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are required to update their Mobile number and e-mail ID correctly in their Demat Account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members / Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM link" placed under "Join General meeting" menu against Company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their name Demat Account number/Folio Number, e-mail id, Mobile number at jgada@indofil.com. The same will be replied by the Company suitably.

6. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.indofil.com and on the website of NSDL https://www.evoting.nsdl.com.

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

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

Item No. 5

Dr. Atchutuni Rao joined the Company in February, 2012 and has worked in capacity as Vice President – Manufacturing, Senior Vice President – Manufacturing & Projects with the Company. Dr. Rao, was first appointed at 23rd Annual General Meeting by Members on 23rd September, 2016 as Whole Time Director of the Company w.e.f 18th March, 2016 for a period of 5 (Five) years up to 17th March, 2021. The Members of the Company at 27th Annual General Meeting had appointed Dr. Rao further from 18 March, 2021 till 26th July, 2021 as Whole Time Director – Manufacturing, Operations, Safety and Innovative Solution Business and Occupier. The Board of Directors of the Company as recommended by Nomination and Remuneration Committee had further appointed Dr. Atchutuni Rao as Whole Time Director designated as Director - Manufacturing, Operations and EHS and as Occupier for a further period of 2 years from 27th July, 2021 to 26th July, 2023. The Board of Directors of the Company as recommended by Nomination and Remuneration Committee have further appointed for the change in designation of Dr. Atchutuni Rao as Director designated as Director- IIS Business as Occupier subject to approval of the Shareholders for a further period of 1 year from 27th July, 2023 to 26th July, 2024 upon terms contained in the resolution

Prior to joining Indofil, Dr. Rao worked with Clariant Chemicals India Limited and at Clariant International for 19 years in various positions as Technical Manager, General Manager Production, Vice President and Head of Plant. He has a Bachelors Degree in Chemical Technology from UDCT, Mumbai, M.Tech Degree from IIT, Delhi and Ph.D in Chemistry from South Gujarat University. He has attended Advanced Management Program at Harvard Business School, USA.

Dr. Atchutuni Rao is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act in above capacities. None of the Directors / Key Managerial Personnel of the Company / their relatives, except Dr. Atchutuni Rao, is concerned or interested in the resolution set out at Item No. 5 of the Notice.

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

Item No. 6

In view of Sections 197, 198 and other relevant provisions of the Companies Act, 2013 read with rules made there under, the Company has been paying to the Directors other than Managing Director, Whole-Time Director and Executive Director for each of the Financial Year of the Company, compensation by way of commission in terms of resolution passed by Members of Company in accordance with Sections 197, 198 and other applicable provisions of the Companies Act, 2013. It is suggested that in respect of the Financial Year 2023- 24, considering the restrictions contained in the aforesaid Sections of the Companies Act, 2013, the compensation to Non-Executive Directors be paid in aggregate up to 1% of the Net Profits of the Company, computed in accordance with the provisions of Section 198 and other applicable provisions of the Companies Act, 2013 and rules made there under, subject to a maximum of Rs. 15 Lakh per Non-Executive Director in addition to re-imbursement of expenses incurred on behalf of Company and fees payable to them for attending the meetings of the Board or Committees thereof as per provisions of aforesaid Sections

The Board Members and / or their relatives on Board may be deemed to be concerned or interested in the resolution set out at Item No. 6 to the extent of remuneration as may be receivable by them. Mr. Samir Modi and Ms. Aliya Modi (and Dr. Bina Modi and Ms. Charu Modi as their relatives) and Mr. S. Lakshminarayanan, Mr. M.N. Thakkar, and Mr. Mayur Maheshwari are concerned / interested in resolution set out at Item No. 6 of the Notice.

The resolution at Item No. 6 is proposed as a Special Resolution

Item No. 7

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("The Act") and the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audits) Amendment Rules, 2014 ("the Rules") the Company is required to appoint a Cost Auditor to audit Costing Records of the Company. On recommendation of the Audit Committee, the Board of Directors have appointed M/s S.N. Addagatla & Co., Cost Accountant, (Membership No. 103855) as the Cost Auditors to conduct audit of Cost Records maintained by the Company for the Financial Year 2023-24, for a fee of

Rs. 3,25,000 plus taxes and conveyance charges for outstation.

You are requested to accord your consent for the aforesaid appointment and fee recommended in respect of the Cost Auditors for Financial Year 2023-24.

The resolution at Item No. 7 is proposed as an Ordinary Resolution.

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

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

Sd/-
CS Jayni Gada
Company Secretary
(Membership No. ACS 69469)

Place: Mumbai
Date: 29 August, 2023

Indofil Industries Limited
[CIN:U24110MH1993PLC070713]
Kalpataru Square, Kondivita Road,
Off Andheri- Kurla Road,
Andheri (E) - 400059.
Tel. No.: 022-66637373
Fax No.: +91-22-28322272
Website: www.indofil.com

Management Discussion and Analysis

Economic Review

Global Economy

The global economy is facing headwinds such as ongoing geopolitical tensions, supply chain bottlenecks and persistent inflationary pressure, which risk derailing the post-pandemic recovery. This has resulted in denting the industrial recovery, and increased uncertainty weighing on investment. Soaring global energy and food prices, coupled with the resurgence of Covid cases in China and Beijing's zero-tolerance policy have led to slower economic growth and stringent monetary policies by many central banks. The Federal Reserve System, in particular, embarked on its most aggressive tightening in decades.

Global growth is estimated at 3.4% in 2022, 2.9% in 2023 and 3.1% in 2024. Advanced economies grew 2.7% in 2022 and is expected to witness 1.2% growth in 2023 and 1.4% in 2024. Emerging market and developing economies which grew 3.9% in 2022 are expected to grow at 4% in 2023 and 4.2% in 2024. About 84% countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024.

Growth in most industrial end-use markets is expected to be constrained by product shortages and high input costs, including energy. Supply chain issues will particularly hamper activity in manufacturing end-use markets. The motor vehicle sector is facing renewed supply chain bottlenecks which is feeding through to a number of pump end-use markets such as chemicals, rubber and metals. The construction sector activity will face significant headwinds from increasing construction costs and labor shortages. Even in the oil and gas refining sector, long-term prospects for fossil fuel demand in the context of net zero goals are weighing on production and investment trends.

(Source: World Economic Outlook-IMF, April 2023)

Indian Economy

Despite a weak global economy, India's economy has been relatively insulated as compared to other Emerging Markets and Developing Economies owing to its large domestic market and relatively looser integration in global value chains and trade flows. Driven by strong domestic consumption and fixed investment growth showing resilience to global headwinds, the Indian economy is expected to grow at 7.2% in FY 2022-23 as against 9.1% in FY 2021-22, according to the Provisional Estimates by Ministry of Statistics & Programme Implementation. FY 2022-23 witnessed high services exports, moderation in oil prices, and the fall in import-intensive consumption demand. This has aided the expectations of a fall in current account deficit in FY 2022-23 and FY 2023-24 further aided by robust revenue collections. Easing of global inflationary pressure led by falling international commodity prices and strong government measures are expected to aid economic growth in India.

Led by pent-up demand the trade, hotel, transport, communication and service related to broadcasting witnessed a sharp jump of 14.2%. Both Construction and Utility service supply sectors are expected to grow at robust ~9% each. Growth in the agriculture sector is expected at 3.3%. In recent year, post meeting domestic requirements, India has also rapidly emerged as the net exporter of agricultural products. The agriculture exports touched a whopping USD 50.2 billion in FY 2022-23. The total Kharif foodgrain production is estimated at 149.9 million tonnes higher than the average Kharif foodgrain production of the previous five years. The area sown under paddy was about 20 lakh hectares less than compared to 2021. The growth in the agriculture sector is likely to remain buoyant, supported by healthy progress in Rabi sowing, with the area sown being higher than the previous year. Robust growth in the agriculture sector has led to a recovery in the rural economy.

In FY 2023-24, the Indian economy is expected to become the fastest growing economy in the world. The Indian GDP growth is estimated at 6.9% in FY 2022-23 and 6.6% in FY 2023-24 by the World Bank.

The inflation trajectory in India is likely be determined by extreme weather conditions like heatwaves and the possibility of an El Niño year, volatility in international commodity prices and pass-through of input costs to output prices.

(Source: NSO, World Bank, PIB)

Industry Overview

Global Agro Industry

To achieve the world's development goals, healthy, sustainable and inclusive food systems are critical. Agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity, and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is 2-4x more effective in raising incomes as compared to other sectors. Agriculture is also crucial to economic growth as it accounts for ~4% of global GDP.

In the past two years, the prevailing geopolitical tensions disrupted the chances of global economic recovery from the pandemic and resulting in economic sanctions on multiple countries. This resulted in a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. However, it is expected that the agriculture market will recover from the shock as it is a "black swan" event and not related to ongoing or fundamental weaknesses in the market or the global economy. The global agriculture market stood at USD 12,245.63 billion in 2022. The Asia-Pacific was the largest region in the agriculture market in 2022. North America was the second largest region in the agriculture market.

Farmers and consumers across the globe may have to contend with a volatile market well into 2023 as the upside risks to the prices of agricultural commodities and inputs loom.

The agriculture market is expected to grow to USD 19,007.8 billion in 2027 at a CAGR of 9.1%. A shortage of labor and increasing demand for advanced agriculture tools in many countries is driving the demand for agriculture robots, or agribots. Agribots are used on farmlands for pruning, weeding, and spraying pesticides and herbicides. They are connected to tractors for spraying water, seeds, pesticides, nutrients, and harvesting.

Source: Agriculture Global Market Report 2023 (globenewswire.com)

Indian Agriculture Industry

India, one of the major players in the global agriculture sector. It has the world's largest cattle herd (buffaloes), largest area planted to wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. The agriculture sector in India holds the record for second-largest arable land in the world generating employment for more than half of the population. India has the highest number of organic farmers in the world at 44.3 lakhs, and 59.1 lakh ha area had been brought under organic farming by FY 2021-22, producing certified organic products including all varieties of food products.

During April-December period of FY 2022-23, the exports of agricultural and processed food products rose by 13% continuing the trend from the previous year. The initiatives taken by the Agricultural and Processed Food Products Export Development Authority (APEDA) helped the country in achieving 84% of its total export target of USD 23.6 billion for FY 2022-23 during this period. As per the DGCI&S, agricultural products exports grew 19.92% during FY 2021-22 to touch USD 50 billion, much higher than the growth of 17.66% at USD 41.87 billion achieved in FY 2020-21. The robust performance has been achieved in spite of unprecedented logistical challenges in the form of high freight rates and container shortages, etc.

The growth in the agriculture sector is likely to remain buoyant, supported by healthy progress in Rabi sowing, with the area sown being higher than the previous year. As per Second Advance Estimate for FY 2022-23, total foodgrain production in India is estimated at record 3,235.54 lakh tonnes which is higher by 79.38 LMT as compared to FY 2021-22.

The Union Budget 2023-24 is expected to provide a boost across the agriculture value chain, with announcements ranging from increased credit for the sector, investment in fisheries and focus on high-value horticulture crops to setting up of a dedicated fund for agri startups and building of digital public infrastructure. The agriculture credit was pegged at ₹20 lakh crore, with focus on animal husbandry, dairy and fisheries, up from ₹18 lakh crore for FY 2022-23. The proposed Agriculture Accelerator Fund will aim to encourage agritech startups to find innovative solutions to the challenges faced by farmers, as well as nurture entrepreneurial spirit among rural Indians.

The need to use modern technologies to increase productivity and profitability has led to the emergence of Agriculture 4.0 in India. Several new-age farmers are using soil mapping software to determine the optimum level of fertilizers used in the farms. These emerging technologies in farming and agriculture pave the way for more opportunities. The agritech start-ups and traditional farmers are also using the latest solutions and trends to improve production in the food value chain. It includes the adoption of new technologies such as cloud-based solutions and other relevant advanced agricultural management techniques to increase farmer efficiency and produce more crops. Drones are used widely for medical delivery to protection assistance and are used in agriculture to improve spraying the growth of crops, maintenance, and cultivation methods.

The growth in the Indian agricultural sector is expected to be robust in the coming years driven by:

- Rapid population expansion and changing lifestyles and food habits due to increased disposable income.
- India has access to several natural resources that provide it a competitive advantage in the food processing sector.
- Due to its diverse agro-climatic conditions, it has a wide-ranging and large raw material base suitable for food processing industries.
- Various government initiatives including Pradhan Mantri Fasal Bima Yojna, National Agriculture Market (eNAM), Pradhan Mantri Annadata Aay Sanrakshan Abhiyan etc.
- Online, Competitive, Transparent Bidding System with 1.74 crore farmers and 2.39 lakh traders put in place under the National Agriculture Market (e-NAM) Scheme.
- Entry of foreign players has been key to sustainable growth in some sectors such as dairy.
- Steady development in rural banking and credit systems.
- Growth in agri infra-transportation, godowns, etc.
- Growth and awareness in nutrition and biostimulation segment due to government policy regulation.
- New spray techniques on drone and automatic spray machines.
- Introduction of genetically modified crops.
- E-commerce platform.

Global Agrochemical Industry

Population growth has boosted food consumption worldwide. This coupled with shortage of agricultural land attributable to population increase and damage to existing arable land has increased the importance of maximizing yield from available agricultural spaces. This has resulted in increasing the demand for agricultural goods, leading to a rise in the usage of agricultural chemicals to improve crop yield. As a result, it has become necessary to utilize agrochemicals, such as fertilizers and pesticides, to meet the growing demand for food. Through the use of agrochemicals, production from limited land can be increased and the soil quality also improved for future planting, which is driving the agrochemicals market growth.

Chemicals used for crop protection include insecticides, fungicides, herbicides, and other items including rodenticides and bactericides. The market for crop protection chemicals is predicted to be dominated by herbicides. Pesticides that target plants are frequently employed in agriculture. They are employed to eradicate weeds and other undesirable plants from crops.

The global agrochemicals market size reached a value of around USD 232.71 billion in 2022. The growth is attributed by increasing use of fertilizers by the farmers to supply nutrients to the crops and growing demand for crop protection products globally. Improved crop yield is a key factor driving the agrochemicals demand. The fertilizer segment dominated the market with a revenue share of 66.8% in 2022. This is attributed to increasing demand of fertilizers such as anhydrous ammonia, ammonium nitrate, and urea. The high consumption of fertilizers to improve crop production is driving the agrochemicals market growth.

The cereal and grains application segment dominated the market with a revenue share of 47% in 2022. This is attributed to the fact that a significant global area under cultivation is for grains and cereals. Also, majority of the world's cereal and grain consumption occurs in Asia-Pacific leading to high demand for these products. The demand for fertilizers is being driven by the rising consumption of cereals and grains in other regions as well.

The leading market for agrochemicals is the Asia-Pacific region being the leading producer of agricultural products worldwide. Crops such as grains and cereals, pulses, and vegetables are widely cultivated in Asian-Pacific nations like India, China, and Japan, using agrochemicals. Additionally, the region's growing population are fueling the demand for food, resulting in increased usage of fertilizers and pesticides to increase crop productivity and protect crops.

Outlook

The market is expected to grow at 3.1% CAGR between 2023 and 2028, reaching a value of around USD 278.67 billion by 2028. Crop protection chemicals such as herbicides and fungicides are expected to witness increased penetration in the market owing to the growing frequency of rodent and pest attacks on crops. Substantial research is ongoing worldwide to produce high-quality agrochemicals, with greater focus on bio-based agrichemicals that are safe around humans and animals, and can improve crop yield. This innovation led approach is likely to support the market growth for agrochemicals further in the coming years.

Source: Agrochemicals Market Size, Share, Trends, Analysis 2023-2028 (expertmarketresearch.com); Agrochemicals Market Size, Share & Growth [2023 Report] (grandviewresearch.com); Agrochemicals Market worth USD 282.2 billion by 2028 (marketsandmarkets.com)

Indian Agrochemical Industry

Continuous advancements in the technology used in agriculture have led to a shift in farming practices. With the increased export and import of agricultural commodities across different geographies, especially in developing regions, new types of harmful organisms have emerged, leading to an increase in the demand for novel active ingredient products to safeguard crops. The Asia-Pacific region is growing at the fastest rate on a global basis due to the enormous consumption of pesticides and fertilizers for farming activities. This is a result of adopting modern and advanced farming practices in the region. India, along with China and Japan, exhibits the largest agrochemical markets of the Asia-Pacific region. India has been at the forefront of the chemicals and agrochemicals space during the last one decade because of tightening of environmental regulations in China in 2015 and its subsequent fallout on the global chemicals supply chain.

After the revival of the economy and the stabilization of regional currency rates, the farmers are now focusing on investing in these crop-protecting and growth-boosting chemicals. As the demand for food products is increasing, the landmass available for agriculture is gradually decreasing due to the heightened effect of urbanization, which is providing an impetus for the farmers to use different agrochemicals to increase land productivity and maintain soil health. The positive trend and the integrating farming practices in the country are expected to propel the industry growth rate of agrochemicals in India.

The India agrochemicals market size reached a value of almost USD 6 billion in the year 2022. Pesticide usage is high among other chemicals. Price premiums and innovative eco-friendly production methods are emerging steadily in the agrochemical market. There is an increasing need to balance the judicious use of the best chemicals and minimize the impact of that use. As the Central Government focuses on promoting sustainable agriculture practices, there is an increase in the use of biopesticides.

Outlook

The market is further expected to grow at a CAGR of 8.5% between 2023 and 2028 to reach a value of almost USD 9.82 billion by 2028 primarily driven by strong exports and stable domestic demand. Exports will remain the major contributor to the agrochemicals sector growth accounting for around 53% of the total revenue. The industry will further benefit from the 'China plus one' strategy of global players and as patents on key molecules expire. The Indian government recognizes the agrochemical industry as one of its top 12 industries to achieve global leadership, growing at 8-10% through 2025. Thus, the agrochemical sector in India is projected to witness growth during the forecast period.

Growth factors

- The India agrochemicals market is driven by the rising population within the country, accompanied by rising affluence, is creating a shift in consumption patterns. This has led to maintaining sufficiency in agricultural practices, further boosting the use of Indian agrochemical products for farming activities.
- The industry is positively influenced by the Indianization of the agrochemical industry, which has fueled the sales of agrochemical products.
- Shrinking arable land and loss of crops due to pest attacks lead to wastage, posing a critical challenge to ensuring food and nutritional security. The agrochemical market is an important agriculture support industry, which boosts the agriculture output.
- The higher temperatures and moisture lead to a higher possibility of infestation from pests which leads to a decrease in productivity. According to the India Council of Agriculture Research (ICAR) scientists, nearly 30-35% of annual crop yield in India gets wasted because of pests. To tackle these problems and to increase production, the use of crop protection chemicals is anticipated to increase. The need for improving crop productivity with a focus on the effective use of pest control measures and the adoption of weed management practices has been recognized as an important factor in increasing agricultural output.
- Because of the low level of agrochemical consumption, the industry has enormous untapped potential. Per capita consumption in India is 0.6 kg/hectare, compared to 13.1 kg/hectare in China.
- Various government initiatives are being implemented to give farmers access to crop protection products to increase their crop productivity. The government has created a network of 729 Krishi Vigyan Kendras established at the district level across India to ensure growers access to improved seed varieties, crop protection chemicals, and AG technology. The government has invested a huge amount in subsidizing potash and making it more affordable for farmers as it is the most imported fertilizer. The industry if brought under the production-linked incentive (PLI) program, will benefit immensely due to the creation of a digitally-led, robust supply chain and boost localization.
- The market players are investing in production and storage facilities to cater to the increasing agrochemicals demand. Indian agrochemical companies are continuously thriving to increase backward integration and use of international storage warehouses to continue producing and expanding to meet the increasing demand.

Source: India Agrochemicals Market Size, Share, Analysis, Report 2023-2028 (expertmarketresearch.com); India Agrochemicals Market Size & Share Analysis - Industry Research Report - Growth Trends (mordorintelligence.com); India's agrochemicals industry to see double-digit growth in FY23 and FY24 on strong exports boost, says Crisil | Business Insider India; India's Agrichemical Industry- A Potential Game-changer? Look At These Key Opportunities For The Industry 2022 (inventiva.co.in)

Indian agrochemical export

India has emerged as a reputed and reliable manufacturer and an international supplier of agrochemicals. India is fourth largest producer of agrochemicals in the world and 13th largest exporter of pesticide globally, manufacturing more than 50% technical grade pesticides. Owing to the supply chain disruptions during the pandemic coupled with 'China plus one' strategy adopted by many countries, India has become the preferred manufacturing destination for agrochemicals across the world led by its inherent strengths of low-cost production, skilled low-cost manpower and overcapacity. Various government initiatives like Make in India, Start-up India, etc., have played a crucial role in transforming India into a global manufacturing hub of agrochemicals.

India is a net exporter of pesticides to countries such as the United States along with some European, Asian, and African countries. The Indian agrochemicals sector has created a trade surplus of ₹23,000 crore for FY 2021-22 as exports were to the tune of ₹36,521 crore as against imports of ₹13,363 crore. In FY 2021-22, agrochemicals exports were mainly driven by Brazil and the US. Brazil was the largest destination for agrochemicals export, with USD 1,243 million being exported witnessing 39% growth. Exports to the US stood at USD 1,099 million with a growth of 71%. The industry will further benefit from the 'China plus one' strategy of global players and as patents on key molecules expire.

In FY 2022-23, agrochemical exports are expected to witness 18-20% growth, with the US dollar appreciating and 'China plus one' strategy of global players coming into play. In FY 2023-24, exports growth is expected at 12-14% as players continue to invest in capex with an eye on molecules worth USD 4 billion going off-patent over the next two years.

India's domestic agrochemical demand is seasonal, hence providing an opportunity to cater to global markets. Almost 50% of agrochemicals are exported from India worldwide. India is the largest producer and exporter of castor oil in the world and is responsible for almost 85-90% of total global exports in this segment. Agrochemicals exports will continue to remain the major contributor to the agrochemicals sector growth, accounting for around 53% of the total revenue. The agrochemical industry is confident that they would be able to increase export of agriculture inputs like pesticides and fertilizers, in the coming years, with the aid of proper strategies and sophisticated technologies.

Press Information Bureau (pib.gov.in); Fortune India: Business News, Strategy, Finance and Corporate Insight; India's agrochemicals sector creates ₹23,000 crore trade surplus for FY 2021-22 (indianchemicalnews.com); Indian Agrochemicals Market - Chemical Market Forecast

Opportunities and Challenges in Indian agrochemical sector

Opportunities

- Growing population, limited land availability and surging exports are the primary growth drivers of the agrochemical industry

- Exports are rising with emergence of India as a global manufacturing hub for agrochemicals owing to low cost of production, availability of low-cost skilled labor, strong R&D capabilities and a strong presence in the generic technical and formulations manufacturing space.
- On an average agro-pests are estimated to cause 15%-20% yield losses in principal major food and cash crops. Use of agrochemicals can help mitigate the pest problem and increase crop output by 25%-50%.
- Irregular monsoons coupled with lack of irrigation results in low agricultural yield in India. Damp and warm weather conditions aid in breeding of weeds. Erratic climatic conditions are impacting crop output. Farms need an array of inputs to protect crops from adverse climatic realities.
- Growing awareness of farmers about advantages of agrochemicals and its safe usage is leading to increase in demand. Farmers are being trained regarding the right use of agrochemicals in terms of quantity, application methodology and appropriate chemicals to be used for identified pest problems.
- Government and industry players are investing heavily on research and innovation to develop new generation molecules, new isomers, new manufacturing processes, green chemistry products and new combination and solo formulations which give better results in low dosages.
- The share of post patent products as compared to patent products and proprietary off-patent products has been increasing over the years.
- Continuous focus on digitalization, emergence of e-commerce channels, direct selling to FPOs, and increased use of specialty items.
- Emergence of contract farming creates good opportunity for the Indian agrochemical industry as the price risk for farmers is reduced.
- Increasing use of drones for spraying of chemicals with strong government support in the form of subsidies.
- Global prevalence of China plus one strategy coupled with Indian government initiatives like ‘Make in India’, ‘Aatmanirbhar’, etc.
- Government of India has developed many zones in different states of India as PCPIR, with all the required facilities and policy support to promote the manufacturing of various chemicals including agrochemicals.

Challenges

- Limited scientific knowledge of average farmer on agronomy and agrochemical usage leads to improper usage in turn limiting crop yields. Farmers face high reliance on recommendations by agrochemical dealers.
- The sector faces multiple regulatory hurdles like complex, costly and time-consuming registration process making registration of new molecules remains a forte of large global players.
- Low usage of agrochemicals at 0.6 kg/ha in India which is 6 times lower than the average usage in Asia and 4 times lower than global average.
- High reliance on time-tested generic and bulky products with low adoption of specialty molecules due to unaffordability and awareness.
- Compared to new generation products, generic products are applied in large quantities. As generic products are still consumed in huge quantities, there is a significant gap in the current and optimal application quantity of agrochemicals per hectare.
- Growing popularity of organic products as healthier alternatives coupled with government initiatives promoting organic farming.
- Prolonged use of agrochemicals may have a detrimental impact on soil, crops as well as human health.

Global specialty chemicals industry

Specialty chemicals are typically low-volume, high-value, ultra-high purity chemicals utilized in a wide area of end user industries such as construction, automotive, cosmetics, textile, and agriculture. These chemicals are also referred to as performance chemicals, and used as components in completed products as well as enhance production procedures.

The outbreak of Covid-19 pandemic led to disruptions in the overall specialty chemicals value chain worldwide since the consumption and production of specialty chemicals are highly prejudiced by its demand from end-use industries. The geopolitical conflict caused an increase in oil costs, which affected the cost of production. The demand for specialty chemicals was also impacted by rising energy prices.

The global specialty chemicals market size was valued at USD 616.2 billion in 2022 and is expected to witness 5.1% CAGR from 2023 to 2030. The robust demand is attributed to growing demand for construction, water treatment, and electronics chemicals, along with advancements in process technology and trade liberalization. The growth of specialty chemicals is also attributed to the growing demand from pharmaceuticals, food and feed additives, and flavors and fragrances, among others.

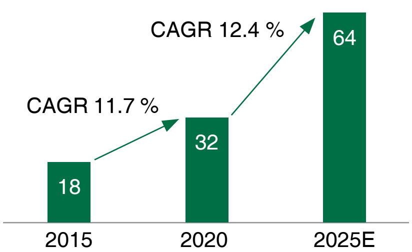
Asia-Pacific region dominated the market with the highest revenue share of 48.5% in 2022. This is attributed to factors such as economic progress, industrialization, and growth of major end-use sectors. China and India are the major countries contributing to the growth of specialty chemicals market in Asia-Pacific. On the back of rapid industrialization, Asian countries expanded their share in the manufacturing of specialty chemicals, resulting in a structural shift in manufacturing from the EU and North America to Asia. The demand for additives in the region is influenced by food and beverages, personal care and cosmetics, and pharmaceutical applications. China, India, and Japan are the key manufacturing countries in the region, with China as the global manufacturing leader which also leads to product market growth.

Source: Specialty Chemicals Market Size, Share & Trends Report, 2030 (grandviewresearch.com);

Indian specialty chemical market

The specialty chemicals segment has been one of the fastest growing segments in the Indian manufacturing sector. The specialty chemicals industry has expanded exponentially in recent years, representing nearly 22% of India's overall chemicals and petrochemicals market. The specialty chemicals industry is valued at USD 32 billion in 2020 and is anticipated to reach USD 64 billion by 2025 at 12.4% CAGR. This growth is mainly attributable to increased demand from many end-user sectors, favorable government policies, a growing domestic customer base, changes in consumer lifestyle among other factors. Specialty chemicals account for more than 50% share of chemical exports. Among the sub-segments, dyes and pigments, and pharma Active pharmaceutical ingredient (APIs) remain dominant in driving the potential for exports.

Exhibit 1: Indian specialty chemicals industry size (USD billion)



In terms of global market share, India's specialty chemicals comprise approximately 4%, while China accounts for 26% share. However, India's specialty chemicals industry is predicted to grow rapidly, outpacing China, Japan and the rest of the world in percentage terms. India's absolute growth will be slower but its market share is predicted to increase to 6% by 2026, on the back of strong revenue growth of 15-20% during FY 2022-23. The country is well positioned to expand its global market share as it continues to invest in core R&D competence, scale and the capacity to deliver products at lower costs in order to build a competitive edge.

Though China has a strong dominance in the specialty chemicals space, India has the opportunity and potential to emerge as a viable alternative hub for specialty chemical manufacturing. The operational cost disparity between China and India has reduced due to China's enhanced pollution control regulations. Many global manufacturers are relocating capacities to low-cost regions with high technological capabilities in view of adoption of the 'China plus one' offshore strategy. India provides low-cost operations, feedstock availability, low-cost skilled labor, benefit of a long coastline and navigable waterways for ease of trade, favorable government policies, significant import substitution opportunity, strong intellectual property protection, among other advantages. Macroeconomic factors leading to a positive ecosystem and improving the ease of doing business has been critical to attract foreign specialty chemicals manufacturers in the country.

Growth drivers

- Growing exports: India provides low-cost operations, feedstock availability, low-cost skilled labor, benefit of a long coastline and navigable waterways for ease of trade, favorable government policies, significant import substitution opportunity, strong intellectual property protection making it a preferred manufacturing destination.

- Robust domestic demand: With significant increase in private and government investment, most end-user segments, such as pharmaceuticals, food, construction, electronics, dyes and pigments, personal care, home care, textiles, and adhesives, are witnessing robust growth in turn driving demand for specialty chemicals.

- Government initiatives: Various government measures are boosting the demand for specialty chemicals including redrafting Petroleum, chemicals and petrochemicals investment region (PCPIR) policy, planning a PLI scheme for chemicals which is in development stages aimed for output incentives to boost domestic production and exports, implementation Chemicals Promotion and Development Scheme, strict check on import-export of chemicals, implementation of public procurement policy, Make in India, etc.

- 2034 Vision for Chemicals sector: Government announced the setting-up of a Vision 2034 blueprint to explore opportunities to improve domestic production, reduce imports and attract investments in the sector.

- Improvement in quality: To improve the quality of chemicals, the government has taken initiatives, such as enforcing BIS-like certification for imported chemicals, allowed 100% FDI through the automated method in the specialty chemicals industry, except dangerous chemicals, and the National Chemical Policy further intended to enhance the specialty chemical sector's proportion of GDP to 6% within ten years.

- High entry barrier: The industry does not attract high competition owing to extensive procedures such as vendor acquisition, strong brand customer loyalty for existing players, and requirement of product registration/ approval.

- Technological advancement: India is well positioned with existing digital and startup ecosystem favorable for innovation across new technologies and business models. These factors can provide significant opportunities to the sector in order to access the growth potential and deliver to the markets.

- Partnering with foreign firms: With an emphasis on technology, Indian firms can look to partner with small to mid-sized firms in Europe, Japan, and the US, to leverage existing resources. These companies have the expertise in specific innovative chemistries, Industry 4.0 and efficient technologies. This will help in implementing advanced technologies in their domestic manufacturing capabilities.

Opportunities for Specialty Chemical Industry in India

- India is emerging as a manufacturing hub in the specialty chemicals space given low production cost, availability of skilled low-cost labor, strong R&D capabilities and strong government support.
- The domestic demand in India is rising led by increasing disposable income, rapid urbanization and the growing demand in various end-user industries for specialty chemicals.
- There is rapid R&D focus in the specialty chemicals space aiding growth. With rising awareness of the ill-effects of chemicals on health and environment, new opportunities are emerging in the sustainable and green chemistry for the specialty chemicals market.
- The Indian government has rolled out several measures to enhance various domestic industries including special focus on specialty chemicals market realizing its huge untapped potential.
- The players in the space are investing in R&D to create novel technologies and products to revolutionize the specialty chemicals market.

Outlook

With a net trade surplus, the specialty chemicals segment is the strongest pillar of India's chemicals sector. The industry is anticipated to reach USD 64 billion by 2025 at 12.4% CAGR led by increased demand from many end-user sectors, favorable government policies, increasing domestic customer base and surge in exports. The 'China plus one' strategy is expected to attract chemical manufacturers to set up and expand their production capabilities in India. This ultimately will support the growth of specialty chemicals market within the country.

Source: Specialty chemicals industry in India by KPMG, November 2022

Company Overview

For over six decades, Indofil Industries Limited (the Company) has created a unique place for itself in both Agricultural Chemicals (ABD) and Indofil Innovative Solutions (IIS). In the agrochemical segment, the Company has a diverse portfolio of patented and co-branded products in addition to formulations which aid in plant health and enhancement of agricultural productivity. The Company also manufactures and supplies specialty performance chemicals across the plastic, leather, textile, coating and construction sectors.

The Company has emerged as a strong market leader in both the categories owing to its technologically advanced manufacturing infrastructure, a result-oriented Research & Development team, and an excellent domestic and international distribution network. The Company is one of the reputed suppliers of Mancozeb formulations in 124 countries. In the domestic market, the Company is successful in strategic marketing of insecticides, fungicides, bactericides, herbicides, acaricides, surfactants, and plant growth regulators (PGR). The Company is present in the micronutrients and bio-stimulants segments in partnership with a US-based company. The Company is driven by the "Crop Care Concept" in agriculture business.

To build a strong moat, the Company has invested in backward integration capabilities which has also led to improvement in quality, enhanced productivity and aided in cost optimization. The Company has strengthened its numero uno position led by strategic investments and its six-sigma approach to identify faults and improve business operations. The Company uses Scaleban technology as a part of its sustainability approach to achieve zero liquid discharge and promote water conservation. The Company has invested in technological advancements of its systems and uses the Ariba tool, SAP platform, enabling it to purchase, automate and reduce turnaround time.

Commensurate with the ever-evolving changes in the environment, the Company strives to adapt itself to be able to better serve its customers. The Company gives utmost importance to technology and research and development to fulfill its strategic goals and to create environment-friendly products. The Company has embarked on a transformation journey from being a product-based company to emerging as a solution-based company.

Core Strengths

- Keeping pace with technological advancements to understand current pulse of the market in keeping with the global digitization trends.
- Boasts of a proficient team of experts capable of handling logistics and supply chain efficiently led by their rich industry experience.
- Strategic organizational objectives and the day-to-day business operations are well aligned with each other.
- Vast product portfolio enables the Company to offer diverse solutions to a variety of end-user segments.
- Strong market penetration is the backbone of the Company's operations and has enabled it to build long-lasting relationships in both domestic and international markets.

Operational highlights

Indofil reported positive performances in the domestic market despite unseasonal rains and an erratic monsoon. A dominant market share in the domestic business, supply chain efficiency, reduced dependence on China and strategic inventory management enabled the Company to report favorable performances. The Company also increased the market share of major products and acquired product patents during FY 2022-23.

It has also successfully paid off loans of ₹ 110 crore, reduced working capital and increased cash flow. During the fiscal year, the Company adopted digital platforms to streamline its supply chain, increase productivity and reduce costs.

The Specialty Chemicals vertical, catering to the paint, leather, textile and plastic industries saw a demand spurt after the Covid crisis. Its profitability as well as volumes improved and the Company aims to further expand the capacity of this segment.

The Company continued to strengthen its presence in key international markets of Africa, Asia-Pacific, Brazil, Argentina, and Mexico while diversifying its product portfolio to accommodate varied customer demands. Leveraging its strong brand value, the Company is consistently improving its foray in the B2B and B2C segments. Although fluctuations in raw material prices and increased supply chain costs affected gross profitability of the international business, volume growth was significant from these markets. The Company plans to further increase investments in United States, Brazil and Europe.

Its manufacturing excellence, a diversified portfolio and presence in B2C and B2B markets and robust exports enabled the Company to record formidable performances in FY 2021-22. Over the next five years, the Company aims to transform itself from a Product-based company to a Solution-based company.

Risk management

Raw material price risk

Volatility in price of raw materials due to global supply chains disruptions, natural disasters, higher freight charges or shortage of essential supplies may result in negative impact on the earnings of the Company.

Mitigation: The Company sources its raw materials from diverse channels ensuring business continuity amidst a challenging business environment. Ability to pass on pricing pressure to the customers, further enables the Company to reduce the pressure of raw material price increase on margin growth.

Regulatory risk

Growing awareness of the long-term risks associated with the prolonged and excessive use of agrochemicals and growing popularity of organic farming in India and other countries pose business risk.

Mitigation: Realizing the emerging trend of green chemistry, the Company has increased focus on natural biofertilizers and biostimulants in its product portfolio. To ensure business sustainability, the Company is working to introduce advanced technology and alter its product mix.

Availability of vessels/containers

Due to macroeconomic slowdown in the global economy and continued geo-political tensions, the global supply chains and logistics have been facing tremendous pressure. As the Company uses containers and vessels for exports, its business operations face risk of slowdown in case of limited availability of vessels/containers.

Mitigation: Strong supply chain provisions and a skilled logistics team enable efficient inventory management. Long-lasting foreign relations allow for sourcing of products through multiple channels insulating the business from supply chain disruptions.

Renewal of mancozeb

The European government has restricted the use of mancozeb owing to its impact on environment. In the event of other countries following suit, the business operations will be severely impacted.

Mitigation: Product diversification with strong presence in both agrochemical and specialty chemicals products, reduces dependence of earnings on any single product. In addition, the demand for Mancozeb remains strong in other countries such as Africa. Diverse geographical presence has thus enabled the Company to mitigate local impact to overall business.

Currency risk

Volatility in price of currency impacts business earnings due to widespread geographical presence spanning 120+ countries.

Mitigation: The Company relies on hedging strategy to insulate itself against unforeseen volatility in foreign exchange. The Company closely monitors global and domestic macroeconomic events for better understanding of currency movement.

Trade barriers risk

As agriculture remains the backbone of the Indian economy, political decisions tend to influence domestic import-export trade policies. Protectionism and trade barriers are gaining increased relevance with global organizations such as the World Trade Organization (WTO) moving towards regional groupings.

Mitigation: The Company has de-risked its business with a wide product portfolio and well-established market presence enabling it to overcome trade barriers.

Internal control systems and its adequacy

Internal Control System is a crucial part of business growth. It includes information on financial and operational functions, as well as the size and scope of its operations. An Internal

Control System ensures adequate record keeping of essential transactions, safeguarding assets, and realizing full potential of the framework. The Internal Control System are responsible for timely internal audits completion. The Internal Control System is also aimed at ensuring that the effectiveness of controls and measures is maintained across the board. The Internal Control System ensures communication of accurate information, financial accounts maintenance, and strict adherence to all applicable laws and regulations.

Human resources

Human capital is an inevitable element of business growth. The Company realizes the importance of skills and abilities, competencies, and proficiencies of its human resources. To avoid any discrimination or promotion of individual bias, the Company continues to nurture an inclusive and diverse work culture. The Company continues to propagate a transparent and collaborative governance framework, with a view to encourage communication between the management and employees. The Company strives to foster a healthy, safe and productive work environment. It undertakes multiple welfare initiatives to ensure well-being of its employees.

During the year, the Company upgraded its HR strategies to support the diverse work culture. The strategies focused on a top-down approach, authority to take decisions at certain levels, resource availability to employees and creating a sense of responsibility and accountability across all levels. The employees were empowered to inculcate a sense of ownership, leading to more sound decisions, improved productivity and positive business impact.

Cautionary statement

This document contains statements about expected future events, financial and operating results of Indofil, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Indofil's Annual Report 2022-23.

Directors' Report

Your Directors are pleased to present the 30th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended on March 31, 2023.

FINANCIAL RESULTS

₹ In Crores

Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	2,877.35	3,085.74	2,730.45	2,870.12
Profit before Interest, Depreciation, exceptional item & Tax	412.14	427.69	389.14	431.51
Less: Interest and Finance Charges	45.03	46.07	43.92	45.23
Less: Depreciation and Amortisation	76.17	86.84	78.44	89.87
Profit Before Tax and Exceptional Items	290.94	294.78	266.78	296.41
Less: Exceptional Items	10.32	10.32	-	-
Profit Before Tax for the Year	**280.62**	**284.46**	**266.78**	**296.41**
Less: Provision for Taxation	90.92	97.16	90.95	89.36
Net Profit After Tax	**189.70**	**187.30**	**175.83**	**207.04**
Share of Profit / (Loss) of Joint Ventures	-	53.84	-	11.78
Profit For The Year	**189.70**	**241.14**	**175.83**	**218.82**

DIVIDEND

Your Directors are pleased to recommend for approval of the Company's Shareholders at the ensuing Annual General Meeting (AGM), a final Dividend of 100% for the year ended March 31, 2023, i.e. ₹ 10/- for each Fully Paid Up Equity Shares of ₹ 10 each and ₹ 3/- for each Partly Paid Up Equity Shares of ₹ 3 each.

OPERATIONS

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The Group's Consolidated Income was up from ₹ 2,870 to ₹ 3,086 Crores in the year under review, increasing by 7 % y-o-y. The Consolidated Profit before Tax for the year stood at ₹ 284 Crores against ₹ 296 Crores for the Previous Year - decrease of 4 % y-o-y. The Company's total income on a standalone basis was recorded at ₹ 2,877 Crores for the current year against ₹ 2,730 Crores in the Previous Year - an increase of 5 % y-o-y. While the Standalone Profit before Tax for the year stood at ₹ 281 Crores against ₹ 267 Crores for the Previous Year, registering an increase of 5 % y-o-y. The increase in sales and profits can be attributed to positive factors that has impacted Company and its business.

The Company has a balanced revenue model. It has a leading market share in both domestic and international regions. The season started well, but frequent/continuous rains and cloud bursts impacted crops like paddy, cotton, soyabean and resulted in spray skips of our core products. Heavy rains impacted yields of crops like cotton and paddy in certain parts of the country, impacting cash flow for certain periods of the year. Further, challenging and unfavorable season of potato and drastic reduction in the area of crops like Ginger, Onion further impacted market liquidity position. However, good produce prices of crops like grapes, cumin, pulses and Chili helped in business growth.

FY 2022-23 was a year of successful launches of new products and the Company introduced mega brands like Alecto, Skystar and Sapper. It resulted in overall revenue growth and profits from the domestic business. Alecto established great acceptance for thrips control on Chili and helped farmers to get good yields. Intensive Demand Generation efforts helped Alecto become preferable brand among farmers in spite of competition.

Skystar and Sapper also provided solution for BPH in paddy and sucking pests complex in Cotton respectively. These brands further strengthened Indofil's presence in Paddy and cotton crop segments.

Further, the company is aiming to launch some more products in FY 2023-24 to retain its growth trajectory.

The Company also continued its expansion in alternate distribution channels including co-distribution, Farmer Producer Organisations, contract farming and e-commerce to support its growth and penetration.

The Company's institutional business also grew substantially with the addition of key accounts during the year. The Company's management focused on building long-term contracts having higher value and gross profit margins with institutional players to sustain revenues and profitability.

EBDC Plant at Dahej successfully completed the expansion of Zineb line which will increase the capacity of plant to produce 7000 MT of Zineb. The company has entered into long term contract for wind & solar power which will increase our carbon credits and improve the sustainable energy usage and at the same time reducing the cost. Company has also entered into contract with neighboring industry to use their steam generated from their processes which further boosts our substantiality efforts. All our units continue to get benefits of reusing our water through our zero discharge facilities. Synthesis Plant, Unit 2 introduced new products such as Propergite, Difenconazole etc. which would further increase the capacity of the plant and our presence in domestic & international markets. Indofil Innovative Solutions plant which was running close to 100% capacity was expanded and successfully completed the expansion without any accident. This will add additional 20,000 MT capacity to our Innovative Solutions business.

Indofil's supply chain expertise enables it to take advantage of an organized logistic schedule and adequate inventory. Despite disruptions caused by the pandemic, the Company maintained a secure supply of raw materials. During the year, raw material costs also posed challenges for the Company but, the issue was resolved through effective strategies for sourcing raw material from varied sources. The Company started project implementation on O9 platform in the year under review. The 09 platform is aimed to improve the agility of its supply chain, automate processes and reduce time taken for various operations. Moreover, the advanced visibility tracker helps to track the entire consignment through its journey, ensuring greater accountability of supply systems and enabling timely delivery. In Procurement as well, SAP -ARIBA was implemented to get complete visibility and transparency between Purchase to Pay.

Innovative Solutions Division inspite off several challenges showed a strong growth path with increase in profitability by about 18% over last year. All four verticals of Textile, Leather, Coating and Plastics performed well above their last year achievements. New and customized products improved the profitability. Our Acrylic Modifiers and Processing Aids are well established in CPVC industry. Several new products have been introduced in Coating, Textile and Leather which are showing promising results. Coating vertical is putting a strong thrust with R&D efforts in the construction segment, our dispersing agents business entered into yearly contracts with several key accounts which will further increase our profitability and sales. Textile Vertical introduced serval products in Technical Textiles. With the expansion of capacities of our Dahej Plant, Innovative Solutions business growth plans are firmly in place.

INTERNATIONAL BUSINESS

FY 2022-23 was a momentous year for the International Business as it exceeded set benchmarks and the overall demand for agrochemicals continued to remain strong. The topline growth of the international business grew despite the supply chain issues resulting container unavailability in several sectors, increase of raw material prices etc.

The International Business focused on shifting the revenue mix to higher margin driven sustainable solutions, strengthening the market share for new products and increasing focus on registrations and the establishment of a strong supply network to serve partners in the global market. Brazil continued to lead volume growth for the International Business, and with favourable regulatory outlook and aggressive approach of the Brazilian subsidiary with curated product solutions, further growth is expected in the region. Drought / low rains in North-West USA, East Africa (Kenya, Tanzania), South America (Paraguay, Uruguay, Peru) and floods in Colombia disturbed cropping and stagnated growth in FY22-23. However, it is expected to return to an upward trajectory in future.

New registrations and strategic partnerships across the globe were set in motion during the year and are expected to be a vital part of Indofil's international expansion strategy, going forward.

The Company's key strategies during the year focused upon building a sound and robust product portfolio across categories and on exploring growth opportunities globally. Indofil also strived to improve operational efficiency, aggressively develop customer reach, invest in brand-building activities and ensure customer satisfaction. Through these strategies, the Company aims to achieve:

- Sustained growth from both B2B & B2D business
- Increased market share by developing new products that respond to changing market demands
- Improve distribution to expand reach and upgrade customer service for growing the business
- Pursue growth through strategic initiatives in key global markets
- Strengthen the processes and systems to ensure accountability, speed of execution and consumer focus

Key products that were offered to international clientele:

Sr. No	Product/ Formulations
1	Mancozeb Tech 85%/ 80% WP/ 75% WG/ 43% & 60% SC/ 60% OS/45.5% SC
2	Mancozeb 64%+ Cymoxanil 8% WP / WG
3	Mancozeb 64% + Metalaxyl 8% WP
4	Mancozeb 63% + Carbendazim 12% WP
5	Cymoxanil Tech 98%
6	Metalaxyl Tech 95%
7	Myclobutanil Tech 98% / 10% WP/ 12.5% EC
8	Tricyclazole Tech 95% / 96% / 97% / 75% WP
9	Zineb Tech 80% / 75% WP
10	Mancozeb 62% + Tricyclazole 18% WP
11	Zineb 68% + Hexaconazole 4% WP
12	Hexaconazole Tech 95% / 5% EC / 5% SC
13	Propiconazole Tech 95%/ 98% / 25% EC
14	Difenoconazole Tech 98% / 25% EC
15	Dodine Tech 97% / 65% WP
16	Thifluzamide Tech 98% / 24% SC
17	Tricyclazole 45% + Hexaconazole 10% WG
18	Mancozeb & its Mixture's colored formulation

Brazil

The Brazil market is the largest agrochemical market globally due to large cultivable area. Additionally, the soybean output is forecasted to increase by 3%. Hence, the Brazilian subsidiary remains the priority for the expansion strategy of Indofil's international business, both for distribution and portfolio expansion. For a strategically designed portfolio launch, registration and submission of applications were completed in important parts of the Brazilian market. The Brazil subsidiary has become one of the largest contributors to the international business. Over the next few years, the business aims to improve market penetration and presence in the already strong B2C / B2D segment. Some of the new products under registration are expected to be approved over the next 18-24 months, which will further boost Indofil's aspirations in the Brazil market. Institutional business will remain in focus with improved collaborations and strategic cooperation with large corporations.

Europe

Indofil Industries (Netherland) B.V. has historically been one of the largest contributors for the international business amongst its subsidiaries. With the realigned set-up, supported by capital portfolio expansion and the focus on introduction of new products, the subsidiary continues to contribute profoundly with strong business from corporate clients. Agrowin Biosciences SRL, an Italian Company acquired by Indofil Industries (Netherland) BV, performed in line with projections and a clear strategy is being chalked out for increasing the market share on a pan-Italy level. The Company shall introduce new products and has set up a task force to defend all the products in the European market on all fronts (Legal, Technical & Advocacy).

Philippines

Philippines remains a key contributor towards Indofil's growth in the Asia Pacific region. In FY 22-23, Indofil Philippines captivated new business opportunities and strengthened the presence in major plantations within the country. Due to the La Niña situation in 2022, overall fungicide consumption increased, especially Mancozeb – resulting in a favourable development for the Company.

Indofil Philippines successfully initiated sourcing collaboration with global suppliers and it has helped in improving the product portfolio to cater to the needs of Filipino farmers and improve their farm productivity. Indofil Philippines also, successfully launched new products to strategically increase its presence in Sugarcane, Banana, and Fruits & Vegetable segment.

Bangladesh

Bangladesh, despite being a price driven market did good B2B business. New directive from Plant Protection Wing (PPW) says that no company can market the products registered by other company and it paved the way for IBIPL to adapt the direct distributor system which is expected to boost B2C sales. Identification of distributors throughout the country has already been initiated. Bangladesh team is focused on increasing the market share of core products like Mancozeb, Zineb, Moximate and Dinotefuran through National distributors in the country.

SHARE CAPITAL

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

DEPOSITS

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONS

Retirement and resignation

Ms. Manju Anand. Company Secretary of the Company resigned effective 20th January, 2023 and Mr. R. Narayan, CFO retired effective 13th May, 2023. The Board expressed it's appreciation and acknowledges their immense efforts and contribution towards business enablement.

Appointment & Re-appointment

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

Ms. Jayni Gada was appointed as new Company Secretary effective 22nd May, 2023.

BOARD MEETINGS

The Board of Directors met five times during the Financial Year ended March 31, 2023, the details of which are given in the Corporate Governance Report which forms a part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Rules made thereunder.

COMMITTESS OF THE BOARD

As on March 31, 2023, the Board had five committees: the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Stakeholders' Relationship Committee. The Committees comprises of a mixture of Executive and Non-Executive Directors. During the year, all recommendations made by the Committees were approved by the Board. A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

Pursuant to the provisions of the Companies Act, 2013, the Independent Directors are required to hold their separate meeting during each Calendar Year for discussing and evaluation of effectiveness of Directors and Committees. Accordingly, the Independent Directors held their separate meeting on 29th August, 2023 in which they discussed and evaluated the performance of Non-Independent Directors and the Board as a whole through structured evaluation feedback forms and expressed their satisfaction on the outcome.

POLICIES

The Company has in place, inter alia, following important policies governing its business conduct and operations.

RISK MANAGEMENT POLICY

Indofil has adopted a structured and robust Risk Management Policy. This policy establishes the Company philosophy towards risk identification, analysis & prioritization. The management continuously evolves in developing risk mitigation plans & reporting on the actions taken to safeguard respective business segments in the Company. The policy is applicable to all functions within the Company. The objective of this policy is to manage the risks associated with business verticals and various functions of the Company. This policy is intended to assist in decision making processes that will minimize potential adversities and improve management of uncertainties and enable Company to tap business opportunities in rational and prudent manner.

VIGIL MECHANISM POLICY

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

The employees of the Company have the right / option to Report their concern / grievance to the Chairman of the Audit Committee. No personnel were denied access to the Chairman of the Audit Committee during the Financial Year ended March 31, 2023.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Indofil Industries Limited is committed to conduct its business in a socially responsible, ethical and environment friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. The Company continuously engages with relevant stakeholders, understands their perspectives and is responsive to their needs. The CSR Policy of the Company is available on our website, at https://www.indofil.com/uploads/policies/csr-policy.pdf

The highlights of the initiatives undertaken by the Company forms part of this Annual Report.

RELATED PARTY TRANSACTION POLICY

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

NOMINATION & REMUNERATION POLICY

Indofil Industries Limited has a balanced Nomination and Remuneration Policy. The Company understands the importance of attracting and retaining pool of talented human resources at all levels of the organization. The Company and its management endeavor to recruit and retain employees with proven record of achieving excellence in their respective functions and who have potential to create value for Shareholders. The Company believes that a transparent, fair and reasonable process is vital for determining the appropriate remuneration under all circumstances at all levels of the Organization and is committed to ensure that all the Stakeholders remain informed and confident in the management of the Company. The Board has constituted the Nomination and Remuneration Committee (the "Committee") to assist Board in discharging its responsibilities relating to remuneration of the Company's Directors and other senior level employees. The Company while recommending remuneration and financial packages for Directors and top executives considering packages prevailing in industry in which Company operates and those prevailing in market in general besides considering applicable provisions of Companies Act, Income Tax Act and Company's internal policies.

ENVIRONMENT HEALTH & SAFETY POLICY

The Company attaches the highest importance to environmental health and safety aspects. These aspects forms part of the Company's governance policy as well as Risk Management Policy for conducting its business. The Company is committed to protecting the environment, preserving the health and safety of employees, contractors, workmen and all stakeholders. It's continual aim is ensuring the safety of operations of its systems, people and stakeholders. For Indofil, economic considerations do not take priority over Ecology and Society. Company believes in an interdependent culture where safety is considered a core value and employees are encouraged to demonstrate behavior that never compromises on safety. The Company is committed to providing a healthy and safe workplace. It believes that safe work procedures are more productive and are an incentive to better performance. The Company therefore encourages Environment, Health and Safety awareness among all its employees and contractors through training, demonstrations, dissemination of information and effective communication. The Company also assists it's customers to process its products safely and in an environment friendly manner in line with its principle of Product Stewardship. The Company functions in a manner that products produced by it is stored, transported, used and disposed off ensuring minimal impact on Ecology and Society in conformity with the principles of "Sustainable Development". The Company is committed to meeting all statutory obligations with regards to Environment, Health and Safety.

REVISION OF FINANCIAL STATEMENTS

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

DISCLOSURE OF ORDER PASSED BY REGULATORS/ COURTS/ TRIBUNAL

During the year under review, no orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concerns status and the Company's operations in future.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS, AND SECURITIES

Full particulars of loans, guarantees, investments and securities provided by Company during the Financial Year under review along with the purposes for granting such loans, guarantees, and securities are given in notes to Accounts, which forms part of the Annual Report.

INTERNAL CONTROL SYSTEMS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Sections 134(5) of the Companies Act, 2013, in relation to the Audited Financial Statements of the Company for the year ended March 31, 2023, the Board of Directors hereby confirms that:

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

b. Such Accounting Policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of March 31, 2023 and of the Profit / Loss of the Company for that year.

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

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

e. Internal Financial Controls have been laid down which are adequate and operating effectively.

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

SECRETARIAL AUDIT

In terms of the provisions of Sections 204 read with Section 134(3) of the Companies Act, 2013 and the Rules made thereunder (including any statutory enactments thereof), the Board had appointed M/s. Bhumika Sihpura & Co., Company Secretaries (Membership No.A37321), to conduct the Secretarial Audit of the Company for the Financial Year 2022-23.

Secretarial Audit Report issued by M/s. Bhumika Sidhpura & Co. in Form MR-3 for the Financial Year 2022-23 is appended in Form MR-3 as Annexure II to this Report.

The Board has appointed M/s. Bhumika & Co., Practicing Company Secretaries as the Secretarial Auditors of the Company for the Financial Year 2023-24.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 and the Companies (Audit and Auditors) Rules, 2014, M/s. Lodha & Co. (Firm Regn. No. 301051E) Chartered Accountants have been appointed as Statutory Auditors by Members of the Company at 28th AGM held on 23rd September, 2021 for a term of five years.

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

AUDITORS' REPORT

The Auditors Report read with the relevant notes given in the Notes to Accounts for the year ended March 31, 2023 are detailed and self-explanatory and do not require any further explanation.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE OUTGO AND EARNINGS

The particulars regarding Foreign Exchange expenditure and earnings are contained in the Notes to Accounts forming part of the Financial Statements for the year ended March 31, 2023.

ANNUAL RETURN

As required under Section 134(3)(a) and Section 92(3) of the Act, the Annual Return has been uploaded on the Company's website and can be accessed at https://www.indofil.com/investor-relations/annual-report

SUBSIDIARIES

The subsidiaries details are contained in the Annexure V to this Report.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

CORPORATE GOVERNANCE REPORT

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

CAUTIONARY STATEMENT

Statements in this Report, including in annexures, the Corporate Governance Report and the Management Discussion & Analysis is explained describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of the applicable laws and regulations. Actual results might differ materially from those expressed or implied in the statements depending on the circumstances.

ACKNOWLEDGEMENT

The Board of Directors place on record, their appreciation for the assistance and continued support extended by all the regulatory authorities including, Ministry of Corporate Affairs, Registrar of Companies, Reserve Bank of India, the Depositories, Bankers and Financial Institutions, the government at the Centre and States, as well as their respective departments and development authorities in India and abroad connected with the business of the Company. The Company expresses its gratitude to the customers for their trust and confidence in the Company. Your Directors also place on record their sincere appreciation of the commitment and hard work put in by the Registrar & Share transfer agents, all the suppliers, sub-contractors, consultants, clients and employees of the Company.

On behalf of the Board
For **Indofil Industries Limited**

Sd/-
Dr. Bina Modi
Chairperson & Managing Director
DIN: 00048606

Place: Mumbai
Date: August 29, 2023

Regd. Office: Indofil Industries Ltd.,
(CIN: U24110MH1993PLC070713)
Kalpataru Square, 4th Floor, Kondivita Road,
Off. Andheri Kurla Road, Andheri (E) Mumbai 400059
Tel : +91 (22) 66637373 Fax : +91-22-28322272
Website: www.indofil.com

ANNEXURE "I"

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Our Corporate Social Responsibility (CSR) comprehensively covers holistic community development and sustainability related initiatives. The Company's philosophy is to reach out to the community by establishing philanthropic institutions in the field of education and undertaking projects for upliftment of local surrounding area near factory region as the core focus areas. Indofil Industries Limited upholds its tradition by earmarking a part of its income for carrying out its social responsibilities. We believe that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. Therefore, our philanthropic endeavors are a reflection of our spiritual conscience and this provides us a way to discharge our responsibilities to the various sections of the society.

2. Composition of CSR Committee:

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Bina Modi	Chairperson & Managing Director	2	2
2.	Mr. S. Lakshminarayanan*	Independent Director	2	2
3.	Mr. Mayur Maheshwari	Nominee Director (UPSIDC)	2	0

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company - https://www.indofil.com/uploads/policies/csr-policy.pdf

4. Details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any - Not Applicable.

6. Average net profit of the Company as per Section 135(5). – ₹ 1,85,10,67,737.91

7. (a) Two percent of average net profit of the Company as per Section 135(5) – ₹ 3,70,21,354.76
   (b) Surplus arising out of the CSR projects or program or activities of the previous Financial Years - NIL
   (c) Amount required to be set off for the Financial Year, if any - Nil
   (d) Total CSR obligation for the Financial Year (7a+7b-7c) – ₹ 3,70,21,354.76

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	3,70,21,354.76	27/04/ 2023	Clean Ganga Fund	7,000	16/09/2022

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current Financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/ No).	(11) Mode of Implementation- Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	K K Modi University	Promoting Education	No	Chattisgarh	Raipur	3 years	3,20,21,355	-	3,20,21,355	No	Modi Innovative Education Society	CSR00012517
2.	Water Project	Swach Bharat	Yes	Gujarat	Dahej	3 years	49,00,000	-	49,00,000	Yes	-	-
2.	Kailash Kher Foundation	Promotion of Education	Yes	Maharashtra	Mumbai	2 years	1,00,000	-	10,00,000	Yes	-	Direct Spent
	TOTAL						**3,70,21,355**		**3,70,21,355**			

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year: NIL

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation- Through implementing agency.	
				State.	District.			Name	CSR Registration number.
NIL									

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable - NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – NIL

(g) Excess amount for setoff, if any – NIL

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding Financial Years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1.	2021-22	3,46,50,649	2,63,70132	Nil	Nil	Nil	33,46,812.46
2.	2020-21	3,75,90,057	2,33,92,603	Nil	Nil	Nil	Nil
3.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL		**4,97,62,735**				

b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in Which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in ₹).	(7) Amount spent on the project in the reporting Financial Year (in ₹).	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project - Completed / Ongoing.
1.		K.K. Modi University	2021-22	3 years	3,21,50,649	2,48,70,132	2,48,70,132	Ongoing
2.		Dahej	2021-22	2 years	25,00,000	15,00,000	15,00,000	Ongoing
	TOTAL				**3,75,83,057**	**1,41,97,454**	**1,41,97,454**	
		K.K. Modi University	2020-21	3 years	3,68,15,057	2,26,17,603	2,26,17,603	Completed
		Project Potential	2020-21	3 years	7,75,000	7,75,000	7,75,000	Completed
	TOTAL				**3,75,90,057**	**2,33,92,603**	**2,33,92,603**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the assets created or acquired through CSR spent in the Financial Year

    (a) Date of creation or acquisition of the Capital Asset(s). - NA

    (b) Amount of CSR spent for creation or acquisition of Capital Asset. - NA

    (c) Details of the entity or public authority or beneficiary under whose name such Capital Asset is registered, their address etc. - NA

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the Capital Asset). - NA

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5).

    The Company is unable to spend the CSR expenditure in respect of the following two 'ongoing projects' for the reasons mentioned below:

    a. KKMU- KKMU is an ongoing project for the FY 22-23

    b. Primary Kumar & Kanya School projects were identified in FY 21-22, but due to delays in documentation, the funds will be released shortly.

For Indofil Industries Limited

Sd/-
Dr. Bina Modi
Chairperson & Managing Director
DIN: 00048606

Place: Mumbai
Date: August 29, 2023

ANNEXURE "II"

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2022 TO 31-03-2023

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INDOFIL INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives and management representation letter received during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, has 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; not applicable

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time, As applicable;

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; presently SEBI (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; presently SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; presently SEBI (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Non – convertible Securities) Regulations, 2021;

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

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; presently SEBI (Buyback of Securities) Regulations, 2018;

(vi) Other specific business/industry related laws applicable to the Company,

The Company has complied with the provisions of the

- Insecticides Act, 1968 and Rules 1971
- Poison Act, 1919
- Factories Act, 1948
- Legal Metrology Act, 2009
- Industrial Disputes Act, 1947
- Environment Protection Act,1986
- Employees State Insurance Act, 1948
- Minimum Wages Act, 1948
- Water (Prevention and Control of Pollution) Act, 1981
- Air (Prevention and Control of Pollution) Act, 1974
- Negotiable Instruments Act, 1881
- Hazardous Waste (Management and Handling) Rules, 1989
- The Trade Marks Act, 1999
- Other local laws as applicable to various plants and offices.

I have also examined compliance with the applicable clauses of the following: -

i. Secretarial Standards on Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **not applicable**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that as per information received the Company has delayed in transferring unpaid/unclaimed dividend/ shares to the Investor Education and Protection Fund in accordance with section 125 of the Companies Act, 2013 pertaining to the FY 2014-2015.

I further report that I have not examined the Financial Statement, Financial Books & related Financial Act like Income Tax, Goods and Service Tax Act, ESIC, Provident Fund & Professional Tax, Related Party Transactions, GST etc. For these matters, I rely on the report of statutory auditor's for Financial Statement for the year ended 31st March, 2023 and management representations.

I further report that during the year under review, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors, Women 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/Committee 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 decisions are carried out unanimously and there is no dissenting views in the Board/Committee meeting which needs to be recorded as the part of the minutes.

I further report that, based on review of the compliance mechanism established by the Company and the Compliance Certificates taken on record by the Board of Directors at their meetings 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.

I further report that during the audit period the following events / actions have taken place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. like -

i. Public/Right/Preferential issue of shares / debentures/ sweat equity, etc.-

ii. Redemption / buy-back of securities. –

iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013. –

iv. Merger / amalgamation / reconstruction, etc. – NIL;

v. Foreign technical collaborations. – NIL.

vi. Any other events:

- Company has made investment in its subsidiary Indofil Industries (International) B.V.
- The Company declared dividend of ₹ 4.00/- per Equity Share of ₹ 10/- each- fully paid-up Equity Shares and ₹ 1.20/- per Equity Shares of ₹ 3/- each partly paid up; for the Financial Year 2021-22 in the Annual General Meeting held on 27th September, 2022
- Closure of Liaison office at Bangladesh
- Company had purchased two Mercedes cars on 02.08.2022 and 01.02.2023 with the financial assistance from Daimler Financial Service India Pvt Ltd and both the moveable assets were hypothecated.

For Bhumika & Co
Company Secretaries

Sd/-
Bhumika Sidhpura
Membership No: A37321
Certificate of Practice No. 19635
Peer Review No: 1272/2021
UDIN: A037321E000912461

Place: Mumbai
Date: 29.08.2023

ANNEXURE "III"

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING

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

A. CONSERVATION OF ENERGY

a. About Unit 1 - 64536 KL, Unit 2 – 28988 KL & Unit 3- 117410 KL of water was recycled in Mancozeb and Synthesis plants through the use of Multiple Effect Evaporators/RO in FY 2022-23.

b. The Company has obtained full bonus subsidy by achieving the power factor in FY 2022-23.

B. TECHNOLOGY ABSORPTION

i. R & D and Technology Absorption

Indofil has a full-fledged R&D center which is recognized by the Department of Scientific and Industrial Research (DSIR), a nodal agency of Government of India, certified by Integrated Management System (ISO 9001:2015 QMS, ISO 14001:2015 EMS and ISO 45001:2018). Analytical Development Laboratory of R&D is accredited by NABL (National Accreditation Board for Testing and Calibration Laboratories, a Constituent Board of Quality Council of India) under ISO/IEC 17025:2017 and certified for Good Laboratory Practices (GLP) by National GLP Compliance Monitoring Authority of India (NGCMA).

This R&D serves as growth engine of the Company, and has highly motivated team of about 47 qualified scientists working in following thrust areas:

1. Organic Synthesis and Process Development of active ingredients (AIs) of Technical grade materials used as Fungicides, Insecticides, Acaricides, and Herbicides in various Agro Formulations.

2. Development of novel formulation mixtures from variety of technical grade agrochemicals (Fungicides, Insecticides, Acaricides, and Herbicides) to support launch of new Indofil brands as well as bulk supply to co-marketing partners.

3. Development of unique plant health improvement products/biostimulants, based on natural ingredients, microbial metabolite, microbial organisms as well as micro-nutritional elements.

4. Development of variety of Emulsion Polymers used as key components of formulations used in Textiles, Coating, Leather and Plastic.

5. Process Validation and Engineering Team is involved in Technology Absorption and Technology Transfer of New Product Development/Improvement processes from laboratory to manufacturing.

6. Analytical Development Team is involved in new method development for synthesis, formulation, plant nutrition and IIS projects, and support for registration of agrochemical products in domestic and international markets as per respective guidelines under NABL and GLP.

New Products / Improved processes / Backward Integration / Biproduct Rationalization / Effluent Reduction and Adjuvant Rationalization Achieved in FY22-23:

To sustain in the market and reduce dependency on China, we commercialized TBPC (Propargite Intermediate) and MAC (Metalaxyl Intermediate). Agrochemical Technical Synthesis in co-ordination with Manufacturing team has improved processes of Thifluzamide (Purity), Propiconazole (Colour), Tricyclazole to improve quality and Zineb process to reduce cost.

Indian Patent Grant received for the novel recipe for an agrochemical Insecticidal Formulation Dammu. Additionally, Indian Patent Grant received for one of our new fungicidal mixture formulation (Mancozeb + Hexaconazole WG) which is ready for commercialization.

Fungicidal mixture (Copper oxychloride + Cymoxanil WP) was developed and successfully commercialized for export market.

Process of few existing branded fungicide formulations such as NOOR have been further improved and commercialized.

Surfactant rationalization work was initiated for existing branded formulations to reduce the cost and dependency on imports and some formulations have already been commercialized viz:- Oxy Gold, SPRINT.

Indolife Plant Nutrition R&D has improved cost competitiveness of Maxilizer by accommodating alternate low-cost sources for raw materials.

International markets (such as Philippines and Bangladesh) were explored for Maxilizer Liquids and Granules – Exports started for Philippines.

In leather chemicals new products, Indotan RE4004 (Acrylic syntan against Pidilite Acrytan 3003) and INDOFIL COMPACT M 8262 (Compact binder for Aniline and Semi aniline Finish developed against TFL RodaBase 5062) have been successfully commercialized.

Cost reduction of following products, Indofil soft SPF 01, Indofil oil SF, Indofil oil EX 220, Indofil oil SA/UR 0715, Indotan RE 100, Indotan IT 540, Indogrease DG, Indofil penetrator L 219, Indofil ESS 1204, Indofil IB 125, Indofil IB 175, Indofil B 41, Indofil B 42, Indofil P 863, Indofil S 31, Indofil SMB 20, Indotan SR 200 have been achieved.

In Textile chemicals, Emulsion Polymers are developed which are used as low formaldehyde pigment printing binder & flock binder.

In Plastic chemicals, products were customized in application lab as per customer requirement.

ii. Benefits from R & D

Improved manufacturing processes of synthesis technicals result in better quality & efficiency and reduction in raw material consumption, solvent load and effluent (water) load.

Novel patented formulation mixtures and plant nutrition products developed by R&D and improvement in existing products for cost / quality.

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

iii. Future plan

Under the China mitigation strategy we have completed scale up at Pilot plant level for DBTFMA (Thifluzamide Intermediate), while intermediates such as Thiazole Acid (Thifluzamide Intermediate), CCAP (Difenoconazole Intermediate), 1,2-PDL (Propiconazole Intermediate) and Hydrogen Cyanamide (Dodine Intermediate) are currently under R&D development.

In order to strengthen International and domestic pipeline of Agro technicals, several products are ready for commercialization such as Picoxystrobin, Metalaxyl-M, Difenoconazole and Propargite; while others such as Prothioconazole, Cyproconazole, Dimethomorph and Tembotrione are under advance stage of development in R&D. Some of these will be implemented at commercial level from 2022-23.

R&D capabilities under new CMO (Contract Manufacturing) segment were successfully demonstrated by manufacturing a patented key herbicidal intermediate for a multinational partner by using in-house developed novel technology. Another intermediate is under scale-up at Pilot.

Several Mancozeb based (two way and three way) mixtures (GRUMA series) were developed and are under Field and Efficacy Trials to build a robust pipeline for Brazil Market.

Greener formulations such as Difenoconazole 250 g/L EC, Difenoconazole 130 g/L + Prothioconazole 250 g/L EC are developed to build robust pipeline for Europe market.

Fungicidal Products (such as MATCO-GOLD, PICOZOLEWAY and DEBUT) were developed in R&D and are ready for commercialization.

Water based formulations such as Dodine SC, Azoxystrobin + Difenoconazole SC, are in advanced stage of development in R&D and will be commercialized.

Process development for Maxilizer Granules Premium have been successfully completed with the goal to reduce the cost of logistics.

In Leather chemicals, Trupotan R 83-Trumpler, Leukotan 1093 (Dow), Atlastan AR are planned for development.

In Textile chemicals, future focus is on development of technical textile emulsions.

In coating chemicals, future focus is on development of “high Tg emulsion” for gloss paint, core-shell emulsion for water-based wood coating, technology enhancement with Vinyl Ester of Versatic Acid (VeoVa) chemistry for re-dispersible polymer & upgradation of existing pure acrylic emulsion.

In Plastic chemicals, future focus is on development of Impact modifier for CPVC/ polyolefinic applications and improvement in impact modifier KM-455.

(iv) Expenditure on R&D

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Capital including Capital Work in Progress	6.73	13.92
Recurring	11.16	12.65
TOTAL	**17.89**	**26.57**
R&D Expenditure as a percentage of Revenue from Operation	**0.63%**	**0.99%**

C) Foreign earning and outgoing

₹ in Crores

	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Foreign Exchange earned	1091.27	1,044.00
ii)	Foreign Exchange expensed	597.23	416.29

ANNEXURE "IV"

NOMINATION AND REMUNERATION POLICY

1. **Preface**

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

2. **Objectives**

   The objective and purpose of this policy are:

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

3. **Definitions**

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

   'Board' means Board of Directors of the Company.

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

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

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

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

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

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

   (ii) Company Secretary; and

   (iii) Chief Financial Officer

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

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

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

   Part - A covers the appointment and nomination related policies.

   Part - B covers remuneration related policies.

4.1. Part A - Appointment and Nomination

4.1.1 Criteria for Board Membership

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

- The candidate shall possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

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

4.1.2 Additional Criteria for Independent Directors

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

4.1.3 Term /Tenure

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

4.1.4 Removal

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

4.1.5 Retirement

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

4.1.6 Policy on Board diversity

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

4.2 Part B - Remuneration and Perquisites

4.2.1 Recommendation for Remuneration

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

4.2.2 Managing Director/Whole-Time Director/Executive Director

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

4.2.3 Non-executive Independent Directors

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

4.2.4 KMPs / Senior Management Personnel etc

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

5. Review

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

Sd/-
K.K. Modi
Chairman
DIN: 00029407

Place: Mumbai
Date: June 13, 2018

ANNEXURE "V"

FORM – AOC- I

SUBSIDIARIES

(₹ in Crores)

	1	2	3	4	5	6	7	8	9	10
Name of the subsidiary	**Good Investment (India) Ltd**	**Quick Investments (India) Ltd**	**Indo Baijin Chemicals Pvt Ltd**	**Indofil Bangladesh Industries Pvt Ltd**	**Indofil Industries Netherlands BV**	**Indofil Industries (International) BV**	**Indofil Costa Rica SA**	**Indofil Industries DO Brasil LTDA**	**Indofil Philippines, Inc.**	**Agrowin Biosciences S.R.L.**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reporting currency and exchange rate as on last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	BDT – INR 0.77 / BDT	EUR – INR 89.43 / EUR	EUR – INR 89.43 / EUR	Costa Rica Colon – INR 0.15 / Colon	BRL - INR 16.13 / BRL	PHP - INR 1.51 / PHP	EUR – INR 89.43 / EUR
Share Capital	0.70	0.13	85.61	21.46	4.47	4.47	-	81.72	5.55	6.22
Reserves & Surplus	89.44	38.31	208.66	(14.44)	193.71	120.60	-	(31.86)	20.53	4.62
Total Assets	**90.14**	**38.44**	**380.84**	**12.38**	**289.89**	**136.81**	**-**	**233.06**	**53.97**	**74.30**
Total Liabilities	**0.00**	**0.00**	**86.57**	**5.36**	**91.71**	**11.74**	**-**	**183.20**	**27.86**	**63.46**
Investments	62.10	26.49	-	-	-	130.89	-	-	-	0.69
Turnover (Total Revenue)	13.51	6.94	436.72	3.76	126.32	-	-	180.27	99.64	68.78
Profit before Taxation	13.50	6.93	172.11	(3.02)	(3.11)	(0.27)	-	1.44	7.69	0.49
Provision for Taxation	3.38	1.74	53.88	(1.16)	0.51	-	-	-	2.68	0.22
Profit after Taxation	10.12	5.20	118.22	(2.04)	(2.61)	(0.27)	-	1.44	5.02	0.27
Proposed Dividend	Nil	Nil	50%	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	100%	51%	100%	100%	100%	100%	100%	100%	96.55%

ANNEXURE "VI"

FORM NO. AOC – II

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

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

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

a.	Name(s) of the related party and nature of relationship	There are no such contracts or arrangements or transactions which are not at arm's length basis
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts / arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including value, if any	
e.	Justification for entering into such contracts or arrangements or transactions	
f.	Date(s) of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

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

a.	Name(s) of the related party and nature of relationship:	Please refer note 50 of the accompanying Financial Statements for details of all related party transactions which, in the opinion of the Board, are in the ordinary course of business of the Company and are at arm's length basis and necessary approval of Audit Committee taken for all the transactions.
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts / arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	
e.	Date(s) of approval by the Board, if any	
f.	Amount paid as advances, if any	

:

For Indofil Industries Limited

Sd/-
Dr. Bina Modi
Chairperson & Managing Director
DIN: 00048606

Place: Mumbai
Date: August 29, 2023

ANNEXURE "VII"

CORPORATE GOVERNANCE REPORT

Philosophy on Corporate Governance

The Company strongly believes in aspire and achieve profitable growth resting on the solid foundation on the principles of transparency, togetherness and trust. Transparency builds confidence which is critical for long term success. Its Corporate Governance Policies evolve around its philosophy and strong founded belief and value system.

For continuous growth, expansion of Company's geographical market and establishing and developing penetration in various markets is of paramount importance. The management attaches highest importance to Company's Brand Equity. The management is sensitive and committed to a high level of Corporate Governance to enhance strength of its Brand Equity worldwide.

The Board of Directors of the Company ably supported by Management Team leads Corporate Governance initiatives for Company. The Board believes that high standard of Corporate Governance needs continuously evolving veracity of novel ideas in rapidly changing business environment for doing business in a disciplined, legal and ethical manner. The Board and management continuously reviews and benchmark Company's governance policies and practices against the best practices around the globe. The management understands that for stable growth, Corporate Governance in conducting business in an ethical and professional manner is a prime necessity to enhance confidence of all stakeholders, viz.; customers, shareholders, investors, bankers, customers, employees, regulatory bodies and all those who deal with the Company and public in general. Having significant size of experts, management endeavors to adhering to the standards of best Corporate Governance practice is in all countries of world where the Company operates as long term goals and enhancing Shareholders value in global business environment will come from highest standards of governance. Our business actions are governed by our ethical values and principles, which are reinforced at all levels within the Company. The Company's business policies, strategies and method of operations which governs Company's business conducts are in line with its philosophy and high stands of governances to ensures fair business dealing considering interest of various stakeholders. The subsidiaries of the Company worldwide also adhere to highest standards of governance to conduct business in fair and ethical manner and strives to enhance brand value through governance.

Board of Directors

The 8 Members strong board comprises of two Executive Directors and five Non-Executive Directors with versatile background. Executive Directors includes a Managing Director who is also Chairperson of Company and one Executive Director. The Non-Executive Director includes two Promoter Directors, one Non-executive Director, two Independent Directors renowned in finance, management, legal and administrative skills and one Nominee Director appointed on Board by Uttar Pradesh State Industrial Development Corporation. The Directors on Board of Company are persons having expertise in respective areas of expertise with proven track record to their credit. None of the Directors are disqualified to be appointed as Directors. The Company collects declarations from all Directors each year in this regard under Section 164 (2) of the Companies Act, 2013 and monitors relevant Compliances. The number of Independent Directors of the Company are in compliance with the provisions of Companies Act, 2013. The Independent Directors have confirmed that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013. Necessary disclosures are being regularly made by the Directors regarding their Chairmanships / Other Directorships / Memberships of the Committees / of the Boards and as regards their family members business / profession vis-a-vis interest in the Company. The declarations are tabled at meeting with change in interest, if any, at immediate next meeting from date of change in interest.

Board Composition and Attendance

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

Name of the Directors	Nature of Directorship/ Designation	DIN	No. of other Directorships in Indian Public Companies	Chairmanships and Memberships of Committees of the Board of other Public Companies	
				Chairmanships	Memberships
Promoter Directors					
Dr. Bina Modi	Chairperson & Managing Director	00048606	5	NIL	15
Ms. Charu Modi	Executive Director	00029625	2	NIL	15
Mr. Samir Modi	Promoter Director	00029554	5	NIL	10
Ms. Aliya Modi	Promoter Director	07472942	NIL	NIL	NIL

Name of the Directors	Nature of Directorship/ Designation	DIN	No. of other Directorships in Indian Public Companies	Chairmanships and Memberships of Committees of the Board of other Public Companies	
				Chairmanships	Memberships
Non Promoter					
Dr. Atchutuni Rao	Director	07467414	NIL	NIL	NIL
Independent Directors					
Mr. M.N. Thakkar	Independent Director	00268818	1	NIL	NIL
Mr. S. Lakshminarayanan	Independent Director	02808698	4	2	NIL
Nominee Director					
Mr. Mayur Maheshwari	Nominee Director (UPSIDC)	08882590	1	NIL	NIL

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

Annual General and Board Meetings

The previous Annual General Meeting (AGM) of the Company was held on 27th September, 2022.

During the Financial Year 2022-23, five meetings of the Board of Directors were held. The necessary quorum was present for Annual General and all Board Meetings. The meeting during F.Y. 2022-23 were held on Video Conferencing and physically as permitted by Companies Act, 2013 and notification issued there under in compliance with applicable Secretarial Standards. The Board apart from items required under law, considers all important business at it's meeting and when needed on urgent basis, through Resolution by Circulations supported by detailed explanatory notes.

Details of attendance of Directors in Board Meetings held during the Financial Year 2022-23 and in the previous Annual General Meeting are as follows.

Name of the Director	Number of Board Meetings attended (Total held)	Attendance at last Annual General Meeting
Dr. Bina Modi	5(5)	Yes
Ms. Charu Modi	3(5)	Yes
Ms. Aliya Modi	1(5)	Yes
Mr. Samir Modi	1(5)	Yes
Dr. Atchutuni Rao	5(5)	Yes
Mr. M.N. Thakkar	5(5)	Yes
Mr. Lakshminarayanan	5(5)	Yes
Mr. Mayur Maheshwari	1(5)	Yes

Separate meetings of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 read with the Rules made there under, Independent Directors of the Company held their meeting on 29thAugust, 2022, without presence of any of the Non-Independent Directors and Members of management.

During their meeting, they reviewed:

i. the performance of all full time Directors

ii. the performance of the Non - Independent Directors.

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

They expressed their satisfaction over the performance of the Board Members and management of the Company and the governance standards adhered to as well as the Information made available to the Board of Directors from time to time. The information / data / updates shared with the Board / Committee at their meetings among others include:

i. Annual Operating Plans, Budgets and updates thereto with detailed presentations and explanations.

ii. Capital Budgets and updates thereto.

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

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

v. Financial arrangements default if any, in meeting financial obligations by Company or its subsidiaries if any.

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

vii. Compliances / Non-compliance of Statutory requirements, Compliance mechanism and Shareholders Service including non-payment of Dividend, legal matters etc.

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

ix. Initiatives undertaken for enhancing levels of Corporate Governance levels, CSR initiatives and Risk Management actions and exercises.

x. Risk Management reviews and pertaining to all functions of the Company

xi. Actions taken to protect employees and labour during Covid Pandemic.

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

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

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

xv. Level of operations in each unit and toll manufacturer, storage and logistics arrangements.

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

xvii. Details on Joint Ventures.

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

xix. CSR initiatives review.

xx. Development and launching of products

Board and Committee Meeting Procedures

The Company conducts Board and Committee Meetings as per provisions of law and in compliance with applicable Secretarial Standards. The meetings were conducted physically and through Video Conferencing (V.C.). The Meetings are always governed by structured agenda. The agenda along with comprehensive notes and background materials are circulated well in advance before each of the meetings to Directors and attendees for facilitating effective discussion and decision making. The Board and Committee Members may bring up any matter of urgent nature not listed on agenda for consideration of the Board / Committee, in consultation with the respective Chairpersons. Presentations are made by the management on items on agenda including on the Company's Business Operations, Business Plans and other matters from time to time. The proceedings of the meetings of the Board and its Committees are recorded inter alia in the form of minutes, the draft of which are circulated to the Board / concerned Committees Members before confirmation and signatures by Chairpersons of respective meetings. The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions for actions which is followed up by functional heads.

Remuneration to Directors during Financial Year 2022-23.

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

Non-Executive Directors

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

Details of Sitting Fees and remuneration paid to Non-Executive Directors during the year 2022-23 are as under.

₹ in Crores

Name of Director	Sitting Fees	Remuneration
Mr M N Thakkar	0.11	0.25
Mr Lakshminarayanan	0.12	0.25
UPSIDC Limited	0.01	0.25
Ms. Aliya Modi	0.01	0.25
Mr. Samir Modi	0.01	0.25

Executive Directors

The appointment of the Executive Directors is governed by appropriate resolutions recommended by Nomination and Remuneration Committee and passed by the Board of Directors and Shareholders of the Company, which cover the terms of such appointment and are implemented in conjunction with the Service Rules of the Company. The appointments and terms of remunerations paid to the Executive Directors are evaluated and benchmarked by the Nomination and Remuneration Committee and are as per industry norms before they are recommended for approval by the Board and Shareholders.

Induction and Familiarization Programmed for Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Company has put in place a formal induction and familiarization process for Directors that among others include providing and explaining background material, nature of the industry in which the Company operates, Business Model of the Company, Director's expected roles, rights and responsibilities. The background material includes all the relevant Documents, Broachers, Reports and Internal Policies and Procedures to enable them to understand the working of the Company. They are also given periodic presentation in the Board and Committee Meetings in order to provide details and insight in the business of the Company and it's performance updates from time to time, Company's strategy and operating plans, key issues on Corporate Governance Report, Code of business conduct, risk management issues, operational aspects and related issues etc.

Board Committees

The Company has formulated five Board Managed Committees viz.

I. Audit Committee

II. Nomination and Remuneration Committee

III. Stakeholders Relationship Committee

IV. Corporate Social Responsibility Committee

V. Risk Management Committee

The Committees comprise of a mixture of Executive and Non-Executive Directors, in compliance with applicable regulations. Business leaders and eminent Professionals are invited at Committee meetings based upon needs of the Committees from time to time for arriving at appropriate decisions / conclusion on various issues and for implementation of decisions.

The details of each of the Committees are as under:

I. Audit Committees

Objective of the Committee

The terms of reference of the Audit Committee are in accordance with and covers all the matters specified under Section 177 of the Act and, inter-alia, include

- Overseeing the financial reporting process and disclosure of financial information.
- Recommending the appointment / re-appointment of statutory auditors and fixation of audit fee.
- Review of financial statements before submission to the Board.
- Review of adequacy of internal control system, findings of internal audit, whistle blower mechanism, related party transactions, scrutiny of intercorporate loans & investments.
- Approval and review of related party transactions.
- Reviewing the financial statements of subsidiary companies and, in particular, the investments made by them.

Constitution

The Audit Committee as on 31st March, 2023 comprised of two Independent Non-Executive Directors. All the Members of the Audit Committee have the financial knowledge. Mr. M.N. Thakkar, is the Chairman of the Committee. He is ex-Senior Partner of N.M. Raiji & Company, Chartered Accountants and has expertise in Accounting, Auditing, Taxation and Financial Management domain spread over more than 4 decades. Dr. Bina Modi, Managing Director and Mr. S. Lakshminarayanan, Independent Directors are other Members of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

Composition and Attendance

During the Financial Year 2022-23, four Audit Committee Meetings were held. The composition of the Audit Committee and the number of meetings attended by each of the Committee Members are as follows:

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. M.N. Thakkar	Independent Director & Chairman of Committee	4(4)
Dr. Bina Modi	Managing Director	4(4)
Mr. S. Lakshminarayanan	Independent Director	4(4)

The Audit Committee invites such executives of the Company as it considers appropriate to be present at its meetings but on certain occasions, it also meets without the presence of executives of the Company. The Chief Financial Officer and the Company Secretary remains present at all the Audit Committee Meetings. Besides, Internal Auditor and the Statutory Auditors are invited from time to time for discussion on matters pertaining to Audit Committee. The Business leaders regularly makes presentation on Audit Committee along with the Chief Financial Officer to explain impact of business on financials and take expert inputs from Audit Committee Members. The Audit Committee among others, reviews financials and accounting policies from time to time. The Audit Reports of Internal Auditors as well as Statutory Auditors are discussed at length by the Committee from time to time and monitors implementation of actions on recommendations made by auditors. The Chairman of Audit Committee updates Board on discussions at Audit Committee before Board takes decision on matters referred to it.

II. Nomination and Remuneration Committee

The terms of reference of the Nomination & Remuneration Committee are in accordance with and covers all the matters specified under Section 178 of the Act, and, inter alia, include:

Objective

- To devise a policy on Board diversity.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Independent, Executive

and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.

- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To determine criteria for remuneration of the Directors and Key Managerial Personnel based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary Report to the Board for further evaluation by the Board.
- To provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations and growth.
- To lay down policies to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Constitution

The Company's Board has constituted a Nomination and Remuneration Committee consisting of qualified Members. As on March 31, 2023, the Committee comprises of two Non - Executive Independent Directors. Mr. S. Lakshminarayanan is the Chairman of the Committee. Dr. Bina Modi, Managing Director and Mr. M.N. Thakkar, Independent Director are the other Members of the Committee. The Company Secretary acts as the Secretary of the Committee.

Composition and Attendance

During the Financial Year 2022-23, three meeting of the Nomination and Remuneration Committee was held. The composition of the Nomination and Remuneration Committee and the number of meetings attended by each Member is as follows.

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. S. Lakshminarayanan	Independent Director & Chairman of Committee	3(3)
Dr. Bina Modi	Managing Director	3(3)
Mr. M.N. Thakkar	Independent Director	3(3)

III. Stakeholders Relationship Committee

Objective

The terms of reference of the Stakeholders Relationship Committee are in accordance with and covers all the matters specified under Section 178 of the Act, and inter-alia include:

- Review and redressal of investor complaints.
- Approval/overseeing of transfers, transmissions, transpositions, splitting, consolidation of securities, issue of new / duplicate certificates, demat/remat requests, administering the unclaimed shares suspense account.
- Performing other functions as delegated to it by the Board from time to time.

Constitution

The Stakeholder's Relationship Committee comprises of two Non-Executive Independent Directors viz. Mr. M.N. Thakkar as Chairman and Mr. S. Lakshminarayanan, Independ Director and Dr. Bina Modi, Managing Director as other two Committee Members. The Company Secretary acts as the Secretary to the Committee.

Composition and Attendance

During the Financial Year 2022-23, one meeting of the Stakeholder's Relationship Committee was held. The composition of the Stakeholders Relationship Committee and the number of meetings attended by each Member is as follows.

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. M.N. Thakkar	Independent Director & Chairman of Committee	1(1)
Dr. Bina Modi	Managing Director	1(1)
Mr. S. Lakshminarayanan	Independent Director	1(1)

Investor Complaints

During the year 2022-23 the Company has resolved all complaints from Shareholders / Investors.

IV. Corporate Social Responsibility Committee

Objective

The terms of reference of the Corporate Social Responsibility are in accordance with and covers all the matters specified in Section 135 of Act and inter alia, include:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy including any amendments thereto from time to time, which shall include, inter-alia:

a) indicate the list of projects or programs or activities (hereinafter referred to as CSR activities) to be undertaken by the Company falling under the purview of Schedule VII of the Act.

b) specify the modalities of execution of CSR activities and monitoring process of the same.

- To recommend the amount of expenditure to be incurred on the each of the CSR activities
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To examine and report to the Board regarding the CSR activities undertaken.

Constitution

As on 31st March, 2023 the Corporate Social Responsibility Committee comprised of three Directors viz. Dr. Bina Modi, Chairperson, Mr. Mayur Maheshwari, Nominee Director- UPSIDC and Mr. S. Lakshminarayanan, Independent Director. The Company Secretary of the Company acts as the Secretary to the Committee. The CSR Report contained in Annexure I describes details of CSR activities of Company.

Committee Meetings and Attendance

During the Financial Year 2022-23, two meetings of Corporate Social Responsibility Committee was held. The composition of the Corporate Social Responsibility Committee and the number of meetings attended by the Committee Members are as under.

Committee Members	Category	No. of Meetings Attended (Total held)
Dr. Bina Modi	Chairman/ Chairperson and Managing Director	2(2)
Mr. Mayur Maheshwari	Nominee Director	0(2)
Mr. S. Lakshminarayanan	Independent Director	2(2)

V. Risk Management Committee

Objective

Though not mandatory for the Company, it has formed the Risk Management Committee for good governance in best interest of the Company and inter alia, include:

- To review and evaluate management's identification of all major Risks to the business.
- To assess the adequacy of management's Risk Assessment, its plans for Risk control or mitigation.
- To review, assess and discuss with the Management.
  - (i) any significant risks or exposures.
  - (ii) the steps management has taken to minimize such risks or exposures.
- To review and approve/ amend from time to time the Company's underlying policies with respect to risk assessment and risk management.

Constitution

The Risk Management Committee comprises of Mr. M.N. Thakkar, Independent Director and the Chairman of the Committee, and Mr. S. Lakshminarayanan, Independent Directors and Dr. Atchutuni Rao, Whole Time Director, as the members of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

Besides the Risk Management Committee constituted of Directors named above, the Company management as per its Policy has framed function wise Risk Management sub committees, comprising of Heads of Functions and respective functional department executives which regularly meets and evaluates various risks affecting their respective functions, products, operations, business and brand of the Company and provides / seeks suggestions to issues affecting their respective functions from the Board's Risk Management Committee and implements steps to reduce and mitigate risks to Company's business. The Chairman of the Risk Management Committee reports to Board on Risk Management functions. The Chairman of Risk Management Committee updates Board on Risks identified. As impact and action taken / proposed and invites Board recommendations for guidance of management.

Composition and Attendance

During the Financial Year 2022-23, one meetings of Risk Management Committee was held. The composition of the Risk Management Committee and the number of meetings attended by the Committee Members are as under.

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. S. Lakshminarayanan	Independent Director	1(1)
Mr. M.N. Thakkar	Chairman & Independent Director	1(1)
Dr. Atchutuni Rao	Whole Time Director	1(1)

Compliance Officer

Mrs. Manju Anand, Company Secretary acts as the Company's Compliance Officer and is responsible for complying with the requirements of Companies Act, 2013 for F.Y. 2022-23. Mrs. Manju Anand resigned from her services on 20th January, 2023. The Board of Director at their meeting held on 22nd May, 2023 appointed Ms. Jayni Gada as new Compliance Officer of the Company effective 22nd May, 2023.

Plant Locations

Unit No.	Address
Unit 1	Plot No. Z-8, SEZ Dahej, Tal: Vagra, District: Bharuch – 392130
Unit 2	Plot No. Z-12/1, SEZ Dahej, Tal: Vagra, District: Bharuch – 392130
Unit 3	Plot No. D-2 / CH - 12, GIDC Estate Dahej, Tal: Vagra, District: Bharuch – 392130

General Body Meetings

I. Annual General Meeting

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

Financial Year	Date	Time	Location of the meeting
2021-22	27.09.2022	11:00 a.m.	Video Conferencing from Registered office of the Company, 4th Floor, Kalpataru Square, Kondivita Road, Off Andheri Kurla Road, Andheri (E) – 400059
2020-21	23.09.2021	11:00 a.m.	Video Conferencing from Registered office of the Company, 4th Floor, Kalpataru Square, Kondivita Road, Off Andheri Kurla Road, Andheri (E) – 400059
2019-20	23.09.2020	11:00 a.m.	Video Conferencing from Registered office of the Company, 4th Floor, Kalpataru Square, Kondivita Road, Off Andheri Kurla Road, Andheri (E) – 400059
2018-19	13.09.2019	11:00 a.m.	Emerald Hall, 1st Floor, Hotel Kohinoor Continental, Andheri Kurla Road, J.B. Nagar, Andheri (E), Mumbai-400059

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

Financial Year	Particulars of Special Resolutions Passed
2021-22	(i) To approve the payment of remuneration to Non-Executive Directors
2020-21	(i) To consider appointment of Dr. Atchutuni Rao (DIN: 07467414), as Whole-Time Director – Manufacturing, Operations and EHS (ii) To approve the payment of remuneration to Non-Executive Directors
2019-20	(i) To consider appointment of Dr. Atchutuni Rao (DIN: 07467414), as Whole-Time Director and Occupier (ii) To approve the payment of commission to Non-Executive Directors
7 January, 2020	(i) To appoint Dr. Bina Modi (DIN – 00048606) as the Chairperson and Managing Director of the Company) – Passed with Postal Ballot
2018-19	(i) To re-appoint Mr. Sunil Kumar Alagh (DIN: 00103320) as an Independent Director for second term comprising of a period of 5 years w.e.f. 22nd September, 2019 to 21st September, 2024. (ii) To re-appoint Mr. Sanjay Buch (DIN: 00391436) as an Independent Director for second term comprising of a period of 5 years w.e.f. 22nd September, 2019 to 21st September, 2024. (iii) To re-appoint Mr. M.N. Thakkar (DIN: 00268818) as an Independent Director for second term comprising of a period of 5 years w.e.f. 22nd September, 2019 to 21st September, 2024.

Financial Year	Particulars of Special Resolutions Passed
	(iv) To re-appoint Mr. S. Lakshminarayanan (DIN: 02808698) as an Independent Director for second term comprising of a period of 5 years w.e.f. 22nd September, 2019 to 21st September, 2024. (v) To consider and approve to pay Commission to Non-Executive Directors @ 1% of Net Profits of the Company, subject to a cap of ₹ 25 lac per Non-Executive Director of the Company in respect of F.Y 2018-19. (vi) To amend Object Clause No. III (A) 1 of Memorandum of Associations of Company.

Dematerialization of Shares

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

Sr. No	Face Value of Equity Shares	Paid Up value of Equity Shares	Demat INE Number
1.	₹ 10	₹ 10	INE071I01016
2.	₹ 10	₹ 3	IN9071I01030

Status of Dividend Declared in the last five years

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

Financial Year	Rate of Dividend	Total pay out (Net of TDS)	Amount paid to the shareholders	Unclaimed amount as on March 31, 2023
2021-22	40%	7.71 Crs	6.93 Crs	0.78 Crs
2020-21	80%	15.21 Crs	15.11 Crs	0.10 Crs.
2019-20	50%	9.78 Crs	9.70 Crs	0.08 Crs.
2018-19	80%	17.08 Crs	16.96Crs	0.12 Crs
2017-18	80%	17.08 Crs.	16.97 Crs	0.11 Crs
2016-17	80%	17.08 Crs.	16.88 Crs	0.20 Crs.

Communication Address

To contact RTA for all matters relating to Equity Shares, i.e. Demat, Remat, Consolidation, Transmission, Issue of Duplicate Share Certificate, Change of Address, Claim of Shares/ Dividend from Investor's Education and Protection Fund etc.	M/s MAS Services Ltd. T-34, 2nd floor, Okhla Industrial Area, Phase –II, New Delhi – 110020 Tel. No.: (011) – 26387281-82-83 / (011) – 26387384 E Mail: info@masserv.com
For any other matters or in case of any query on Annual Report	Indofil Industries Ltd. CIN: U24110MH1993PLC070713 Regd. Office: Kalpataru Square, 4th Floor, Kondivita Road, Off Andheri Kurla Road, Andheri (East), Mumbai – 400 059 Tel. No.: (022) - 66637373 / (022) - 22 6663 7373 jgada@indofil.com

For Indofil Industries Limited

Sd/-
Dr. Bina Modi
Chairperson & Managing Director
DIN: 00048606

Place: Mumbai
Date: August 29, 2023

Financial Statements

Independent Auditors' Report

To the Members of
Indofil Industries Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Indofil Industries Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 and records.

   (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

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

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. [Refer note no 42 to standalone financial statements]

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. During the year, there has been delay of 50 days in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company pertains to FY 2014-15.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement. (Refer Note no. 54 (v) and (vi) to the standalone financial statements)

v. As stated in the note 46 (b) to the standalone financial statements, the final dividend declared and paid during the year for the financial year 2021-22 is in accordance with the Section 123 of the Act and the final dividend amount proposed by the Board of Directors of the Company for the financial year 2022-23, which is subject to the approval of members at the ensuing Annual General Meeting, is in accordance with the Section 123 of the Act.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 23044101BGTSNG3966

Place: Mumbai
Date: August 29, 2023

Annexure "A"

Referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Indofil Industries Limited for the year ended March 31, 2023:

i. a. In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:

A. The Company has maintained proper records, showing full particulars including quantitative details and situation of PPE and relevant details of right-to-use assets.

B. The Company has maintained proper records, showing full particulars including quantitative details of intangible assets.

b. As explained to us and on the basis of the our examination of the records of the Company, the Company has a phased program for physical verification of all the PPE over a period of three years. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its PPE. Pursuant to the program, physical verification of certain PPE has been carried out during the year and no material discrepancies were noticed on such verification.

c. Title deeds of properties are held in the name of the Company except for Sameer Vihar, Modi Nagar, which was acquired by the Company under slump sale arrangement from Modipon Limited and is in process of being transferred in the name of the Company in local land records in due course. It is yielding rental income to the Company, and it is not recognised as an investment property due to the non-availability of reliable measurement of cost. The fair value of the said investment property based on the management estimate is ₹ 32.62 crores as at 31 March 2023. In case of freehold land parcels located at Thane having carrying amount of ₹ 1.77 crores, which was acquired by the Company under slump sale arrangement from Modipon Limited, have been duly registered with Thane Sub Registrar. It is in possession and used for the operations of the Company, however, is in process of being transferred in the name of the Company in local 7/12 records.

d. The Company has not revalued any of its PPE (including right- of-use assets) and intangible assets during the year. Hence reporting under Clause 3 (i) (d) of the Order is not applicable to the Company.

e. According to the information and explanations given to us, and on the basis of our examination of the books and records of the Company, neither any proceedings have been initiated during the year nor are pending as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence, reporting under Clause 3(i) (e) of the Order is not applicable to the Company. Also, refer note no. 54 (i) to the standalone financial statements.

ii. (a) The inventories have been physically verified by the management at reasonable intervals during the year, except for goods in transit. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of it's business. Goods in transit have been verified by way of subsequent receipt/confirmations. As per the information and explanations given to us and on the basis of examination of records of the Company, no discrepancies of 10% or more in the aggregate for each class of inventory was noticed on physical verification of inventories as compared to book records.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. According to the information and explanations given to us, and on the basis of our examination of the books and records of the Company, the quarterly returns or statements comprising stock and book debt statements, filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters. The Company has not been sanctioned any working capital facility from financial institutions.

iii. In respect of Investments or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties;

(a) The Company has not provided any loans or advances in the nature of loans or guarantee or provided security to any entity during the year and hence, reporting under Clause 3(iii)(a), (c), (d), (e) and (f) is not applicable to the Company.

(b) According to the information and explanations given to us, the investment made are in the ordinary course of business and in our opinion, prima facie, not prejudicial to the Company's interest.

iv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 with respect to the investments made and guarantees given. The Company has not given any loans and security to parties covered under Section 185 and 186 of the Act.

v. According to the information and explanations given to us and on the basis of examination of records, no deposits or amounts which are deemed to be deposits have been accepted by the Company within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under sub section 1 of Section 148 of the Act in respect of company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we are not required and have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues mentioned in Clause vii (a) which have not been deposited on account of any dispute except the following:

Name of the statute	Nature of dues	Amount ₹ in crores	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 (Gujarat)	Sales Tax	1.77	2013-14	1st Appellate Authority
Central Sales Tax Act, 1956 (Jammu & Kashmir)	Sales Tax	0.07	2015-16	Assistant Commissioner
Central Sales Tax Act, 1956 (Odisha)	Sales Tax	0.06	2015-16, 2016-17 & 2017-18	Joint Commissioner
Central Sales Tax Act, 1956 (Madhya Pradesh)	Sales Tax	0.13	2016-17	1st Appellate Authority
Central Sales Tax Act, 1956 (West Bengal)	Sales Tax	0.01*	2016-17	1st Appellate Authority
Entry Tax (Madhya Pradesh)	Entry Tax	0.40	2012-13	Appellate Board
Entry Tax (West Bengal)	Entry Tax	0.03*	2017-18	Assistant Commissioner
Gujarat Value Added Tax, 2003	VAT	8.81	2011-12 & 2012-13	Joint commissioner
CGST Act 2017	GST (Service tax)	0.99	2017-18	High Court, Gujarat
GST Act 2017	GST	24.12	2017-18	Commissioner (Appeals)
The Income Tax Act, 1961	Income Tax	2.67	2017-18	Commissioner of Income Tax (Appeals)

**Paid in FY 23-24*

viii. According to the information and explanations given to us and based on our examination of records of the Company, there were no amounts to be recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under Clause 3(viii) of the Order is not applicable to the Company. Refer note 54 (vii) to the standalone financial statements.

ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not defaulted in the repayment of loan or other borrowings or in the payment of interest thereon to any lender.

(b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has applied term loans for the purpose for which they were obtained.

(d) On an overall examination of the standalone financial statements, in our opinion, the Company has not utilized funds raised on short term basis for long term purposes.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and a joint venture. Accordingly, the provisions of Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries and a joint venture. Accordingly, the provisions of clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence, reporting under Clause 3(x) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence, reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on our audit procedures performed and according to the information and explanations given to us, during the year, no whistle blower complaint was received by the Company and hence, reporting under Clause 3(xi)(c) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence, reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable accounting standard. Refer note. 50 to the standalone financial statements.

xiv. (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company's internal audit system needs to be strengthened by expanding the scope to cover the areas of property, plant and equipment, treasury, trade receivables.

(b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions prescribed sunder Section 192 of the Act with directors or persons connected with them during the year.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under Clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities which require a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) As per the information and explanations given to us and as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is forming part of the group.

xvii. The Company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Hence reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us and based on our examination of records of the Company, there are no unspent amount in respect of other than ongoing projects requires to be transferred to a fund specified in Schedule VII to Act in compliance with second proviso to sub-section (5) of Section 135 of the Act and hence, reporting under Clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company has transferred on April 27, 2023, unspent amount of ₹ 3.70 crores to a specified bank account within the stipulated period of 30 days from the end of the said financial year in compliance with the provision of Section 135 (6) of the Act.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 23044101BGTSNG3966

Place: Mumbai
Date: August 29, 2023

Annexure "B"

Referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Indofil Industries Limited for the year ended March 31, 2023:

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the **Indofil Industries Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component 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 Act.

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 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 standalone financial statements, whether due to fraud or error.

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

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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the standalone financial statements (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the entity from time to time.

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us subject to what is stated in para (xiv) of CARO 2020 report attached herewith and also that the internal financial controls needs to be formally documented, the Company has, broadly, 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential component 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.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 23044101BGTSNG3966

Place: Mumbai
Date: August 29, 2023

Standalone Balance Sheet as at March 31, 2023

₹ in Crores

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	570.15	596.10
Capital work-in-progress	3B	32.92	11.95
Right-of-use assets	4	18.90	20.44
Other intangible assets	5A	45.08	42.08
Intangible assets under development	5B	36.97	47.03
Financial assets			
Investments in subsidiaries and joint venture	6	367.14	367.14
Other investments	6	5.18	16.12
Loans	7	0.19	0.15
Other financial assets	8	9.21	10.50
Income tax assets (net)	9	19.47	21.84
Other non-current assets	10	5.25	8.07
Total non-current assets		**1,110.46**	**1,141.42**
Current assets			
Inventories	11	585.98	533.48
Financial assets			
Investments	12	90.98	112.72
Trade receivables	13	827.32	844.49
Cash and cash equivalents	14	79.57	320.16
Other bank balances	15	52.86	91.79
Loans	16	0.07	0.07
Other financial assets	17	0.90	4.16
Other current assets	18	51.68	46.86
Total current assets		**1,689.36**	**1,953.73**
Assets classified as held for sale	6A	1.32	0.36
TOTAL ASSETS		**2,801.14**	**3,095.51**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	21.35	21.35
Other equity	20	1,709.88	1,542.69
Total equity		**1,731.23**	**1,564.04**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	116.28	175.76
Lease liabilities	40	-	0.45
Other financial liabilities	22	15.48	14.13
Deferred tax liabilities (net)	9	26.40	12.32
Provisions	23	14.60	17.47
Total non-current liabilities		**172.76**	**220.13**
Current liabilities			
Financial liabilities			
Borrowings	24	419.31	479.52
Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises; and		26.38	5.81
Total outstanding dues of creditors other than micro enterprises and small enterprises		377.36	762.22
Lease liabilities	40	0.45	1.31
Other financial liabilities	26	13.30	7.91
Other current liabilities	27	51.20	51.27
Provisions	28	9.15	3.31
Total current liabilities		**897.15**	**1,311.35**
Total liabilities		**1,069.91**	**1,531.47**
TOTAL EQUITY AND LIABILITIES		**2,801.14**	**3,095.51**
Significant accounting policies	1		
Notes forming part of accounts	2 to 58		

The accompanying notes are an integral part of the standalone financial statements

For and on behalf of The Board of Directors

As per our attached report of even date.
For **Lodha & Co.**
Chartered Accountants
Firm Reg. No. 301051E

R. P. Baradiya
Partner
Place: Mumbai
Date: August 29, 2023

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29, 2023

Standalone Statement of Profit and Loss for the year ended March 31,2023

₹ in Crores

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	29	2,837.36	2,673.57
Other income	30	39.99	56.88
Total income		**2,877.35**	**2,730.45**
EXPENSES			
Cost of materials consumed	31	1,669.35	1,620.59
Purchase of stock-in-trade	32	176.46	140.64
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(22.70)	(164.21)
Employee benefits expense	34	174.32	197.69
Finance costs	35	45.03	43.92
Depreciation and amortisation expenses	36	76.17	78.44
Other expenses	37	467.78	546.60
Total expenses		**2,586.41**	**2,463.67**
Profit before exceptional items and tax		**290.94**	**266.78**
Exceptional	38	10.32	-
Profit before tax		**280.62**	**266.78**
Tax expense	9		
Current tax		73.59	90.42
Deferred tax (credit)/charge		12.29	(0.62)
Taxes in respect of earlier years		5.04	1.15
Total tax expense		**90.92**	**90.95**
Profit after tax for the year		**189.70**	**175.83**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit obligation		(4.47)	(1.45)
Fair changes of investments in equity instruments		(10.94)	(0.53)
Income tax on above items		1.19	(7.43)
Total (A)		**(14.22)**	**(9.40)**
B. Items that will be reclassified to profit or loss			
The effective portion of gains / (losses) on hedging instruments in a cash flow hedge		0.32	17.17
Income Tax on above item		(0.08)	(18.21)
Total (B)		**0.24**	**(1.05)**
Total other comprehensive income / (loss) for the year (A+B)		**(13.98)**	**(10.45)**
Total comprehensive income for the year		**175.72**	**165.38**
Earnings per equity share of nominal value ₹ 10 each- basic and diluted	45	88.85	82.35
Significant accounting policies	1		
Notes forming part of accounts	2 to 58		

The accompanying notes are an integral part of the standalone financial statements

For and on behalf of The Board of Directors

As per our attached report of even date.
For **Lodha & Co.**
Chartered Accountants
Firm Reg. No. 301051E

R. P. Baradiya
Partner
Place: Mumbai
Date: August 29, 2023

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29 2023

Standalone Statement of Changes in Equity for the year ended March 31,2023

A. Equity Share Capital

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year (Refer note 19)	**21.35**	**21.35**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**21.35**	**21.35**
Changes in Equity Share Capital during the year	-	-
Balance as at the end of the year	**21.35**	**21.35**

B. Other Equity

₹ in Crores

Particulars	Reserves and Surplus						Items of Other Comprehensive Income			Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Special Economic Zone Re-invenstment Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement of defined benefits plan	Effective portion of gains and loss on hedging instruments in the Cashflow hedge reserve	
Balance as at April 1, 2021	**0.01**	**108.04**	**5.08**	**49.73**	**43.39**	**1,237.96**	**1.81**	**(17.71)**	**(33.92)**	**1,394.39**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	175.83	-	-	-	175.83
Transfer to / (from) SEZ Re-investment Reserve	-	-	-	-	(4.15)	4.15	-	-	-	-
Other Comprehensive Income										
- Re-measurement gains / (losses) on Defined Benefit Plans (net of taxes)	-	-	-	-	-	-	-	(8.56)	-	(8.56)
- Fair value changes of investment in Equity Instruments (net of taxes)	-	-	-	-	-	-	(0.85)	-	-	(0.85)
- Gains / (losses) on hedging instruments in a cash flow hedge (net of taxes)	-	-	-	-	-	-	-	-	(1.05)	(1.05)
Dividends on Equity Shares	-	-	-	-	-	(17.08)	-		-	(17.08)
Balance as at March 31, 2022	**0.01**	**108.04**	**5.08**	**49.73**	**39.24**	**1,400.85**	**0.96**	**(26.27)**	**(34.96)**	**1,542.69**

Standalone Statement of Changes in Equity for the year ended March 31,2023

₹ in Crores

Particulars	Reserves and Surplus						Items of Other Comprehensive Income			Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Special Economic Zone Re-invenstment Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement of defined benefits plan	Effective portion of gains and loss on hedging instruments in the Cashflow hedge reserve	
Balance as at April 1, 2022	**0.01**	**108.04**	**5.08**	**49.73**	**39.24**	**1,400.85**	**0.96**	**(26.27)**	**(34.96)**	**1,542.69**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	189.70	-	-	-	189.70
Transfer to / (from) SEZ Re-investment Reserve (Refer note 20)	-	-	-	-	(27.19)	27.19	-	-	-	-
Other Comprehensive Income										
- Re-measurement gains / (losses) on Defined Benefit Plans (net of taxes)	-	-	-	-	-	-	-	(3.34)	-	(3.34)
- Fair value changes of investment in Equity Instruments (net of taxes)	-	-	-	-	-	-	(10.87)	-	-	(10.87)
- Gains / (losses) on hedging instruments in a cash flow hedge (net of taxes)	-	-	-	-	-	-	-	-	0.24	0.24
Dividends on Equity Shares	-	-	-	-	-	(8.54)	-		-	(8.54)
Balance as at March 31, 2023	**0.01**	**108.04**	**5.08**	**49.73**	**12.05**	**1,609.20**	**(9.91)**	**(29.61)**	**(34.72)**	**1,709.88**

Significant accounting policies 1

Notes forming part of accounts 2 to58

The accompanying notes are an integral part of the standalone financial statements

For and on behalf of The Board of Directors

As per our attached report of even date.
For **Lodha & Co.**
Chartered Accountants
Firm Reg. No. 301051E

R. P. Baradiya
Partner
Place: Mumbai
Date: August 29, 2023

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29, 2023

Standalone Statement of Cash Flow for the year ended March 31,2023

₹ in Crores

	Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A	**Cash Flow from operating activities:**				
	Profit before exceptional items and tax		290.94		266.78
	Add / (Less):- Adjustments for non-cash / non-operating items:				
	Depreciation and amortisation expenses	76.17		78.44	
	Finance costs	45.03		43.92	
	Interest income	(7.96)		(5.66)	
	Dividend income	(8.74)		(17.09)	
	Profit on sale of current investments	(2.42)		(2.18)	
	Credit balances/unclaimed liabilities/provisions written back	2.32		(11.24)	
	Profit on disposal/discard of property, plant and equipment (net)	(7.65)		(6.75)	
	Gain on financial assets measured at fair value through profit or loss	(0.98)		(0.58)	
	Intangible assets under development written off	1.47		-	
	Guarantee commission	(0.34)		(0.48)	
	Loss arising from financial instruments designated as fair value through profit or loss	4.88		17.17	
	Provision for doubtful debts, advances & security deposits	6.61		2.10	
	Unrealized foreign exchange (gain) / loss	3.14	111.53	(9.57)	88.06
	Operating profit before changes in working capital		**402.47**		**354.85**
	Adjustment for changes in working capital				
	Increase in inventories	(52.51)		(220.00)	
	(Increase) / decrease in trade receivables	16.94		(1.85)	
	Decrease in other financial assets	0.01		9.28	
	(Increase) / decrease in loans	(0.03)		0.02	
	(Increase) / decrease in other current and non-current assets	(1.99)		25.78	
	Increase / (decrease) in trade payables	(356.03)		312.70	
	Increase / (decrease) in other financial liabilities	1.39		(1.18)	
	Decrease in other current and non-current liabilities	(0.07)		(15.31)	
	Decrease in current and non-current provisions	(1.51)	(393.81)	(0.09)	109.34
	Cash generated from operations		**8.66**		**464.18**
	Less: Taxes paid (net of refund received)		(73.35)		(55.14)
	Net cash generated from / (used in) operating activities (A)		**(64.69)**		**409.04**
B	**Cash flow from investing activities:**				
	Payment for purchases of property, plant and equipment and intangible assets (including capital work in progress and capital advances)	(75.78)		(38.63)	
	Proceeds from sale of property, plant and equipment and right-of-use assets	0.81		24.92	
	Payment for investment in equity of a subsidiary	-		(35.00)	
	Proceeds from sale of investment in equity of a joint venture	-		17.96	
	Interest received	7.96		5.35	
	Proceeds/(Purchases) from current Investment Net	25.14		(59.42)	
	Bank deposits not considered as cash and cash equivalents	40.17		(44.33)	
	Dividend income from non-current investments	8.74		17.09	
	Net cash generated from (used in) investing activities (B)		**7.04**		**(112.06)**

Standalone Statement of Cash Flow for the year ended March 31,2023

₹ in Crores

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
C	**Cash flow from financing activities:**		
	Repayment of non-current borrowings	(90.68)	(8.77)
	Proceeds from non-current borrowings	1.97	-
	Repayment of current borrowings	(40.99)	(72.23)
	Finance costs paid	(43.29)	(43.01)
	Payment of Principal portion of the lease liabilities	(1.31)	(2.07)
	Payment of Interest portion of the lease liabilities	(0.10)	(0.27)
	Dividend paid	(8.54)	(18.02)
	Net cash used in financing activities (C)	**(182.94)**	**(144.37)**
	Net increase / decrease in cash and cash equivalents (A+B+C)	**(240.59)**	**152.61**
	Add: Cash and cash equivalents at the beginning of the year	320.16	167.56
	Cash and cash equivalents at the end of the year	**79.57**	**320.16**
	Cash and cash equivalent includes		
	Cash on hand	0.09	0.08
	Bank balance		
	- In current account	79.48	210.08
	- In deposit account	-	110.00
	Total	**79.57**	**320.16**
Significant accounting policies		1	
Notes forming part of accounts		2 to 58	

The accompanying notes are an integral part of the standalone financial statements

For and on behalf of The Board of Directors

As per our attached report of even date.
For **Lodha & Co.**
Chartered Accountants
Firm Reg. No. 301051E

R. P. Baradiya
Partner
Place: Mumbai
Date: August 29, 2023

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29, 2023

Notes forming Part of Financial Statements

for the year ended March 31, 2023

CORPORATE INFORMATION

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

The Company is a public limited company incorporated in India having CIN No-U24110MH1993PLC070713 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, 2023 were approved by the Board of Directors and authorized for issue on August 29, 2023.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1. Statement of Compliance

The financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind-AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to the financial statements.

Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

1.2. Basis of preparation

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

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

1.3. Use of Estimates and Judgments

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

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the carrying amounts of assets and liabilities:

* Measurement of Defined Benefit Obligations – Note 49
* Measurement and likelihood of occurrence of provisions and contingencies – Notes 23, 28 and 42
* Key Assumptions used in Fair Valuation Methods of Financial Assets – Note 48
* Impairment of Financial Assets (Trade Receivables) – Note 13

1.4. Classification of Assets and Liabilities

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

An asset is treated as "current" when :

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

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

A liability is "current" when :

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

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

Notes forming Part of Financial Statements

for the year ended March 31, 2023

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

1.5. Property, Plant and Equipment

Property, plant and equipment are stated at cost / allocated cost less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Cost includes all costs relating to acquisition and installation of Property, plant and equipment including any incidental costs of bringing the assets to their working condition for their intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

Where cost of the part of the asset is significant to total cost of asset and useful life of that part is different from useful life of the asset, useful life and the value of that significant part shall be determined separately through internal/external expert. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

Assets in the course of construction are reflected in capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of Property, plant and equipment. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalized.

Derecognition

The carrying amount of a property, plant and equipment is de-recognized when no future economic benefits are expected from its use or on disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement profit & loss.

Machinery spares that can be used only in connection with an item of Property, plant and equipment & where use are expected is more than one year are capitalized along with plant & machinery.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised as to write off the cost of assets (other than freehold land and properties under construction) less their residual values.

Depreciation commences when the assets are ready for their intended use. Depreciation on all property plant and equipment except plant and equipment are provided on a written down value method on the basis of the useful life prescribed in Schedule II of the Companies Act, 2013 or the economic useful lives determined as per technical assessment. In case of below mentioned class of assets, life of the assets has been determined as per technical assessment.

Class of assets	Years
Plant & equipment	7 to 30 years
Building	30 to 60 years
Computer & computer accessories	1 to 6 years
Furniture and Fixtures	10 years
Vehicles	8 to 10 years
Office Equipment	4 to 15 years
Road and culvert	5 to 30 years

The useful lives are reviewed annually. If the expected useful life of the asset is significantly different from previous estimates, the depreciation period is changed accordingly.

1.6. Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow and the cost of the item can be measured reliably. 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.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

1.7. Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale and the sale is expected within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance.

1.8. Research and Development Costs

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.

1.9. Investments

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

1.10. Inventories

Inventories includes raw materials, work-in-progress, stock-in-trade, finished goods, stores & spares, packing materials, and goods in transit are valued at lower of cost and net realizable value.

Raw Materials - Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average basis.

Finished Goods / Work in Progress - Cost includes cost of direct material, labor, other direct cost (Including variable costs) and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

Stock-in-trade - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and conditions. Cost is determined using weighted average basis.

Stores and Spares, Packing Materials - Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Adequate allowance is made for obsolete and slow-moving items.

1.11. Financial instruments

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

Financial assets

- **Initial recognition and measurement**

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

- **Subsequent Measurement**

  Financial Assets are subsequently classified as measured at

  - Amortized cost
  - Fair Value through Profit and Loss (FVTPL)
  - Fair Value through Other Comprehensive Income (FVOCI)

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

Financial Assets at Amortised Cost

Financial Assets are subsequently measured at amortised cost if these financial assets are held within

Notes forming Part of Financial Statements

for the year ended March 31, 2023

a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income

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

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

Financial Assets at Fair Value through Profit and Loss

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

Cash and Cash Equivalents

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

- **Derecognition**

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

- **Impairment**

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

Financial liabilities

- **Initial recognition and measurement**

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

- **Subsequent measurement**

  Financial Liabilities are subsequently classified as measured at

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

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

- **Derecognition**

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

- **Offsetting of financial instruments**

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

- **Financial Guarantee Contracts**

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

Notes forming Part of Financial Statements

for the year ended March 31, 2023

1.12. Hedge Accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

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

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

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

1.13. Impairment of Non-Financial Assets

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

1.14. Provisions and Contingent Liabilities / Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

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

Contingent liability is disclosed in the case of:

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

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

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

1.15. Revenue from Contracts with Customers:

Revenue from contracts with customers for sale of goods is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at a point in time, i.e., when the customer obtains control of the asset.

Revenue is measured at the amount of transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and applicable Good and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

The discounts/ right of return are estimated and provided for, based on past experience. A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

Export Incentives

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

Insurance claims

Insurance claims are accounted upon acceptance of claims.

Interest and Dividend income

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

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

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

1.16. Leases

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

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

As a Lessee

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

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

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

Notes forming Part of Financial Statements

for the year ended March 31, 2023

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

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

The lease liability is measured at amortised cost using the Company's incremental borrowing method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

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

Short-term leases and leases of low-value assets

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

As a Lessor

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

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

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

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

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

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

1.17. Foreign Currencies

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

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

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

1.18. Employee Benefits

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

Notes forming Part of Financial Statements

for the year ended March 31, 2023

Defined Contribution Plans

The Company's contributions paid/payable during the year to Employees' Provident Fund, Family Pension Fund, ESIC, Labour Welfare Fund, Superannuation Fund are recognised in the Statement of Profit and Loss. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined Benefit Plans

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

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

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

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.

1.19. Borrowing Costs

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

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

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

1.20. Taxes

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

Current Income Tax

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

Deferred Tax

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

A Deferred Tax Liability is recognised based on the expected realisation settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted, by the end of the reporting period. Deferred Tax Asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred Tax Assets is recognised in respect of unused tax credit in the form of Minimum Alternate Tax (MAT) Entitlement in respect of MAT paid as per the provisions of Income-tax Act, 1961, that future taxable profit will be available against which the unused tax credits can be utilised. Deferred Tax Assets and Deferred Tax Liabilities are reviewed at each reporting date.

1.21. Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders

Notes forming Part of Financial Statements

for the year ended March 31, 2023

and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.22. Segment Reporting

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

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

Segment Policies:

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

2. Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is evaluating the impact, if any, in its financial statements and does not expect to have these amendments to have any significant impacts in its financial statements.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 3A : PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Description of assets	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Road and culvert	Total
I. Gross carrying amount									
Balance as at April 01, 2021	**1.77**	**355.81**	**600.47**	**8.19**	**9.80**	**15.35**	**11.14**	**11.86**	**1,014.39**
Additions during the year	-	7.24	15.48	0.51	1.06	0.43	1.33	-	26.05
Deletions during the year	-	-	(3.01)	(0.10)	(1.42)	(0.14)	(0.06)	-	(4.73)
Reclassified as held for sale	-	-	(0.36)	-	-	-	-	-	(0.36)
Balance as at March 31, 2022	**1.77**	**363.05**	**612.58**	**8.60**	**9.44**	**15.64**	**12.41**	**11.86**	**1,035.35**
Additions during the year	-	4.75	33.25	1.59	2.67	0.85	1.66	-	44.77
Deletions during the year	-	(5.38)	(20.58)	(1.30)	(2.79)	(5.86)	(5.74)	-	(41.65)
Provision for impairment	-	(0.87)	(16.36)	-	-	-	(0.10)	-	(17.33)
Reclassified as held for sale	-	(0.06)	(0.94)	-	-	-	(0.00)	-	(1.00)
Balance as at March 31, 2023	**1.77**	**361.49**	**607.95**	**8.89**	**9.32**	**10.63**	**8.23**	**11.86**	**1,020.14**
II. Accumulated depreciation									
Balance as at April 01, 2021	-	126.19	208.57	6.82	8.51	13.46	10.18	7.80	381.54
Depreciation during the year	-	19.24	37.27	0.32	0.55	0.70	0.73	1.01	59.82
Deletions during the year	-	-	(0.56)	(0.06)	(1.30)	(0.13)	(0.06)	-	(2.11)
Balance as at March 31, 2022	**-**	**145.43**	**245.28**	**7.08**	**7.76**	**14.03**	**10.85**	**8.81**	**439.25**
Depreciation during the year	-	18.12	35.05	0.44	0.88	0.67	1.15	0.67	56.98
Provision for impairment	-	(0.62)	(12.62)	-	-	-	(0.10)	-	(13.34)
Deletions during the year	-	(3.06)	(15.34)	(1.11)	(2.63)	(5.41)	(5.35)	-	(32.90)
Balance as at March 31, 2023	**-**	**159.87**	**252.38**	**6.41**	**6.01**	**9.29**	**6.55**	**9.48**	**450.00**
Net carrying amount as on March 31, 2023	**1.77**	**201.62**	**355.57**	**2.48**	**3.31**	**1.34**	**1.68**	**2.38**	**570.15**
Net carrying amount as on March 31, 2022	**1.77**	**217.62**	**367.30**	**1.52**	**1.68**	**1.61**	**1.56**	**3.05**	**596.10**

Notes:

1. *Buildings includes cost of shares of face value of ₹ 1,350 (previous year ₹ 1,350)*
2. *Property at Sameer Vihar, Modi Nagar which was acquired by the Company under slump sale arrangement from Modipon Limited is in the process of being transferred in the name of the Company in local land records in due course. It is yielding rental income to the Company, and it is not recognised as an investment property due to the non-availability of reliable measurement of cost. The fair value of the said investment property based on the management estimate is ₹ 32.62 crores as at March 31, 2023 (previous year ₹ 32.62 crores).*
3. *Freehold land parcels located at Thane having carrying amount of ₹ 1.77 crores (Previous year ₹ 1.77 crores), which was acquired by the Company under slump sale arrangement from Modipon Limited, have been duly registered with Thane Sub Registrar. It is in possession and used for the operations of the Company, however, is in process of being transferred in the name of the Company in local 7/12 records.*
4. *Refer note 21 and note 24 for property, plant and equipment hypothecated/mortgaged against borrowings.*
5. *Refer note 43 for capital commitment.*

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 3B : CAPITAL WORK-IN-PROGRESS

₹ in Crores

Particulars	Buildings under construction	Plant and equipment under installation	Total
Balance as at April 01, 2021	**1.10**	**17.10**	**18.20**
Additions during the year	1.35	8.74	10.09
Capitalised during the year	-	(16.34)	(16.34)
Balance as at March 31, 2022	**2.45**	**9.50**	**11.95**
Additions during the year	9.20	23.12	32.32
Capitalised during the year	(4.75)	(6.60)	(11.35)
Balance as at March 31, 2023	**6.90**	**26.02**	**32.92**

CWIP aging as on March 31, 2023

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	32.20	0.72	-	-	32.92
Projects temporarily suspended	-	-	-	-	-
Total	**32.20**	**0.72**	**-**	**-**	**32.92**

CWIP aging as on March 31, 2022

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.15	2.29	0.05	0.46	11.95
Projects temporarily suspended	-	-	-	-	-
Total	**9.15**	**2.29**	**0.05**	**0.46**	**11.95**

Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

For the year ended March 31, 2023

₹ in Crores

Particulars	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
ZINEB Line with spray dryer	4.45	-	-	-
Others	0.10	-	-	-
Total	**4.55**	**-**	**-**	**-**

For the year ended March 31, 2022

₹ in Crores

Particulars	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
MEE Filteration plant for ETP - 2	8.95	-	-	-
QR Code Implementation	0.67	-	-	-
Others	1.22	-	-	-
Total	**10.84**	**-**	**-**	**-**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 4 : RIGHT-OF-USE ASSETS

Following are the changes in the carrying amount of right of use assets during the year ended March 31, 2023

₹ in Crores

Particulars	Leasehold land	Vehicles	Total
I. Gross carrying amount			
Balance as on April 01, 2021	**37.25**	**7.61**	**44.86**
Additions during the year	0.22	-	0.22
Deductions/adjustments during the year	(16.34)	-	(16.34)
Balance as on March 31, 2022	**21.13**	**7.61**	**28.74**
Additions during the year	-	-	-
Deductions/adjustments during the year	(0.30)		(0.30)
Balance as on March 31, 2023	**20.83**	**7.61**	**28.44**
II. Accumulated amortisation			
Balance as on April 01, 2021	**1.47**	**6.00**	**7.47**
Amortisation during the year	0.73	0.85	1.58
Deductions/adjustments during the year	(0.75)	-	(0.75)
Balance as on March 31, 2022	**1.45**	**6.85**	**8.30**
Amortisation during the year	0.57	0.69	1.26
Deductions/adjustments during the year	(0.02)		(0.02)
Balance as on March 31, 2023	**2.00**	**7.54**	**9.54**
Net carrying amount as on March 31, 2023	**18.83**	**0.07**	**18.90**
Net carrying amount as on March 31, 2022	**19.68**	**0.76**	**20.44**

NOTE 5A : OTHER INTANGIBLE ASSETS

₹ in Crores

Description of assets	Software	Product development and registration	Total
I. Gross Carrying amount			
Balance as at April 01, 2021	6.62	216.24	222.86
Additions during the year	0.78	5.75	6.53
Deletions during the year	-	-	-
Adjustments during the year	0.03	(0.03)	-
Balance as at March 31, 2022	**7.43**	**221.96**	**229.39**
Additions during the year	11.45	10.00	21.45
Deletions during the year	-	(1.61)	(1.61)
Balance as at March 31, 2023	**18.88**	**230.35**	**249.23**
II. Accumulated amortisation			
Balance as at April 01, 2021	2.97	167.30	170.27
amortisation during the year	0.90	16.14	17.04
Balance as at March 31, 2022	**3.87**	**183.44**	**187.31**
amortisation during the year	1.05	16.88	17.93
Deletions during the year	-	(1.09)	(1.09)
Balance as at March 31, 2023	**4.92**	**199.23**	**204.15**
Net carrying amount as on March 31, 2023	**13.96**	**31.12**	**45.08**
Net carrying amount as on March 31, 2022	**3.56**	**38.52**	**42.08**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 5B : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	Software	Product development and registration	Total
Balance as at April 01, 2021	**-**	**39.49**	**39.49**
Additions during the year	5.80	9.11	14.91
Capitalised during the year	-	(7.37)	(7.37)
Balance as at March 31, 2022	**5.80**	**41.23**	**47.03**
Additions during the year	5.52	1.21	6.73
Capitalised during the year	(11.32)	(4.00)	(15.32)
Deletions during the year	-	(1.47)	(1.47)
Balance as at March 31, 2023	**-**	**36.97**	**36.97**

Ageing of intangible assets under development as on March 31, 2023

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.12	16.88	9.51	9.46	36.97
Total	**1.12**	**16.88**	**9.51**	**9.46**	**36.97**

Ageing of intangible assets under development as on March 31, 2022

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	19.85	8.78	8.98	9.42	47.03
Total	**19.85**	**8.78**	**8.98**	**9.42**	**47.03**

Details of intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

For the year ended March 31, 2023

₹ in Crores

Particulars	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Product under development and registration	23.39	7.25	1.93	0.40	32.96
Total	**23.39**	**7.25**	**1.93**	**0.40**	**32.96**

For the year ended March 31, 2022

₹ in Crores

Particulars	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Software under development	5.80	-	-	-	5.80
Product under development and registration	14.05	8.78	8.98	9.42	41.23
Total	**19.85**	**8.78**	**8.98**	**9.42**	**47.03**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments in Subsidiaries and Joint Ventures				
Investments in equity instruments				
Unquoted, Fully paid up, at cost				
In Subsidiaries				
Indofil Industries (Netherlands) B.V.	5,00,000	171.98	5,00,000	171.98
(Face value - Euro 1 each)				
Indofil Industries (International) B.V.	5,00,000	117.04	5,00,000	117.04
(Face value - Euro 1 each)				
Indofil Bangladesh Industries Private Limited	10,92,506	9.30	10,92,506	9.30
(Face value - BDT 100 each)				
Indofil Costa Rica, S.A.	10	0.00	10	0.00
(Face value - Costa rican colon 1000 each)				
Quick Investment (India) Limited	12,515	3.42	12,515	3.42
(Face value - ₹ 100 each)				
Good Investments (India) Limited	70,105	21.73	70,105	21.73
(Face value - ₹ 100 each)				
In Joint Ventures				
Indo Baijin Chemicals Private Limited	43,66,096	43.66	43,66,096	43.66
(Face value - ₹ 100 each)				
Other investments				
Investments at fair value through other comprehensive income (FVOCI)				
Investments in equity instruments				
Quoted, Fully paid up				
Modi Rubber Limited	2,14,211	1.24	2,14,211	1.45
(Face value - ₹ 10 each)				
Unquoted, Fully paid up				
The Cosmos Co-Op. Bank Limited	14,250	0.89	14,250	0.89
(Face value - ₹ 100 each)				
KKM Management Centre Private Limited	3,38,100	1.06	3,38,100	1.11
(Face value - ₹ 10 each)				
Grace Breeding Nitrogen Fixation Technologies Limited	10,848	10.68	10,848	10.68
(Face value - NIS 0.01 each)				
Less : Provision for diminution in the value of investment routed through OCI and disclosed as fair value change		(10.68)		
Reagens India Polymer Additives Private Limited (formerly known as Indo Reagens Polymer Additives Private Limited)	20,00,000	2.00	20,00,000	2.00
(Face value - ₹ 10 each)				
TOTAL		**372.32**		**383.26**
Aggregate amount of quoted investments and market value thereof		**1.24**		**1.45**
Aggregate amount of unquoted investments		**381.76**		**381.81**
Aggregate amount of diminution in value of investments		**10.68**		**-**

Note 1: *The Company has carried its investments in equity instruments of Subsidiaries and Joint Ventures at cost. For other investments in equity instruments,the Company has elected an irrevocable option to designate it through FVOCI, as the said investments are not held for trading.*

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 6A : ASSETS CLASSIFIED AS HELD FOR SALE

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Plant and equipment - held for Sale	1.32	0.36
TOTAL	**1.32**	**0.36**

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loans to employees	0.19	0.15
TOTAL	**0.19**	**0.15**

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Forward contracts receivable (Refer 8.1 below)	-	1.07
Fixed deposits having remaining maturity of more than 12 months (Refer 8.2 below)	0.00	0.06
Security deposits	9.21	9.37
TOTAL	**9.21**	**10.50**

8.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

8.2 Fixed deposits amounting to ₹ Nil (Previous year ₹ 0.06 Crores) were under lien for agriculture product registration.

NOTE 9 : INCOME TAXES

a. Current tax assets and liabilities

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax assets		
Income tax refundable (net of provision for taxation of ₹ 457.48 crores) (previous year ₹ 409.36 crores)	19.47	21.84
TOTAL	**19.47**	**21.84**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 9 : INCOME TAXES (Contd.)

b. Components of income tax expense

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income tax recognised in the statement of profit and loss		
Current tax:		
Current tax	73.59	90.42
Deferred tax (credit)/charge	12.29	(0.62)
Taxes in respect of earlier years	5.04	1.15
TOTAL	**90.92**	**90.95**

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Tax related to items recognised in other comprehensive income		
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(0.08)	(18.21)
Re-measurement gains/(losses) on defined benefit plans	1.19	(7.43)
TOTAL	**1.11**	**(25.64)**

c. Reconciliation of effective tax rate

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

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	280.62	266.79
Statutory tax rate*	25.17%	34.94%
Expected income tax expense at statutory tax rate	70.63	93.23
Income Tax adjustments on :		
Amounts not allowanble under Income Tax	1.79	1.73
Tax effects of deductions available routed through OCI	-	6.00
Tax effects of deductions available	(2.24)	(6.84)
Capital Gains (Differential tax rate - it Includes Indexation impact)	0.42	(2.12)
Taxes in respect of earlier years	5.04	1.15
MAT credit provision	17.05	-
Others	(1.77)	(2.19)
Tax expense	**90.92**	**90.95**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 9 : INCOME TAXES (Contd.)

d. The movement in deferred tax asset and liabilities during the year ended March 31, 2023 and March 31, 2022:

₹ in Crores

Particulars	Balance as at April 1, 2022	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Utilisation of MAT credit	Balance as at March 31, 2023
Property, plant and equipment and other intangible assets	(51.39)	5.84	-	-	(45.55)
Provision for doubtful debts, advances and deposits	11.20	1.03	-	-	12.23
Payment under voluntary retirement scheme	3.16	(1.58)	-	-	1.58
Expenses allowed in the year of payment	6.79	(1.40)	-	-	5.39
Fair value changes of current investment through profit and loss	(0.66)	0.41			(0.25)
Equity Instruments through Other Comprehensive Income	(0.32)	-	0.06		(0.26)
Forward contract MTM	-	0.46			0.46
MAT credit entitlement	18.91	(17.05)	-	(1.86)	-
TOTAL	**(12.32)**	**(12.29)**	**0.06**	**(1.86)**	**(26.40)**

₹ in Crores

Particulars	Balance as at April 1, 2021	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Utilisation of MAT credit	Balance as at March 31, 2022
Property, plant and equipment and other intangible assets	(42.55)	(8.84)	-	-	(51.39)
Provision for doubtful debts, advances and deposits	14.98	(3.78)	-	-	11.20
Payment under voluntary retirement scheme	5.36	(2.20)	-	-	3.16
Expenses allowed in the year of payment	5.38	1.41	-	-	6.79
Fair value changes of current investment through profit and loss	(0.30)	(0.36)	-	-	(0.66)
Equity Instruments through Other Comprehensive Income	-	-	(0.32)	-	(0.32)
Defined benefit obligations	7.10	-	(7.10)	-	-
Effective portion of gains and loss on designated portion of hedging instruments	18.21	-	(18.21)	-	-
MAT credit entitlement	52.52	14.39	-	(48.01)	18.91
TOTAL	**60.71**	**0.62**	**(25.64)**	**(48.01)**	**(12.32)**

** During the year, the Company elected exercise the option of lower tax rate permitted under Section 115BAA of the Income tax Act, 1961. The Company, accordingly has recognised Provision for Income Tax and deferred tax at the rate prescribed in the said Section.*

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 10 : OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	0.25	4.22
Prepaid expenses	0.37	0.04
Balances with government authorities	4.63	3.81
TOTAL	**5.25**	**8.07**

NOTE 11 : INVENTORIES (At lower of cost and net realizable value)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	150.48	105.15
Raw materials-in-transit	19.23	13.04
Work-in-progress	0.09	0.90
Finished goods	313.79	246.29
Finished goods-in-transit	48.86	88.74
Stock-in-trade	20.45	24.56
Stores and spares	11.35	23.21
Packing materials	21.73	31.59
TOTAL	**585.98**	**533.48**

1. Value of inventories above is stated after write down by ₹ 32.22 crores (previous year ₹ 20.44 crores) to net realisable value (mainly on account of slow / non-moving / obsolete etc). These were recognised as an expense during the year and included in changes in inventories of finished goods, work in progress and stock in trade.
2. Inventories except stores and spares have been hypothicated as security against certain bank borrowings, details relating to which have been described in Notes 21 and 24.

NOTE 12 : FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments carried at fair value through profit or loss (FVTPL)				
Investments in units of mutual funds (Unquoted, Fully paid up)				
Franklin India ultra short bond fund	-	-	17,605	0.06
(Face value - ₹ 10 each)				
UTI money market fund - regular - growth	19,507	5.09	41,148	10.15
(Face value - ₹ 1,000 each)				
Kotak savings fund - regular - growth	49,99,750	5.04	99,99,500	10.01
(Face value - ₹ 10 each)				
Aditya birla sun life savings fund - regular - growth	2,71,597	10.14	3,78,408	16.66
(Face value - ₹ 100 each)				
Tata money market fund - regular - growth	10,206	4.08	64,538	24.43
(Face value - ₹ 3,000 each)				
Nippon india money market fund - regular plan - growth	14,481	5.09	-	-

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 12 : FINANCIAL ASSETS - INVESTMENTS (CURRENT) (Contd.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Crores	Nos.	₹ in Crores
(Face value - ₹ 3,000 each)				
Axis money market fund - regular plan - growth	25,147	3.05	-	-
(Face value - ₹ 1,000 each)				
DSP overnight fund - regular - growth	-	-	2,22,109	25.22
(Face value - ₹ 1,000 each)				
Axis overnight fund - regular - growth	-	-	2,24,803	25.22
(Face value - ₹ 1,000 each)				
ICICI prudential money market fund - regular plan - growth	1,26,447	4.06	-	-
(Face value - ₹ 100 each)				
ICICI prudential fixed maturity plan	9,99,950	1.00	-	-
(Face value - ₹ 10 each)				
DSP savings fund - regular plan - growth	9,04,621	4.06	-	-
(Face value - ₹ 10 each)				
Aditya birla sun life liquid fund - regular - growth	55,624	2.00	-	-
(Face value - ₹ 100 each)				
Union balanced advantage - regular - growth	-	-	3,77,200	0.56
(Face value - ₹ 10 each)				
Union large cap fund - regular - growth	18,632	4.00	2,49,990	0.41
(Face value - ₹ 10 each)				
UTI liquid fund - cash plan - regular plan - growth	10,926	4.00	-	-
(Face value - ₹ 3,000 each)				
Mahindra manulife liquid fund - regular plan - growth	84,148	12.23	-	-
(Face value - ₹ 1,000 each)				
Invesco india liquid fund - regular plan - growth	13,042	4.00	-	-
(Face value - ₹ 3,000 each)				
HSBC liquid fund - regular plan - growth	17,976	4.00	-	-
(Face value - ₹ 2,000 each)				
Axis liquid fund - regular plan - growth	32,495	8.07	-	-
(Face value - ₹ 2,000 each)				
Mirae asset cash management fund - regular plan - growth	30,040	7.03	-	-
(Face value - ₹ 2,000 each)				
Mirae asset fixed maturity plan	39,99,800	4.04	-	-
(Face value - ₹ 10 each)				
TOTAL		**90.98**		**112.72**
Aggregate amount of quoted investment and market value thereof		**-**		**-**
Aggregate amount of unquoted investments		**90.98**		**112.72**
Aggregate amount of impairment in value of investments		**-**		**-**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 13 : FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
Considered good – secured	5.66		7.46	-
Considered doubtful – secured	0.73	6.39	-	7.46
Considered good – unsecured				
Related parties (Refer note 50)	298.48		237.73	
Others	523.18		599.30	
Credit impaired	47.10	868.76	41.47	878.50
Add: Allowance for bad and doubtful debts		(47.83)		(41.47)
TOTAL		**827.32**		**844.49**

Notes:

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	41.47	50.28
Add: Allowance for bad and doubtful debts	6.36	0.55
Less: Bad debts written off	-	(9.36)
Balance at the end of the year	**47.83**	**41.47**

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2023

₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	470.12	328.12	25.26	3.82	-	-	827.32
Undisputed trade receivables - considered doubtful	-	0.03	3.15	3.88	0.56	6.48	14.10
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	0.00	0.01	0.18	1.12	32.42	33.73
Less: Provision against doubtful debt	-	(0.03)	(3.16)	(4.06)	(1.68)	(38.90)	(47.83)
TOTAL (A)	**470.12**	**328.12**	**25.26**	**3.82**	**-**	**-**	**827.32**
Unbilled receivables (B)	-	-	-	-	-	-	-
TOTAL [(A) - (B)]	**470.12**	**328.12**	**25.26**	**3.82**	**-**	**-**	**827.32**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 13 : FINANCIAL ASSETS - TRADE RECEIVABLES (Contd.)

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2022

₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	36.52	638.46	131.78	34.92	0.51	2.30	844.49
Undisputed trade receivables - considered doubtful	-	0.05	0.06	0.05	0.20	9.94	10.30
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	0.03	0.02	0.06	0.12	30.94	31.17
Less: Provision against doubtful debt	-	(0.08)	(0.08)	(0.11)	(0.32)	(40.88)	(41.47)
TOTAL (A)	**36.52**	**638.46**	**131.78**	**34.92**	**0.51**	**2.30**	**844.49**
Unbilled receivables (B)	-	-	-	-	-	-	-
TOTAL [(A) - (B)]	**36.52**	**638.46**	**131.78**	**34.92**	**0.51**	**2.30**	**844.49**

NOTE 14 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	79.48	210.08
Cash on hand	0.09	0.08
Fixed deposits with original maturity of less than 3 months	-	110.00
TOTAL	**79.57**	**320.16**

NOTE 15 : FINANCIAL ASSETS - OTHER BANK BALANCES

Particulars	As at March 31, 2023		As at March 31, 2022	
Earmarked balances in current accounts				
a) Unclaimed dividend accounts	0.75		0.87	
b) Unspent CSR accounts	0.33	1.08	2.34	3.21
Fixed deposits having original maturity of more than 3 months but less than 12 months (Refer note 15.1 below)		51.78		88.58
TOTAL		**52.86**		**91.79**

15.1: Includes FD's lien against bank guarantees for ₹ Nil (previous year ₹0.06 crores), against borrowings ₹ 2.84 crores (previous year ₹ 2.84 crores), against legal case security for ₹ 1.54 crores (previous year ₹ 1.42 crores), against appeal order with Commercial Tax Lucknow for ₹ 0.02 crores (previous year ₹ 0.02 crores), against security for gas supply for ₹ 1.86 crores (previous year ₹ 2.10 crores), against bank guarantee for Pollution Control Board ₹ 0.09 crores (previous year ₹ 0.09 crores) & for Water Control Board ₹ 0.01 crores (Previous year ₹ 0.01 crores), against foreign currency term loan from Indus Ind Bank ₹ 5.25 crores (previous year ₹ 4.89 crores), against loan from Exim bank ₹ Nil (previous year ₹ 0.30 crores).

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 16 : FINANCIAL ASSETS - LOANS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loans to employees	0.07	0.07
TOTAL	**0.07**	**0.07**

NOTE 17 : FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Interest and other receivable	0.79	2.03
Forward contracts receivable (Refer note 17.1 below)	-	1.97
Security deposits considered good - unsecured	0.11	0.16
Security deposits - doubtful	0.74	0.49
	0.85	0.65
Less: Provision for doubtful security deposits	(0.74)	(0.49)
	0.11	0.16
TOTAL	**0.90**	**4.16**

17.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

NOTE 18 : OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Advances to suppliers - considered good	14.81	3.13
Advances to suppliers - doubtful	-	2.53
	14.81	5.66
Less: Provision for doubtful advances	-	(2.53)
	14.81	3.13
Employee advances	0.52	0.53
Prepaid expenses	4.73	5.85
Export incentive receivables	0.50	3.81
GST receivables	31.12	33.54
TOTAL	**51.68**	**46.86**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 19 : EQUITY SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
4,40,00,000 (4,40,00,000) equity shares of ₹ 10 par value	44.00	44.00
6,00,000 (6,00,000) 6% non-cumulative redeemable	6.00	6.00
Preference Shares of ₹ 100 par value		
TOTAL AUTHORISED SHARE CAPITAL	50.00	50.00
Issued, subscribed and paid up		
2,06,62,400 (2,06,62,400) equity shares ₹ 10 par value fully paid up	20.66	20.66
22,95,822 (22,95,822) equity shares of ₹ 10 par value, ₹ 3 called up	0.69	0.69
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	**21.35**	**21.35**

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

Fully paid up shares:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
Shares at the beginning of the year	2,06,62,400	20.66	2,06,62,400	20.66
Changes during the year	-	-	-	-
Shares at the end of the year	**2,06,62,400**	**20.66**	**2,06,62,400**	**20.66**

Partly paid up shares:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
Shares at the beginning of the year	22,95,822	0.69	22,95,822	0.69
Changes during the year	-	-	-	-
Shares at the end of the year	**22,95,822**	**0.69**	**22,95,822**	**0.69**

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

1. Equity shares have a par value of ₹ 10. Equity Shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held after distribution of all preferential amounts.
2. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.
3. The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

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

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
K.K.Modi Investment and Financial Services Private Limited	1,02,73,073	44.75%	1,02,73,073	44.75%
APMS Investment Fund Limited (FII)	16,35,822	7.13%	16,35,822	7.13%
U.P. State Industrial Development Corporation Limited	21,69,956	9.45%	21,69,956	9.45%
Rajputana Developers Limited	19,16,666	8.35%	19,16,666	8.35%

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 19 : EQUITY SHARE CAPITAL (Contd.)

d. No. of shares held by promoters of the Company:

Fully paid up shares:

Name of the Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Dr. Bina Modi	4,07,213	1.77%	4,07,213	1.77%	0.00%
Mr. Lalit K Modi	10,455	0.05%	10,455	0.05%	0.00%
Mr. Samir K Modi	23,189	0.10%	23,189	0.10%	0.00%
Mr. Ruchir Modi	7,841	0.03%	7,841	0.03%	0.00%
K.K.Modi Investment & Financial Services Private Limited	90,64,059	39.48%	90,64,059	39.48%	0.00%
Rajputana Developers Limited	18,37,500	8.00%	18,37,500	8.00%	0.00%
Premium Merchants Limited	4,18,284	1.82%	4,18,284	1.82%	0.00%
Kaushambi Industries Private Limited	3,216	0.01%	3,216	0.01%	0.00%
HMA Udyog Private Limited	1,35,000	0.59%	1,35,000	0.59%	0.00%
Indofil Employee Trusts	7,45,350	3.25%	7,45,350	3.25%	0.00%

Partly paid up shares:

Name of the Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Dr. Bina Modi	48,744	0.21%	48,744	0.21%	0.00%
Mr. Samir K Modi	2,576	0.01%	2,576	0.01%	0.00%
Mr. Ruchir Modi	2,032	0.01%	2,032	0.01%	0.00%
K.K.Modi Investment & Financial Services Private Limited	12,09,014	5.27%	12,09,014	5.27%	0.00%
Rajputana Developers Limited	79,166	0.34%	79,166	0.34%	0.00%
Premium Merchants Limited	46,476	0.20%	46,476	0.20%	0.00%
Kaushambi Industries Private Limited	455	0.00%	455	0.00%	0.00%
Super Investment (India) Limited	1,25,000	0.54%	1,25,000	0.54%	0.00%
Indofil Employee Trusts	1,01,405	0.44%	1,01,405	0.44%	0.00%

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 20 : OTHER EQUITY

₹ in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
Capital reserve				
Opening balance		0.01		0.01
Add/ less: changes during the year		-		-
Closing balance		**0.01**		**0.01**
Securities premium				
Opening balance		108.04		108.04
Add/ less: changes during the year		-		-
Closing balance		**108.04**		**108.04**
Capital redemption reserve				
Opening balance		5.08		5.08
Add/ less: changes during the year		-		-
Closing balance		**5.08**		**5.08**
General reserve				
Opening balance		49.73		49.73
Add/ less: changes during the year		-		-
Closing balance		**49.73**		**49.73**
Special economic zone re-investment reserve				
Opening balance		39.24		43.39
Add/ less: changes during the year		(27.19)		(4.15)
Closing balance		**12.05**		**39.24**
Retained earnings				
Opening balance		1,400.85		1,237.96
Add: Profit for the year	189.70		175.83	
Less: Transferred to/(from) special economic zone re-investment reserve	27.19		4.15	
Less: Dividends on shares paid during the year	(8.54)	208.35	(17.08)	162.90
Closing balance		**1,609.20**		**1,400.85**
Equity instruments through other comprehensive income (OCI)				
Opening balance		0.96		1.81
Add/ Less: Fair value changes of investment in Equity Instruments (net of taxes)		(10.87)		(0.85)
Closing balance		**(9.91)**		**0.96**
Remeasurement of defined benefits plan				
Opening balance		(26.27)		(17.71)
Add/ Less: Re-measurement gains / (losses) on Defined Benefit Plans (net of taxes)		(3.34)		(8.56)
Closing balance		**(29.61)**		**(26.27)**
The effective portion of gains and loss on hedging instruments				
Opening balance		(34.96)		(33.92)
Add/ Less: Gains / (losses) on hedging instruments in a cash flow hedge (net of taxes)		0.24		(1.05)
Closing balance		(34.72)		(34.96)
TOTAL		**1,709.88**		**1,542.69**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 20 : OTHER EQUITY (Contd.)

Nature and purpose of the reserves

a. Capital reserve

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

b. Securities premium

Securities premium was created when shares were issued at premium. The company may utilise the securities premium as per the requirements of The companies Act, 2013.

c. Capital redemption reserve

Capital redemption reserve was created due to redemption of preference share capital in earlier years as per the requirement of The companies Act, 2013.

d. General Reserve

The Company has transferred a portion of net profits of the Company before declaring dividends to general reserve pursuant to the earlier provisions of The Companies Act, 1956. Mandatory transfer to general reserve, is not required under the Companies Act, 2013.

e. Special economic zone re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve is created out of the profits of eligible SEZ units in terms of the provision of Section 10AA(1)(ii) of the Income Tax Act, 1961 in FY 19-20. The reserve to be utilised by the SEZ unit for acquiring new assets for the purpose of its business as per the terms of Section 10AA(1)(ii) of the Income Tax Act, 1961. Tax on unutilised SEZ investment reserve of ₹ 3.03 crores has been provided during the year and disclosed as tax relating to earlier years in profit and loss account. The said unutilised reserve will be credited to retained earnings in the subsequent year.

f. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

g. Equity instruments through other comprehensive income

The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised and reflected under equity instruments through other comprehensive income. On disposal, the cumulative fair value changes on the said instruments are reclassified to retained earnings.

h. The effective portion of gains and loss on hedging instruments

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

NOTE 21 : FINANCIAL LIABILITIES - BORROWINGS - NON-CURRENT

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans from banks - secured		
a. Foreign currency term loans	187.24	267.68
b. Rupee Term Loan	1.86	-
	189.10	**267.68**
Less : Current maturities of long-term borrowings (Refer note 24)	72.57	91.36
Less: Unamortised upfront fees	0.25	0.56
TOTAL	**116.28**	**175.76**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 21 : FINANCIAL LIABILITIES - BORROWINGS - NON-CURRENT (Contd.)

Terms of repayment

No.	Maturity period from date of balance sheet	0 - 1 year (current)	1 - 2 years	2 - 3 years	3 - 5 years	Total
	Foreign currency term loans					
1	**IndusInd Bank Limited**					
	March 31, 2023	20.52	20.52	10.26	-	51.30
	March 31, 2022	19.32	19.32	19.32	9.67	67.63
	Security	Secured by first pari passu charge on the present and future, movable and immovable property, plant and equipments and right of use leased land 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.				
	Interest rate	3.25% p.a. (Previous year 3.25% p.a.) payable monthly				
2	**DBS Bank India Limited**					
	March 31, 2023	-	-	-	-	-
	March 31, 2022	8.73	-	-	-	8.73
	Security	Secured by first pari passu charge on the present and future, movable and immovable property, plant and equipments and right of use leased land 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.				
	Interest rate	3.5% p.a. (Previous year 3.18% p.a.) payable monthly				
3	**Union Bank of India**					
	March 31, 2023	21.70	21.70	20.34	-	63.74
	March 31, 2022	20.43	20.43	20.43	19.16	80.45
	Security	Secured by first ranking pari passu charge on the EBDC plant at Dahej and second pari passu charge on present and future current assets of the Company.				
	Interest rate	3.25% p.a. to 6.00% p.a. (Previous year 3.25% p.a.) payable monthly				
4	**Canara Bank (e-syndicate bank)**					
	March 31, 2023	21.70	21.70	20.34	-	63.74
	March 31, 2022	20.43	20.43	20.43	19.16	80.45
	Security	Secured by first ranking pari passu charge on the EBDC plant at Dahej and second pari passu charge on present and future current assets of the company.				
	Interest rate	3.25% p.a. to 6.00% p.a. (Previous year 3.25% p.a.) payable monthly				
5	**Export-Import Bank of India**					
	March 31, 2023	-	-	-	-	-
	March 31, 2022	5.11	-	-	-	5.11
	Security	Secured by first pari passu charge on movable and immovable property, plant and equipments of the SPCD plant Dahej and second pari passu charge on present and future current assets of the company.				
	Interest rate	3.25% p.a. (Previous year 3.25% p.a.) payable monthly				

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 21 : FINANCIAL LIABILITIES - BORROWINGS - NON-CURRENT (Contd.)

No.	Maturity period from date of balance sheet	0 - 1 year (current)	1 - 2 years	2 - 3 years	3 - 5 years	Total
6	**IndusInd Bank Limited**					
	March 31, 2023	8.46	-	-	-	8.46
	March 31, 2022	10.62	7.97	-	-	18.59
	Security	Secured by first pari passu charge on the present and future, movable and immovable property, plant and equipments and right of use leased land 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.				
	Interest rate	3.25% p.a. (Previous year 3.25% p.a.) payable monthly				
7	**DBS Bank India Limited**					
	March 31, 2023	-	-	-	-	-
	March 31, 2022	6.72	-	-	-	6.72
	Security	Secured by first pari passu charge on the present and future Property, Plant and Equipments of the company (except those assets which have been specifically financed) and second pari passu charge on present and future current assets of the company inter se the working capital lenders.				
	Interest rate	3.5% p.a. (Previous year 3.50% p.a.) payable monthly				
8	**Mercedez-Benz financial Services India Private Limited (formerly known as Daimler Financial Services Private Limited)**					
	March 31, 2023	0.19	0.21	0.63	0.83	1.86
	March 31, 2022	-	-	-	-	-
	Security	Secured by way of charge on specific vehicle				
	Interest rate	9.27% p.a. (Previous year na.) payable monthly				

A. Current maturity

1. Amounts falling due within one year in respect of all the above loans from March 31, 2023 have been grouped under “Current maturities of long term debts ‘’ under Note 24.

NOTE 22 : FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits received from customers	14.86	13.44
Financial guarantee obligations	0.31	0.69
Forward Contracts Payable (Refer 22.1 below)	0.31	-
TOTAL	**15.48**	**14.13**

22.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 23 : PROVISIONS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer note 49)		
Compensated absences	12.62	17.47
Gratuity	1.98	-
TOTAL	**14.60**	**17.47**

NOTE 24 : FINANCIAL LIABILITIES - BORROWINGS-CURRENT

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturities of long-term borrowings (Refer note 21)	72.57	91.36
Less: Unamortised upfront fees	0.31	0.44
	72.26	**90.92**
Current borrowings from banks (Refer note 24.1 and 24.2)		
Working capital loans	347.05	388.60
TOTAL	**419.31**	**479.52**

24.1 Secured by first pari passu charge, by way of hypothecation of Company's current assets and other movable assets and second pari passu charge on the property, plant and equipments, both, present and future, inter se the term lenders.

24.2 Interest rate on above current borrowings are ranging from 2.25% p.a. to 10.1% p.a. (previous year from 2% p.a. to 11.50% p.a.).

NOTE 25 : FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro Enterprises and Small Enterprises	26.38	5.81
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	377.36	762.22
TOTAL	**403.74**	**768.03**
Additional disclosure in respect of dues to Micro, Small, Medium Enterprises		
i. Principal amount remaining unpaid	26.36	5.79
ii. Interest accrued on the above amount and remaining unpaid	0.02	0.02
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
iv. Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day	-	-
v. Interest due and payable for payments already made	-	-
vi. Interest accrued and remaining unpaid	-	-
vii. Amount of further interest remaining due and payable even in succeeding years	-	-

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

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 25 : FINANCIAL LIABILITIES - TRADE PAYABLES (Contd.)

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2023

₹ in Crores

Particulars	Outstanding for Following periods from due date of payment					
	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	24.01	2.37	-	-	-	26.38
(ii) Others	208.40	27.33	2.45	0.24	1.05	239.47
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Subtotal	**232.41**	**29.70**	**2.45**	**0.24**	**1.05**	**265.85**
Unbilled	**137.89**					**137.89**
Total	**370.30**	**29.70**	**2.45**	**0.24**	**1.05**	**403.74**

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2022

₹ in Crores

Particulars	Outstanding for Following periods from due date of payment					
	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	2.10	3.71	-	-	-	5.81
(ii) Others	356.36	261.25	1.50	0.04	2.12	621.27
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Subtotal	**358.46**	**264.96**	**1.50**	**0.04**	**2.12**	**627.08**
Unbilled	**140.95**					**140.95**
Total	**499.42**	**264.96**	**1.50**	**0.04**	**2.12**	**768.03**

NOTE 26 : FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	2.88	1.68
Financial guarantee obligations	0.43	0.35
Forward Contracts Payable (Refer note 26.1 below)	1.53	-
Unpaid dividend (Refer note 26.2 below)	0.75	0.87
Payable for capital goods and services	7.71	5.01
TOTAL	**13.30**	**7.91**

26.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

26.2 There is no amount due and outstanding to be credited to Investor Education and Protection Fund in accordance with Section 125 of Companies Act, 2013.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 27 : OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers	43.54	41.75
Statutory dues payable	7.66	9.52
TOTAL	**51.20**	**51.27**

NOTE 28 : PROVISIONS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer note 49)		
Compensated absences	4.53	1.16
Gratuity	4.62	2.15
TOTAL	**9.15**	**3.31**

NOTE 29 : REVENUE FROM OPERATIONS

₹ in Crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Sale of products*				
Agrochemicals	2,341.80		2,173.75	
Innovative solutions chemicals	492.39	2,834.19	482.63	2,656.38
Other operating revenue:				
Export incentives and entitlements		1.22		15.56
Scrap sales		1.95		1.63
TOTAL		**2,837.36**		**2,673.57**

** Refer note 39*

NOTE 30 : OTHER INCOME

₹ in Crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Interest income				
On bank deposits	7.67		2.99	
On customers overdues	4.09		2.41	
On others	0.29	12.05	0.26	5.66
Dividend income				
Long-term investments in subsidiaries and a joint venture		8.74		17.09
Profit on sale of current investments measured at fair value through profit and loss (FVTPL)		2.42		2.18

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 30 : OTHER INCOME (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gain on financial assets measured at fair value through profit or loss	0.98	0.58
Net gain on foreign currency transactions and translation	3.90	11.51
Profit on disposal/discard of property, plant and equipment (net)	-	5.63
Guarantee commission	0.34	0.48
Rent	0.33	0.30
Insurance claims received	2.07	0.21
Credit balances/unclaimed liabilities/provisions written back	7.65	12.80
Miscellaneous income	1.51	0.44
TOTAL	**39.99**	**56.88**

NOTE 31 : COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw materials consumed		
Opening stock	118.18	78.99
Add : Purchases	1,607.10	1,538.64
Less : Closing stock	169.71	118.18
Raw materials consumed	1,555.58	1,499.45
Packing materials consumed	113.77	121.14
TOTAL	**1,669.35**	**1,620.59**

NOTE 32 : PURCHASES OF STOCK-IN-TRADE

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchases of stock-in-trade	176.46	140.64
TOTAL	**176.46**	**140.64**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 33 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Opening Stock :				
Finished goods	335.03		167.11	
Work-in-progress	0.90		10.26	
Stock-in-trade	24.56	360.49	18.91	196.28
Less : Closing stock :				
Finished goods	362.65		335.03	
Work-in-progress	0.09		0.90	
Stock-in-trade	20.45	383.19	24.56	360.49
Total		**(22.70)**		**(164.21)**

NOTE 34 : EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	146.74	169.87
Contribution to provident and other funds	11.23	11.46
Staff welfare expense	16.35	16.36
TOTAL	**174.32**	**197.69**

NOTE 35 : FINANCE COSTS

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on		
Long-term borrowings	13.26	14.97
Short-term borrowings	25.28	20.36
Lease liabilities (Refer note 40)	0.10	0.27
Security deposits from customers	0.54	0.40
Others	0.24	0.05
Other borrowing costs	5.61	7.87
TOTAL	**45.03**	**43.92**

NOTE 36 : DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	56.98	59.82
Amortisation on right-of-use assets	1.26	1.58
Amortisation on intangible assets	17.93	17.04
TOTAL	**76.17**	**78.44**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 37 : OTHER EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Consumption of stores and spares		13.03		16.69
Power and fuel		103.75		107.22
Job work charges		47.43		57.93
Lease Rent / hire charges (Refer note 40)		12.52		7.09
Repairs and maintenance :				
- Buildings	1.85		1.07	
- Plant and equipment	11.47		13.21	
- Others	11.06	24.38	10.44	24.72
Insurance		6.35		6.11
Rates and taxes		2.04		2.54
Legal and professional fees		16.84		17.01
Advertisement, publicity and sales promotion		65.63		67.08
Freight and forwarding charges		109.71		189.74
Provision for doubtful debts, advances and security deposits		6.61		2.10
Intangible Assets under development written off		1.47		
Sundry balances/Bad debts written off	2.05		9.36	
Less: Provision there against	(2.05)	-	(9.36)	-
Travelling and conveyance		27.04		16.08
Payment to auditors :				
- Audit fees	0.39		0.25	
- Certification charges and others	-		0.05	
- Reimbursement of expenses	0.01	0.40	-	0.30
Director's sitting fees		0.26		0.49
Director's commission		0.75		1.75
Corporate social responsibility (Refer note 44)		3.70		3.47
Loss on disposal/discard of property, plant and equipment (net)		2.32		-
Pollution control expenses		7.24		10.56
Miscellaneous expenses		16.31		15.72
TOTAL		**467.78**		**546.60**

NOTE 38 : EXCEPTIONAL ITEMS

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision for impairment/Write off on property, plant and equipment situated at Thane manufacturing Plant	10.32	-
TOTAL	**10.32**	**-**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 39 : IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company recongnises revenue when control over the promised goods and services is transferred to the customer at an amount that reftects the consideration to which the Company expects to be entitled in exchange for those goods or services.

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers - sale of products	2,834.19	2,656.38
Other operating revenue	3.17	17.19
Total revenue from operations	**2,837.36**	**2,673.57**
India		
1) Agrochemical division	1,263.19	1,170.50
2) Innovative solutions chemicals division	462.16	443.52
Outside India		
1) Agrochemical division	1,081.07	1,019.71
2) Innovative solutions chemicals division	30.94	39.84
Total revenue from operations	**2,837.36**	**2,673.57**
Timing of revenue recognition		
At a point in time	2,837.36	2,673.57
Total revenue from operations	**2,837.36**	**2,673.57**

Contract balances

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Refer note 13)	827.32	844.49
Contract liabilities		
Advance from customers (Refer note 27)	43.54	41.75

Refund liabilities:

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Arising from volume rebates and discounts netted in trade receivables (Refer note 13)	214.16	200.55

NOTE 40 : IND AS 116 ON "LEASES"

1.1 Disclosures pursuant to Ind AS 116 :

As a Lessee :

A. Break-up of current and non-current lease liabilities:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	-	1.31
Non-current lease liabilities	-	0.45
TOTAL	-	1.76

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 40 : IND AS 116 ON "LEASES" (Contd.)

B. Movement in lease liabilities during the year:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1.76	3.83
Transition to Ind AS 116	-	-
Additions		-
Finance costs accrued	0.10	0.27
Deletions	-	-
Payment of lease liabilities	(1.41)	(2.34)
Balance at the end of the year	**0.45**	**1.76**

C. The aggregate interest expense amounting to ₹ 0.10 crores (March 31, 2022 ₹ 0.27 crores) on Lease Liabilities is disclosed separately under Note 35 on "Finance Costs".

D. Breakup of the contractual maturities of Lease Liabilities on an undiscounted basis :

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	0.52	1.50
One to five years	-	0.52
More than five years	-	-
TOTAL	**0.52**	**2.02**

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

F. Amounts recognised in the Statement of Profit and Loss for the year :

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amortisation charge on right-of-use assets	1.26	1.58
Interest expense on lease liabilities	0.10	0.27
Expense relating to short-term leases	12.52	0.51
Expense relating to leases of low value assets, excluding short-term leases of low value assets	-	6.58

G. Total cash outflow for leases from financing activities is recognised in the statement of cash flows for the year ended March 31, 2023 is ₹ 1.41 crores(₹ 2.34 crores for the year ended March 31, 2022).

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 40 : IND AS 116 ON "LEASES" (Contd.)

As a Lessor :

A. Details regarding the contractual maturities of lease payments to be received, on assets given on an operating lease on an undiscounted basis :

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	0.28	0.33
One to five years	-	0.21
More than five years	-	-
TOTAL	**0.28**	**0.54**

B. Lease Income recognised in the statement of profit and loss for the year ended March 31, 2023 is ₹ 0.33 crores (March 31, 2022 ₹ 0.30 crores) is disclosed under Note 30 on "Other Income".

NOTE 41 : HEDGING ACTIVITIES AND DERIVATIVES

Foreign Currency Risk

The Company follows hedge accounting in respect of non-derivative financial liabilities (i.e. borrowings) designated as hedging instruments in cash flow hedges for forecast sales in USD and Euro. These forecast transactions are highly probable.

Carrying value and maturity of foreign currency borrowing designated as hedging instruments are given below:

₹ in Crores

Hedging Instrument	As at March 31, 2023		
Particulars	Amount outstanding in foreign currency (EUR in crores)	Amount outstanding in local currency (₹ in crores)	Maturity Date
Foreign currency term loans	2.09	187.24	April 2023 to June 2026
TOTAL	**2.09**	**187.24**	

₹ in Crores

Hedging Instrument	As at March 31, 2022		
Particulars	Amount outstanding in foreign currency (EUR in crores)	Amount outstanding in local currency (₹ in crores)	Maturity Date
Foreign currency term loans	3.18	267.68	April 2022 to June 2026
TOTAL	**3.18**	**267.68**	

The terms of the hedging instrument match the terms of the expected highly probable forecast transactions. Cash flow hedge reserves recycled to statement of profit and loss during the year is amounting ₹ 10.45 crores (March 31, 2022 ₹ 12.61 crores) on account of term loans.

The cash flow hedges of the expected future sales during the year ended March 31, 2023 were assessed to be highly effective and a unrealised gain of ₹ 0.32 crores, with a tax expenses of ₹ 0.08 crores relating to the hedging instruments, is reflected under other comprehensive income (OCI) (March 31, 2022, unrealised gain of ₹ 17.17 crores, with a tax expense of ₹ 6 crores).

Notes forming Part of Financial Statements

for the year ended March 31, 2023

Cash flow hedge balance as on March 31, 2023 and March 31, 2022 was ₹ 34.72 crores and ₹ 34.96 crores respectively. The amounts retained in OCI at March 31, 2023 and March 31, 2022 are expected to mature and affect the statement of profit and loss of future years as follows:-

₹ in Crores

Financial Year	As at March 31, 2023	As at March 31, 2022
2022-2023	-	12.09
2023-2024	13.16	8.09
2024-2025	11.65	7.92
2025-2026	9.91	6.86
TOTAL	**34.72**	**34.96**

NOTE 42 : CONTINGENT LIABILITIES

(To the extent not provided for)

42.1. Disputed tax matters (including interest upto the date of demand) :

₹ in Crores

Statue	As at March 31, 2023	As at March 31, 2022
Disputed Sales Tax Matters	11.47	13.73
Disputed Service Tax Matters	0.99	0.99
Disputed Entry Tax Matters	0.46	0.46
Disputed Excise Matters	-	0.36
Disputed Income Tax Matters	-	13.47
TOTAL	**12.92**	**29.01**

(a) Pursuant to the search operations conducted by the Income Tax authorities in the prior year, block assessment under Section 153C of the Income Tax Act 1961 ('the Act') has been completed for the Assessment Years ('AY') 2011-12 to 2020-21. The Company has evaluated these orders and has filed rectification applications to the assessment orders, adequate tax provisions has already been made in the books of accounts in prior years. Furthermore, based on the legal advice, the Company has also challenged the assessment orders before the appropriate authority.

(b) The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements.

42.2. Guarantees executed in favour of corporate

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Guarantees executed on behalf of:		
Indo Baijin Chemicals Private Limited	32.39	57.36
Less: Counter guarantees received from :		
Shanghai Baijin Chemical Limited (co-venturer)	(15.87)	(28.11)
Net Guarantees executed in favour of corporate	**16.52**	**29.25**

** Refer note: 50, related party transactions*

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 42 : CONTINGENT LIABILITIES (Contd.)

42.3. Consequent to termination of the contract by the Indofil Chemicals Company (erstwhile Modipon Limited), a toll manufacturer (Polson Limited) filed a Civil suit bearing No.378/1997 before District Judge, Kolhapur, now transferred to Commercial Court, Kolhapur numbered as Spl. C.S.No.1/2016, against the Company claiming ₹ 3.15 crores allegedly on account of items purchased and loss of profits. However, the Company had refuted the claim and made a counterclaim of ₹ 4.76 crores against the said toll manufacturer in respect of the cost of machinery, cost of raw materials, yield losses, loss of market, etc. Considering the merits of the matter, the Management is of the view that the claim of the toll manufacturer could be rejected as against the Company's counterclaim and will be adjusted/accounted for in the year of final settlement/receipt. The final outcome would not have any material impact on the standalone financial statements.

42.4. MSC Mediterranean Shipping company SA & MSC (Agency) India Private Limited has filed Commercial Suit no. 462/2023 before 6 Add, Sr. Civil Judge Surat (Gujarat) against Indofil Industries Ltd. for USD 82583.42 (₹ 0.68 crores) + 6% interest for alleged losses caused to the Applicant due to mis-declaration of the quantity of goods exported by Indofil through them. There was a theft happened enroute loading at Hazira Port, Gujarat leading to short quantity. Out of 59520 kgs shipped only 43,040 kgs arrived at Port of Destination, i.e., Peru. However, IIL had nominated Transporter Indtrans Container Lines who engaged Hind Carrier Private Limited for transporting the goods to Hazira Port. The FIR was filed by Indtrans Container Lines against Hind Carrier Private Limited for theft and investigations are on at Surat. The case is therefore strong for IIL and we may get a favourable order subject to valuation of Court.

42.5. Other money for which the Company is contingently liable

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

NOTE 43 : CAPITAL COMMITMENTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for"	8.81	47.15
Less: Advances paid	(0.24)	(4.22)
Net capital commitments	8.57	42.93

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Gross amount required to be spent by the Company during the year	9.50	7.22
ii) Amount spent during the year on		
Construction / acquisition of any property, plant and equipment	-	-
Purpose other than above (Refer note 44.1 below)	5.47	1.42
Total Paid during the year	**5.47**	**1.42**
iii) The amount of shortfall at the end of the year required to be spent by the Company during the year	3.70	3.47
iv) The total of previous year shortfall amounts	0.33	2.33
The nature of CSR activities taken by the Company are as under:		
(a) Modi Innovative Education Society- for establishing an university in the state of Chhattisgarh		
(b) Project Potential Trust -Support in rural development at Kishanganj Bihar		
(c) Bharuch Citizen Council Trust -Contribution to "My Livable Bharuch" CSR initiative		
Total amount unspent if any	**4.03**	**5.80**
TOTAL	**9.50**	**7.22**

Details of related party transactions

44.1 Total amount spent during the year includes CSR contribution done of ₹ 5.24 crores (previous year ₹ 1.33 crores) to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

Other Disclosures

44.2 The Company has made provision for unspent CSR expenses of ₹ 3.70 crores for year ended March 31, 2023 and subsequent to the year end the said amount has been transferred to specified bank account pursuant to the provisions of Companies Act, 2013 (March 31, 2022 ₹ 3.47 crores).

44.3 Amount spent during the year includes ₹ 5.47 crores pertaining to the year ended March 31, 2022(previous year ₹ 1.42 crores pertaining to year ended March 31, 2021).

NOTE 45 : EARNINGS PER SHARE

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax	189.70	175.83
Weighted average number of equity shares of face value ₹ 10 each	2,13,51,147	2,13,51,147
Nominal value of equity Shares (In ₹)	10.00	10.00
Basic and Diluted Earnings Per Share -	**88.85**	**82.35**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 46 : CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders

(ii) Maintain an optimal capital structure to reduce the cost of capital

(iii) Support the corporate strategy and meet shareholder expectations

The policy of the Company is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The capital structure is governed by policies approved by the Board of Directors and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Company:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Long term borrowings	116.28	175.76
Current maturities of long term debts	72.26	90.92
Short term borrowings	347.05	388.60
Less: Cash and cash equivalent	79.57	320.16
Less: Other bank balances other than unspent CSR account and unclaimed dividend account	51.78	88.59
Net debt / (cash)	**404.24**	**246.53**
Total equity	**1,731.23**	**1,564.04**
Capital gearing ratio	**0.23**	**0.16**

i. Equity includes all capital and reserves of the Company that are managed as capital.

ii. Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 21 and 24.

The Company has taken appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividends

The Company follows the policy of dividend for every financial year as may be decided by Board considering financial performance of the Company and other internal and external factors enumerated in the Company dividend policy.

The Board of Directors of Indofil Industries Limited in its meeting held on August 29, 2023, have proposed 100% final dividend on Equity Share of the Company at the rate of ₹ 10 per equity shares of ₹ 10 each fully paid-up and of ₹ 3 per equity share of ₹ 3 each Party paid up for the years ended March 31, 2023. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and it approved would result in a cash outflow of ₹ 21.35 crores.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 47 : 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.

a. Management of market risks

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

i. Foreign currency exchange risk

ii. Interest rate risk

iii. Price risk

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

i. Foreign currency exchange risk

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

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period :

₹ in Crores

Particulars	As at March 31, 2023									
	USD	INR	EURO	INR	BRL	INR	BDT	INR	MMK	INR
Financial assets										
Trade receivables	2.43	199.79	1.11	99.32	9.27	149.52	-	-	-	-
Balances with Banks	0.41	33.64	0.05	4.90	-	-	0.02	0.01	0.60	0.03
Derivative assets										
Foreign exchange forward contracts	-	-	-	-	-	-	-	-	-	-
Open exposure to foreign currency (assets)	**2.84**	**233.43**	**1.16**	**104.22**	**9.27**	**149.52**	**0.02**	**0.01**	**0.60**	**0.03**

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Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 47 : FINANCIAL RISK MANAGEMENT AND POLICIES (Contd.)

₹ in Crores

Particulars	As at March 31, 2023									
	USD	INR	EURO	INR	BRL	INR	BDT	INR	MMK	INR
Financial liability										
Foreign currency loan										
Current borrowings	1.39	114.40	-	-	-	-	-	-	-	-
Non current borrowings	-	-	2.09	187.24	-	-	-	-	-	-
Trade payables	0.60	49.59	0.08	6.75	-	-	-	-	-	-
Derivative Liability										
Foreign Exchange Forward Contracts	1.59	130.24	-	-	0.06	1.02	-	-	-	-
Open exposure to foreign currency (liability)	**(3.58)**	**(294.22)**	**(2.17)**	**(193.99)**	**(0.06)**	**(1.02)**	**-**	**-**	**-**	**-**
Net open exposure to foreign currency	**(0.74)**	**(60.79)**	**(1.01)**	**(89.77)**	**9.21**	**148.50**	**0.02**	**0.01**	**0.60**	**0.03**

₹ in Crores

Particulars	As at March 31, 2022									
	USD	INR	EURO	INR	BRL	INR	BDT	INR	MMK	INR
Financial assets										
Trade receivables	5.26	398.37	1.10	92.56	4.87	77.44	-	-	-	-
Balances with Banks	1.52	115.44	0.38	31.61	-	-	0.01	0.01	0.60	0.03
Derivative assets										
Foreign exchange forward contracts	(1.85)	(139.84)	(0.20)	(16.67)	-	-	-	-	-	-
Open exposure to foreign currency (assets)	**4.93**	**373.97**	**1.28**	**107.50**	**4.87**	**77.44**	**0.01**	**0.01**	**0.60**	**0.03**
Financial liability										
Foreign currency loan										
Current borrowings	1.78	134.36	-	-	-	-	-	-	-	-
Non current borrowings	-	-	3.18	267.68	-	-	-	-	-	-
Trade payables	1.09	82.81	0.06	4.67	-	-	-	-	-	-
Open exposure to foreign currency (liability)	**(2.87)**	**(217.77)**	**(3.24)**	**(272.34)**	**-**	**-**	**-**	**-**	**-**	**-**
Net open exposure to foreign currency	**2.06**	**156.20**	**(1.96)**	**(164.86)**	**4.87**	**77.44**	**0.01**	**0.01**	**0.60**	**0.03**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 47 : FINANCIAL RISK MANAGEMENT AND POLICIES (Contd.)

Note :

The Company has entered into Cash flow hedging for EURO term loan and it hedge all foreign currency EURO term loan and USD buyers credit against the forecasted sale transactions in the respective currency.

Currency	As at March 31, 2023			As at March 31, 2022		
	No of contracts	Amounts in foreign currency (Crores)	₹ in Crores	No of contracts	Amounts in foreign currency (Crores)	₹ in Crores
Foreign currency forwards - Sell						
USD	55	1.59	130.24	39	1.85	139.84
EURO	-	-	-	9	0.20	16.67
BRL	1	0.06	1.02	-	-	-

Sensitivity

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

₹ in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	5% Strengthening	5% Weakening	5% Strengthening	5% Weakening
USD	(3.04)	3.04	7.81	**(7.81)**
EURO	(4.49)	4.49	(8.24)	8.24
BRL	7.42	(7.42)	3.87	(3.87)

ii. Interest rate risk

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	127.48	-
Fixed rate borrowings	408.11	655.27
Total borrowings	**535.59**	**655.27**

Sensitivity:

Statement of profit and loss is sensitive to increase/(decrease) of interest expense from borrowings as a result of changes in interest rates. If, the interest rates had been 100 basis points higher/lower and all other variable rate borrowings, the Company's profit before tax for the year ended March 31, 2023 would decrease by ₹ 1.27 Crore (March 31, 2022 would increase/(decrease) by ₹ NIL).

iii. Price risk

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

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 47 : FINANCIAL RISK MANAGEMENT AND POLICIES (Contd.)

Sensitivity:

A 5% increase in prices would have led to approximately and additional NIL gain in the statement of profit and loss. A 5% decrease in prices would have led to an equal but opposite effect.

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, 2023 and as at March 31, 2022 is the carrying value of each class of financial asset.

c. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company regularly monitors the rolling forecast to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as cash and cash Equivalents (to the extent required) and any excess is invested in any highly marketable equity instruments to optimise cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

₹ in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Non current borrowings	-	116.28	-	175.76
Security deposits	-	14.86	-	13.44
Current borrowings	419.31	-	479.52	-
Trade payables	403.74	-	768.02	-
Lease liabilities	0.45	-	1.31	0.45
Other financial liabilities	13.30	0.62	7.91	0.69
TOTAL	**836.80**	**131.75**	**1,256.76**	**190.34**

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 21 and 24 for the detailed terms and conditions of the collaterals pledged.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 48 : FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

a. Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

₹ in Crores

Particulars	As at March 31, 2023				
	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets					
Investments in mutual funds	-	-	90.98	90.98	90.98
Investment in equity shares of subsidiaries and joint ventures	367.14	-	-	367.14	-
Investments in equity shares (other than in subsidiaries and joint ventures)	-	5.18	-	5.18	-
Loans	0.26	-	-	0.26	-
Trade receivables	827.32	-	-	827.32	-
Cash and cash equivalents	79.57	-	-	79.57	-
Other bank balances	52.86	-	-	52.86	-
Other financial assets	10.11	-	-	10.11	-
Total	**1,337.26**	**5.18**	**90.98**	**1,433.42**	**90.98**
Financial Liabilities					
Financial guarantee obligations	-	-	0.74	0.74	0.74
Forward contracts payable	-	-	2.00	2.00	
Term loans (Net of unamortized upfront fees)	188.54	-	-	188.54	-
Borrowings	347.05	-	-	347.05	-
Trade payables	403.74	-	-	403.74	-
Lease liabilities	0.45	-	-	0.45	-
Other financial liabilities	26.00	-	-	26.00	-
Total	**965.78**	**-**	**2.74**	**968.52**	**0.74**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

₹ in Crores

Particulars	As at March 31, 2022				
	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets					
Investments in mutual funds	-	-	112.72	112.72	112.72
Investment in equity shares of subsidiaries and joint ventures	367.13	-	-	367.13	-
Investments in equity shares (other than in subsidiaries and joint ventures)	-	16.13	-	16.13	-
Forward contracts receivable	-	-	3.04	3.04	3.04
Loans	0.22	-	-	0.22	-
Trade receivables	844.49	-	-	844.49	-
Cash and cash equivalents	320.16	-	-	320.16	-
Other bank balances	91.79	-	-	91.79	-
Other financial assets	11.62	-	-	11.62	-
Total	**1,635.41**	**16.13**	**115.76**	**1,767.30**	**115.76**
Financial Liabilities					
Financial guarantee obligations	-	-	1.04	1.04	1.04
Term loans (Net of unamortized upfront fees)	266.68	-	-	266.68	-
Borrowings	388.59	-	-	388.59	-
Trade payables	768.03	-	-	768.03	-
Lease liabilities	1.76	-	-	1.76	-
Other financial liabilities	21.00	-	-	21.00	-
Total	**1,446.06**	**-**	**1.04**	**1,447.10**	**1.04**

Carrying amounts of loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities as at March 31, 2023 and March 31, 2022 approximate the fair value because those are short-term in nature.

b. Fair value hierarchy

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

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

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

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

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

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

Notes forming Part of Financial Statements

for the year ended March 31, 2023

Fair value of investment in unquoted equity shares 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 value as at the balance sheet date, the classification of fair value calculations by category is summarised below :

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Level 1		
Investments in quoted equity shares	1.24	1.45
Level 2		
Derivative financial assets	-	3.04
Investments in units of mutual funds	90.98	112.72
Level 3		
Investments in unquoted equity shares	3.94	14.68
TOTAL	**96.16**	**131.89**
Financial liabilities		
Level 1		
Derivative financial liabilities	2.00	
Level 3		
Financial guarantee obligations	0.74	1.04
TOTAL	**2.74**	**1.04**

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
Investments in unquoted equity shares	Fair value of net assets	5% increase in forecasted fair value will increase the value of investment by ₹ 0.73 crores (₹ 0.73 crores as at March 31, 2022) and 5% decrease will have an equal but opposite effect.
Financial guarantee obligations	Discount rate 5.51%	1 % increase in discount rate will have loss of ₹ 0.00 crores (₹ 0.01 crores as at March 31, 2022) and 1% decrease in discount rate will have an equal but opposite effect.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 49 : EMPLOYEE BENEFITS EXPENSE

a. Defined contribution plans

Superannuation fund

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

Other contribution funds

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

The Company has recognised the following amounts in the statement of profit and loss under contribution to provident and other funds as under:

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to employees' provident fund	6.32	6.37
Employer's contribution to employees' pension fund	1.27	1.30
Employer's contribution to superannuation fund	1.51	1.85
Employer's contribution to MLWF	0.00	0.00
TOTAL	**9.10**	**9.52**

b. Defined benefit plans

Retirement Gratuity

The Company provides for gratuity to its employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of employment after rendering continuous service for not less than five years, or on their superannuation or resignation. However, in case of death or permanent disablement of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a separate fund that is legally separated from the entity and the Company makes contributions to the insurer (LIC).

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

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (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	21.98	20.74
2	Interest cost	1.54	1.42
3	Current service cost	1.97	1.64
4	Past service cost - non-vested benefit incurred during the period	-	-
5	Past service cost - vested benefit incurred during the period	-	-

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 49 : EMPLOYEE BENEFITS EXPENSE (Contd.)

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
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	(5.78)	(3.21)
12	The effect of changes in foreign exchange rates	-	-
13	Actuarial changes arising from changes in demographic assumptions	0.53	(0.01)
14	Actuarial changes arising from changes in financial assumptions	3.19	0.78
15	Actuarial changes arising from changes in experience adjustments	0.47	0.62
16	**Present value of defined benefit obligation at the end of the year**	**23.90**	**21.98**

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	19.83	16.41
2	Interest Income	1.38	1.12
3	Contributions paid by the employer	2.15	5.58
4	Expected contributions by the employees	-	-
5	Assets transferred in/ acquisitions	-	-
6	Assets transferred out / divestments	-	-
7	Benefits paid from the fund	(5.78)	(3.21)
8	Assets distributed on settlements	-	-
9	Effects of asset ceiling	-	-
10	The effect of changes in foreign exchange rates	-	-
11	Return on plan assets excluding interest income	(0.29)	(0.07)
12	**Fair value of plan assets at the end of the year**	**17.29**	**19.83**

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
III	**Net asset / (liability) recognised in the balance sheet**		
1	Present value of defined benefit obligation at the end of the year	(23.90)	(21.98)
2	Fair value of plan assets at the end of the year	17.29	19.83
3	Funded status [surplus/ (deficit)]	(6.60)	(2.15)
4	**Net asset / (liability) recognised in the balance sheet**	**(6.60)**	**(2.15)**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 49 : EMPLOYEE BENEFITS EXPENSE (Contd.)

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2023 (Funded)	Year ended March 31, 2022 (Funded)
IV	**Net interest cost for the year**		
1	Present value of benefit obligation at the beginning of the period	21.98	20.74
2	Fair value of plan assets at the beginning of the period	(19.83)	(16.41)
3	**Net liability/(asset) at the beginning**	**2.15**	**4.33**
4	Interest cost	1.54	1.42
5	Interest income	(1.38)	(1.12)
6	**Net interest cost for the year**	**0.15**	**0.30**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2023 (Funded)	Year ended March 31, 2022 (Funded)
V	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	1.97	1.64
2	Interest cost on benefit obligation (net)	0.15	0.30
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**	**2.12**	**1.94**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2023 (Funded)	Year ended March 31, 2022 (Funded)
VI	**Recognised in other comprehensive income for the year**		
1	Actuarial changes arising from changes in demographic assumptions	0.53	(0.00)
2	Actuarial changes arising from changes in financial assumptions	3.19	0.78
3	Actuarial changes arising from changes in experience adjustments	0.46	0.62
4	Return on plan assets excluding interest income	0.29	0.07
5	Change in asset ceiling	-	-
6	**Recognised in other comprehensive income**	**4.47**	**1.47**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2023 (Funded)	Year ended March 31, 2022 (Funded)
VII	**Cash flow projection: From the fund**		
1	Within the next 12 months (next annual reporting period)	7.44	2.59
2	2nd following year	2.55	2.30
3	3rd following year	2.86	3.34
4	4th following year	2.50	3.11
5	5th following year	2.52	1.95
6	Sum of years 6 to 10	8.70	10.59
7	Sum of years 11 and above	5.55	10.33

The average duration of the defined benefit plan obligation as at March 31, 2023 is 5 years (March 31, 2022: 5 years).

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 49 : EMPLOYEE BENEFITS EXPENSE (Contd.)

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
VIII	**Quantitative sensitivity analysis for significant assumption**		
	Projected benefit obligation on current assumptions	23.90	21.98
(i)	Delta effect of +1% change in rate of discounting	(0.75)	(1.04)
(ii)	Delta effect of -1% change in rate of discounting	0.82	1.16
(i)	Delta effect of +1% change in rate of salary increase	0.79	1.17
(ii)	Delta effect of -1% change in rate of salary increase	(0.74)	(1.07)
(i)	Delta effect of +1% change in rate of employee turnover	(0.14)	0.10
(ii)	Delta effect of -1% change in rate of employee turnover	0.15	(0.12)

2 Usefulness and methodology adopted for sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between the assume and the actual is not following the parameters of the sensitivity analysis.

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
IX	**The major categories of plan assets as a percentage of total**		
	Insurer managed funds	100%	100%
X	**Actuarial assumptions**		
1	Discount rate	7.30%	7.15%
2	Salary escalation	10.00%	5.00%
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14 (Urban))	Indian Assured Lives Mortality (2012-14 (Urban))
4	Mortality post retirement rate	N.A.	N.A.
5	Rate of employee turnover	15.00% p.a. for all service groups.	5.00%
6	Expected return on plan assets	7.30%	7.15%

c. Other long term employee benefits

The defined benefit obligations which are provided for but not funded :

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	**Compensated absences**		
	Current	4.53	1.16
	Non-current	12.62	17.47

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 50 : RELATED PARTY

Name of related parties having transactions during the year and description of relationship :

Subsidiaries/Step down subsidiaries
Quick Investment (India) Limited
Good Investments (India) Limited
Indofil Bangladesh Industries Private Limited
Indofil Costa Rica S.A.
Indofil Industries (International) B.V.
Indofil Industries (Netherlands) B.V.
Indofil Industries DO Brasil LTDA.
Indofil Philippines, Inc.
PT Indofil Industries Indonesia
Agrowin Bioscience S.r.l Italy
Indocoast International DMCC UAE

Other related parties in which directors have significant influence:
Godfrey Phillips India Limited
H.M.A. Udyog Private Limited
Modi Care Limited
Beacon Travels Private Limited
Bina Fashions N Food Private Limited
Premium Merchants Limited
Modi Rubber Limited
KKM Management Centre Private Limited
Modi Stratford Enterprises Management Private Limited
Modi Innovative Education Society
Colorbar Cosmetics Private Limited
EGO Obsession
Reagens India Polymer Additives Private Limited (formerly known as Indo Regens Polymer Additives Private Limited) (up to August 03, 2021)
Shanghai Baijin Chemical Limited (Co-venturer)
Ego Jasola Restaurant
Ego Lounge & Bakery

Joint ventures
Indo Baijin Chemicals Private Limited
Indo Reagens Polymer Additives Private Limited (formerly known as Indo Reagens India Polymer Additives Private Limited) (up to August 03, 2021)
Other related parties:
ICC Employee Provident Fund Trust
Key management personnel (KMP)
Executive Director
Dr. Bina Modi
Ms. Charu Modi
Dr. Atchutuni Rao

Non-executive director
Mr. Samir Modi
Ms. Aliya Modi
Mr. Mahendra Naranji Thakkar
Mr. Sunil Kumar Alagh (up to June 22, 2022)
Mr. Sanjay Buch (up to June 21, 2022)
Mr. Lakshminarayanan Subramanian
Mr. Mayur Maheshwari (with effect from September 9, 2020)
KMPs other than director
Mr. Narendra C Rane - Chief Operating Officer (up to June 21, 2023)
Mr. Rajib Mukhopadhyay - Chief Financial Officer (up to April 29, 2022)
Mr. Devang R Mehta - Company Secretary (up to June 04, 2022)
Ms. Manju Anand - Company Secretary (from July 06, 2022 to January 20, 2023)
Mr. R Narayan - Chief Financial Officer (from January 31, 2023 up to May 31, 2023)

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 50 : RELATED PARTY (Contd.)

RELATED PARTY TRANSACTIONS

₹ in Crores

Particulars	Subsidiaries and Joint ventures	Key management personnel	Promoter group companies / entities in which key management personnel's relatives are interested	Other related parties	Year ended March 31, 2023	Year ended March 31, 2022
RECEIVING OF SERVICES						
1. HMA Udyog Private Limited	-	-	0.08	-	0.08	0.07
2. Beacon Travels Private Limited	-	-	1.73	-	1.73	1.60
3. Bina Fashions N Food Private Limited	-	-	0.75	-	0.75	0.38
4. EGO Obsession	-	-	0.35	-	0.35	0.29
5. Ego Jasola Restaurant	-	-	0.00	-	0.00	-
6. Ego Lounge & Bakery	-	-	0.02	-	0.02	-
7. Modi Stratford Enterprises Management Private Limited	-	-	-	-	-	0.12
8. Reagens India Polymer Additives Private Limited	-	-	-	-	-	3.36
9. Godfrey Phillips India Limited	-	-	-	-	-	0.10
10. Colorbar Cosmetics Private Limited	-	-	-	-	-	0.01
11. KKM Management Center Private Limited	-	-	-	-	-	1.80
Total	**-**	**-**	**2.93**	**-**	**2.93**	**7.72**
Remuneration and Sitting fees paid to KMP's						
(A) Short-term employee benefits & Post -employment benefits (including commission)*						
1. Dr. Bina Modi (Chairperson and Managing Director)	-	16.86	-	-	16.86	17.09
2. Ms. Charu Modi (Executive Director)	-	16.60	-	-	16.60	16.83
3. Dr. Atchutuni Rao (Whole time Director)	-	1.16	-	-	1.16	1.16
4. Non-Executive Directors	-	0.75	-	-	0.75	1.75
5. Mr. R Narayan (Chief Financial Officer)	-	0.75	-	-	0.75	-
6. Mr. Devang Mehta (Company Secretary)	-	0.35	-	-	0.35	0.83
7. Mrs. Manju Anand (Company Secretary)	-	0.36	-	-	0.36	-
(B) Sitting fees	-	0.26	-	-	0.26	0.49
TOTAL		**37.09**			**37.09**	**38.15**
PURCHASE OF GOODS						
1. Indo Baijin Chemicals Private Limited	222.18	-	-	-	222.18	166.16
2. Reagens India Polymer Additives Private Limited	-	-	-	-	-	0.02
Total	**222.18**	**-**	**-**	**-**	**222.18**	**166.18**
SALE OF GOODS						
1. Indofil Industries (Netherlands) B.V.	108.31	-	-	-	108.31	73.48
2. Indofil Industries DO Brasil LTDA.	100.83	-	-	-	100.83	105.91
3. Indofil Philippines, Inc.	71.43	-	-	-	71.43	56.80
4. Indofil Bangladesh Industries Private Limited	4.55	-	-	-	4.55	2.08
5. Reagens India Polymer Additives Private Limited	-	-	-	-	-	0.42
6. Modi Care Limited	-	-	8.10	-	8.10	4.13
Total	**285.12**	**-**	**8.10**	**-**	**293.22**	**242.83**
RENT EXPENSE						
1. Premium Merchants Limited	-	-	0.07	-	0.07	0.07
2. Ms. Charu Modi	-	0.11	-	-	0.11	0.11
3. Godfrey Phillips India Limited	-	-	0.16	-	0.16	0.41
Total	**-**	**0.11**	**0.23**	**-**	**0.34**	**0.59**
DIVIDEND PAID						
1. Dr. Bina Modi	-	0.17	-	-	0.17	0.34
2. Mr. Samir Modi	-	0.01	-	-	0.01	0.02
Total	**-**	**0.18**	**-**	**-**	**0.18**	**0.36**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 50 : RELATED PARTY (Contd.)

₹ in Crores

Particulars	Subsidiaries and Joint ventures	Key management personnel	Promoter group companies / entities in which key management personnel's relatives are interested	Other related parties	Year ended March 31, 2023	Year ended March 31, 2022
CONTRIBUTION TO EMPLOYEES BENEFIT TRUST						
1. ICC Employee Provident Fund Trust	-	-	-	13.48	13.48	13.84
Total	**-**	**-**	**-**	**13.48**	**13.48**	**13.84**
DIVIDEND INCOME						
1. Indo Baijin Chemicals Private Limited	8.73	-	-	-	8.73	8.73
2. Quick Investments (India) Limited	-	-	-	-	-	2.75
3. Good Investments (India) Limited	-	-	-	-	-	5.61
Total	**8.73**	**-**	**-**	**-**	**8.73**	**17.09**
RENT INCOME						
1. Modi Rubber Limited	-	-	0.06	-	0.06	0.06
2. Reagens India Polymer Additives Private Limited	-	-	-	-	-	0.23
Total	**-**	**-**	**0.06**	**-**	**0.06**	**0.29**
GUARANTEE COMMISSION INCOME						
1. Indofil Industries (Netherlands) B.V.	-	-	-	-	-	0.04
2. Indo Baijin Chemicals Private Limited	0.34	-	-	-	0.34	0.44
Total	**0.34**	**-**	**-**	**-**	**0.34**	**0.48**
REIMBURSEMENT OF EXPENSES (RECEIVED)						
1. Indo Baijin Chemicals Private Limited	0.26	-	-	-	0.26	0.84
2 Reagens India Polymer Additives Private Limited	-	-	-	-	-	1.41
Total	**0.26**	**-**	**-**	**-**	**0.26**	**2.25**
REIMBURSEMENT OF EXPENSES (PAID)						
1. Indofil Bangladesh Industries Private Limited	0.37	-	-	-	0.37	-
Total	**0.37**	**-**	**-**	**-**	**0.37**	**-**
CSR EXPENSES						
1. Modi Innovative Education Society	-	-	5.24	-	5.24	1.32
Total	**-**	**-**	**5.24**	**-**	**5.24**	**1.32**
ADVANCES RECEIVED CLOSING BALANCE						
1. Agrowin Bioscience S.r.l.	-	-	-	-	-	0.95
Total	**-**	**-**	**-**	**-**	**-**	**0.95**
SECURITY DEPOSIT PAID						
1. Godfrey Phillips India Limited	-	-	-	-	-	0.83
Total	**-**	**-**	**-**	**-**	**-**	**0.83**
SECURITY DEPOSIT REFUND						
1. Godfrey Phillips India Limited	-	-	0.83	-	0.83	-
Total	**-**	**-**	**0.83**	**-**	**0.83**	**-**
GURANTEES GIVEN TO SUBSIDIARIES / JV's OUTSTANDING						
1. Indo Baijin Chemicals Private Limited	32.39	-	-	-	32.39	57.36
Total	**32.39**	**-**	**-**	**-**	**32.39**	**57.36**
GURANTEES RECEIVED FROM CO-VENTURER						
1. Shanghai Baijin Chemical Limited	15.87	-	-	-	15.87	28.11
Total	**15.87**	**-**	**-**	**-**	**15.87**	**28.11**
OUTSTANDING BALANCES						
Receivables						
1. Indofil Industries (Netherland) B.V.	92.17	-	-	-	92.17	78.09
2. Indofil Industries DO Brasil LTDA.	179.13	-	-	-	179.13	131.09
3. Indofil Philippines, Inc.	22.03	-	-	-	22.03	25.78
4. Indofil Bangladesh Industries Private Limited	5.15	-	-	-	5.15	2.77
5. Reagens India Polymer Additives Private Limited	-	-	-	-	-	0.43
6. Modi Care Limited	-	-	0.00	-	0.00	-
7. Modi Rubber Limited	-	-	-	-	-	0.02
Total	**298.48**	**-**	**0.00**	**-**	**298.48**	**238.18**

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 50 : RELATED PARTY (Contd.)

₹ in Crores

Particulars	Subsidiaries and Joint ventures	Key management personnel	Promoter group companies / entities in which key management personnel's relatives are interested	Other related parties	Year ended March 31, 2023	Year ended March 31, 2022
Payables						
1. Beacon Travels Private Limited	-	-	0.13	-	0.13	0.08
2. KKM Management Center Private Limited	-	-	-	-	-	1.40
3. EGO Obsession	-	-	0.07	-	0.07	-
4. Ego Jasola Restaurant			0.00		0.00	
5. Ego Lounge & Bakery			0.02		0.02	
6. Indofil Industries (Netherlands) B.V.	1.26	-	-	-	1.26	1.02
7. Indo Baijin Chemicals Private Limited	7.71	-	-	-	7.71	30.48
8. HMA Udyog Private Limited	-	-	0.01	-	0.01	-
9. Reagens India Polymer Additives Private Limited	-	-	-	-	-	3.80
Total	**8.97**	**-**	**0.22**	**-**	**9.19**	**36.78**
Advance Paid						
1. Modi Innovative Education Society			0.29		0.29	
Total	**-**	**-**	**0.29**	**-**	**0.29**	
INVESTMENTS MADE DURING THE YEAR						
1. Indofil Industries (International) B.V.	-	-	-	-	-	35.00
2. Reagens India Polymer Additives Private Limited	-	-	-	-	-	(17.96)
Total	**-**	**-**	**-**	**-**	**-**	**17.04**
Remuneration payable to KMP						
Dr Bina Modi	-	5.82	-	-	5.82	7.57
Ms Charu Modi	-	8.64	-	-	8.64	10.17
Mr M N Thakkar	-	0.15	-	-	0.15	0.25
MS Aliya Modi	-	0.15	-	-	0.15	0.25
Mr Samir K Modi	-	0.15	-	-	0.15	0.25
Mr Sanjay Buch	-	-	-	-	-	0.25
Mr Subramanian Lakshminarayanan	-	0.15	-	-	0.15	0.25
Mr Sunil Alagh	-	-	-	-	-	0.25
UPSIDC Limited	-	0.15	-	-	0.15	0.25
Total	**-**	**15.22**	**-**	**-**	**15.22**	**19.49**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes:

i) During the year, the Company has neither written off/written back nor made any provision against any debts/receivables/payables/advances of related parties, except as disclosed above.

ii) Related party relationships have been identified by the management and relied upon by the Auditors.

iii) Related party transactions have been disclosed on basis of value of transactions in term of the respective contracts.

iv) Sale and purchase transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended March 31, 2023, the Company has not recorded any loss allowances for transactions between the related parties.

v) *This aforesaid amount does not includes amount in respect of gratuity and leave entitlement (both of which are determined by actuarially) as the same is not determinable.

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 51 : DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013:

Investments made and guarantees given by the Company outstanding as at March 31, 2023 and at March 31, 2022 are as below :

Loans

No loan is given by the Company in favour of corporates are outstanding as at March 31, 2023 and at March 31,2022.

Investments

Details required u/s 186 have been disclosed in Note 6 of the standalone financial statements.

Guarantees

All corporate guarantees are given by the Company in respect of loans availed by:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Indo-Baijin Chemicals Private Limited (net of counter guarantee)	16.52	29.25

All the above Corporate Guarantees are given for business purpose.

NOTE 52 - FINANCIAL RATIOS

Sr. No.	Particulars	For the year ended 31st March, 2023			For the year ended 31st March, 2022	Variance (%)	Reason for variance over 25%
		Numerator	Denominator	Ratios			
1	Current ratio (in times)	Current assets	Current liabilities	1.88	1.49	26%	Due to payment of trade payables and better management of working capital.
2	Debt-Equity ratio (in times)	Total borrowings	Net worth	0.31	0.42	-26%	Due to repayment of term loans.
3	Debt service coverage ratio (in times)	Profit before tax, exceptional Items, depreciation, finance charges	Finance charges + long term borrowings scheduled principal repayments (excluding prepayments + refinancing) during the year	2.81	2.03	39%	Due to prepayment of loans, borrowing cost has been reduced which impacted in improvement of debt service coverage ratio.
4	Return on equity ratio (%)	Net profit after tax	Average networth	11.51%	11.80%	-2%	NA
5	Inventory turnover (no. of days)	Average inventory	Cost of materials consumed + purchase of stock in trade + change in inventories of finish goods, stock in trade and work in progress + power and fuel + job work charges + consumption of stores and spares + repairs and maintenance	102	86	19%	NA
6	Debtors turnover (no. of days)	Average trade receivables including unbilled revenue	Revenue from operations	108	114	-5%	NA
7	Payables turnover (no. of days)	Average trade payables	Cost of goods sold	117	138	-15%	NA

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 52 - FINANCIAL RATIOS (Contd.)

Sr. No.	Particulars	For the year ended 31st March, 2023			For the year ended 31st March, 2022	Variance (%)	Reason for variance over 25%
		Numerator	Denominator	Ratios			
8	Net capital turnover (in times)	Annual turnover	Working Capital (Current assets - Current Liabilities)	3.58	4.16	-14%	NA
9	Net profit margin (%)	Net profit for the year	Revenue from operation	6.69%	6.58%	2%	NA
10	Return on capital employed (%)	Profit before interest and taxes	Average capital employed	10.09%	9.62%	5%	NA
11	Return on investment (%)	Profit generated on sale of investment	Weighted average cost of investment	0.71%	3.50%	-80%	Due to high volatility of market

Notes

Networth = Equity + Other Equity

Finance charges = Interest on long term loans and short term loans

NOTE 53 : DEBT RECONCILIATION STATEMENT IN ACCORDANCE WITH IND AS 7 - STATEMENT OF CASH FLOW

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

₹ in Crores

Particulars	As at April 1, 2022	Cash flows	Non-cash changes	As at March 31, 2023
Long-term borrowings (including current maturities of long-term borrowings)	266.87	(88.71)	10.58	188.54
Short-term borrowings	388.60	(40.99)	(0.56)	347.05
Lease liabilities	1.76	(1.41)	0.10	0.45

₹ in Crores

Particulars	As at April 1, 2021	Cash flows	Non-cash changes	As at March 31, 2022
Long-term borrowings (including current maturities of long-term borrowings)	382.78	(8.77)	(107.34)	266.67
Short-term borrowings	360.56	(72.23)	100.26	388.60
Lease liabilities	3.83	(2.34)	0.27	1.76

Notes forming Part of Financial Statements

for the year ended March 31, 2023

NOTE 54 : OTHER STATUTORY INFORMATION

i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

ii) The Company does not have any transactions with companies which are struck off except the followings.

Name of the Company	Nature of transactions with Company	Balance outstanding (₹ in Crores)	
		As at March 31, 2023	As at March 31, 2022
Steigen Crop Tech Private Limited	Sale of goods	-	*

** Less than ₹ 1 lakh*

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

ix) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

x) The Company is not declared willful defaulter by any bank or financial institution or lender during the year.

55 As per Ind AS 108 on “Operating Segments”, segment information has been provided under the notes to consolidated financial statements.

56 The Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year’s financial statements due to the same.

57 The Code on Social Security, 2020 (the Code) received presidential assent on September 28, 2020. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code on its books of account in the period(s) in which the provisions of the Code becomes effective.

58 Figures in brackets indicate previous year’s figures and have been regrouped/reclassified wherever necessary to conform to current years’ classification.

Signatures to notes **1 to 58**

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29, 2023

Independent Auditors' Report

To The Members of

Indofil Industries Limited

Opinion

We have audited the accompanying consolidated financial statements of Indofil Industries Limited ("the Parent Company"), subsidiaries and a joint venture (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flows for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included in the consolidated financial statements for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Consolidated Financial Statements and auditor's report thereon

The Parent Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report but does not include the consolidated financial statement and our auditor's report thereon.

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

The respective Board of Directors 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 of the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the respective company or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other matters

- We did not audit the financial statements of nine subsidiary companies included in the consolidated financial statements, whose financial statements reflects total assets of ₹ 929.00 crores as at March 31, 2023, total revenue of ₹ 499.21 crores and net profit of ₹ 17.42 crores for the year ended March 31, 2023, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 60.29 crores for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- We did not audit the financial statements of a foreign subsidiary company included in the consolidated financial statements, whose financial statements reflects total assets of ₹ 1.01 crores as at March 31, 2023, total revenue is nil and net loss of ₹ 0.25 for the year ended March 31, 2023, as considered in the consolidated financial statements. This financial statement is management certified, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of a subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the management certification.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law maintained by the Group have been kept so far as it appears from our examination of those books and records.

   (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Parent Company and its Indian subsidiaries as on 31st March, 2023 taken on record by the Board of Directors of the Parent Company and its Indian subsidiaries, none of the directors of the Group Company is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of Parent Company and its Indian subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company and its Indian subsidiaries to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

      i. The Group has disclosed the impact of pending litigations on its financial performance in its consolidated financial statements. Refer Note No.- 42 to the consolidated financial statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. During the year, there has been delay of 50 days in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company pertains to FY 2014-15.

      iv. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement. Refer note 56 (iv) and (v) to the financial statements.

v. As stated in the note 46 (b) to the consolidated financial statements, the final dividend declared and paid during the year for the financial year 2021-22 is in accordance with the Section 123 of the Act and the final dividend amount proposed by the Board of Directors of the Parent Company for the financial year 2022-23, which is subject to the approval of members at the ensuing Annual General Meeting, is in accordance with the Section 123 of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and by the auditors of the Indian subsidiaries included in the consolidated financial statements of the Parent Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports. However, two observations regarding transfer of title of certain land parcels and strengthening of the internal audit system by expanding its scope has been made in the report of the Parent Company.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 23044101BGTSNH2784

Place: Mumbai
Date: August 29, 2023

Annexure "A"

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of **Indofil Industries Limited** (hereinafter referred to as "the Parent Company" and its Indian subsidiaries collectively referred to as "the Group").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its subsidiaries and a joint venture are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 the respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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") issued by the ICAI 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 issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Group'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 Group'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 group; (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 group are being made only in accordance with authorizations of management and directors of the group; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets that could have a material effect on the financial statements; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us subject to what is stated in para (xiv) of CARO 2020 report of the Parent company and also that the internal financial controls needs to be formally documented, the Group has, broadly, 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential component 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.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 23044101BGTSNH2784

Place: Mumbai
Date: August 29, 2023

Consolidated Balance Sheet as at March 31, 2023

₹ in Crores

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	574.15	601.61
Capital work-in-progress	3B	32.92	11.95
Goodwill arising on consolidation		13.69	9.56
Right-of-use assets	4	19.05	20.86
Other intangible assets	5A	124.25	135.96
Intangible assets under development	5B	116.70	107.12
Financial assets			
Investment in Joint venture	6	150.07	99.02
Other Investments	6	1,222.96	687.75
Loans	7	0.19	0.15
Other financial assets	8	9.28	10.56
Deferred tax assets (net)	9	12.00	10.14
Income tax assets	9	20.47	22.97
Other non-current assets	10	5.47	8.07
Total non-current assets		**2,301.20**	**1,725.72**
Current assets			
Inventories	11	688.90	641.32
Financial assets			
Investments	12	90.98	112.72
Trade receivables	13	758.01	784.71
Cash and cash equivalents	14	140.51	390.82
Other bank balances	15	91.04	129.03
Loans	16	0.07	0.07
Other financial assets	17	2.62	6.18
Other current assets	18	57.91	53.56
Total current assets		**1,830.04**	**2,118.41**
Assets classified as held for sale	6A	1.32	0.36
TOTAL ASSETS		**4,132.56**	**3,844.49**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	21.35	21.35
Other equity	20	2,895.80	2,199.51
Equity attributable to owners of the Parent company		**2,917.15**	**2,220.86**
Non-controlling interests	20	0.38	1.99
Total equity		**2,917.53**	**2,222.85**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	116.28	175.76
Lease liabilities	40	-	0.68
Other financial liabilities	22	16.70	14.74
Deferred tax liabilities (net)	9	107.47	25.61
Provisions	23	15.10	17.47
Total non-current liabilities		**255.55**	**234.26**
Current liabilities			
Financial liabilities			
Borrowings	24	442.71	502.95
Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises; and		26.38	5.81
Total outstanding dues of creditors other than micro enterprises and small enterprises		412.54	812.69
Lease liabilities	40	0.63	1.57
Other financial liabilities	26	13.30	7.91
Other current liabilities	27	54.65	51.73
Provisions	28	9.27	3.31
Current tax liabilities (net)	9	-	1.40
Total current liabilities		**959.48**	**1,387.38**
Total liabilities		**1,215.03**	**1,621.63**
TOTAL EQUITY AND LIABILITIES		**4,132.56**	**3,844.49**
Significant accounting policies	1		
Notes forming part of accounts	2 to 59		

The accompanying notes are an integral part of the Consolidated Financial statements

For and on behalf of The Board of Directors

As per our attached report of even date.
For **Lodha & Co.**
Chartered Accountants
Firm Reg. No. 301051E

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

R. P. Baradiya
Partner
Place: Mumbai
Date: August 29, 2023

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

₹ in Crores

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	29	3,036.92	2,795.09
Other income	30	48.82	75.03
Total income		**3,085.74**	**2,870.12**
EXPENSES			
Cost of materials consumed	31	1,686.64	1,666.85
Purchase of stock-in-trade	32	236.60	234.09
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	17.90	(261.92)
Employee benefits expense	34	202.52	219.04
Finance costs	35	46.07	45.23
Depreciation and amortisation expenses	36	86.84	89.87
Other expenses	37	514.39	580.55
Total expenses		**2,790.96**	**2,573.72**
Profit before exceptional items and tax		**294.78**	**296.41**
Exceptional items	38	**10.32**	**-**
Profit before tax		**284.46**	**296.41**
Tax expense	9		
Current tax		81.62	96.36
Deferred tax (credit)/charge		10.51	(8.07)
Tax in respect earlier years		5.03	1.08
Total tax expense		**97.16**	**89.36**
Profit after tax for the year		**187.30**	**207.04**
Share of profit of joint ventures		59.79	13.33
Income tax on above items		(5.95)	(1.55)
		53.84	**11.78**
Profit for the year		**241.14**	**218.82**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit obligation		(4.47)	(1.46)
Fair Value changes of investments in equity instruments		518.29	63.50
Income tax on above items		(60.57)	(11.74)
Total (A)		**453.25**	**50.30**
B. Items that will be reclassified to profit or loss			
The effective portion of gains on hedging instruments in a cash flow hedge		0.32	17.18
Foreign Currency Translation Reserve (FCTR)		4.44	19.08
Income Tax on above items		(0.08)	(18.21)
Total (B)		**4.68**	**18.05**
Total other comprehensive income / (loss) for the year (A+B)		**457.93**	**68.35**
Total comprehensive income for the year		**699.07**	**287.17**
Total Profit for the year attributable to :			
Owners of the Company		241.13	217.22
Non-controlling interests		0.01	1.61
		241.14	**218.83**
Other Comprehensive Income / (loss) for the year attributable to :			
Owners of the Company		458.01	68.35
Non-controlling interests		(0.08)	-
		457.93	**68.35**
Total Comprehensive Income for the year attributable to :			
Owners of the Company		699.14	285.56
Non-controlling interests		(0.07)	1.61
		699.07	**287.17**
Earnings per equity share of nominal value ₹10 each- basic and diluted	45	112.94	102.49
Significant accounting policies	1		
Notes forming part of accounts	2 to 59		

The accompanying notes are an integral part of the Consolidated Financial statements

For and on behalf of The Board of Directors

As per our attached report of even date.
For **Lodha & Co.**
Chartered Accountants
Firm Reg. No. 301051E

R. P. Baradiya
Partner
Place: Mumbai
Date: August 29, 2023

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29, 2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year (Refer Note 19)	**21.35**	**21.35**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**21.35**	**21.35**
Changes in Equity Share Capital during the year	-	-
Balance as at the end of the year	**21.35**	**21.35**

B. Other Equity

₹ in Crores

Particulars	Reserves and Surplus								Items of Other Comprehensive Income					Non-controlling interest	Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	General Reserve	Special Economic Zone Re-invenstment Reserve	Special Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement of defined benefits plan	Effective portion of gains and loss on hedging instruments in the Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Share of Other Comprehensive Income in Joint Ventures		
Balance as at April 1, 2021	**0.01**	**6.30**	**108.04**	**5.08**	**51.70**	**43.39**	**16.15**	**1,460.17**	**312.09**	**(17.71)**	**(33.92)**	**(20.25)**	**(0.07)**	**0.38**	**1,931.35**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	218.82	-	-	-	-	-	-	218.82
Profit attributable to non-controlling interest	-	-	-	-	-	-	-	(1.61)	-	-	-	-	-	1.61	-
Transfer to / (from) SEZ Re-investment Reserve	-	-	-	-	-	(4.15)	-	4.15	-	-	-	-	-	-	-
Transfer to / (from) Special Reserve	-	(3.22)	-	-		-	6.37	(3.15)	-	-	-	-	-	-	-
Transfer to / (from) General reserve	-	(1.10)	-	-	1.10	-	-	-	-	-	-	-	-	-	-
Transfer to / (from) Retained earnings	-	(1.98)	-	-	-	-	-	1.98	-	-	-	-	-	-	0.00
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Re-measurement gains / (losses) on Defined Benefit Plans (net of taxes)	-	-	-	-	-	-	-	-	-	(8.56)	-	-	-	-	(8.56)
- Share of OCI of Joint Ventures (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-	0.07	-	0.07
- Foreign Currency Translation Reserve (FCTR) (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	19.08	-	-	19.08
- Fair value changes of investment in Equity Instruments (net of taxes)	-	-	-	-	-	-	-	-	58.86	-	-	-	-	-	58.86
- Loss on effective portion of Cash Flow Hedge (net of taxes)	-	-	-	-	-	-	-	-	-	-	(1.04)	-	-	-	(1.04)
Dividends on Equity Shares	-	-	-	-	-	-	-	(17.08)	-	-	-	-	-	-	(17.08)
Balance as at March 31, 2022	**0.01**	**-**	**108.04**	**5.08**	**52.80**	**39.24**	**22.53**	**1,663.28**	**370.95**	**(26.28)**	**(34.95)**	**(1.17)**	**-**	**1.99**	**2,201.50**

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

₹ in Crores

Particulars	Reserves and Surplus								Items of Other Comprehensive Income					Non-controlling interest	Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	General Reserve	Special Economic Zone Re-investment Reserve	Special Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement of defined benefits plan	Effective portion of gains and loss on hedging instruments in the Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Share of Other Comprehensive Income in Joint Ventures		
Balance as at April 1, 2022	**0.01**	**0.00**	**108.04**	**5.08**	**52.80**	**39.24**	**22.53**	**1,663.28**	**370.95**	**(26.28)**	**(34.95)**	**(1.17)**	**-**	**1.99**	**2,201.50**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	241.14	-	-	-	-	-	-	241.14
Profit attributable to non-controlling interest	-	-	-	-	-	-	-	1.53	-	-	-	0.08	-	(1.61)	-
Transfer to / (from) SEZ Re-investment Reserve	-	-	-	-	-	(27.19)	-	27.19	-	-	-	-	-	-	-
Transfer to / (from) Special Reserve	-	-	-	-	-	-	3.06	(3.06)	-	-	-	-	-	-	-
Goodwill on acquisition	-	-	-	-	-	-	-	4.13	-	-	-	-	-	-	4.13
Other Comprehensive income															
- Re-measurement gains / (losses) on Defined Benefit Plans (net of taxes)	-	-	-	-	-	-	-	-	-	(3.34)	-	-	-	-	(3.34)
- Foreign Currency Translation Reserve (FCTR) (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	4.44	-	-	4.44
- Fair value changes of investment in Equity Instruments (net of taxes)	-	-	-	-	-	-	-	-	456.59	-	-	-	-	-	456.59
- Loss on effective portion of Cash Flow Hedge (net of taxes)	-	-	-	-	-	-	-	-	-	-	0.24	-	-	-	0.24
Dividends on Equity Shares	-	-	-	-	-	-	-	(8.54)	-	-	-	-	-	-	(8.54)
Balance as at March 31, 2023	**0.01**	**-**	**108.04**	**5.08**	**52.80**	**12.05**	**25.59**	**1,925.67**	**827.55**	**(29.61)**	**(34.71)**	**3.35**	**-**	**0.38**	**2,896.18**

Significant accounting policies 1

Notes forming part of accounts 2 to 59

The accompanying notes are an integral part of the Consolidated Financial statements

For and on behalf of The Board of Directors

As per our attached report of even date.
For **Lodha & Co.**
Chartered Accountants
Firm Reg. No. 301051E

R. P. Baradiya
Partner
Place: Mumbai
Date: August 29, 2023

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29, 2023

Consolidated Statement of Cash Flow for the year ended March 31,2023

₹ in Crores

	Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A	**Cash Flow from operating activities:**				
	Profit before exceptional items and tax		294.78		296.41
	Add / (Less):- Adjustments for non-cash / non-operating items:				
	Depreciation and amortisation expenses	86.84		89.87	
	Finance costs	46.07		45.23	
	Interest income	(10.07)		(7.54)	
	Dividend income	(18.33)		(24.49)	
	Bad debts written off	0.29		-	
	Profit on sale of current investments	(2.42)		(3.39)	
	Profit on sale of investments in a joint venture	-		(0.76)	
	Credit balances/unclaimed liabilities/provisions written back	(7.65)		(11.24)	
	Loss / (Profit) on disposal/discard of property, plant and equipment (net)	2.32		(5.63)	
	Loss arising from financial instruments designated as fair value through profit or loss	2.89		17.18	
	Provision for doubtful debts, advances and security deposits	6.61		4.17	
	Guarantee commission	(0.34)		(0.44)	
	Intangible asset under development written off	1.47		-	
	Unrealized foreign exchange (gain) / loss	7.26	114.94	(9.57)	93.39
	Operating profit before changes in working capital		**409.72**		**389.80**
	Adjustment for changes in working capital				
	Increase in inventories	(47.57)		(284.92)	
	(Increase) / decrease in trade receivables	26.18		(9.29)	
	Increase in other financial assets	(0.08)		(3.95)	
	(Increase)/ decrease in loans	(0.03)		0.02	
	(Increase)/ decrease in other current and non-current assets	(5.71)		55.61	
	Increase / (decrease) in trade payables	(371.37)		323.12	
	Increase/ (decrease) in other financial liabilities	2.00		(1.74)	
	Increase/ (decrease) in other current and non-current liabilities	3.17		(15.79)	
	Decrease in current and non-current provisions	(0.89)	(394.30)	(0.10)	62.94
	Cash generated from operations		**15.42**		**452.74**
	Less: Taxes paid (net of refund received)		(82.57)		(55.52)
	Net cash generated from / (used in) operating activities (A)		**(67.15)**		**397.22**
B	**Cash flow from investing activities:**				
	Payment for purchases of property, plant and equipment and intangible assets (including capital work in progress and intangible assets under development and capital advances, capital creditors)	(85.69)		(72.73)	
	Proceeds from sale of property, plant and equipment and right-of-use assets	0.81		25.06	
	Proceeds from investment in equity of a joint venture	-		17.96	
	Proceeds from sale of investment in preference shares	-		2.50	
	Proceeds from non current investment	1.70		6.40	
	Purchase of non current investment	(17.61)		(6.93)	
	Interest received	11.70		6.89	
	Proceeds / (purchases) from current investments (net)	25.15		(58.23)	
	Bank deposits not considered as cash and cash equivalents	37.99		(44.00)	
	Dividend income	27.07		24.49	
	Net cash generated from / (used in) investing activities (B)		**1.12**		**(98.56)**

Consolidated Statement of Cash Flow for the year ended March 31,2023

₹ in Crores

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
C Cash flow from financing activities:			
Repayment of non-current borrowings		(90.67)	(8.83)
Repayment of current borrowings (net)		(41.03)	(77.24)
Proceeds of non-current borrowings		1.97	-
Finance costs paid		(44.31)	(44.26)
Payment of principal portion of the lease liabilities		(1.57)	(2.28)
Payment of interest portion of the lease liabilities		(0.13)	(0.33)
Dividend paid		(8.54)	(18.02)
Net cash used in financing activities	**(C)**	**(184.28)**	**(150.96)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(250.31)**	**147.70**
Add: Cash and cash equivalents at the beginning of the year		390.82	243.12
Cash and cash equivalents at the end of the year (Refer note 14)		**140.51**	**390.82**
Cash and cash equivalent includes			
Cash on hand		0.12	0.10
Bank balance			
-In current account		140.39	278.63
-In deposit account		-	112.09
Total		**140.51**	**390.82**
Significant accounting policies	1		
Notes forming part of accounts	2 to 59		

The accompanying notes are an integral part of the Consolidated Financial statements

For and on behalf of The Board of Directors

As per our attached report of even date.
For **Lodha & Co.**
Chartered Accountants
Firm Reg. No. 301051E

R. P. Baradiya
Partner
Place: Mumbai
Date: August 29, 2023

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469
Place : Mumbai
Date: August 29, 2023

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

GROUP INFORMATION

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

The Company is a public limited company incorporated in India having CIN No-U24110MH1993PLC070713 with its registered office at Kalpataru Square, 4th Floor, Kondivita Road, Off. Andheri Kurla Road, Andheri (East), Mumbai 400059, Maharashtra.

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

a. Subsidiaries

Name of the Company	Country of Incorporation	Principal Activities	Proportion of Equity Interest (%)
Indofil Industries (Netherlands) B.V.	The Netherlands	Marketing & Distribution of Agrochemicals	100%
Indofil Bangladesh Industries Pvt. Ltd.	Bangladesh		100%
Indofil Costa Rica S.A.	Costa Rica		100%
Indofil Industries DO Brasil Ltda.	Brazil		100%
Indofil Philippines, Inc	Philippines		100%
PT Indofil Industries Indonesia	Indonesia		100%
Agrowin Biosciences S.r.l	Italy		96.55%
Indocoast International DMCC	UAE	Marketing & Distribution of Agrochemicals	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%

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%
Reagens India Polymer Additives Private Limited (formerly known as Indo Reagens polymer Additives Private Limited)	India		49.90% till 2nd August 2021 & onwards 5%

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1. Statement of Compliance

The financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind-AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to the financial statements.

Accordingly, the Group has prepared these financial statements which comprise the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

1.2. Basis of preparation

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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

- The difference between the cost of investments in subsidiary companies over the respective assets and liabilities recorded at fair values at the time of acquisition of shares in the subsidiary companies are recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

- The investments in the Joint Ventures are accounted for using the Equity Method of accounting as laid down under Ind AS 28 – "Investment in Associates and Joint Ventures". The investments are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The unrealised profits/losses on transactions with the JV/associate company are eliminated by reducing the carrying amount of investments.

- Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.These consolidated financial statements are presented in Indian Rupees (INR) and all amounts are rounded off to nearest Crores (INR '00,00,000) up to two decimals, except when otherwise indicated.

1.3. Use of Estimates and Judgments

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

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the carrying amounts of assets and liabilities:

* Measurement of Defined Benefit Obligations – Note 49
* Measurement and likelihood of occurrence of provisions and contingencies – Notes 23, 28 and 42
* Key Assumptions used in Fair Valuation Methods of Financial Assets – Note 48
* Impairment of Financial Assets (Trade Receivables) – Note 13

1.4. Classification of Assets and Liabilities

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

An asset is treated as "current" when :

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

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

A liability is "current" when :

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

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

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

1.5. Property, Plant and Equipment

Property, plant and equipment are stated at cost / allocated cost less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Cost includes all costs relating to acquisition and installation of Property, plant and equipment including any incidental costs of bringing the assets to their working condition for their intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

Where cost of the part of the asset is significant to total cost of asset and useful life of that part is different from useful life of the asset, useful life and the value of that significant part shall be determined separately through internal/external expert. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

Assets in the course of construction are reflected in capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of Property, plant and equipment. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalized.

Derecognition

The carrying amount of a property, plant and equipment is de-recognized when no future economic benefits are expected from its use or on disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement profit & loss.

Machinery spares that can be used only in connection with an item of Property, plant and equipment & where use are expected is more than one year are capitalized along with plant & machinery.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised as to write off the cost of assets (other than freehold land and properties under construction) less their residual values.

Depreciation commences when the assets are ready for their intended use. Depreciation are provided on a written down value method and straight line method on the basis of the useful life prescribed in Schedule II of the Companies Act, 2013 or the economic useful lives determined as per technical assessment. In case of below mentioned class of assets, life of the assets has been determined as per technical assessment.

Class of assets	Years
Plant & equipment	7 to 30 years
Building	15 to 60 years
Computer & computer accessories	1 to 10 years
Furniture and Fixtures	5 to 30 years
Vehicles	5 to 10 years
Office Equipment	4 to 15 years
Road and culvert	5 to 30 years

The useful lives are reviewed annually. If the expected useful life of the asset is significantly different from previous estimates, the depreciation period is changed accordingly.

1.6. Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow and the cost of the item can be measured reliably. 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.

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

1.7. Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale and the sale is expected within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance.

1.8. Research and Development Costs

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.

1.9. Inventories

Inventories includes raw materials, work-in-progress, stock-in-trade, finished goods, stores & spares, packing materials, and goods in transit are valued at lower of cost and net realizable value.

Raw Materials - Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average basis.

Finished Goods / Work in Progress - Cost includes cost of direct material, labor, other direct cost (Including variable costs) and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

Stock-in-trade - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and conditions. Cost is determined using weighted average basis.

Stores and Spares, Packing Materials - Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Adequate allowance is made for obsolete and slow-moving items.

1.10. Financial instruments

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

Financial assets

- **Initial recognition and measurement**

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

- **Subsequent Measurement**

  Financial Assets are subsequently classified as measured at

  - Amortized cost
  - Fair Value through Profit and Loss (FVTPL)
  - Fair Value through Other Comprehensive IIncome (FVOCI)

  Financial Assets are not reclassified subsequent to their recognition, except in the period when the Group 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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

on the principal amount outstanding and selling financial assets.

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

- **Impairment**

  The Group 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 Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Financial liabilities

- **Initial recognition and measurement**

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

- **Subsequent measurement**

  Financial Liabilities are subsequently classified as measured at

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

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

- **Derecognition**

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

- **Offsetting of financial instruments**

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

- **Financial Guarantee Contracts**

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

1.11. Hedge Accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Parent Company designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Parent Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

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

1.12. Impairment of Non-Financial Assets

If internal/external indications suggest that an asset of the Group may be impaired, the recoverable amount of asset/cash generating unit is determined on the Balance Sheet date and if it is less than it's 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.

1.13. Provisions and Contingent Liabilities / Assets

Provisions are recognised when the Group 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.

1.14. Revenue from Contracts with Customers:

Revenue from contracts with customers for sale of goods is recognised when the Group satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at a point in time, i.e., when the customer obtains control of the asset.

Revenue is measured at the amount of transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and applicable Good and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. The discounts/ right of return are estimated and provided for, based on past experience. A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

Export Incentives

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

Notes forming part of the Consolidated Financial Statements

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Insurance claims

Insurance claims are accounted upon acceptance of claims.

Interest and Dividend income

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

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

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

1.15. Leases

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

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

As a Lessee

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

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

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

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

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

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

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

Short-term leases and leases of low-value assets

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

As a Lessor

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

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

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

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

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

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

1.16. Foreign Currencies

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

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

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

1.17. Employee Benefits

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

Defined Contribution Plans

The Group's contributions paid/payable during the year to Employees' Provident Fund, Family Pension Fund, ESIC, Labour Welfare Fund, Superannuation Fund are recognised in the Statement of Profit and Loss. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined Benefit Plans

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

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

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

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

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

1.18. Borrowing Costs

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

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

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

1.19. Taxes

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

Current Income Tax

Provision for Current Tax is made on the basis of taxable income for the current year in accordance with the provisions of the applicable tax laws.

Deferred Tax

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

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

Deferred Tax Assets include credit for Minimum Alternate Tax (MAT) is recognised in respect of liability under MAT provisions, based on expected tax liability under normal provision of the applicable tax laws during the period specified thereunder.

1.20. Earnings Per Share

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

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

1.21. Segment Reporting

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

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Segment Policies:

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

2. Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is evaluating the impact, if any, in its financial statements and does not expect to have these amendments to have any significant impacts in its financial statements.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 3A : PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Description of assets	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Road and culvert	Total
I. Gross carrying amount									
Balance as at April 01, 2021	**1.77**	**357.54**	**602.82**	**9.24**	**12.29**	**15.69**	**11.62**	**11.85**	**1,022.82**
Additions during the year	-	7.24	15.67	0.51	1.06	0.46	1.37	-	26.31
Deletions during the year	-	-	(3.01)	(0.10)	(1.28)	(0.14)	(0.06)	-	(4.59)
Reclassified as held for sale	-	-	(0.36)	-	-	-	-	-	(0.36)
Adjustments	-	(0.07)	(0.04)	0.05	(0.01)	0.02	0.03	-	(0.02)
Balance as at March 31, 2022	**1.77**	**364.71**	**615.08**	**9.70**	**12.06**	**16.03**	**12.96**	**11.85**	**1,044.16**
Additions during the year	-	4.80	33.32	1.59	2.98	0.93	1.73	-	45.35
Deletions during the year	-	(5.38)	(20.58)	(1.30)	(3.57)	(5.88)	(5.77)	-	(42.48)
Provision for Impairment	-	(0.87)	(16.36)	-	-	-	(0.10)	-	(17.33)
Reclassified as held for sale	-	(0.06)	(0.94)	-	-	-	(0.00)	-	(1.00)
Adjustments	-	1.81	(0.20)	(0.08)	0.01	0.02	(0.05)	-	1.51
Balance as at March 31, 2023	**1.77**	**365.01**	**610.32**	**9.91**	**11.48**	**11.10**	**8.77**	**11.85**	**1,030.21**
II. Accumulated depreciation									
Balance as at April 01, 2021	**-**	**125.01**	**209.13**	**7.43**	**9.65**	**13.62**	**10.38**	**7.82**	**383.04**
Depreciation during the year	-	19.83	37.57	0.51	0.99	0.77	0.82	1.01	61.50
Deletions during the year	-	-	(0.56)	(0.06)	(1.30)	(0.13)	(0.06)	-	(2.11)
Adjustments	-	0.02	0.01	(0.01)	0.07	0.01	0.02	-	0.12
Balance as at March 31, 2022	**-**	**144.86**	**246.15**	**7.87**	**9.41**	**14.27**	**11.16**	**8.83**	**442.55**
Depreciation during the year	-	18.54	35.31	0.54	1.32	0.74	1.26	0.67	58.37
Deletions during the year	-	(3.06)	(15.36)	(1.11)	(3.41)	(5.42)	(5.37)	-	(33.75)
Provision for Impairment	-	(0.62)	(12.62)	-	-	-	(0.10)	-	(13.33)
Adjustments	-	2.09	(0.15)	0.00	0.23	0.02	0.02	-	2.21
Balance as at March 31, 2023	**-**	**161.80**	**253.33**	**7.30**	**7.55**	**9.61**	**6.97**	**9.50**	**456.06**
Net carrying amount as on March 31, 2023	**1.77**	**203.21**	**356.99**	**2.61**	**3.94**	**1.49**	**1.80**	**2.34**	**574.15**
Net carrying amount as on March 31, 2022	**1.77**	**219.85**	**368.93**	**1.83**	**2.65**	**1.76**	**1.80**	**3.02**	**601.61**

Notes:

1. *Buildings includes cost of shares of face value of ₹ 1,350 (previous year ₹ 1,350)*
2. *Property at Sameer Vihar, Modi Nagar which was acquired by the Parent company under slump sale arrangement from Modipon Limited is in the process of being transferred in the name of the Parent company in local land records in due course. It is yielding rental income to the Parent company, and it is not recognised as an investment property due to the non-availability of reliable measurement of cost. The fair value of the said investment property based on the management estimate is ₹ 32.62 crores as at March 31, 2023 (previous year ₹ 32.62 crores).*
3. *Freehold land parcels located at Thane having carrying amount of ₹ 1.77 crores (previous year ₹ 1.77 crores), which was acquired by the Parent company under slump sale arrangement from Modipon Limited, have been duly registered with Thane Sub Registrar. It is in possession and used for the operations of the Parent company, however, is in process of being transferred in the name of the Parent company in local 7/12 records.*
4. *Refer Note 21 and Note 24 for property, plant and equipment pledged against borrowings.*
5. *Refer Note 43 for capital commitment.*

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 3B : CAPITAL WORK-IN-PROGRESS

₹ in Crores

Particulars	Buildings under construction	Plant and equipment under installation	Total
Balance as at April 01, 2021	**1.10**	**17.10**	**18.20**
Additions during the year	1.35	8.74	10.09
Capitalised during the year	-	(16.34)	(16.34)
Balance as at March 31, 2022	**2.45**	**9.50**	**11.95**
Additions during the year	9.20	23.12	32.32
Capitalised during the year	(4.75)	(6.60)	(11.35)
Balance as at March 31, 2023	**6.90**	**26.02**	**32.92**

CWIP aging as on March 31, 2023

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	32.20	0.72	-	-	32.92
Projects temporarily suspended	-	-	-	-	-
Total	**32.20**	**0.72**	**-**	**-**	**32.92**

CWIP aging as on March 31, 2022

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.15	2.29	0.05	0.46	11.95
Projects temporarily suspended	-	-	-	-	-
Total	**9.15**	**2.29**	**0.05**	**0.46**	**11.95**

Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

For the year ended March 31, 2023

₹ in Crores

Particulars	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
ZINEB Line with spray dryer	4.45	-	-	-
Others	0.10	-	-	-
Total	**4.55**	**-**	**-**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

For the year ended March 31, 2022

₹ in Crores

Particulars	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
MEE Filteration plant for ETP - 2	8.95	-	-	-
QR Code Implementation	0.67	-	-	-
Others	1.22	-	-	-
Total	**10.84**	**-**	**-**	**-**

NOTE 4 : RIGHT-OF-USE ASSETS

₹ in Crores

Particulars	Leasehold land	Factory Building	Vehicles	Total
I. Carrying amount				
Balance as at April 01, 2021	37.25	0.98	7.61	45.84
Additions during the year	0.22	-	-	0.22
Deductions/adjustments during the year	(16.34)	-	-	(16.34)
Balance as on March 31, 2022	**21.13**	**0.98**	**7.61**	**29.72**
Additions during the year	-	-	-	-
Deductions/adjustments during the year	(0.30)	-	-	(0.30)
Balance as on March 31, 2023	**20.83**	**0.98**	**7.61**	**29.42**
II. Accumulated amortisation				
Balance as at April 1, 2021	**1.47**	**0.33**	**6.01**	**7.81**
Amortisation during the year	0.73	0.23	0.85	1.81
Deductions/adjustments during the year	(0.76)	(0.00)	-	(0.76)
Balance as on March 31, 2022	**1.44**	**0.56**	**6.86**	**8.86**
Amortisation during the year	0.57	0.20	0.69	1.46
Deductions/adjustments during the year	(0.01)	0.06	-	0.05
Balance as on March 31, 2023	**2.00**	**0.82**	**7.55**	**10.37**
Net carrying amount as on March 31, 2023	**18.83**	**0.16**	**0.06**	**19.05**
Net carrying amount as on March 31, 2022	**19.69**	**0.42**	**0.75**	**20.86**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 5A : OTHER INTANGIBLE ASSETS

₹ in Crores

Description of assets	Software	Product development	Total
I. Gross carrying amount			
Balance as at April 1, 2021	**6.70**	**491.35**	**498.05**
Additions during the year	0.78	5.82	6.60
Deletions during the year	-	-	-
Adjustments during the year	0.03	(0.57)	(0.54)
Balance as at March 31, 2022	**7.51**	**496.60**	**504.11**
Additions during the year	11.48	10.24	21.72
Deletions during the year	-	(1.73)	(1.73)
Adjustments during the year	(0.00)	9.50	9.50
Balance as at March 31, 2023	**18.99**	**514.62**	**533.60**
II. Accumulated amortisation			
Balance as at April 1, 2021	**3.02**	**343.25**	**346.27**
Amortization during the year	0.92	25.64	26.56
Adjustments during the year	(0.01)	(4.67)	(4.68)
Balance as at March 31, 2022	**3.93**	**364.22**	**368.15**
Amortization during the year	1.06	25.95	27.01
Deletions during the year	-	(1.21)	(1.21)
Provision for Impairment	-	-	-
Adjustments during the year	0.00	15.41	15.41
Balance as at March 31, 2023	**4.99**	**404.36**	**409.35**
Net carrying amount as on March 31, 2023	**14.00**	**110.25**	**124.25**
Net carrying amount as on March 31, 2022	**3.58**	**132.38**	**135.96**

NOTE 5B : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	Software	Product development and registration	Total
Balance as at April 01, 2021	**-**	**64.83**	**64.83**
Additions during the year	5.80	43.63	49.43
Capitalised during the year	-	(7.40)	(7.40)
Adjustments during the year	-	0.26	0.26
Balance as at March 31, 2022	**5.80**	**101.32**	**107.12**
Additions during the year	5.52	13.53	19.05
Capitalised during the year	(11.32)	(2.52)	(13.84)
Deletions during the year	-	(1.47)	(1.47)
Adjustments during the year	-	5.84	5.84
Balance as at March 31, 2023	**-**	**116.70**	**116.70**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Ageing of intangible assets under development as on March 31, 2023

₹ in Crores

Particulars	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	35.89	44.61	27.27	8.93	116.70
Total	**35.89**	**44.61**	**27.27**	**8.93**	**116.70**

Ageing of intangible assets under development as on March 31, 2022

₹ in Crores

Particulars	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	48.00	25.08	26.19	7.85	107.12
Total	**48.00**	**25.08**	**26.19**	**7.85**	**107.12**

Details of intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

For the year ended March 31, 2023

₹ in Crores

Particulars	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Product under development and registration	23.39	7.25	1.92	0.40	32.96
Total	**23.39**	**7.25**	**1.92**	**0.40**	**32.96**

Details of intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

For the year ended March 31, 2022

₹ in Crores

Particulars	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Software under development	5.80	-	-	-	5.80
Product under development	14.05	8.78	8.98	9.42	41.23
Total	**19.85**	**8.78**	**8.98**	**9.42**	**47.03**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments in equity instruments				
Investments in equity share accounted for using equity method				
Unquoted, Fully paid up				
In Joint Venture				
Indo Baijin Chemicals Private Limited	43,66,096	43.66	43,66,096	43.66
(Face value - ₹ 100 each)				
Add: Share of profit of joint venture		106.41		55.36
Total		**150.07**		**99.02**
Investments at fair value through other comprehensive income (FVOCI)				
Quoted, Fully paid up				
Modi Rubber Limited	2,15,311	1.25	2,15,311	1.46
(Face value - ₹ 10 each)				
Godfrey Philips India Limited	65,45,020	1,190.41	65,45,020	661.18
(Face value - ₹ 2 each)				
Unquoted, Fully paid up				
The Cosmos Co-Op. Bank Limited	14,250	0.89	14,250	0.89
(Face value - ₹ 100 each)				
KKM Management Centre Private Limited	3,38,100	1.06	3,38,100	1.11
(Face value - ₹ 10 each)				
Grace Breeding Nitrogen Fixation Technologies Limited	10,848	10.68	10,848	10.68
(Face value - NIS 0.01 each)				
Less : Provision for diminution in the value of investment routed through OCI and disclosed as fair value change		(10.68)		
Modi Spinning and Weaving Mills Co.Limited	75,631	0.08	75,631	0.08
(Face value - ₹ 10 each)				
Less : Provision for diminution in the value of investment		(0.08)		(0.08)
Modi Industries Limited	5,580	0.01	5,580	0.01
(Face value - ₹ 10 each)				
Less : Provision for diminution in the value of investment		(0.01)		(0.01)
KKM Management Centre Middle East (FZE)	-	-	192	0.65
(Face value - AED 1000 each)				
Investments in ITACA	30,000	0.69	30,000	0.63
(Face value - Euro 1 each)				
International Research Park Laboratories	50,000	0.05	50,000	0.05
(Face value - ₹ 10 each)				
Beacon Travels Private Limited	4,500	0.53	4,500	0.52
(Face value - ₹ 10 each)				
Agache Associates Limited	6,250	0.01	6,250	0.01
(Face value - ₹ 10 each)				
Less : Provision for diminution in the value of investment		(0.01)		(0.01)
Reagens India Polymer Additives Private Limited (formerly known as Indo Reagens Polymer Additives Private Limited)	20,00,000	2.00	20,00,000	2.00
(Face value - ₹ 10 each)				

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments carried at fair value through profit or loss (FVTPL)				
Investment in preference shares				
Others				
Unquoted, Fully paid up				
Modi Spinning & Weaving Mills Co. Limited	165	0.00	165	0.00
(Face value - ₹ 100 each)				
Less : Provision for diminution in value of investment	-	(0.00)	-	(0.00)
Premium Tradelinks Private Limited	9,56,000	0.96	9,56,000	0.96
(Face value - ₹ 10 each)				
Investments in debentures (Unquoted, Fully paid up)				
Modi Industries Limited	328	0.01	328	0.01
(Face value - ₹ 200 each)				
Less : Provision for diminution in value of investment		(0.01)		(0.01)
Investments in units of mutual funds - debt instrument (Unquoted, Fully paid up)				
ABSL short term fund - growth direct	13,63,594	5.83	-	-
(Face value - ₹ 10 each)				
Aditya Birla sun life arbitrage fund- growth direct plan	7,03,392	1.69	7,03,392	1.60
(Face value - ₹ 10 each)				
ICICI Prudential equity arbitrage fund	-	-	6,87,114	1.07
(Face value - ₹ 10 each)				
ICICI equity arbitrage fund - direct growth	3,64,222	1.13	-	-
(Face value - ₹ 10 each)				
Aditya Birla Sunlife Short Term Fund-Direct-Growth	26,27,884	11.24	-	-
(Face value - ₹ 10 each)				
ABSL Arbitrage fund- growth direct plan	10,52,926	2.53	10,52,926	2.39
(Face value - ₹ 10 each)				
DSP Arbitrage fund direct growth	20,53,303	2.71	20,53,303	2.56
(Face value - ₹ 10 each)				
TOTAL		**1,373.03**		**786.77**
Aggregate amount of quoted investments and market value thereof		**1,191.66**		**662.64**
Aggregate amount of unquoted investments		**192.16**		**124.22**
Aggregate amount of diminution in value of unquoted investments		**(10.79)**		**(0.10)**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 6A : ASSETS CLASSIFIED AS HELD FOR SALE

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Plant and equipment - held for Sale	1.32	0.36
TOTAL	**1.32**	**0.36**

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loans to employees	0.19	0.15
TOTAL	**0.19**	**0.15**

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Forward contracts receivable (Refer 8.1 below)	-	1.07
Fixed deposits having remaining maturity of more than 12 months (Refer note 8.2 below)	0.00	0.06
Security deposits	9.28	9.43
TOTAL	**9.28**	**10.56**

8.1 The Parent company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

8.2 Fixed deposits amounting to ₹ Nil (Previous year ₹ 0.06 crores) were under lien for agriculture product registration.

NOTE 9 : INCOME TAXES

a. Current tax assets and liabilities

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax assets		
Income tax refundable (net of provision for taxation of ₹ 457.91 crores) (previous year ₹ 410.61 crores)	20.47	22.97
TOTAL	**20.47**	**22.97**
Current tax liabilities		
Provision for tax (net of advance income tax)	-	1.40
TOTAL	**-**	**1.40**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 9 : INCOME TAXES (Contd.)

b. Components of income tax expense

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income tax recognised in the statement of profit and loss		
Current tax:		
Current tax	81.62	96.36
Deferred tax (credit) / charge	10.51	(8.07)
Taxes in respect of earlier years	5.03	1.08
TOTAL	**97.16**	**89.36**

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Particulars		
Tax related to items recognised in other comprehensive income		
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(0.08)	(18.22)
Re-measurement gains/(losses) on defined benefit plans	-	(7.10)
Equity Instruments through Other Comprehensive Income	(60.57)	(4.63)
TOTAL	**(60.65)**	**(29.96)**

c. Reconciliation of effective tax rate

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

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	284.46	296.41
Statutory tax rate	**25.17%**	**34.94%**
Expected income tax expense at statutory tax rate	71.60	103.58
Income Tax adjustments on :		
Amounts not allowable under Income tax	1.79	1.73
Tax effects of non taxable income	(2.24)	(5.07)
Items with respect to differential tax rates (includes indexation impact)	**0.42**	**(2.12)**
Entitlement of MAT credit	17.05	-
Taxes in respect of earlier years	5.03	1.08
Unabsorbed losses	2.07	
Others	1.44	(9.82)
Tax expense	**97.16**	**89.36**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 9 : INCOME TAXES (Contd.)

d. Movement during the year

₹ in Crores

Particulars	Balance as at April 1, 2022	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Utilisation of MAT credit	Others	Balance as at March 31, 2023
Property, plant and equipment and other intangible assets	(51.20)	5.74	-	-	-	(45.47)
Provision for doubtful debts, advances and deposits	11.03	1.03	-	-	-	12.23
Payment under voluntary retirement scheme	3.16	(1.58)	-	-	-	1.58
Expenses allowed in the year of payment	6.91	(1.51)	-	-	-	5.40
Fair value changes of current investment through profit and loss	(0.66)	0.41	-	-	-	(0.25)
Equity instruments through Other Comprehensive Income	(4.63)	-	(61.69)	-	-	(66.32)
MAT credit entitlement	18.91	(17.05)	-	(1.86)	-	(0.00)
Forward contract MTM	-	0.46				0.46
Undistributed profit of joint ventures	(6.45)	(5.95)	-	-	-	(12.39)
Business losses and unabsorbed depreciation of subsidiary	9.83	2.07	-	-	-	11.90
Undistributed profit of subsidiaries	(2.53)	(0.08)	-	-	-	(2.61)
TOTAL	**(15.46)**	**(16.45)**	**(61.69)**	**(1.86)**	**-**	**(95.47)**

₹ in Crores

Particulars	Balance as at April 1, 2021	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Utilisation of MAT credit	Others	Balance as at March 31, 2022
Property, plant and equipment and other intangible assets	(42.55)	(8.66)	-	-	-	(51.20)
Provision for doubtful debts, advances and deposits	14.98	(3.78)	-	-	-	11.20
Payment under voluntary retirement scheme	5.37	(2.21)	-	-	-	3.16
Expenses allowed in the year of payment	5.54	1.37	-	-	-	6.91

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

₹ in Crores

Particulars	Balance as at April 1, 2021	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Utilisation of MAT credit	Others	Balance as at March 31, 2022
Fair value changes of current investment through profit and loss	(0.30)	(0.36)	-	-	-	(0.66)
Equity instruments through Other Comprehensive Income	-	-	(4.63)	-	-	(4.63)
Defined benefit obligations	7.10	-	(7.10)	-	-	-
Effective portion of gains and loss on designated portion of hedging instruments cash flow hedge	18.22	-	(18.22)	-	-	(0.00)
MAT credit entitlement	52.56	14.35	-	(48.01)	-	18.91
Undistributed profit of joint ventures	(14.79)	8.34	-	-	-	(6.45)
Business losses and unabsorbed depreciation of subsidiary	14.07	(0.01)	-	-	(4.23)	9.83
Undistributed profit of subsidiaries	-	(2.53)	-	-	-	(2.53)
TOTAL	**60.21**	**6.52**	**(29.96)**	**(48.01)**	**(4.23)**	**(15.46)**

NOTE 10 : OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	0.25	4.22
Prepaid expenses	0.59	0.04
Balances with government authorities	4.63	3.81
TOTAL	**5.47**	**8.07**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	153.67	91.12
Raw materials-in-transit	19.23	13.04
Work-in-progress	0.09	0.90
Finished goods	313.87	358.64
Finished goods-in-transit	49.20	90.64
Stock-in-trade	119.12	50.00
Stores and spares	11.35	12.96
Packing materials	22.37	24.03
TOTAL	**688.90**	**641.32**

1. Value of inventories above is stated after write down by ₹ 32.22 crores (previous year ₹ 20.44 crores) to net realisable value (mainly on account of slow / non-moving / obsolete etc). These were recognised as an expense during the year and included in changes in inventories of finished goods, work in progress and stock in trade.
2. Certain inventories have been hypothicated as security against certain bank borrowings availed by the Parent company, details relating to which have been described in Notes 21 and 24.
3. Inventories of Agrowin Biosciences s.r.l.(The Subsidiary) have been hypothecated as security against certain bank borrowings availed by the said company, details relating to which have been described in Note 24.

NOTE 12 : FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments carried at fair value through profit or loss (FVTPL)				
Investments in units of mutual funds- debt instrument (Unquoted, Fully paid up)				
Franklin india ultra short bond fund	-	-	17,605	0.06
(Face value - ₹ 10 each)				
UTI money market fund - regular - growth	19,506.66	5.09	41,148	10.15
(Face value - ₹ 1,000 each)				
Kotak savings fund - regular - growth	49,99,750.01	5.04	99,99,500	10.01
(Face value - ₹ 10 each)				
Aditya birla sun life savings fund - regular - growth	2,71,597.28	10.14	3,78,408	16.66
(Face value - ₹ 100 each)				
Tata money market fund - regular - growth	10,206.07	4.08	64,538	24.43
(Face value - ₹ 1,000 each)				
Nippon india money market fund - regular plan - growth	14,480.59	5.09	-	-
(Face value - ₹ 3,000 each)				
Axis money market fund - regular plan - growth	25,146.68	3.05	-	-
(Face value - ₹ 1,000 each)				
DSP overnight fund - regular - growth	-	-	2,22,109	25.22
(Face value - ₹ 1,000 each)				
Axis overnight fund - regular - growth	-	-	2,24,803	25.22
(Face value - ₹ 1,000 each)				
ICICI prudential money market fund - regular plan - growth	1,26,447.22	4.06	-	-
(Face value - ₹ 100 each)				
ICICI prudential fixed maturity plan	9,99,950.00	1.00	-	-
(Face value - ₹ 10 each)				

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 12 : FINANCIAL ASSETS - INVESTMENTS (CURRENT) (Contd.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Crores	Nos.	₹ in Crores
DSP savings fund - regular plan - growth	9,04,621.04	4.06	-	-
(Face value - ₹ 10 each)				
Aditya birla sun life liquid fund - regular - growth	55,624.43	2.00	-	-
(Face value - ₹ 100 each)				
Union balanced advantage - regular - growth	-	-	3,77,200	0.56
(Face value - ₹ 10 each)				
Union large cap fund - regular - growth	18,631.81	4.00	2,49,990	0.41
(Face value - ₹ 10 each)				
UTI liquid fund - cash plan - regular plan - growth	10,925.72	4.00	-	-
(Face value - ₹ 3,000 each)				
Mahindra manulife liquid fund - regular plan - growth	84,147.59	12.23	-	-
(Face value - ₹ 1,000 each)				
Invesco india liquid fund - regular plan - growth	13,042.40	4.00	-	-
(Face value - ₹ 3,000 each)				
HSBC liquid fund - regular plan - growth	17,975.67	4.00	-	-
(Face value - ₹ 2,000 each)				
Axis liquid fund - regular plan - growth	32,495.00	8.07	-	-
(Face value - ₹ 2,000 each)				
Mirae asset cash management fund - regular plan - growth	30,040.09	7.03	-	-
(Face value - ₹ 2,000 each)				
Mirae asset fixed maturity plan	39,99,800.01	4.04	-	-
(Face value - ₹ 10 each)				
TOTAL		**90.98**		**112.72**
Aggregate amount of quoted investment and market value thereof		**-**		**-**
Aggregate amount of unquoted investments		**90.98**		**112.72**
Aggregate amount of impairment in value of unquoted investments		**-**		**-**

NOTE 13 : FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
Considered good – secured	5.66		7.46	
Considered doubtful – secured	0.73	6.39	-	7.46
Considered good – unsecured	752.35		777.25	
Trade receivables – credit impaired	49.91	802.25	43.78	821.03
Add: Allowance for bad and doubtful debts		(50.63)		(43.78)
TOTAL		**758.01**		**784.71**

Notes:

1. The credit period ranges from 30 days to 270 days for customers.
2. Trade receivables considered secured are secured against security deposit taken by the Group.
3. No trade or other receivable is due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 13 : FINANCIAL ASSETS - TRADE RECEIVABLES (Contd.)

4. Movement in the amount of credit impaired on trade receivables:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	43.78	50.85
Add: Allowance for bad and doubtful debts	7.58	2.35
Less: Bad debts written off	(0.73)	(9.42)
Balance at the end of the year	**50.63**	**43.78**

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2023

₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	599.92	130.80	23.31	3.82	0.16		758.01
Undisputed trade receivables - considered doubtful	-	0.03	3.15	4.48	0.56	8.68	16.90
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	0.00	0.00	0.18	1.13	32.42	33.73
Less: Provision against doubtful debt	(0.00)	(0.12)	(3.16)	(4.40)	(1.85)	(41.10)	(50.63)
TOTAL (A)	**599.92**	**130.71**	**23.30**	**4.08**	**-**	**-**	**758.01**
Unbilled receivables (B)	-	-	-	-	-	-	-
TOTAL [(A) - (B)]	**599.92**	**130.71**	**23.30**	**4.08**	**-**	**-**	**758.01**

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2022

₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	5.05	690.38	52.76	35.28	0.80	2.30	786.57
Undisputed trade receivables - considered doubtful	-	0.05	0.06	0.05	0.32	10.26	10.74
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	0.03	0.02	0.05	0.13	30.95	31.18
Less: Provision against doubtful debt	-	(0.12)	(0.08)	(2.37)	(0.32)	(40.89)	(43.78)
TOTAL (A)	**5.05**	**690.34**	**52.76**	**33.01**	**0.93**	**2.62**	**784.71**
Unbilled receivables (B)	-	-	-	-	-	-	-
TOTAL [(A) - (B)]	**5.05**	**690.34**	**52.76**	**33.01**	**0.93**	**2.62**	**784.71**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 14 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	140.39	278.63
Cash on hand	0.12	0.10
Fixed deposits with maturity of less than 3 months	-	112.09
TOTAL	**140.51**	**390.82**

NOTE 15 : FINANCIAL ASSETS - OTHER BANK BALANCES

Particulars	As at March 31, 2023		As at March 31, 2022	
Earmarked balances in current accounts				
a) Unclaimed dividend account	0.75		0.87	
b) Unspent CSR account	0.33	1.08	2.34	3.21
Fixed deposits having original maturity of more than 3 months but less than 12 months (Refer 15.2 below)		89.96		125.83
TOTAL		**91.04**		**129.03**

15.1: Includes FD's lien against bank guarantees for ₹ Nil (previous year ₹0.06 crores), against borrowings ₹ 2.84 crores (previous year ₹ 2.84 crores), against legal case security for ₹ 1.54 crores (previous year ₹ 1.42 crores), against appeal order with Commercial Tax, Lucknow for ₹ 0.02 crores (previous year ₹ 0.02 crores), against security for gas supply for ₹ 1.86 crores (previous year ₹ 2.10 crores), against bank guarantee for Pollution Control Board ₹ 0.09 crores (previous year ₹ 0.09 crores) & for Water Control Board ₹ 0.01 crores (previous year ₹ 0.01 crores), against foreign currency term loan from IndusInd bank ₹ 5.25 crores (previous year ₹ 4.89 crores), against loan from Exim bank ₹ Nil (previous year ₹ 0.30 crores).

NOTE 16 : FINANCIAL ASSETS - LOANS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loans to employees	0.07	0.07
TOTAL	**0.07**	**0.07**

NOTE 17 : FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Interest and other receivable	2.02	3.65
Forward contracts receivable (Refer 17.1 below)	-	1.97
Security deposits considered good - unsecured	0.60	0.56
Security deposits - doubtful	0.74	0.49
	1.34	**1.05**
Less: Provision for doubtful security deposits	(0.74)	(0.49)
	0.60	0.56
TOTAL	**2.62**	**6.18**

17.1 The Parent company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 18 : OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Advances to suppliers - considered good	15.50	7.55
Advances to suppliers - doubtful	-	2.53
	15.50	10.08
Less: Provision for doubtful advances	-	(2.53)
	15.50	7.55
Employee advances	1.52	1.52
Prepaid expenses	5.54	6.92
Export incentive receivables	0.50	3.81
Balances with government authorities	34.85	33.76
TOTAL	**57.91**	**53.56**

NOTE 19 : EQUITY SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
4,40,00,000 (4,40,00,000) equity shares of ₹ 10 par value	44.00	44.00
6,00,000 (6,00,000) 6% non-cumulative redeemable	6.00	6.00
Preference Shares of ₹ 100 par value		
TOTAL AUTHORISED SHARE CAPITAL	**50.00**	**50.00**
Issued, subscribed and paid up		
2,06,62,400 (2,06,62,400) equity shares ₹ 10 par value fully paid up	20.66	20.66
22,95,822 (22,95,822) equity shares of ₹ 10 par value, ₹ 3 called up	0.69	0.69
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	**21.35**	**21.35**

a. Reconciliation of the number of shares outstanding :

Fully paid up shares:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
Shares at the beginning of the year	2,06,62,400	20.66	2,06,62,400	20.66
Changes during the year	-	-	-	-
Shares at the end of the year	**2,06,62,400**	**20.66**	**2,06,62,400**	**20.66**

Partly paid up shares:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
Shares at the beginning of the year	22,95,822	0.69	22,95,822	0.69
Changes during the year	-	-	-	-
Shares at the end of the year	**22,95,822**	**0.69**	**22,95,822**	**0.69**

b. Terms and rights attached to equity shares

1. Equity shares have a par value of ₹ 10. Equity Shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Parent company in proportion to the number of and amounts paid on the shares held after distribution of all preferential amounts.
2. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 19 : EQUITY SHARE CAPITAL (Contd.)

3. The Parent company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors of the Parent company is subject to the approval of the shareholders in the Annual General meeting, except in case of interim dividend.

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

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
K.K.Modi Investment and Financial Services Private Limited	1,02,73,073	44.75%	1,02,73,073	44.75%
APMS Investment Fund Limited (FII)	16,35,822	7.13%	16,35,822	7.13%
U.P. State Industrial Development Corporation Limited	21,69,956	9.45%	21,69,956	9.45%
Rajputana Developers Limited	19,16,666	8.35%	19,16,666	8.35%

d. No. of shares held by promoters of the Parent company:

Fully paid up shares:

Name of the Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Dr. Bina Modi	4,07,213	1.77%	4,07,213	1.77%	0.00%
Mr. Lalit K Modi	10,455	0.05%	10,455	0.05%	0.00%
Mr. Samir K Modi	23,189	0.10%	23,189	0.10%	0.00%
Mr. Ruchir Modi	7,841	0.03%	7,841	0.03%	0.00%
K.K.Modi Investment & Financial Services Private Limited	90,64,059	39.48%	90,64,059	39.48%	0.00%
Rajputana Developers Limited	18,37,500	8.00%	18,37,500	8.00%	0.00%
Premium Merchants Limited	4,18,284	1.82%	4,18,284	1.82%	0.00%
Kaushambi Industries Private Limited	3,216	0.01%	3,216	0.01%	0.00%
HMA Udyog Private Limited	1,35,000	0.59%	1,35,000	0.59%	0.00%
Indofil Employee Trusts	7,45,350	3.25%	7,45,350	3.25%	0.00%

Partly paid up shares:

Name of the Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Dr. Bina Modi	48,744	0.21%	45,244	0.20%	0.01%
Mr. Samir K Modi	2,576	0.01%	2,576	0.01%	0.00%
Mr. Ruchir Modi	2,032	0.01%	2,032	0.01%	0.00%
K.K.Modi Investment & Financial Services Private Limited	12,09,014	5.27%	12,09,014	5.27%	0.00%
Rajputana Developers Limited	79,166	0.34%	79,166	0.34%	0.00%
Premium Merchants Limited	46,476	0.20%	46,476	0.20%	0.00%
Kaushambi Industries Private Limited	455	0.00%	455	0.00%	0.00%
Super Investment (India) Limited	1,25,000	0.54%	1,25,000	0.54%	0.00%
Indofil Employee Trusts	1,01,405	0.44%	1,01,405	0.44%	0.00%

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 20 : OTHER EQUITY

₹ in Crores

Particulars		As at March 31, 2023		As at March 31, 2022
Capital reserve				
Opening balance		0.01		0.01
Add/ less: changes during the year		-		-
Closing balance		**0.01**		**0.01**
Capital Reserve on Consolidation				
Opening Balance		-		6.30
Less: Transfer to/(from) special reserve		-		(3.22)
Less: Transfer to/(from) general reserve		-		(1.10)
Less: Transfer to/(from) retained earnings		-		(1.98)
Closing Balance		**-**		**-**
Securities premium				
Opening balance		108.04		108.04
Add/ less: changes during the year				-
Closing balance		**108.04**		**108.04**
Capital redemption reserve				
Opening balance		5.08		5.08
Add/ less: changes during the year		-		-
Closing balance		**5.08**		**5.08**
General reserve				
Opening balance		52.80		51.70
Add/ less: changes during the year		-		1.10
Closing balance		**52.80**		**52.80**
Special economic zone re-investment reserve				
Opening balance		39.24		43.39
Add/ less: changes during the year		(27.19)		(4.16)
Closing balance		**12.05**		**39.24**
Special Reserve				
Opening Balance		22.53		16.15
Add: Transferred to/(from) capital reserve on consolidation				3.22
Add: Transferred to/(from) retained earnings		3.06		3.15
Closing Balance		**25.59**		**22.53**
Retained earnings				
Opening balance		1,663.28		1,460.17
Add: Profit for the year	241.14		218.82	
Less: Transferred to/(from) special reserve	(3.06)		(3.15)	
Less: Transferred to/(from) capital reserve on consolidation	-		1.98	
Less: Transferred to/(from) special economic zone re-investment reserve	27.19		4.15	
Add: Profit attributable to non-controlling interest	1.53		(1.61)	
Add: Goodwill on acquisition	4.13		-	
Less: Dividend on equity shares paid during the year	(8.54)	262.39	(17.08)	203.11
Closing balance		**1,925.67**		**1,663.28**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 20 : OTHER EQUITY (Contd.)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Foreign Currency Translation Reserve		
Opening Balance	(1.17)	(20.25)
Add/ Less: Changes during the year	4.44	19.08
Add/ Less: Non-controlling interest	0.08	
Closing Balance	**3.35**	**(1.17)**
Share of Other Comprehensive Income in Joint Ventures		
Opening Balance	-	(0.07)
Add/ Less: Changes during the year		0.07
Closing Balance	**-**	**-**
Equity instruments through other comprehensive income (OCI)		
Opening balance	370.95	312.09
Add/ Less: Fair value changes of investments in equity instruments	456.59	58.86
Closing balance	**827.55**	**370.95**
Remeasurement of defined benefits plan		
Opening balance	(26.28)	(17.71)
Less: Remeasurement of defined benefits plan	(3.34)	(8.56)
Closing balance	**(29.61)**	**(26.28)**
The effective portion of gains and loss on hedging instruments		
Opening balance	(34.95)	(33.92)
Add/ Less: Gains / (losses) on hedging instruments in a cash flow hedge (net of taxes)	0.24	(1.04)
Closing balance	**(34.71)**	**(34.95)**
Non-controlling interest		
Opening Balance	1.99	0.38
Add/ Less: Profit for the year	(0.07)	1.61
Less: Change in ownership	(1.54)	
Closing Balance	**0.38**	**1.99**
TOTAL	**2,896.18**	**2,201.50**

Nature and purpose of the reserves

a. **Capital reserve**

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

b. **Securities premium**

Securities premium was created when shares are issue at premium. The Parent company may utilise the securities premium as per the requirements of The Companies Act, 2013.

c. **Capital redemption reserve**

Capital redemption reserve was created due to redemption of preference share capital in earlier years as per the requirement of The Companies Act, 2013.

d. **General reserve**

The Group has transferred a portion of net profits of the Group before declaring dividends to general reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to general reserve, is not required under The Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

e. Special economic zone re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve is created out of the profits of eligible SEZ units in terms of the provision of Section 10AA(1)(ii) of the Income Tax Act, 1961 in FY 19-20. The reserve to be utilised by the SEZ unit for acquiring new assets for the purpose of its business as per the terms of Section 10AA(1)(ii) of the Income Tax Act, 1961. Tax on unutilised SEZ investment reserve of ₹ 3.03 crores has been provided during the year and disclosed as tax relating to earlier years in profit and loss account. The said unutilised reserve will be credited to retained earnings in the subsequent year.

f. 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.

g. Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

h. Equity instruments through other comprehensive income

The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised and reflected under equity instruments through other comprehensive income. On disposal, the cumulative fair value changes on the said instruments are reclassified to retained earnings.

i. The effective portion of gains and loss on hedging instruments

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

j. Foreign currency translation reserve

The exchange difference arising from the transaction of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the Foreign currency translation reserve.

NOTE 21 : FINANCIAL LIABILITIES-BORROWINGS-NON-CURRENT

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans from banks - secured		
a. Foreign currency term loans	187.24	267.68
b. Rupee term loan	1.86	-
	189.10	**267.68**
Less : Current maturities of long-term borrowings (Refer note 24)	72.57	91.36
Less: Unamortised upfront fees	0.25	0.56
TOTAL	**116.28**	**175.76**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 21 : FINANCIAL LIABILITIES-BORROWINGS-NON-CURRENT (Contd.)

Terms of repayment

No.	Maturity period from date of balance sheet	0 - 1 year (current)	1 - 2 years	2 - 3 years	3 - 5 years	Total
	Foreign currency term loans					
1	**IndusInd Bank Limited**					
	March 31, 2023	20.52	20.52	10.26	-	51.30
	March 31, 2022	19.32	19.32	19.32	9.67	67.63
	Security	Secured by first pari passu charge on the present and future, movable and immovable property, plant and equipments and right of use leased land of the Parent company (except those assets which have been specifically financed) and second pari passu charge on present and future current assets of the Parent company.				
	Interest rate	3.25% p.a. (Previous year 3.25% p.a.) payable monthly				
2	**DBS Bank India Limited**					
	March 31, 2023	-	-	-	-	-
	March 31, 2022	8.73	-	-	-	8.73
	Security	Secured by first pari passu charge on the present and future, movable and immovable property, plant and equipments and right of use leased land of the Parent company (except those assets which have been specifically financed) and second pari passu charge on present and future current assets of the Parent company.				
	Interest rate	3.5% p.a. (Previous year 3.18% p.a.) payable monthly				
3	**Union Bank of India**					
	March 31, 2023	21.70	21.70	20.34	-	63.74
	March 31, 2022	20.43	20.43	20.43	19.16	80.45
	Security	Secured by first ranking pari passu charge on the EBDC plant at Dahej and second pari passu charge on present and future current assets of the Parent company.				
	Interest rate	3.25% p.a. to 6.00% p.a. (Previous year 3.25% p.a.) payable monthly				
4	**Canara Bank (e-syndicate bank)**					
	March 31, 2023	21.70	21.70	20.34	-	63.74
	March 31, 2022	20.43	20.43	20.43	19.16	80.45
	Security	Secured by first ranking pari passu charge on the EBDC plant at Dahej and second pari passu charge on present and future current assets of the Parent company.				
	Interest rate	3.25% p.a. to 6.00% p.a. (Previous year 3.25% p.a.) payable monthly				
5	**Export-Import Bank of India**					
	March 31, 2023	-	-	-	-	-
	March 31, 2022	5.11	-	-	-	5.11
	Security	Secured by first pari passu charge on movable and immovable property, plant and equipments of the SPCD plant Dahej and second pari passu charge on present and future current assets of the Parent company.				
	Interest rate	3.25% p.a. (Previous year 3.25% p.a.) payable monthly				

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 21 : FINANCIAL LIABILITIES-BORROWINGS-NON-CURRENT (Contd.)

No.	Maturity period from date of balance sheet	0 - 1 year (current)	1 - 2 years	2 - 3 years	3 - 5 years	Total
6	**IndusInd Bank Limited**					
	March 31, 2023	8.46	-	-	-	8.46
	March 31, 2022	10.62	7.97	-	-	18.59
	Security	Secured by first pari passu charge on the present and future, movable and immovable property, plant and equipments and right of use leased land of the Parent company (except those assets which have been specifically financed) and second pari passu charge on present and future current assets of the Parent company.				
	Interest rate	3.25% p.a. (Previous year 3.25% p.a.) payable monthly				
7	**DBS Bank India Limited**					
	March 31, 2023	-	-	-	-	-
	March 31, 2022	6.72	-	-	-	6.72
	Security	Secured by first pari passu charge on the present and future Property, Plant and Equipments of the Parent 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.				
	Interest rate	3.5% p.a. (Previous year 3.50% p.a.) payable monthly				
	Rupee term loans (vehicle loans)					
8	**Mercedes-Benz Financial Services India Private Limited (formerly known as Daimler Financial Services Private Limited)**					
	March 31, 2023	0.19	0.21	0.63	0.82	1.86
	March 31, 2022	-	-	-	-	-
	Security	Secured by way of charge on specific vehicle.				
	Interest rate	9.27% p.a. (Previous year na.) payable monthly				

A. Current maturity

1. Amounts falling due within one year in respect of all the above loans from March 31, 2023 have been grouped under "Current maturities of long term debts '' under Note 24.

NOTE 22 : FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits received from customers	16.08	14.05
Financial guarantee obligations	0.31	0.69
Forward Contracts Payable (Refer note 22.1 below)	0.31	-
TOTAL	**16.70**	**14.74**

22.1 The Parent Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 23 : PROVISIONS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer note 49)		
Compensated absences	12.62	17.47
Gratuity	1.98	-
Others	0.51	-
TOTAL	**15.10**	**17.47**

NOTE 24 : FINANCIAL LIABILITIES - BORROWINGS-CURRENT

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturities of long-term borrowings (refer note 21)	72.57	91.36
Less: Unamortised upfront fees	0.31	0.44
	72.26	**90.92**
Current borrowings from banks (Refer note 24.1 to 24.3 below)		
Working capital loans (Secured)	370.45	412.03
TOTAL	**442.71**	**502.95**

24.1 Working capital loans of the Parent company amounting ₹ 347.05 crores (previous year ₹ 388.60 crores) secured by first pari passu charge, by way of hypothecation of Parent company's current assets and other movable assets and second pari passu charge on the Parent company's property, plant and equipments, both, present and future, inter se the term lenders.

24.2 Working capital loans of Agrowin Biosciences s.r.l. (The Sudsidiary) amounting ₹ 23.17 crores (previous year ₹ 23.43 crores) secured by first pari passu charge, by way of hypothecation of respective Company's current assets and other movable assets.

24.3 Vehicle loan of Indofil Philippines, Inc.(The Subsidiary) amounting ₹ 0.23 crores (previous year Nil) secured by way of charge on specific vehicles.

24.4 Interest rate on above current borrowings are ranging from 2.25% p.a. to 10.23% p.a. (previous year from 2% p.a. to 11.50% p.a.).

NOTE 25 : FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro Enterprises and Small Enterprises	26.38	5.81
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	412.54	812.69
TOTAL	**438.86**	**818.50**
Additional disclosure in respect of dues to Micro, Small, Medium Enterprises		
i. Principal amount remaining unpaid	26.36	5.79
ii. Interest accrued on the above amount and remaining unpaid	0.03	0.02
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year		-
iv. Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day		-
v. Interest due and payable for payments already made		-
vi. Interest accrued and remaining unpaid		-
vii. Amount of further interest remaining due and payable even in succeeding years		-

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 25 : FINANCIAL LIABILITIES - TRADE PAYABLES (Contd.)

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2023

₹ in Crores

Particulars	Outstanding for Following periods from due date of payment					
	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	24.01	2.37	-	-	-	26.38
(ii) Others	228.34	40.62	2.45	0.24	-	271.65
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Subtotal	**252.35**	**42.99**	**2.45**	**0.24**	**-**	**298.03**
Unbilled	**140.89**	**-**	**-**	**-**	**-**	**140.89**
Total	**393.24**	**42.99**	**2.45**	**0.24**	**-**	**438.92**

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2022

₹ in Crores

Particulars	Outstanding for Following periods from due date of payment					
	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	2.10	3.69	-	-	-	5.79
(ii) Others	407.75	212.92	45.57	0.04	2.11	668.39
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Subtotal	**409.85**	**216.61**	**45.57**	**0.04**	**2.11**	**674.18**
Unbilled	**144.32**	**-**	**-**	**-**	**-**	**144.32**
Total	**554.17**	**216.61**	**45.57**	**0.04**	**2.11**	**818.50**

NOTE 26 : FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	2.88	1.68
Financial guarantee obligations	0.43	0.35
Forward contracts payable (Refer note 26.1 below)	1.53	-
Unpaid dividend (Refer note 26.2 below)	0.75	0.87
Payable for capital goods and services	7.71	5.01
TOTAL	**13.30**	**7.91**

26.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

26.2 There is no amount due and outstanding to be credited to Investor Education and Protection Fund in accordance with Section 125 of Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 27 : OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers	43.92	41.75
Statutory dues payable	10.73	9.98
TOTAL	**54.65**	**51.73**

NOTE 28 : PROVISIONS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer note 49)		
Compensated absences	4.53	1.16
Gratuity	4.63	2.15
Others	0.11	-
TOTAL	**9.27**	**3.31**

NOTE 29 : REVENUE FROM OPERATIONS

₹ in Crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Sale of products*				
Agrochemicals	2,539.63		2,294.09	
Innovative solutions chemicals	492.39	3,032.02	482.63	2,776.72
Other operating revenue:				
Export incentives and entitlements		1.22		15.56
Scrap sales		1.95		1.63
Miscellaneous income		1.73		1.18
TOTAL		**3,036.92**		**2,795.09**

** Refer note 39*

NOTE 30 : OTHER INCOME

₹ in Crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Interest income				
On bank deposits	9.74		4.87	
On customers overdues	4.09		2.41	
On others	0.33	14.16	0.26	7.54
Dividend income		18.33		24.49
Profit on sale of current investments measured at fair value through profit and loss (FVTPL)		2.42		2.36
Profit on sale of investments in joint venture measured at fair value through profit and loss (FVTPL)		-		0.76

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 30 : OTHER INCOME (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gain on financial assets measured at fair value through profit or loss	1.99	1.03
Net gain on foreign currency transactions and translation	-	20.78
Profit on disposal/discard of property, plant and equipment (net)	-	5.63
Guarantee commission	0.34	0.44
Rent	0.33	0.30
Insurance claims received	2.07	0.21
Credit balances/unclaimed liabilities/provisions written back	7.65	11.24
Miscellaneous income	1.53	0.25
TOTAL	**48.82**	**75.03**

NOTE 31 : COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw materials consumed		
Opening stock	104.16	79.37
Add : Purchases	1,641.61	1,570.50
Less : Closing stock	172.90	104.16
Raw materials consumed	1,572.87	1,545.71
Packing materials consumed	113.77	121.14
TOTAL	**1,686.64**	**1,666.85**

NOTE 32 : PURCHASES OF STOCK-IN-TRADE

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchases of stock-in-trade	236.60	234.09
TOTAL	**236.60**	**234.09**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 33 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Opening Stock :				
Finished goods	449.28		209.09	
Work-in-progress	0.90		10.26	
Stock-in-trade	50.00	500.18	18.91	238.26
Less : Closing stock :				
Finished goods	363.07		449.28	
Work-in-progress	0.09		0.90	
Stock-in-trade	119.12	482.28	50.00	500.18
TOTAL		**17.90**		**(261.92)**

NOTE 34 : EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	169.35	189.53
Contribution to provident and other funds	16.56	12.14
Staff welfare expense	16.61	17.37
TOTAL	**202.52**	**219.04**

NOTE 35 : FINANCE COSTS

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on		
Long-term borrowings	13.26	15.02
Short-term borrowings	25.28	20.45
Lease liabilities (Refer note 40)	0.13	0.33
Security deposits from customers	0.54	0.40
Others	0.81	0.22
Other borrowing costs	6.05	8.81
TOTAL	**46.07**	**45.23**

NOTE 36 : DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	58.37	61.50
Amortisation on right-of-use assets	1.46	1.81
Amortisation on intangible assets	27.01	26.56
TOTAL	**86.84**	**89.87**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 37 : OTHER EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Consumption of stores and spares		13.03		16.69
Power and fuel		104.11		101.87
Job work charges		47.70		58.26
Lease Rent / hire charges (Refer note 40)		13.81		7.93
Repairs and maintenance :				
- Buildings	1.85		1.07	
- Plant and equipment	11.47		13.21	
- Others	11.33	24.65	11.03	25.31
Insurance		6.77		6.26
Rates and taxes		4.50		4.35
Legal and professional fees		20.38		20.55
Net loss on foreign currency transactions and translation		0.76		-
Advertisement, publicity and sales promotion		89.87		80.69
Freight and forwarding charges		110.17		192.00
Provision for doubtful debts, advances and security deposits		7.83		4.17
Intangible assets under development written off		1.47		-
Bad debts written off		0.29		-
Sundry balances/Bad debts written off	2.05		9.42	
Less: Provision there against	(2.05)	-	(9.42)	-
Travelling and conveyance		29.27		19.81
Payment to auditors :				
- Audit fees	0.63		0.47	
- Certification charges and others	-		0.05	
- Reimbursement of expenses	0.01	0.64	-	0.52
Director's sitting fees		0.26		0.49
Director's commission		0.75		1.75
Corporate social responsibility (Refer note 44)		3.70		3.47
Loss on disposal/discard of property, plant and equipment (net)		2.32		-
Pollution control expenses		7.24		10.56
Miscellaneous expenses		24.87		25.88
TOTAL		**514.39**		**580.55**

NOTE 38 : EXCEPTIONAL ITEMS

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision for impairment / Write off on property, plant and equipment situated at Thane manucaturing plant	10.32	-
TOTAL	**10.32**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 39 : IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recongnises revenue when control over the promised goods and services is transferred to the customer at an amount that reftects the consideration to which the Group expects to be entitled in exchange for those goods or services.

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers - sale of products	3,032.02	2,776.72
Other operating revenue	4.90	18.37
Total revenue from operations	**3,036.92**	**2,795.09**
India		
1) Agrochemical division	1,263.19	1,171.68
2) Innovative solutions chemicals division	462.16	443.52
Outside India		
1) Agrochemical division	1,280.63	1,140.05
2) Innovative solutions chemicals division	30.94	39.84
Total revenue from operations	**3,036.92**	**2,795.09**
Timing of revenue recognition		
At a point in time	3,036.92	2,795.09
Total revenue from operations	**3,036.92**	**2,795.09**

Contract balances

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Refer note 13)	758.01	784.71
Contract liabilities		
Advance from customers (Refer note 27)	43.92	41.75

Refund liabilities:

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Arising from volume rebates and discounts netted in trade receivables (Refer note 13)	214.16	198.45

NOTE 40 : IND AS 116 ON "LEASES"

1.1 Disclosures pursuant to Ind AS 116 :

As a Lessee :

A. Break-up of current and non-current lease liabilities:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	0.63	1.57
Non-current lease liabilities	-	0.68
TOTAL	**0.63**	**2.25**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 40 : IND AS 116 ON "LEASES" (Contd.)

B. Movement in lease liabilities during the year:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	2.25	4.54
Transition to Ind AS 116	-	-
Additions	-	-
Finance costs accrued	0.13	0.33
Deletions	-	-
Payment of lease liabilities	(1.75)	(2.62)
Balance at the end of the year	**0.63**	**2.25**

C. The aggregate interest expense amounting to ₹ 0.13 crores (March 31, 2022 ₹ 0.33 crores) on Lease Liabilities is disclosed separately under Note 35 on "Finance Costs".

D. Breakup of the contractual maturities of Lease Liabilities on an undiscounted basis:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	0.71	1.78
One to five years		0.83
More than five years	-	-
TOTAL	**0.71**	**2.61**

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

F. Amounts recognised in the Statement of Profit and Loss for the year:

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amortisation charge on right-of-use assets	1.46	1.82
Interest expense on lease liabilities	0.13	0.33
Expense relating to short-term leases	13.81	0.51
Expense relating to leases of low value assets (excluding short-term leases)	-	7.41

G. Total cash outflow for leases from financing activities is recognised in the statement of cash flows for the year ended March 31, 2023 is ₹ 1.75 crores(₹ 2.62 crores for the year ended March 31, 2022).

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 40 : IND AS 116 ON "LEASES" (Contd.)

As a Lessor :

A. Details regarding the contractual maturities of lease payments to be received, on assets given on an operating lease on an undiscounted basis :

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	0.28	0.33
One to five years	-	0.21
More than five years	-	-
TOTAL	**0.28**	**0.54**

B. Lease Income recognised in the statement of profit and loss for the year ended March 31, 2023 is ₹ 0.33 crores (March 31, 2022 ₹ 0.30 crores) is disclosed under Note 30 on "Other Income".

NOTE 41 : HEDGING ACTIVITIES AND DERIVATIVES

Foreign Currency Risk

The Parent company follows hedge accounting in respect of non-derivative financial liabilities (i.e. borrowings) designated as hedging instruments in cash flow hedges for forecast sales in USD and Euro. These forecast transactions are highly probable.

Carrying value and maturity of foreign currency borrowings designated as hedging instruments are given below:

₹ in Crores

Hedging Instrument	As at March 31, 2023		
Particulars	Amount outstanding in foreign currency (EUR in crores)	Amount outstanding in local currency (₹ in crores)	Maturity Date
Foreign currency term loans	2.09	187.24	April 2023 to June 2026
TOTAL	**2.09**	**187.24**	

₹ in Crores

Hedging Instrument	As at March 31, 2022		
Particulars	Amount outstanding in foreign currency (EUR in crores)	Amount outstanding in local currency (₹ in crores)	Maturity Date
Foreign currency term loans	3.18	267.68	April 2022 to June 2026
TOTAL	**3.18**	**267.68**	

The terms of the hedging instrument match the terms of the expected highly probable forecast transactions. Cash flow hedge reserves recycled to statement of profit and loss during the year is amounting ₹ 10.45 crores (March 31, 2022 ₹ 12.61 crores) on account of term loans.

The cash flow hedges of the expected future sales during the year ended March 31, 2023 were assessed to be highly effective and a unrealised gain of ₹ 0.32 crores, with a tax expense of ₹ 0.08 crores relating to the hedging instruments, is reflected under other comprehensive income (OCI) (March 31, 2022, unrealised gain of ₹ 17.17 crores, with a tax expense of ₹ 6 crores).

Cash flow hedge balance as on March 31, 2023 and March 31, 2022 was ₹ 34.71 crores and ₹ 34.95 crores respectively. The amounts retained in OCI at March 31, 2023 and March 31, 2022 are expected to mature and affect the statement of profit and loss of future years as follows:-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 41 : HEDGING ACTIVITIES AND DERIVATIVES (Contd.)

₹ in Crores

Financial Year	As at March 31, 2023	As at March 31, 2022
2022-2023	-	12.09
2023-2024	13.16	8.09
2024-2025	11.65	7.92
2025-2026	9.90	6.85
TOTAL	**34.71**	**34.95**

NOTE 42 : CONTINGENT LIABILITIES

(To the extent not provided for)

42.1. Disputed tax matters (including interest upto the date of demand) :

₹ in Crores

Statute	As at March 31, 2023	As at March 31, 2022
Disputed Sales Tax Matters	11.47	13.73
Disputed Service Tax Matters	0.99	0.99
Disputed Entry Tax Matters	0.46	0.46
Disputed Excise Matters	-	0.36
Disputed Income Tax Matters	-	13.47
TOTAL	**12.92**	**29.01**

Notes :

(a) Pursuant to the search operations conducted by the Income Tax authorities in the prior year, block assessment under Section 153C of the Income Tax Act 1961 ('the Act') has been completed for the assessment years ('AY') 2011-12 to 2020-21. The Parent company has evaluated these orders and has filed rectification applications to the assessment orders, adequate tax provisions has already been made in the books of accounts in prior years. Furthermore, based on the legal advice, the Parent company has also challenged the assessment orders before the appropriate authority.

(b) The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial statements.

42.2. Guarantees executed in favour of corporate

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Guarantees executed on behalf of:		
Indo Baijin Chemicals Private Limited	32.39	57.36
Less: Counter guarantees received from :		
Shanghai Baijin Chemical Limited (co-venturer)	(15.87)	(28.11)
Net Guarantees executed in favour of corporate	**16.52**	**29.25**

** Refer note: 50, related party transactions*

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 42 : CONTINGENT LIABILITIES (Contd.)

42.3. Consequent to termination of the contract by the Indofil Chemicals Company (erstwhile Modipon Limited), a toll manufacturer (Polson Limited) filed a Civil suit bearing No.378/1997 before District Judge, Kolhapur, now transferred to Commercial Court, Kolhapur numbered as Spl. C.S.No.1/2016, against the Company claiming ₹ 3.15 crores allegedly on account of items purchased and loss of profits. However, the Parent Company had refuted the claim and made a counterclaim of ₹ 4.76 crores against the said toll manufacturer in respect of the cost of machinery, cost of raw materials, yield losses, loss of market, etc. Considering the merits of the matter, the Management is of the view that the claim of the toll manufacturer could be rejected as against the Parent Company's counterclaim and will be adjusted/accounted for in the year of final settlement/receipt. The final outcome would not have any material impact on the consolidated financial statements.

42.4. MSC Mediterranean Shipping company SA & MSC (Agency) India Private Limited has filed Commercial Suit no. 462/2023 before 6 Add, Sr. Civil Judge Surat (Gujarat) against Indofil Industries Ltd. for USD 82583.42 + 6% interest for alleged losses caused to the Applicant due to mis-declaration of the quantity of goods exported by Indofil through them. There was a theft happened enroute loading at Hazira Port, Gujarat leading to short quantity. Out of 59520 kgs shipped only 43,040 kgs arrived at Port of Destination, i.e., Peru. However, IIL had nominated Transporter Indtrans Container Lines who engaged Hind Carrier Private Limited for transporting the goods to Hazira Port. The FIR was filed by Indtrans Container Lines against Hind Carrier Private Limited for theft and investigations are on at Surat. The case is therefore strong for IIL and we may get a favourable order subject to valuation of Court.

42.5. Other money for which the Group is contingently liable

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

NOTE 43 : CAPITAL COMMITMENTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	8.81	47.15
Less: Advances paid	(0.24)	(4.22)
Net capital commitments	**8.57**	**42.93**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Gross amount required to be spent by the Parent company during the year	9.50	7.22
ii) Amount spent during the year on		
Construction / acquisition of any property, plant and equipment	-	-
Purpose other than above (Refer note 44.1 below)	5.47	1.42
Total Paid during the year	**5.47**	**1.42**
iii) The amount of shortfall at the end of the year required to be spent by the Parent company during the year	3.70	3.47
iv) The total of previous year shortfall amounts	0.33	2.33
The nature of CSR activities taken by the Parent company are as under:		
(a) Modi Innovative Education Society- for establishing an university in the state of Chhattisgarh		
(b) Project Potential Trust -Support in rural development at Kishanganj Bihar		
(c) Bharuch Citizen Council Trust -Contribution to "My Livable Bharuch" CSR initiative		
Total amount unspent if any	**4.03**	**5.80**
TOTAL	**9.50**	**7.22**

Details of related party transactions

44.1 Total amount spent during the year includes CSR contribution done of ₹ 5.24 crores (previous year ₹ 1.33 crores) to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

Other Disclosures

44.2 The Parent company has made provision for unspent CSR expenses of ₹ 3.70 crores for year ended March 31, 2023 and subsequent to the year end the said amount has been transferred to specified bank account pursuant to the provisions of Companies Act, 2013 (March 31, 2022 ₹ 3.47 crores).

44.3 Amount spent during the year includes ₹ 5.47 crores pertaining to the year ended March 31, 2022 (previous year ₹ 1.42 crores pertaining to year ended March 31, 2021).

NOTE 45 : EARNINGS PER SHARE

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity shareholders (₹ in crores)	241.13	218.82
Weighted average number of equity shares of the Parent company (In Nos.)	2,13,51,147	2,13,51,147
Nominal value of equity shares (In ₹)	10.00	10.00
Basic and diluted earnings per share (In ₹)	**112.94**	**102.49**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 46 : CAPITAL RISK MANAGEMENT

(a) Risk management

The Group's objectives when managing capital are to

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders

(ii) Maintain an optimal capital structure to reduce the cost of capital

(iii) Support the corporate strategy and meet shareholder expectations

The policy of the Group is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The capital structure is governed by policies approved by the Board of Directors of the Parent company and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Long term borrowings	116.28	175.76
Current maturities of long term debts	72.26	91.36
Short term borrowings	370.45	412.03
Less: Cash and cash equivalents	140.51	390.82
Less: Other bank balances other than unspent CSR account and unclaimed dividend account	89.96	125.83
Net debt / (cash)	**328.53**	**162.51**
Total equity	**2,917.53**	**2,222.85**
Capital gearing ratio	**0.11**	**0.07**

i. Equity includes Equity share capital and Other equity.

ii. Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 21 and 24.

The Group has taken appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividends

The Parent company follows the policy of dividend for every financial year as may be decided by Board considering financial performance of the Parent company and other internal and external factors enumerated in the Parent company's dividend policy.

The Board of Directors of the Parent company, in its meeting held on August 29, 2023, have proposed 100% final dividend on Equity shares of the company at the rate of ₹ 10 per equity share of ₹ 10 each fully paid-up and of ₹ 3 per equity share of ₹3 each partly paid up for the year ended March 31, 2023. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in a cash outflow of ₹ 21.35 crores.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 47 : 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. A Risk Management Committee (RMC) is formed which comprises of the Executive Management which reports to the Audit Committee of the Directors.

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.

i. **Foreign currency exchange risk**

ii. **Interest rate risk**

iii. **Price risk**

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

i. Foreign currency exchange risk

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

Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period :

Amounts in Crores

Particulars	As at March 31, 2023											
	USD	INR	EURO	INR	BRL	INR	PHP	INR	BDT	INR	MMK	INR
Financial assets												
Trade receivables	2.10	172.61	0.74	66.30	7.40	119.31	13.72	20.75	0.46	0.35	-	-
Balances with Banks	0.41	33.64	0.56	50.18	0.66	10.68	2.45	3.71	1.54	1.19	0.60	0.03
Derivative assets												
Foreign exchange forward contracts	-	-	-	-	-	-	-	-	-	-	-	-
Open exposure to foreign currency (assets)	**2.51**	**206.25**	**1.30**	**116.48**	**8.06**	**130.00**	**16.17**	**24.46**	**2.00**	**1.54**	**0.60**	**0.03**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 47 : FINANCIAL RISK MANAGEMENT AND POLICIES (Contd.)

Amounts in Crores

Particulars	As at March 31, 2023											
	USD	INR	EURO	INR	BRL	INR	PHP	INR	BDT	INR	MMK	INR
Financial liability												
Foreign currency loan												
Current borrowings	1.39	114.40	0.28	23.17	-	-	0.15	0.23	-	-	-	-
Non current borrowings	-	-	2.09	187.24	-	-	-	-	-	-	-	-
Trade payables	0.60	49.59	0.43	38.49	0.08	1.22	-	-	0.31	0.24	-	-
Derivative Liability												
Foreign Exchange Forward Contracts	1.59	130.24	-	-	0.06	1.02	-	-	-	-	-	-
Open exposure to foreign currency (liability)	**(3.58)**	**(294.23)**	**(2.80)**	**(248.90)**	**(0.14)**	**(2.24)**	**(0.15)**	**(0.23)**	**(0.31)**	**(0.24)**	**-**	**-**
Net open exposure to foreign currency	**(1.07)**	**(87.98)**	**(1.50)**	**(132.42)**	**7.92**	**127.76**	**16.02**	**24.23**	**1.69**	**1.30**	**0.60**	**0.03**

Amounts in Crores

Particulars	As at March 31, 2022											
	USD	INR	EURO	INR	BRL	INR	PHP	INR	BDT	INR	MMK	INR
Financial assets												
Trade receivables	5.22	395.61	0.73	61.36	3.10	49.24	1.64	2.41	-	-	-	-
Balances with Banks	1.52	115.44	1.06	89.33	0.52	8.22	1.17	1.72	1.22	1.07	0.60	0.03
Derivative assets	-		-		-		-					
Foreign exchange forward contracts	(1.85)	(139.84)	(0.20)	(16.67)	-	-	-	-	-	-	-	-
Open exposure to foreign currency (assets)	**4.89**	**371.21**	**1.59**	**134.02**	**3.62**	**57.46**	**2.81**	**4.13**	**1.22**	**1.07**	**0.60**	**0.03**
Financial liability												
Foreign currency loan												
Current borrowings	1.58	119.80	-	-	-	-	-	-	-	-	-	-
Non current borrowings	-	-	3.18	267.68	-	-	-	-	-	-	-	-
Pre-shipment credit in foreign currency	0.20	15.16	-	-	-	-	-	-	-	-	-	-
Trade payables	1.09	82.81	0.58	48.86	0.14	2.24	0.29	0.43	0.28	0.25	-	-
Open exposure to foreign currency (liability)	**(2.87)**	**(217.77)**	**(3.76)**	**(316.54)**	**(0.14)**	**(2.24)**	**(0.29)**	**(0.43)**	**(0.28)**	**(0.25)**	**-**	**-**
Net open exposure to foreign currency	**2.02**	**153.44**	**(2.17)**	**(182.52)**	**3.48**	**55.22**	**2.52**	**3.70**	**0.94**	**0.82**	**0.60**	**0.03**

Note :

The Parent company has entered into Cash flow hedging for EURO term loan and it hedge all foreign currency EURO term loan and USD buyers credit against the forecasted sale transactions in the respective currency.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 47 : FINANCIAL RISK MANAGEMENT AND POLICIES (Contd.)

Currency	As at March 31, 2023			As at March 31, 2022		
	No of contracts	Amounts in foreign currency (Crores)	₹ in Crores	No of contracts	Amounts in foreign currency (Crores)	₹ in Crores
Foreign currency forwards - Sell						
USD	55	1.59	130.24	39	1.85	139.84
EURO	-	-	-	9	0.20	16.67
BRL	1	0.06	1.02	-	-	-

Sensitivity

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

₹ in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	5% Strengthening	5% Weakening	5% Strengthening	5% Weakening
USD	(4.40)	4.40	7.67	(7.67)
EURO	(6.62)	6.62	(9.13)	9.13
BRL	6.39	(6.39)	2.76	(2.76)
PHP	1.21	(1.21)	0.19	(0.19)
BDT	0.07	(0.07)	0.04	(0.04)
MMK	0.00	(0.00)	0.00	(0.00)

ii. Interest rate risk

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowings	431.51	678.70
Variable rate borrowings	127.48	
Total borrowings	**558.99**	**678.70**

Sensitivity:

Statement of profit and loss is sensitive to increase/(decrease) of interest expense from borrowings as a result of changes in interest rates. If, the interest rates had been 100 basis points higher/lower and all other variable rate borrowings, the Group's profit before tax for the year ended March 31, 2023 would increase/(decrease) by ₹ 1.27 crores (March 31, 2022 would increase/(decrease) by ₹ Nil).

iii. Price risk

The Group is exposed to equity price risk arising from equity investments. Equity investments were held for strategic rather than trading purposes. The Group does not actively trade in these investments. The Group invests in mutual funds.

Sensitivity:

A 5% increase in prices would have led to approximately and additional NIL gain in the statement of profit and loss. A 5% decrease in prices would have led to an equal but opposite effect.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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, 2023 and as at March 31, 2022 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.

₹ in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Non current borrowings	-	116.28	-	175.76
Security deposits	-	16.08	-	14.05
Current borrowings	442.71	-	502.95	-
Trade payables	438.92	-	818.50	-
Lease liabilities	0.63	-	1.57	0.68
Other financial liabilities	13.30	0.62	7.91	0.69
TOTAL	**895.57**	**132.98**	**1,330.93**	**191.18**

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 21 and 24 for the detailed terms and conditions of the collaterals pledged.

NOTE 48 : FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

a. Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

₹ in Crores

Particulars	As at March 31, 2023				
	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets					
Investments in mutual funds	-	-	116.11	116.11	116.11
Investment in preference shares	0.96	-	-	0.96	-
Investments in equity shares	150.07	1,196.86	-	1,346.93	-
Loans	0.26	-	-	0.26	-
Trade receivables	758.01	-	-	758.01	-
Cash and cash equivalents	140.51	-	-	140.51	-
Other bank balances	91.04	-	-	91.04	-
Other financial assets	11.90	-	-	11.90	-
Total	**1,152.75**	**1,196.86**	**116.11**	**2,465.73**	**116.11**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

₹ in Crores

Particulars	As at March 31, 2023				
	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial Liabilities					
Financial guarantee obligations	-	-	0.74	0.74	0.74
Term loans (Net of unamortized upfront fees)	188.54	-	-	188.54	-
Borrowings	370.45	-	-	370.45	-
Trade payables	438.92	-	-	438.92	-
Lease liabilities	0.63	-	-	0.63	-
Other financial liabilities	29.26	-	-	29.26	-
Total	**1,027.80**	**-**	**0.74**	**1,028.53**	**0.74**

₹ in Crores

Particulars	As at March 31, 2022				
	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets					
Investments in mutual funds	-	-	120.33	120.33	120.33
Investment in preference shares	0.96	-	-	0.96	-
Investments in equity shares	99.02	679.15	-	778.18	-
Forward contracts receivable	-	-	3.04	3.04	3.04
Loans	0.22	-	-	0.22	-
Trade receivables	784.71	-	-	784.71	-
Cash and cash equivalents	390.82	-	-	390.82	-
Other bank balances	129.03	-	-	129.03	-
Other financial assets	13.70	-	-	13.70	-
Total	**1,418.47**	**679.15**	**123.38**	**2,220.99**	**123.38**
Financial Liabilities					
Financial guarantee obligations	-	-	1.04	1.04	1.04
Term loans (Net of unamortized upfront fees)	266.68	-	-	266.68	-
Borrowings	412.02	-	-	412.02	-
Trade payables	818.50	-	-	818.50	-
Lease liabilities	2.25	-	-	2.25	-
Other financial liabilities	21.61	-	-	21.61	-
Total	**1,521.06**	**-**	**1.04**	**1,522.11**	**1.04**

Carrying amounts of loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities as at March 31, 2023 and March 31, 2022 approximate the fair value because those are short-term in nature.

b. Fair value hierarchy

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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 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 value as at the balance sheet date, the classification of fair value calculations by category is summarised below :

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Level 1		
Investments in quoted equity shares	1,191.65	706.32
Level 2		
Derivative financial assets	-	3.04
Investments in units of mutual funds	116.11	120.33
Level 3		
Investments in unquoted equity & preference shares	6.16	17.48
TOTAL	**1,313.93**	**847.18**
Financial liabilities		
Level 2		
Derivative financial liabilities	1.84	-
Level 3		
Financial guarantee obligations	0.74	1.04
TOTAL	**2.57**	**1.04**

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
Investments in unquoted equity shares	Fair value of net assets	5% increase in forecasted fair value will increase the value of investment by ₹ 0.26 crores (₹ 0.78 crores as at March 31, 2022) and 5% decrease will have an equal but opposite effect.
Financial guarantee obligations	Discount rate 5.51%	1 % increase in discount rate will have loss of ₹ 0.01 crores (₹ 0.01 crores as at March 31, 2022) and 1% decrease in discount rate will have an equal but opposite effect.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 49 : EMPLOYEE BENEFITS EXPENSE

a. Defined contribution plans

Superannuation fund

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

Other contribution funds

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

The Parent company has recognised the following amounts in the statement of profit and loss under contribution to provident and other funds as under:

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to employees' provident fund	6.32	6.37
Employer's contribution to employees' pension fund	1.27	1.30
Employer's contribution to superannuation fund	1.51	1.85
Employer's contribution to MLWF	0.00	0.00
TOTAL	**9.10**	**9.52**

b. Defined benefit plans

Retirement Gratuity

The Parent company provides for gratuity to its employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of employment after rendering continuous service for not less than five years, or on their superannuation or resignation. However, in case of death or permanent disablement of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement/ termination is the employee’s last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a separate fund that is legally separated from the entity and the Parent company makes contributions to the insurer (LIC).

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

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (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	21.98	20.74
2	Interest cost	1.54	1.42
3	Current service cost	1.97	1.65
4	Past service cost - non-vested benefit incurred during the period	-	-
5	Past service cost - vested benefit incurred during the period	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 49 : EMPLOYEE BENEFITS EXPENSE (Contd.)

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
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	(5.78)	(3.21)
12	The effect of changes in foreign exchange rates	-	-
13	Actuarial changes arising from changes in demographic assumptions	0.53	(0.01)
14	Actuarial changes arising from changes in financial assumptions	3.19	0.78
15	Actuarial changes arising from changes in experience adjustments	0.47	0.62
16	**Present value of defined benefit obligation at the end of the year**	**23.90**	**21.98**

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	19.83	16.41
2	Interest Income	1.38	1.13
3	Contributions paid by the employer	2.15	5.58
4	Expected contributions by the employees	-	-
5	Assets transferred in/ acquisitions	-	-
6	Assets transferred out / divestments	-	-
7	Benefits paid from the fund	(5.78)	(3.21)
8	Assets distributed on settlements	-	-
9	Effects of asset ceiling	-	-
10	The effect of changes in foreign exchange rates	-	-
11	Return on plan assets excluding interest income	(0.29)	(0.07)
12	**Fair value of plan assets at the end of the year**	**17.29**	**19.83**

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
III	**Net asset / (liability) recognised in the balance sheet**		
1	Present value of defined benefit obligation at the end of the year	(23.90)	(21.98)
2	Fair value of plan assets at the end of the year	17.29	19.83
3	Funded status [surplus/ (deficit)]	(6.60)	(2.15)
4	**Net asset / (liability) recognised in the balance sheet**	**(6.60)**	**(2.16)**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 49 : EMPLOYEE BENEFITS EXPENSE (Contd.)

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2023 (Funded)	Year ended March 31, 2022 (Funded)
IV	**Net interest cost for the year**		
1	Present value of benefit obligation at the beginning of the period	21.98	20.74
2	Fair value of plan assets at the beginning of the period	(19.83)	(16.41)
3	**Net liability/(asset) at the beginning**	**2.15**	**4.33**
4	Interest cost	1.54	1.42
5	Interest income	(1.38)	(1.12)
6	**Net interest cost for the year**	**0.15**	**0.30**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2023 (Funded)	Year ended March 31, 2022 (Funded)
V	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	1.97	1.64
2	Interest cost on benefit obligation (net)	0.15	0.30
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**	**2.12**	**1.94**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2023 (Funded)	Year ended March 31, 2022 (Funded)
VI	**Recognised in other comprehensive income for the year**		
1	Actuarial changes arising from changes in demographic assumptions	0.53	(0.00)
2	Actuarial changes arising from changes in financial assumptions	3.19	0.78
3	Actuarial changes arising from changes in experience adjustments	0.46	0.62
4	Return on plan assets excluding interest income	0.29	0.07
5	Change in asset ceiling	-	-
6	**Recognised in other comprehensive income**	**4.47**	**1.47**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2023 (Funded)	Year ended March 31, 2022 (Funded)
VII	**Cash flow projection: From the fund**		
1	Within the next 12 months (next annual reporting period)	7.44	2.59
2	2nd following year	2.55	2.30
3	3rd following year	2.86	3.34
4	4th following year	2.50	3.11
5	5th following year	2.52	1.95
6	Sum of years 6 to 10	8.70	10.59
7	Sum of years 11 and above	5.55	10.33

The average duration of the defined benefit plan obligation as at March 31, 2023 is 5 years (March 31, 2022: 5 years).

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 49 : EMPLOYEE BENEFITS EXPENSE (Contd.)

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
VIII	**Quantitative sensitivity analysis for significant assumption**		
	Projected benefit obligation on current assumptions	23.90	21.98
(i)	Delta effect of +1% change in rate of discounting	(0.75)	(1.04)
(ii)	Delta effect of -1% change in rate of discounting	0.82	1.16
(i)	Delta effect of +1% change in rate of salary increase	0.79	1.17
(ii)	Delta effect of -1% change in rate of salary increase	(0.74)	(1.07)
(i)	Delta effect of +1% change in rate of employee turnover	(0.14)	0.10
(ii)	Delta effect of -1% change in rate of employee turnover	0.15	(0.12)

2 Usefulness and methodology adopted for sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between the assume and the actual is not following the parameters of the sensitivity analysis.

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023 (Funded)	As at March 31, 2022 (Funded)
IX	**The major categories of plan assets as a percentage of total**		
	Insurer managed funds	100%	100%
X	**Actuarial assumptions**		
1	Discount rate	7.30%	7.15%
2	Salary escalation	10.00%	5.00%
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14 (Urban))	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	N.A.	N.A.
5	Rate of employee turnover	15.00% p.a. for all service groups.	5.00%
6	Expected return on plan assets	7.30%	7.15%

c. Other long term employee benefits

The defined benefit obligations which are provided for but not funded :

₹ in Crores

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	**Compensated absences**		
	Current	4.53	1.16
	Non-current	12.62	17.47

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 50 : RELATED PARTY

Name of related parties having transactions during the year and description of relationship :

Joint ventures
Indo Baijin Chemicals Private Limited
Reagens India Polymer Additives Private Limited (formerly known as Indo Reagens Polymer Additives Private Limited) (up to August 03, 2021)
Other related parties in which directors have significant influence:
Godfrey Phillips India Limited
H.M.A. Udyog Private Limited
Modi Care Limited
Beacon Travels Private Limited
Bina Fashions N Food Private Limited
Premium Merchants Limited
Modi Rubber Limited
KKM Management Centre Private Limited
Modi Stratford Enterprises Management Private Limited
Modi Innovative Education Society
Colorbar Cosmetics Private Limited
EGO Obsession
Reagens India Polymer Additives Private Limited (formerly known as Indo Reagens Polymer Additives Private Limited) (up to August 03, 2021)
Shanghai Baijin Chemical Limited (Co-venturer)
Modi Industries Limited
Premium Tradelink Private Limited
Modi Spinning and Weaving Mills Co Limited
International Research Park Laboratories Limited
Rajputana Infrastucture Corporate Limited
Modicare Limited
Ego Jasola Restaurant
Ego Lounge & Bakery
Other related parties:
ICC Employee Provident Fund Trust

Key management personnel (KMP)
Executive Director
Dr. Bina Modi
Ms. Charu Modi
Dr. Atchutuni Rao
Mr. Daniel Fontes Dias
Mr. Pankaj Amrit Patil
Mr. Narendra Sagrolikar
Mr. Ashrant Bhartia
Mr. Abhisek Das
Non-executive director
Mr. Samir Modi
Ms. Aliya Modi
Mr. Mahendra Naranji Thakkar
Mr. Sunil Kumar Alagh (up to June 22, 2022)
Mr. Sanjay Buch (up to June 21, 2022)
Mr. Lakshminarayanan Subramanian
Mr. Mayur Maheshwari
KMPs other than director
Mr. Narendra C Rane - Chief Operating Officer (up to June 21, 2023)
Mr. Rajib Mukhopadhyay - Chief Financial Officer (up to April 29, 2022)
Mr. Devang R Mehta - Company Secretary (up to June 04, 2022)
Ms. Manju Anand - Company Secretary (from July 06, 2022 to January 20, 2023)
Mr. R Narayan - Chief Financial Officer (from January 31, 2023 up to May 31, 2023)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 50 : RELATED PARTY (Contd.)

RELATED PARTY TRANSACTIONS

₹ in Crores

Particulars	Joint ventures	Key management personnel	Promoter group companies / entities in which key management personnel's relatives are interested	Other related parties	Year ended March 31, 2023	Year ended March 31, 2022
RECEIVING OF SERVICES						
1. HMA Udyog Private Limited	-	-	0.08	-	0.08	0.07
2. Beacon Travels Private Limited	-	-	1.73	-	1.73	1.60
3. Bina Fashions N Food Private Limited	-	-	0.75	-	0.75	0.38
4. EGO Obsession	-	-	0.35	-	0.35	0.29
5. Ego Jasola Restaurant	-	-	0.00	-	0.00	-
6. Modi Stratford Enterprises Management Private Limited	-	-	-	-	-	0.12
7. Reagens India Polymer Additives Private Limited	-	-	-	-	-	3.36
8. Godfrey Phillips India Limited	-	-	-	-	-	0.10
9. Colorbar Cosmetics Private Limited	-	-	-	-	-	0.01
10. KKM Management Center Private Limited	-	-	-	-	-	1.80
11. Ego Lounge & Bakery	-	-	0.02	-	0.02	
Total	**-**	**-**	**2.93**	**-**	**2.93**	**7.73**
REMUNERATION AND SITTING FEES PAID TO KMP'S						
(A) Short-term employee benefits & Post -employment benefits (including commission)*						
1. Dr. Bina Modi (Chairperson and Managing Director)	-	16.86	-	-	16.86	17.09
2. Ms. Charu Modi (Executive Director)	-	16.60	-	-	16.60	16.83
3. Dr. Atchutuni Rao (Whole time Director)	-	1.16	-	-	1.16	1.16
4. Non-Executive Directors		0.75			0.75	1.75
5. Mr. R Narayan (Chief Financial Officer)	-	0.75	-	-	0.75	-
6. Mr. Devang Mehta (Company Secretary)	-	0.35	-	-	0.35	0.83
7. Mrs. Manju Anand (Company Secretary)	-	0.36	-	-	0.36	-
(B) Sitting fees		0.26			0.26	0.49
TOTAL	**-**	**37.09**	**-**	**-**	**37.09**	**38.15**
PURCHASE OF GOODS						
1. Indo Baijin Chemicals Private Limited	222.18	-	-	-	222.18	166.16
2. Reagens India Polymer Additives Private Limited	-	-	-	-	-	0.02
Total	**222.18**	**-**	**-**	**-**	**222.18**	**166.18**
SALE OF GOODS						
1. Reagens India Polymer Additives Private Limited	-	-	-	-	-	0.42
2. Modi Care Limited	-	-	8.10	-	8.10	4.13
Total	**-**	**-**	**8.10**	**-**	**8.10**	**4.55**
RENT EXPENSE						
1. Premium Merchants Limited	-	-	0.07	-	0.07	0.07
2. Ms. Charu Modi	-	0.11	-	-	0.11	0.11
3. Godfrey Phillips India Limited	-	-	0.16	-	0.16	0.41
Total	**-**	**0.11**	**0.23**	**-**	**0.34**	**0.59**
DIVIDEND PAID						
1. Dr. Bina Modi	-	0.17	-	-	0.17	0.34
2. Mr. Samir Modi	-	0.01	-	-	0.01	0.02
Total	**-**	**0.18**	**-**	**-**	**0.18**	**0.36**
CONTRIBUTION TO EMPLOYEES BENEFIT TRUST						
1. ICC Employee Provident Fund Trust	-	-	-	13.48	13.48	13.84
Total	**-**	**-**	**-**	**13.48**	**13.48**	**13.84**
DIVIDEND INCOME						
1. Indo Baijin Chemicals Private Limited	8.73	-	-	-	8.73	8.73
2. Godfrey Phillips India Limited	-	-	-	9.60	9.60	15.71
Total	**8.73**	**-**	**-**	**9.60**	**18.33**	**24.44**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 50 : RELATED PARTY (Contd.)

₹ in Crores

Particulars	Joint ventures	Key management personnel	Promoter group companies / entities in which key management personnel's relatives are interested	Other related parties	Year ended March 31, 2023	Year ended March 31, 2022
RENT INCOME						
1. Modi Rubber Limited	-	-	0.06	-	0.06	0.06
2. Reagens India Polymer Additives Private Limited	-	-	-	-	-	0.23
Total	**-**	**-**	**0.06**	**-**	**0.06**	**0.29**
GUARANTEE COMMISSION INCOME						
1. Indo Baijin Chemicals Private Limited	0.34	-	-	-	0.34	0.44
Total	**0.34**	**-**	**-**	**-**	**0.34**	**0.44**
REIMBURSEMENT OF EXPENSES (RECEIVED)						
1. Indo Baijin Chemicals Private Limited	0.26	-	-	-	0.26	0.84
2. Reagens India Polymer Additives Private Limited	-	-	-	-	-	1.41
Total	**0.26**	**-**	**-**	**-**	**0.26**	**2.25**
CSR EXPENSES						
1. Modi Innovative Education Society	-	-	5.24	-	5.24	1.32
Total	**-**	**-**	**5.24**	**-**	**5.24**	**1.32**
SECURITY DEPOSIT PAID						
1. Godfrey Phillips India Limited	-	-	-	-	-	0.83
Total	**-**	**-**	**-**	**-**	**-**	**0.83**
SECURITY DEPOSIT REFUND						
1. Godfrey Phillips India Limited	-	-	0.83	-	0.83	-
Total	**-**	**-**	**0.83**	**-**	**0.83**	**-**
PROVISION AGAINST PREFERENCE SHARES WRITTEN BACK						
1. Modi Care Limited	-	-	-	-	-	2.50
Total	**-**	**-**	**-**	**-**	**-**	**2.50**
GURANTEES GIVEN TO BANK IN RESPECT OF BORROWINGS TAKEN BY JOINT VENTURE						
1. Indo Baijin Chemicals Private Limited	32.39	-	-	-	32.39	57.36
Total	**32.39**	**-**	**-**	**-**	**32.39**	**57.36**
GURANTEES RECEIVED FROM CO-VENTURER IN RESPECT OF BORROWINGS TAKEN BY JOINT VENTURE						
1. Shanghai Baijin Chemical Limited	15.87	-	-	-	15.87	28.11
Total	**15.87**	**-**	**-**	**-**	**15.87**	**28.11**
OUTSTANDING BALANCES						
Receivables						
1. Reagens India Polymer Additives Private Limited	-	-	-	-	-	0.43
2. Modi Care Limited	-	-	0.00	-	0.00	-
3. Modi Rubber Limited	-	-	-	-	-	0.02
Total	**-**	**-**	**0.00**	**-**	**0.00**	**0.45**
Payables						
1. Beacon Travels Private Limited	-	-	0.13	-	0.13	0.08
2. KKM Management Center Private Limited	-	-	-	-	-	1.40
3. Indo Baijin Chemicals Private Limited	7.71	-	-	-	7.71	30.48
4. Reagens India Polymer Additives Private Limited	-	-	-	-	-	3.80
5. Ego Lounge & Bakery			0.02		0.02	-
6. Ego Jasola Restaurant			0.00		0.00	-
7. HMA Udyog Private Limited	-	-	0.01	-	0.01	-
8. EGO Obsession			0.07		0.07	-
Total	**7.71**	**-**	**0.23**	**-**	**7.94**	**35.76**
Advance Paid						
1. Modi Innovative Education Society	-	-	0.29	-	0.29	-
Total	**-**	**-**	**0.29**	**-**	**0.29**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 50 : RELATED PARTY (Contd.)

₹ in Crores

Particulars	Joint ventures	Key management personnel	Promoter group companies / entities in which key management personnel's relatives are interested	Other related parties	Year ended March 31, 2023	Year ended March 31, 2022
INVESTMENTS MADE DURING THE YEAR						
1. Reagens India Polymer Additives Private Limited	-	-	-	-	-	(17.96)
Total	**-**	**-**	**-**	**-**	**-**	**(17.96)**
INVESTMENT HELD						
1. Modi industries Limited	-	-	-	0.01	0.01	0.02
2. Godfrey Phillips India Limited	-	-	-	63.62	63.62	63.62
3. Premium Tradelinks private Limited	-	-	-	0.96	0.96	0.95
4. Modi Spinning and Weaving Mils Co Limited	-	-	-	0.08	0.08	0.08
5. International research park laboratories Limited	-	-	-	0.05	0.05	0.05
6. Beacon Travels Private Limited	-	-	-	0.00	0.00	0.01
7. Modi Rubber Limited	-	-	-	0.00	0.00	0.00
Total	**-**	**-**	**-**	**64.73**	**64.73**	**64.73**
Remuneration payable to KMP						
Dr Bina Modi	-	5.82	-	-	5.82	7.57
Ms Charu Modi	-	8.64	-	-	8.64	10.17
Mr M N Thakkar	-	0.15	-	-	0.15	0.25
Ms Aliya Modi	-	0.15	-	-	0.15	0.25
Mr Samir K Modi	-	0.15	-	-	0.15	0.25
Mr Sanjay Buch	-	-	-	-	-	0.25
Mr Subramanian Lakshminarayanan	-	0.15	-	-	0.15	0.25
Mr Sunil Alagh	-	-	-	-	-	0.25
UPSIDC Limited	-	0.15	-	-	0.15	0.25
Total	**-**	**15.22**	**-**	**-**	**15.22**	**19.49**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes:

i) During the year, the Group has neither written off/written back nor made any provision against any debts/receivables/payables/advances of related parties, except as disclosed above, if any

ii) Related party relationships have been identified by the management and relied upon by the Auditors.

iii) Related party transactions have been disclosed on basis of value of transactions in term of the respective contracts.

iv) Sale and purchase transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended March 31, 2023, the Group has not recorded any loss allowances for transactions between the related parties.

v) *This aforesaid amount does not includes amount in respect of gratuity and compensated absenses (both of which are determined by actuarially) as the same is not determinable.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 51 : DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN BY THE PARENT COMPANY AND ITS INDIAN SUBSIDIARIES COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013:

Investments made and guarantees given by the Parent company and its Indian Subsidiaries outstanding as at March 31, 2023 and at March 31, 2022 are as below :

Loans

No loan is given by the Parent company and its Indian Subsidiaries in favour of corporates are outstanding as at March 31, 2023 and at March 31,2022.

Investments

Details required u/s 186 have been disclosed in Note 6 of the consolidated financial statements.

Guarantees

All corporate guarantees are given by the Parent company in respect of loans :

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Indo-Baijin Chemicals Private Limited (net of counter guarantee)	16.52	29.25

All the above Corporate Guarantees are given for business purpose.

NOTE 52 : ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARIES / ASSOCIATES

₹ in Crores

Name of the Enterprise	FY 2022-23							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
Parent								
Indofil Industries Ltd.	59.35%	1,731.23	78.67%	189.70	-3.05%	(13.98)	25.13%	175.71
Subsidiaries								
Indian								
Quick Investment (India) Ltd.	1.32%	38.45	2.16%	5.20	0.00%	-	0.74%	5.20
Good Investment (India) Ltd.	3.09%	90.14	4.20%	10.12	0.00%	-	1.45%	10.12
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.24%	7.02	-0.85%	(2.04)	0.00%	-	-0.29%	(2.04)
Indofil –Costa Rica S.A.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Indofil Industries (Netherland) B.V.	6.79%	198.18	-1.08%	(2.61)	0.00%	-	-0.37%	(2.61)
Indofil Industries International	4.29%	125.07	-0.11%	(0.27)	0.00%	-	-0.04%	(0.27)
Indofil Industries DO Brazil Ltda	1.71%	49.86	0.60%	1.44	0.00%	-	0.21%	1.44
Indofil Phillipines, Inc.	0.90%	26.11	2.04%	4.93	0.00%	-	0.71%	4.93
Agrowin Bioscience S.r.l.	0.36%	10.46	0.11%	0.26	0.00%	-	0.04%	0.26

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

₹ in Crores

Name of the Enterprise	FY 2022-23							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
Joint Ventures (as per Equity Method)								
Indian								
Indo Baijin Chemicals Pvt. Ltd.	5.14%	150.07	24.80%	59.79	0.00%	-	8.55%	59.79
Inter company elimination and adjustments arising out of consolidation	16.82%	490.55	-10.53%	(25.40)	103.05%	471.99	63.88%	446.59
Total	**100.00%**	**2,917.15**	**100.00%**	**241.13**	**100.00%**	**458.01**	**100.00%**	**699.13**
Non controlling interests		**0.38**		**0.01**		**(0.08)**		**(0.07)**
Total		**2,917.53**		**241.14**		**457.93**		**699.07**

₹ in Crores

Name of the Enterprise	FY 2021-22							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
Parent								
Indofil Industries Ltd.	70.43%	1,564.05	80.95%	175.84	-15.29%	(10.45)	57.92%	165.39
Subsidiaries								
Indian								
Quick Investment (India) Ltd.	1.50%	33.24	2.38%	5.17	0.00%	-	1.81%	5.17
Good Investment (India) Ltd.	3.60%	80.02	4.86%	10.57	0.00%	-	3.70%	10.57
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.27%	6.04	-2.19%	(4.75)	0.00%	-	-1.66%	(4.75)
Indofil –Costa Rica S.A.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Indofil Industries (Netherland) B.V.	8.52%	189.23	2.38%	5.18	0.00%	-	1.81%	5.18
Indofil Industries International	5.32%	118.04	-0.97%	(2.11)	0.00%	-	-0.74%	(2.11)
Indofil Industries DO Brazil Ltda	2.15%	47.64	1.17%	2.54	0.00%	-	0.89%	2.54
Indofil Phillipines, Inc.	0.92%	20.32	4.64%	10.07	0.00%	-	3.53%	10.07
Agrowin Bioscience S.r.l.	0.36%	7.95	0.63%	1.36	0.00%	-	0.48%	1.36
Joint Ventures (as per Equity Method)								
Indian								
Indo Baijin Chemicals Pvt. Ltd.	4.46%	99.02	10.51%	22.82	0.00%	-	7.99%	22.82
Inter company elimination	2.49%	55.31	-4.36%	(9.47)	115.29%	78.80	24.28%	69.33
Total	**100.00%**	**2,220.86**	**100.00%**	**217.22**	**100.00%**	**68.35**	**100.00%**	**285.57**
Non controlling interests		**1.99**		**1.61**		**-**		**1.61**
Total		**2,222.85**		**218.83**		**68.35**		**287.18**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

NOTE 53: DISCLOSURE PURSUANT TO IND AS 7 :

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

₹ in Crores

Particulars	As at April 1, 2022	Cash flows	Non-cash changes	As at March 31, 2023
Long-term borrowings (including current maturities of long term borrowings	266.68	(88.70)	10.56	188.54
Short-term borrowings	412.03	(41.03)	(0.55)	370.45
Lease liabilities	2.25	(1.70)	0.08	0.63

₹ in Crores

Particulars	As at April 1, 2021	Cash flows	Non-cash changes	As at March 31, 2022
Long-term borrowings (including current maturities of long term borrowings	369.44	(8.83)	(93.93)	266.68
Short-term borrowings	493.33	(77.24)	(4.06)	412.03
Lease liabilities	4.54	(2.61)	0.32	2.25

NOTE 54 : SUMARISED FINANCIAL INFORMATION FOR JOINT VENTURE

The Group has a 51% (Previous Year 51%) equity interest in Indo Baijin Chemicals Private Limited . The Group's interest in this Joint Venture 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 it's financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Indo Baijin Chemicals Private Limited

A. Summarised Balance Sheet :

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current assets	197.19	117.10
Non-current assets	183.65	204.51
Current liabilities	51.32	74.92
Non-current liabilities	35.24	52.53
Equity	**294.28**	**194.16**
Carrying amount of investment	**150.07**	**99.02**

B. Summarised Statement of Profit and Loss:

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue	436.72	343.94
Cost of material consumed	199.38	214.85
Employee benefits expense	13.66	14.71
Depreciation and amortisation expense	19.73	20.19

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

₹ in Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Finance costs	3.21	5.04
Other expenses	28.63	23.58
Profit before tax	**172.11**	**65.58**
Less : Tax expense	54.88	20.83
Profit for the year	117.24	44.75
Other comprehensive income		
Total comprehensive income for the year	**117.24**	**44.75**
Group's share of profit for the year	**59.79**	**22.82**
Group's share of other comprehensive income	**-**	**-**

NOTE 55: SEGMENT REPORTING

₹ in Crores

A.	Primary Segment (by Business Segment)	Year ended March 31, 2023				Year ended March 31, 2022			
		Agrochemicals	Innovative solutions chemicals	Others	Total	Agrochemicals	Innovative solutions chemicals	Others	Total
a.	**Revenue :**								
	External sales	2,543.82	493.10	-	3,036.92	2,311.73	483.36	-	2,795.09
	Inter segment sales revenue	-	-	-	-	-	-	-	-
	Total Revenue	**2,543.82**	**493.10**	**-**	**3,036.92**	**2,311.73**	**483.36**	**-**	**2,795.09**
b.	**Result :**								
	Segment result	254.22	39.94	20.43	314.59	272.22	36.87	17.79	326.88
	Unallocable corporate expenses				-				-
	Unallocable corporate income				15.94				14.76
	Profit before interest and tax				330.53				341.64
	Less : Finance cost				46.07				45.23
	Profit before tax				**284.46**				**296.41**
	Provision for tax & deferred taxes				97.16				99.26
	Profit after tax				**187.30**				**197.15**
	Share of profit (Loss) of joint venture				53.84				21.67
	Profit for the year				**241.14**				**218.82**

c. Other Information :

₹ in Crores

Particulars	As at March 31, 2023				As at March 31, 2022			
	Agrochemicals	Innovative solutions chemicals	Others	Total	Agrochemicals	Innovative solutions chemicals	Others	Total
Segment Assets	**3,151.57**	**235.19**	**698.63**	**4,085.39**	**3,396.36**	**243.63**	**113.26**	**3,753.25**
Unallocable Assets				47.17				91.24
Total Assets				**4,132.56**				**3,844.49**
Segment Liabilities	**862.44**	**128.83**	**0.01**	**991.28**	**1,271.52**	**148.74**	**0.01**	**1,420.27**
Unallocable Liabilities				223.75				201.37
Total Liabilities				**1,215.03**				**1,621.64**
Net worth				2,917.53				2,222.85
Total Equity and Liability				**4,132.56**				**3,844.49**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

₹ in Crores

B.	Secondary Segment Information (by Geographic Segments)	Year ended March 31, 2023			Year ended March 31, 2022		
		Domestic	Export	Total	Domestic	Export	Total
	Revenues						
	Agrochemicals	1,263.19	1,280.63	2,543.82	1,171.68	1,140.05	2,311.73
	Innovative solutions chemicals	462.16	30.94	493.10	443.52	39.84	483.36
	Total	**1,725.35**	**1,311.56**	**3,036.92**	**1,615.20**	**1,179.88**	**2,795.09**

Notes:

1. The Group has identified three reportable business segments viz. Agrochemicals and Innovative solutions chemicals as primary segment and geographic segments viz. Domestic and Export as secondary segment. Segments have been identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted are in line with the accounting policy of the Group with following additional policies for segment reporting.

2. 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".

3. 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 56 : OTHER STATUTORY INFORMATION

i) The Parent company and its Indian subsidiaries does not have any benami property, where any proceeding has been initiated or pending against the Parent company and its Indian subsidiaries for holding any benami property.

ii) The Parent company and its Indian subsidiaries does not have any transactions with companies which are struck off except the followings.

Name of the Company	Nature of transactions with Company	Balance outstanding (₹ in Crores)	
		As at March 31, 2023	As at March 31, 2022
Steigen Crop Tech Private Limited	Sale of goods	-	*

** Less than ₹ 1 lakh*

iii) The Parent company and its Indian subsidiaries has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iv) The Parent company and its Indian subsidiaries has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent company and its Indian subsidiaries (ultimate beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

v) The Parent company and its Indian subsidiaries has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Parent company and its Indian subsidiaries shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

vi) The Parent company and its Indian subsidiaries does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

vii) The Parent company and its Indian subsidiaries has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

viii) The quarterly returns or statements of current assets filed by the Parent company and its Indian subsidiaries with banks or financial institutions are in agreement with the books of accounts.

ix) The Parent company and its Indian subsidiaries is not declared willful defaulter by any bank or financial institution or lender during the year.

57 The Group is yet to receive balance confirmations in respect of certains financial assets and financial liabilities. The management does not expect any material diffrence affecting the current years's financial statements due to the same

58 The Code on Social Security, 2020 (the Code) received presidential assent on September 28, 2020. However, the date on which the Code will come into effect has not yet been notified. The Group will assess the impact of the Code on its books of account in the period(s) in which the provisions of the Code becomes effective.

59 Figures in brackets indicate previous year's figures and have been regrouped/reclassified wherever necessary to conform to current years' classification.

Signatures to notes **1 to 59**

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director
DIN:00048606

Charu Modi
Executive Director
DIN:00029625

Jayni Gada
Company Secretary
ACS: 69469

Place : Mumbai
Date: August 29, 2023

INDOFIL INDUSTRIES LIMITED

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