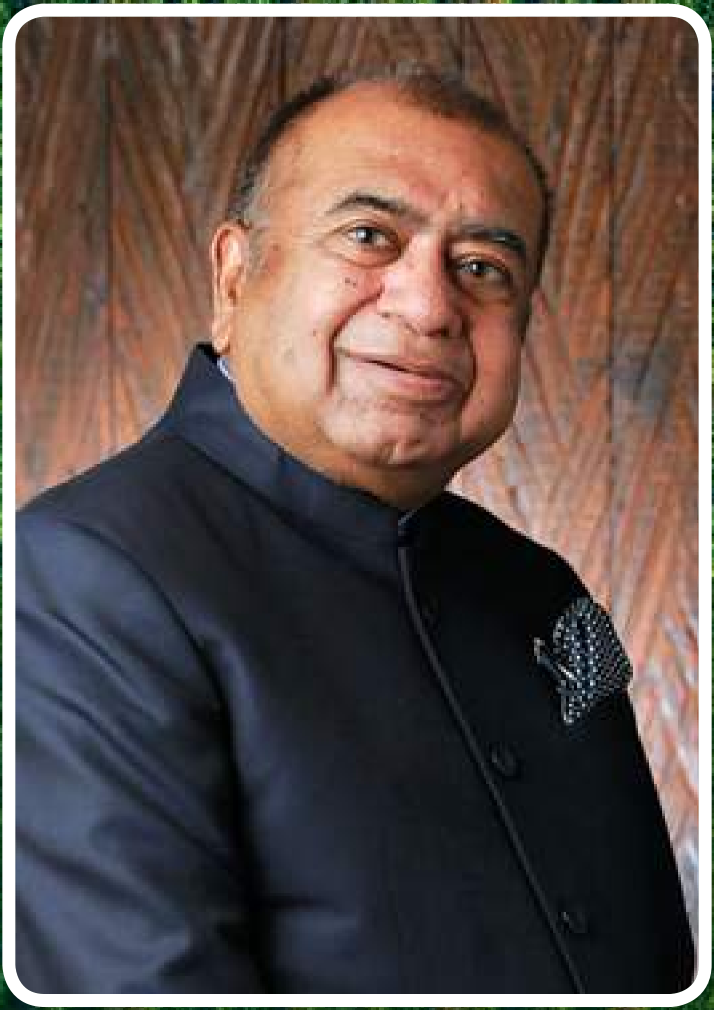
28th Annual Report
2020-21

INDOFIL INDUSTRIES LIMITED

ADAPT ACHIEVE ASPIRE



Mr. K K Modi

August 27, 1940 – November 2, 2019


"Business is about expanding your reach, touching more and more lives, creating meaningful relationships."

CONTENTS

"Intelligence is the ability to adapt to change"

STEPHEN HAWKING

While challenges present themselves in unique ways, we at Indofil realise the value of perseverance and prudence. It guides us to Adapt to change, Achieve phenomenal success and Aspire for sustainable progress - keeping our long-term vision intact, without losing sight of our goals.

Keeping pace with the evolving market dynamics and the changing user demands, we are constantly restructuring our practices and processes, protecting the very essence of sustainability in all our endeavours. From developing unique and eco-friendly solutions to improving farm productivity and adapting to a remote work culture amidst a pandemic, we are aligning our priorities and leveraging our strengths to deliver exceptional solutions.

With an ardent focus on a value-accretive product pipeline, we are consistently ramping up our capacity to streamline operations and lay the grounds for remarkable achievements. Banking on our robust R&D capabilities, we now aspire to fulfil goals with a clear and concerted roadmap for success. Our ability to consistently develop sustainable and innovative solutions that prioritise the needs of our end users, across geographies without impacting our natural ecosystem, empowers our aspirations to lead the change.

INDOFIL AT A GLANCE

MAKING SUSTAINABLE SOLUTIONS A REALITY

As a globally recognized agrochemicals and speciality chemical Company, Indofil Industries Limited (Indofil) offers solutions that help farmers across the world to improve productivity and yield to address the challenges of feeding a growing population.

Relying on our innovative products and solutions, we strive to introduce sustainable practices into the agrochemical and specialty chemical industry. We offer an integrated portfolio of patented and co-branded products along with formulations including fungicides, insecticides, herbicides and plant health and nutrition for a wide variety of crops. We also cater to the varied demands of leather, plastic, textile and coating & construction industries, with the supply of specialty performance chemicals.

At Indofil, we believe customer proximity and strategic partnerships are vital for accelerating growth. Our business model reflects a growing market share across our product portfolio in India and globally, creating long-term value for all our stakeholders.

VISION

To be a global leader in growth with customer success.

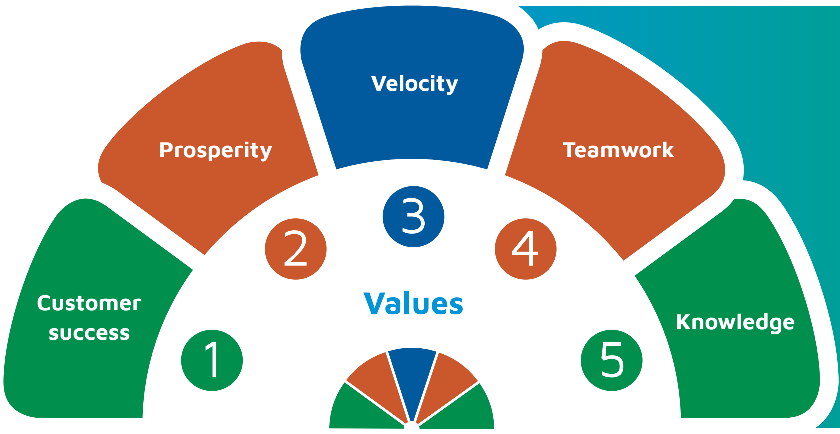
MISSION

To achieve leadership in growth rate.

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

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

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



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

Use any QR code scanning app to scan the QR code

INDOFIL – AN AGILE AND ENTERPRISING ENTITY

INTEGRATED Manufacturing process (Backward and forward integration)

One of the **LEADING** Companies to launch new products, formulations and patented products consistently

942 EMPLOYEES across the globe

One of the **LEADING** producers and suppliers of agrochemical and specialty chemicals

Partnering in nation building with **VOCAL FOR LOCAL & *AATMANIRBHAR BHARAT*** Initiatives

Indofil is **ONE OF THE FEW** producers and suppliers of key speciality chemicals used by the plastic and coating industry in India

Revenue in FY 2020-21 from domestic and international markets **CROSSED ₹1000 CRORE EACH**

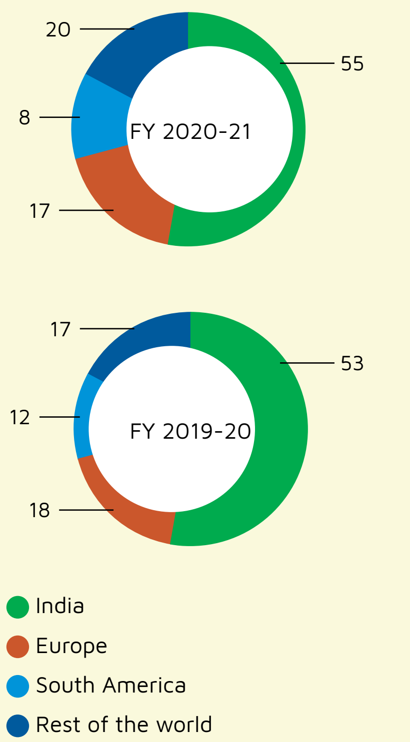
OUR PRESENCE

ACHIEVING GROWTH, GLOBALLY

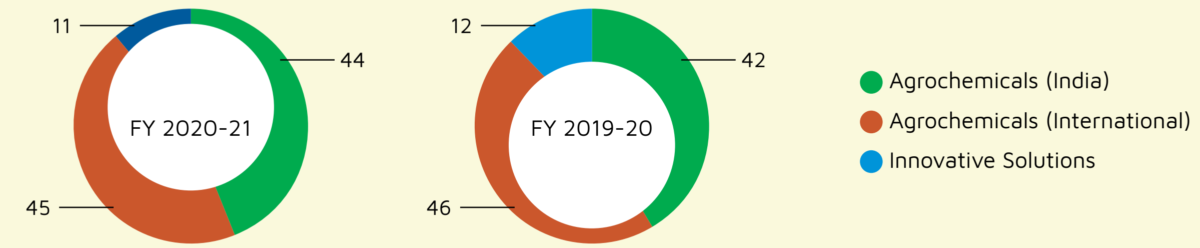
CAPACITIES (in tonnes)

33,600	4,000	38,000	35,000
Dahej, SEZ, Gujarat (Unit-1)	Synthesis Plant, Dahej, SEZ, Gujarat (Unit-2)	Innovative Solutions Plant, Dahej, Gujarat (Unit-3)	EBDC Plant, Dahej, GIDC, Gujarat (Unit-3)

REVENUE MIX BY GEOGRAPHY
(in %)



REVENUE MIX BY CATEGORIES
(in %)




Operating subsidiaries
Representative office
Manufacturing units
Head office
Global network
Russia
Netherlands
Kyrgyzstan
China
South Korea
Italy
Bangladesh
Taiwan
Mumbai
Myanmar
Philippines
Malaysia
Sri Lanka
Indonesia
Mauritius
Madagascar
Australia
New Zealand
South Africa
Dahej, Gujarat

PRODUCT PORTFOLIO

FULFILLING ASPIRATIONS WITH UNIQUE CHOICES

At Indofil, we have adopted a customer-centric business model to deliver path-breaking and unique products to customers and growers across the globe. Our best-in-class product portfolio is a result of world class manufacturing facilities, robust R&D capabilities and an extremely committed and qualified team of professionals - motivated to deliver the finest solutions. With a fine selection of superior quality products, we are empowering growers to enhance yield as well as offering sustainable choices.

Agrochemicals

DOMESTIC

We are strengthening our position as one of the leading manufacturers and suppliers of agrochemicals in India. Over the years, we have successfully marketed Agrochemicals - Insecticides, Fungicides, Herbicides, Acaricides, Surfactants, and Plant Growth Regulators (PGR). Our strong position in this space is a testimony of our ability to address evolving consumer needs and mitigate challenges faced by the growers.

KEY CROPS

- Paddy
- Cotton
- Potato
- Chilli
- Pulses
- Onion
- Soybean
- Apple
- Grapes
- Tomato
- Wheat
- Cumin
- Pomegranate
- Tea/Coffee
- Maize

SEGMENT AND BRANDS

Fungicides: Fungicides are specially designed agrochemicals that prevent the growth of fungi and resist serious damage to crops. Indofil develops a wide variety of fungicides that allow growers to avert losses and improve farm yield.

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

Insecticides: Insecticides are specially formulated chemicals used to control insects that damage agricultural produce. Indofil produces a wide range of efficient and ecologically sustainable products used by growers across the country.

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

Herbicides: Herbicides play a crucial role in ensuring proper growth of crops by killing unwanted weeds and plants.

Oxygold, Society, Killog, Nami, Indifil's Mix, Offset-N, Tadka71, Passport, Chase, Atrafil, Golf and Bigul

Surfactants and Plant Growth Regulators: Surfactants constitute a type of wetting agent that reduce interfacial tension between two liquids and facilitate easier dispersion of sprayed material. Plant growth regulators, on the other hand, are chemicals that can modify and accelerate the growth of plants.

Indtron AE, Filwet Premium, Ethefol.

Plant Nutrition: Our plant nutrition segment delivers Glycine based bio-simulants that are used to improve crop productivity. We also offer products with patented technology, developed in collaboration with a US based Company.

IndoLife Fruit Energy, IndoLife Vital Energy, IndoLife Green Energy and Indolizer Granules

Acaricides: Indofil supplies effective acaricides that are used to eliminate or prevent growth of arachnids such as mites.

Ceasemite, Mitex

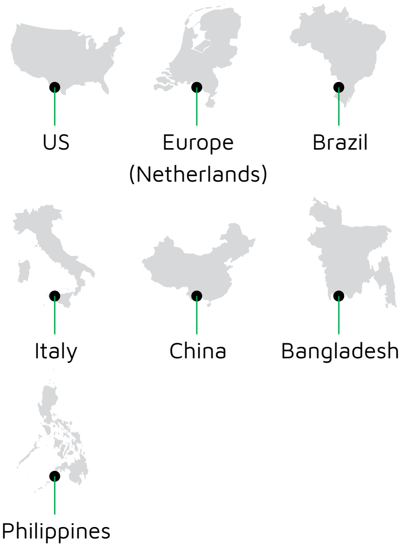
INTERNATIONAL

Over the years, we have established a strong presence in the international agrochemical space, expanding our footprints in more than 120 countries. We cater to a diverse customer base from renowned institutional clients to local farmers. Our strong distribution network and robust supply chain have propelled us to widen our presence to newer geographies across the globe with an increasing market share.

KEY CROPS

- Rice
- Soybean
- Potato
- Tomato
- Banana
- Pomes
- Vines
- Other Solanaceous crops

KEY GEOGRAPHIES



OUR OFFERINGS

Technical

Mancozeb, Cymoxanil, Metalaxyl, Tricyclazole, Myclobutanil, Maneb, Zineb, Dodine, Propiconazole, Thifluzamide and Hexaconazole

Mixtures and Formulations

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

Innovative Solutions

We are a leading manufacturer and supplier of specialty performance chemicals used by a wide variety of small, medium and large industrial manufacturers globally. We strive to provide innovative and specially curated products for Leather, Textile, Paints, Plastics and Construction Chemical industries.

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 Emulsions
- Customised Compounds
- Thickeners

Plastics

- Acrylic Impact Modifiers
- Acrylic Processing aids
- Non Toxic Heat Stabilisers (through JV with Reagens)
- Plasticizers (through JV with Reagens)
- Speciality additives (through JV with Reagens)
- Lubricants (through JV with Reagens)

Coatings and Construction

- Water-based Emulsions
- Dispersing Agents
- Defoamers / Wetting Agents
- Re-dispersible Powders
- Cement Modifiers
- Waterproofing Chemicals
- Rheology Modifiers

MESSAGE FROM CHAIRPERSON

FOCUSED ON AN ENDURING FUTURE

Dear Shareholders,

The fiscal year 2020-21 was tough for businesses worldwide. With the sudden outbreak of the Covid-19 pandemic, the world witnessed major challenges. Lives as well as livelihoods were lost. For Indofil too, it was a challenging year. But, we realized the importance of looking within and reinforcing our strengths and beliefs. We remained resolute in the face of adversity and emerged stronger. We also sustained remarkable progress, both in the domestic as well as international arena.

TIDING THROUGH CRISIS

The Covid-19 pandemic posed serious operational and financial challenges on businesses across the world. The global economy witnessed its worst-ever recession resulting from the lockdowns imposed worldwide to contain the spread of the virus. The pandemic disrupted almost all economic activity, especially during the first two quarters of 2020. Like other countries, India too recorded a sharp contraction in GDP growth in the first two quarters of the fiscal year 2020-21. On a whole year, the GDP contracted by 7.3% for FY 2020-21.

However, the Indian economy is on the path to recovery, owing to astute government efforts to offer relief to an ailing economy. India, at present, is undergoing a V-shaped economic turnaround. With the rapid implementation of Covid-19 vaccination campaigns across the country, a strong recovery is expected for achieving sustainable growth.

Agriculture continues to play a vital role in reviving the economy. Even in the face of adversity, India's agricultural sector demonstrated its strength. As per the first advance estimates of the Economic Survey 2020-21, the agriculture sector registered a growth rate of 3.4% at constant prices, during FY 2020-21.

Agrochemicals continue to improve agricultural production amidst decreasing cultivable area, limited area under irrigation and increasing stress on cultivable land. The sector provides much-needed impetus to fulfil the food requirements of the country's

"People centricity remains at the core of our business strategies and it has helped to shape our decisions to ensure the safety of our stakeholders, employees, farmers, and customers."

The agriculture sector registered a **growth rate of 3.4%** at constant prices, during FY 2020-21.

growing population. The industry also has the potential to directly contribute to the country's economic growth by becoming a global manufacturing and export hub.

ADOPTING NEW REALITIES

Amidst challenges and instability, Indofil has stayed unwaveringly true to its values. We have ensured that the Company takes all business decisions from the lens of our guiding philosophy of 'People First'. People centricity remains at the core of our business strategies and it has helped to shape our decisions to ensure the safety of our stakeholders, employees, farmers, and customers. It has also ensured business sustainability and improved yield and productivity for sustained livelihood through farming.

As a precautionary measure, we started work from home even before the countrywide lockdown was announced by the government. We looked at holistic ways of managing employee welfare and health and provided complete support during a challenging time.

We undertook tangible actions to deliver meaningful outcomes for the organization and to ensure well-being of the communities in which we operate. Being categorised as an essential service provider, our team and manufacturing units continued operations during the year and strictly followed safety measures mandated by the government.

To ensure smooth functioning, we adopted new realities, strategically planned objectives and implemented bold measures to ensure business continuity. We started work from home even before the countrywide lockdown was announced by the government, adopted digital technologies in areas where it was never implemented, rationalized our product portfolio and focused on delivering products to end users. During this period, we were not only taking crucial decisions to keep our business on track, but also took strategic decisions to shape our future.

ACHIEVING GOALS

The FY 2020-21 has been a year of survival amidst adversity and it has tested our capabilities to make the most of upcoming opportunities. The year started with a complete lockdown which resulted in a setback during the initial part of the year. While adapting to change, we had to resort to newer and innovative ways of doing business.

The remarkable business acumen of our late Chairman Mr. KK Modi helped us to sustain our position as one of the leading Agricultural Chemicals and Specialty and Performance Chemical companies. Indofil has a notable presence in the international agricultural chemical market and continuously strives to improve the well-being of farmers in India and around the world. Our customer-centric business model and quality-driven approach have played a significant role in establishing our prominence in the industry.

During the year under review, our revenue and profitability have not only increased but, have also exceeded pre-Covid-19 levels. This was mainly on account of our constant focus on adapting to change and enhancing our core capabilities to lay the foundations for future growth. Further, we also delivered on our commitment to stakeholders.

Our state-of-the-art manufacturing facilities, motivated and committed teams, experienced business partners and strong innovation capabilities enabled us to provide end-to-end solutions for the agrochemical and innovative solutions segment, fulfilling customer demand across the globe. During the year under review, we continued to adopt new technologies, developed new products and formulations and further consolidated our position in the domestic and international market.

The success we have achieved today would not have been possible without the efforts and hard work of our team. I would also like to take this opportunity to express my heartfelt appreciation for everyone at Indofil, for their commitment, passion and hard work. It is the resilience of our people that enabled us to record stellar performances during the year. It gives us immense hope and confidence to stride further and pave the path for success. I am also grateful to our valued stakeholders, customers, suppliers, distributors and bankers for their constant support and belief in us.

At the moment, we are enthusiastic and optimistic about our potential to embark on a truly phenomenal journey. With renewed vigour and an endeavour to fulfil aspirations, we remain committed to take Indofil to the zenith of success.

Yours sincerely,

DR. BINA MODI
Chairperson and Managing Director

MESSAGE FROM COO

STRATEGICALLY ALIGNED TO EVOLVING MARKET DYNAMICS

"The Indian market has attracted the attention of foreign investors and manufacturers due to the government's growing emphasis on 'Make in India' and '*Aatmanirbhar Bharat*'."

To our stakeholders,

It is often said that the hardest times teach us the most valuable lessons. FY 2020-21 introduced us to new realities and enthused a zeal to overcome unprecedented challenges. At Indofil, we have not only surpassed hurdles, but also uncovered opportunities to become stronger than ever. We have realised our capability to adapt to change and aspire for newer heights of success, carrying forward our journey of excellence.

For a year that has been marked by turbulence, we focused on adapting to the situation. Our 'Problem Solving' ability was evident through the 'Act Now. Plan Now' initiative that aimed at addressing challenges. While Act Now focused on day-to-day issues, Plan Now was designed to emphasise on medium to long term opportunities. Our persistent focus on problem solving has enabled us to stay ahead of the curve and achieve goals.

During the past year, we have witnessed developments that make us extremely proud of our achievements. Despite the unforeseen circumstances posed by the pandemic, we managed to grow and perform. While a favourable monsoon resulted in good harvest, demand improved in the domestic market and triggered a simultaneous increase in production. Additionally, we witnessed better profits from the international business.

During the year under review, we recorded a marked improvement in our financial performances. Total Income grew from ₹ 2,236 crore in FY 2019-20 to ₹ 2,441 crore in FY 2020-21, registering a phenomenal year-on-year growth rate of 9%. In the domestic and international business, revenue crossed ₹ 1,000 crore each, marking a great milestone for us.

Further, our EBITDA improved by 70% YoY from ₹ 274 crore in FY 2019-20 to ₹ 467 crore in FY 2020-21. During the year under review, our EBITDA margin stood at 19% against 12% in FY 2019-20. During the year, we also sustained a strong liquidity position and robust cash flows.

This was largely influenced by our sound strategies and a focused approach to ensure business growth. With constant emphasis on collections, cost optimization and a strong product portfolio, demand for our products increased phenomenally, allowing us to expand our reach further. Our achievements are also the result of our patience and resilience, combined with the adoption of bold measures that helped us to fulfil objectives.

Total Income grew from ₹ 2,236 crore in FY 2019-20 to

₹ 2441

crore in FY 2020-21,

The Indian market has attracted the attention of foreign investors and manufacturers due to the government's growing emphasis on 'Make in India' and '*Aatmanirbhar Bharat*'. Moreover, the prominence of India as a manufacturing hub has also garnered interest in the country. We believe, it will act as a great advantage for India as well as our Company in the coming years.

On the international front, we have consolidated and strengthened our market share by expanding our footprint and penetration in key markets of Africa, Asia Pacific, and Latin American countries such as Brazil, Argentina and Mexico. We continue to expand our product portfolio while focusing on initiatives to create strong regional teams that will aid our growth in the coming years.

Indofil, at the moment, maintains a strong emphasis on adding customers, improvising offerings, enhancing its brand value and increasing efficiency. It also remains determined to grow profits and boost the visibility of products across key geographies.

Our Company operates in both the B2B and B2C business segments and the international markets have witnessed a significant rise in individual consumers. We realise, there are tremendous opportunities to expand the B2C business model to international markets, but the uncertainty caused by the pandemic has delayed our plans. Our concerted efforts in Brazil and Africa are expected to deliver significant improvements in the top and bottom line, in the next few years. To ensure continued growth in the coming years, we have made significant investments in new product registrations in Europe and Brazil. It is expected to contribute towards business revenue from FY 2022-23. We are also looking at similar possibilities in Philippines and Bangladesh to strengthen the existing business there.

Far from sitting on our laurels, we are continuing to evaluate opportunities for growth in the international business through portfolio expansion, realignment of the distribution network and geographical expansion in new markets. Our strong brand recognition and proven track record also provides several opportunities for strategic expansion. The International business and R&D teams continue to work on new product strategies for existing and new markets and we are exploring alternatives to expand our operations in key markets like United States and Africa.

At Indofil, we believe, innovation is a way of life. During the Covid-19 pandemic, we adopted innovative thinking and unique measures to overcome several challenges. Agriculture has always been an on-field business but, we realised the importance of introducing technology to ensure the safety and security of people. We adopted online modes of communication to interact with internal teams as well as farmers and other stakeholders and began live telecasting from the fields to help farmers. Virtual meetings were conducted regularly and changes were monitored efficiently to combat challenges posed by the pandemic.

During the last fiscal, Indofil also strived to enhance its innovative and technological capabilities, with a firm focus on driving future growth. To further boost our growth prospects, we are also relying on a strong product pipeline.

Being a people-centric organisation, we have always prioritised the safety of our employees, our customers and other stakeholders. To keep our employees motivated during tough times, we conducted online training programs, seminars and connect forums. We also ensured the health and well-being of our employees and their families by lending a supporting hand. Taking into consideration the enormous challenges posed by the pandemic, we remained considerate about our employees' needs, completely avoiding pay cuts at Indofil.

Further, as an essential service provider, we understood our responsibilities towards the agriculture industry and the community at large. We remained committed to meet the needs of our farmers and customers, making necessary products and solutions easily accessible. Efforts were also made to strategically streamline operations and ensure employee well-being.

We also remain committed to provide objective and transparent information about our operations to stakeholders across the vertical. Our Environmental, Social and Governance (ESG) policy has also been integrated with our corporate strategy with an aim to strengthen the foundations of a sustainable organization.

As we end a truly challenging year and focus on our remarkable achievements, I would like to take this opportunity to thank all our stakeholders for their continued faith and support in our abilities. I am also deeply indebted to my colleagues and team members for their relentless dedication and enthusiasm to find success amidst trials. Today, we are optimistic about better times ahead and aspire to chart new trajectories of growth and development.

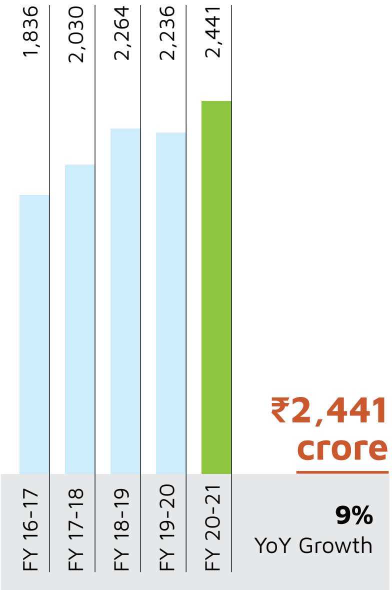
Regards,

NARENDRA RANE
Chief Operating Officer
(Agro Business)

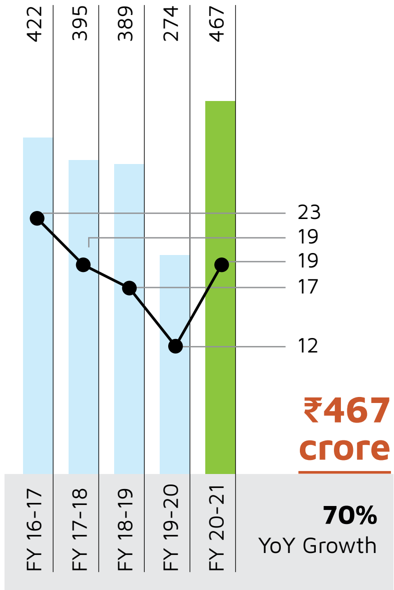
FINANCIAL HIGHLIGHTS

SOLID PERFORMANCE. SUSTAINABLE GROWTH.

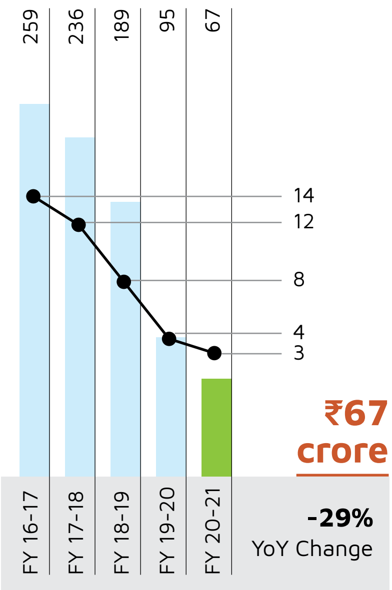
Consolidated Total Income
(₹ in crore)



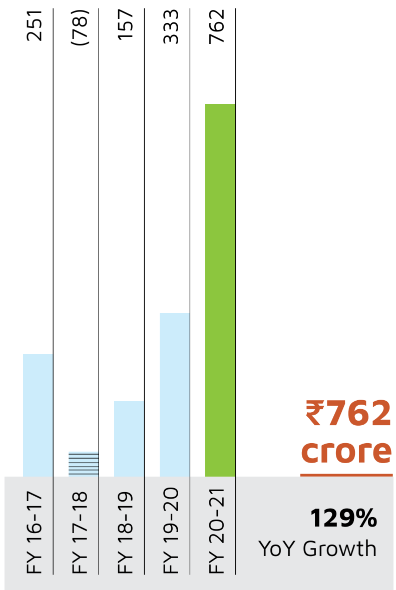
Consolidated EBITDA
(₹ in crore)
EBITDA Margin (in %)



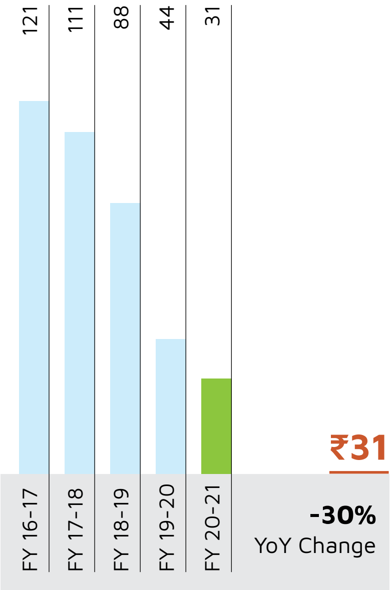
Consolidated PAT (₹ in crore)
PAT Margin (in %)



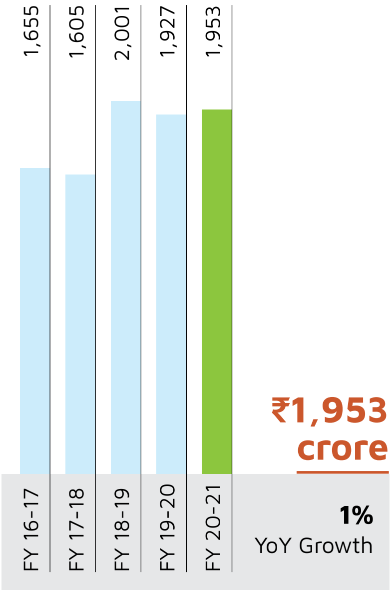
Consolidated Cash Flow from Operations
(₹ in crore)



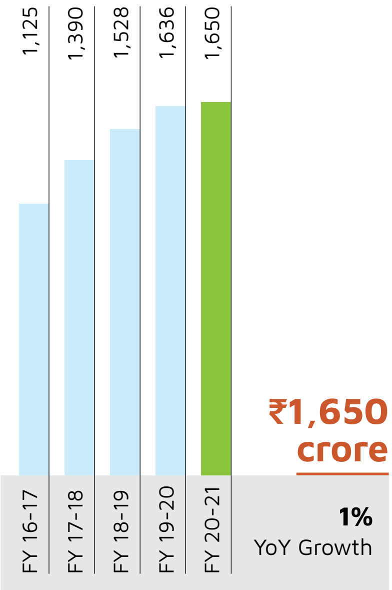
EPS
(in ₹)



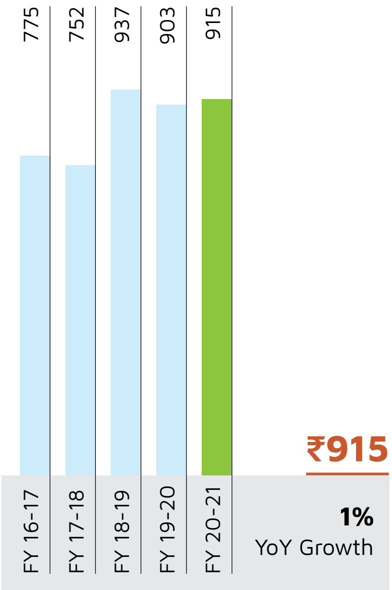
Reserves
(As per Consolidated Accounts)
(₹ in crore)



Consolidated Gross Fixed Assets (₹ in crore)



Book value per share
(As per Consolidated Accounts)
(in ₹)



BUSINESS MODEL

OUR UNIQUE APPROACH TO VALUE CREATION

Our Resources

Financial Capital

₹ 21.35 crore
Equity Share Capital

₹ 396 crore
Long-term Debt

Manufactured Capital

₹ 1,650 crore
Gross Fixed Asset

4
Manufacturing units

5
Operating subsidiaries across the globe

Human Capital

942
permanent employees

687
contractual employees

Intellectual Capital

₹ 21 crore
invested in R&D activities

42
employees in our R&D team

6.87
Average experience of management team

Natural Capital

Renewable and Non-renewable sources of energy

Water

Fuel

Land

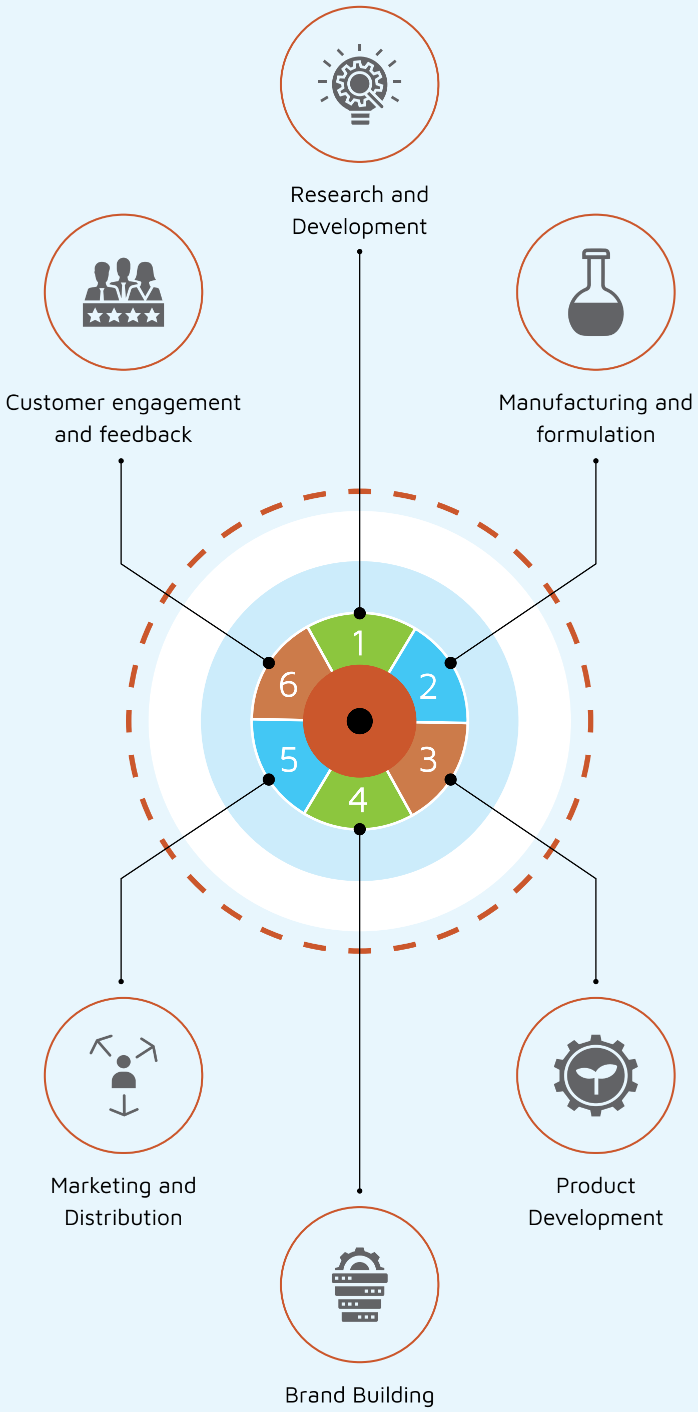
Social and Relationship Capital

Strong
support from shareholders

Long-standing relationship
with suppliers and vendors

Member
of various trade bodies

End-to-end process competence



Output

Agro Chemicals

- Fungicides
- Herbicides
- Plant Growth Regulators
- Insecticides
- Surfactants
- Acaricides
- Plant Nutrition
- Garden Care

Specialty Performance Chemicals

- Textile
- Coating
- Plastic
- Leather

Outcomes

Financial Capital

9%
YoY Growth in consolidated Income

70%
YoY Growth in EBITDA

1,000+ crore
Revenue from domestic and international operations each

Manufactured Capital

Capacities (in tonnes)

33,600
Dahej, SEZ, Gujarat (Unit-1)

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

38,000
Innovative Solutions Plant, Dahej, Gujarat (Unit-3)

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

Human Capital

20634 Hours
Total Training hours

7,419.5
Manhours of EHS training

2.85 days
Average mandays of training

Intellectual Capital

151
Number of brands

11
New products launched

892
Registrations held by Indofil

175
Registration in progress as on 31st March 2021

Natural Capital

Decreasing
dependence on non-renewable sources of energy

100%
Zero liquid discharge with Multiple Effect Evaporator (MEE), followed by Effluent Treatment Plant (ETP), Scaleban and Reverse OsmosisPre Heater installed to reduce gas consumption

45,189 KL
Water recycled through MEE plant & reused in Unit-2

Social and Relationship Capital

44,000
Retailers

4350
Distributors in domestic market

~10.49 lakh
Farmers covered through various field activities

120+
Countries where our products are available

550
International Customers

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
10 Reduced Inequalities
12 Responsible Consumption and Production
13 Climate Action
15 Life on Land
16 Peace, Justice and Strong Institutions

STRATEGIC PRIORITIES

RESILIENTLY CHARTING OUR GROWTH PATH

ADAPTING TO CHALLENGES

We adopted novel and swift measures across the Company, demonstrating agility and responsiveness to evolving macro-economic situations.

Read more on page 22-27

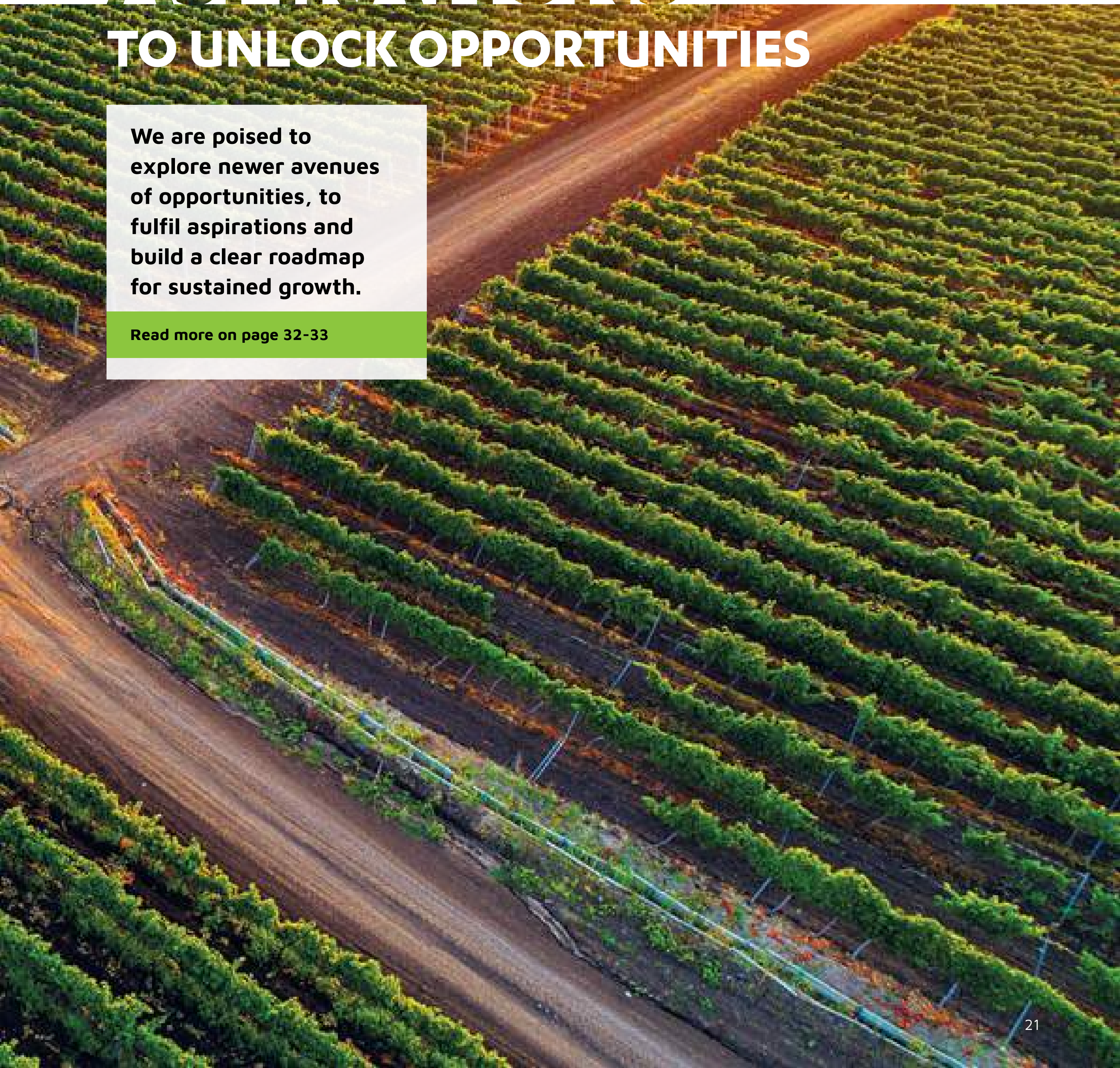
ACHIEVING SUCCESS

Our focused efforts enabled us to achieve success across the business - in India and globally.

Read more on page 28-31

In an evolving business environment, our resilience, adaptability and agility keeps us attuned to industry needs. While the Covid-19 crisis continued to have a prolonged global impact, our strategic efforts enabled us to tide through the crisis with ease. It is the strength of our business model that enables us to withstand macro-economic and unforeseen challenges and deliver consistent results year on year.

ASPIRATIONS
TO UNLOCK OPPORTUNITIES



We are poised to explore newer avenues of opportunities, to fulfil aspirations and build a clear roadmap for sustained growth.

Read more on page 32-33

ADAPTING TO CHALLENGES

EMERGING STRONGER

The fiscal year 2020-21 was earmarked by uncertainties due to the onset of the Covid-19 pandemic. However, the agriculture sector played a pivotal role to keep the economy afloat during a particularly tough time.

As a part of this industry, we witnessed a rather phenomenal year of growth, owing to our emphasis on the People First philosophy.

PEOPLE FIRST

Employee health and well-being

For us, the health and well-being of our people always remained at top priority. Numerous initiatives like tracking daily health information, pulse surveys, regular sanitization and social distancing guidelines at workplace were implemented. Keeping the emotional wellbeing at focus, several mental and physical health awareness workshops, meditation and yoga sessions, webinars for family were conducted in addition to the availability of a round-the-clock in-house medical doctor.

We also collaborated with hospitals to provide emergency assistance to employees affected by Covid-19. During these difficult times, across Company, wherever required, we ensured availability of healthy meals to our employees and their family. Regular and personalized communication with employee for their well-being was well received through a dedicated helpline managed by the People Strategy team. Standing in solidarity with our employees, we also managed to organize vaccination camps in 2021.

Capability Building

We realized that downtime during lockdown was an opportunity for us to invest in developing skills for the future. With strong emphasis on development, our training efforts were enhanced to give attention towards virtual learnings, breaking down legacy barrier of physical sessions. We utilized our time to roll out programs like managing teams virtually, negotiating remotely, reiterating employee benefits and HR policies. We undertook the Agro Domestic transformation program for our sales team categorized at three levels which majorly included functional trainings like customer excellence, complaint handling, product knowledge as well behavioral trainings like leading teams, creating personal brand to name a few. Additionally, the 'Learning Tree' repository was designed to keep the workforce up to date with various skillsets in lockdown times.

Employee Engagement

For us, engagement formed a completely new meaning this year to balance the social distancing. Adequate investments were made in digital technology and new approaches were put in place which allowed the team to learn and grow, and more importantly be heard. Multiple initiatives launched during the year were focused on improving employee experience and feedback mechanism. Virtual games and quizzes, dedicated time for informal hangouts were some of the initiatives we took especially designed for millennials and young workers staying alone at higher risk of isolation anxiety. Digital platforms like social media and instant messaging tools were utilized for informal conversations, quizzes, and fun family activities. Townhalls with the promoters and leadership team were organized to ramp up the workforce communication. An exclusive monthly magazine was also launched in FY 2020-21, that covered major highlights and helped build a stronger connect with the employees.

On a broader level, we conducted an organizational health survey (OHS) with an endeavour to understand employee sentiments thereby offering them a platform to voice their opinions. An exclusive rewards and recognition programme was also curated to recognize the employee efforts for their stretched targets in a substantial project.

ADAPTING TO CHANGE WITH A RENEWED APPROACH

RESTRUCTURING OUR PRODUCT PORTFOLIO

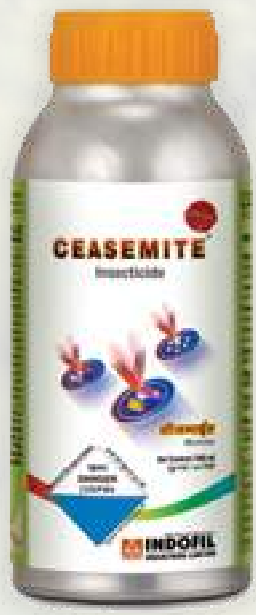
We restructured our product portfolio and eliminated under-performing products. Our endeavour was to address the growing needs of customers with our best performing products and liquidate inventory. This enabled us to increase our revenue as well as optimize inventory levels.

27

Products/Brands discontinued in FY 2020-21

CEASEMITE - The Power of Innovation

India is among the largest tea producers in the world, with a capacity to deliver 1.3 million tons of tea every year. However, volatile weather conditions and pest infestation continues to affect the crop productivity. Mite infestation has emerged as one of the most significant threats faced by tea growers across India. It can even cause yield losses of up to 20-30%.



Indofil has introduced a novel patented miticide CEASEMITE to tackle this challenge. Developed in collaboration with Nisso (Japan), CEASEMITE is effective on all stages of a mite's lifecycle - eggs, nymphs and adults. It's efficiency has not only enhanced crop protection but has also prevented damages to crops.

Indofil is the first Company to develop the True Acaricide concept in India through Dicofol (R&H). It has propagated our presence in niche agricultural segments such as tea cultivation. Improving the strength of our acaricide segment further, CEASEMITE provides a potent and unique solution for managing mite infestations in tea plantations.

OUR BEST SELLING PRODUCTS

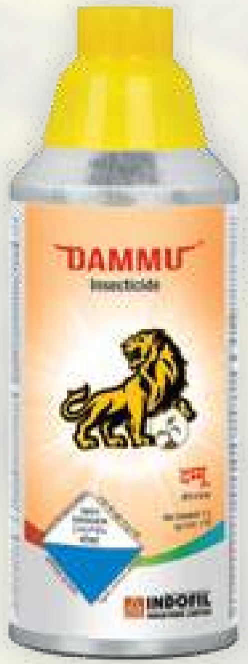
Indofil M-45, Sprint, Avtar, Indofil Z-78, Token, Merger, Rimon, Baan, Oxygold and Volax.

₹493 crore

Revenue generated from 10 top selling products in FY 2020-21

DAMMU - An Acaro Insecticide

India is the second largest producer of vegetables in the world and produces around 185 million MT vegetables per annum, contributing about 12% of the world's vegetable production. Tomato and Okra constitute two of the most important vegetable crops in India, contributing 11% and 3% of the total vegetable production in India.



However, vegetable production is affected by several challenges related to low and uneven productivity, mite infestation and changes in agricultural practices. Mites and sucking insects have further aggravated the problem and causes severe financial losses to farmers.

To address this issue, Indofil has developed DAMMU – an acaro-insecticide. It is a broad spectrum product, effective against mites and sucking pests that affect crops such as Tomato and Okra. DAMMU has proved to be beneficial for keeping Mites, Jassids and White fly away, ensuring excellent crop protection.

ADAPTING TO CHANGE WITH A RENEWED APPROACH

COST OPTIMIZATION

To optimize cost and boost our profitability, we adopted the zero base costing method within our operating framework. It enabled us to reduce fixed cost significantly while also improving collection efficiency and Working Capital. Our strategic efforts allowed us to maintain healthy operational cash flow and reduce long-term debt by 39% YoY, in FY 2020-21.

₹ 246 crore
Long-term Debt Repaid

28%
YoY reduction in finance cost

VOCAL FOR LOCAL

In line with our endeavour to contribute towards the government's vision of *'Aatmanirbhar Bharat'* and promote 'Make in India' products, we have scaled up our partnership with local suppliers to fulfil various requirements. We constantly strive to reduce our dependence on imports and find alternatives to source raw materials from domestic suppliers.

ACT NOW AND PLAN NOW

During the year, we focused on 'Problem Solving' and formed cross functional teams namely, 'Act Now' and 'Plan Now'. While 'Act Now' was designed to address day-to-day problems, 'Plan Now' strived to address medium to long term challenges. Members from various functions including supply chain, logistics and marketing participated in the initiative and discussed strategies to address various challenges posed by the pandemic. It also enabled them to resort to productive methods to ensure business continuity. Our consistent focus on overcoming challenges allowed us to achieve 360 degree growth across segments, operations and geographies.

BACKWARD INTEGRATION

We continued to strengthen our manufacturing capacities through a stronger backward integration model. We have successfully undertaken backward integration of key products like Metalaxyl (MPX and MAC intermediates) and Cymoxanil (2-CEU intermediate). This has reduced our dependence on raw material requirement from overseas markets, while also improving quality control processes, margins and ensuring faster time-to-market.

BACKWARD INTEGRATION OF
Metalaxyl and Cymoxanil
Products (as on 31st March 2021)

GOING DIGITAL

Our adaptability towards digital platforms grew phenomenally during the last fiscal. In an age of rapid transformation and growing penetration of smart phones, we relied heavily on platforms such as Zoom, Google Meet and others to remain connected with our customers and farmers in different parts of the country.

We also launched a call centre to connect with farmers, understand their concerns and address queries. A multi-lingual team helped farmers with appropriate advice and product recommendations.

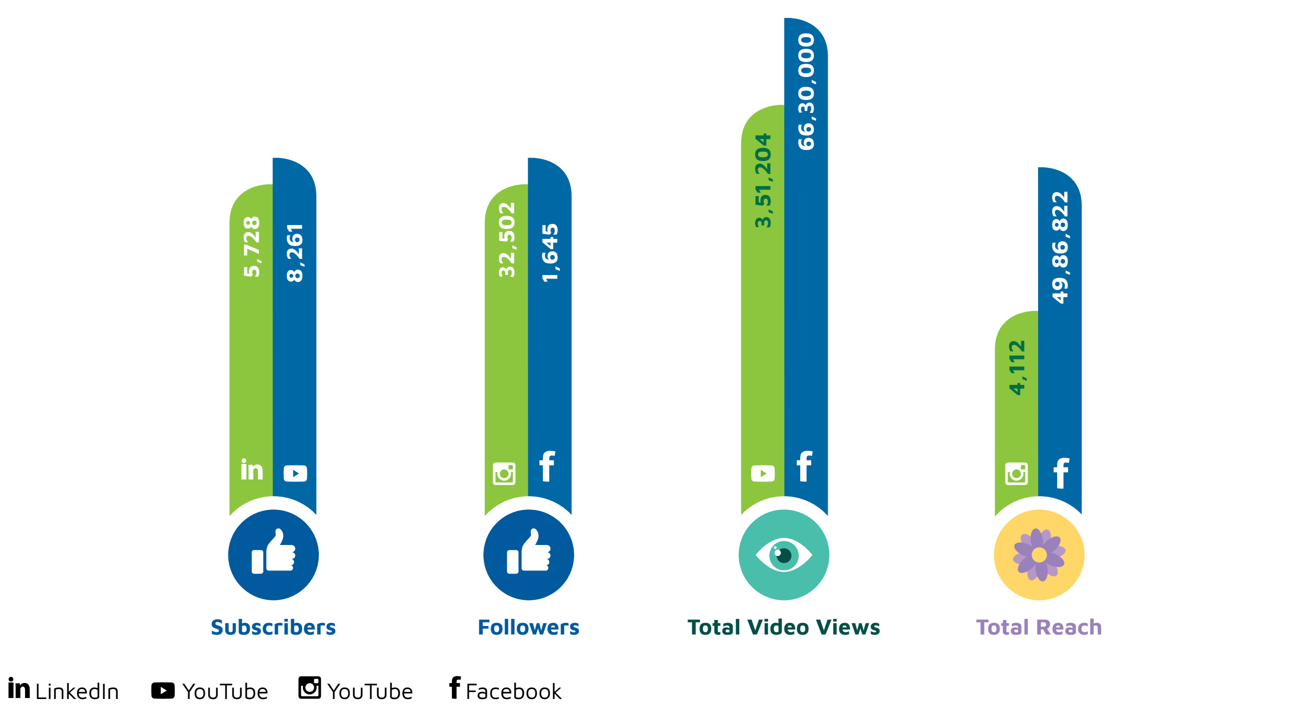
Our demand generation and sales teams also conducted virtual meetings and trainings for farmers, informing them about agronomy practices that included methods to safeguard crops from pests, diseases and weeds. They were trained about the safe use of plant protection chemicals and advised about the various use cases of our products. These initiatives enabled us to successfully gauge market demand and provide the most appropriate solutions for farmers.

We also connected with farmers through social media platforms such as YouTube and Facebook. These platforms helped to showcase the application of our products and its utility, thereby increasing crop yield and farm productivity for the farmers.

~2.42 lac
Farmers educated through digital platforms during the pandemic

~10.49 lac
Farmers trained through field activities

CONNECTING WITH STAKEHOLDERS THROUGH SOCIAL MEDIA PLATFORMS



ACHIEVING SUCCESS ACROSS GEOGRAPHIES AND MARKETS

At Indofil, we seek to help farmers and customers across the globe to improve their crop yield, crop productivity and crop health. With our concerted efforts to continuously innovate and launch new and improved products, we ensure a steady and reliable pipeline of products at competitive prices through our strong global network of suppliers and distributors. We continue to leverage our expertise and deep consumer understanding to meet the requirements of customers across the world.

INDOLIFE

- Introduced 'IndoLife Ke Humsafar' - business associate loyalty programme to increase sales.
- Export of Maxilizer Liquid to Tunisia, an initiative to strengthen hold in African nations.
- Registered Maxilizer Granules and Liquid in Philippines.
- Achieved permanent registration of Albion products under Schedule-I, FCO, thus increasing our brand value and farmer's trust in our products.
- Conducted more than 100 demonstrations and 200 farmer-meetings to improve brand awareness of our flagship brands - Maxilizer and Innerzim.

RESEARCH AND DEVELOPMENT

- 11 new products developed and introduced.
- Our R&D lab was recognised by Department of Science and Industrial Research (DSIR).
- Received certification of Good Laboratory Practices (GLP) by National Good Laboratory Practice Compliance Monitoring Authority.
- Improved process of Tricyclazole (color), Metalaxyl (MPX Int.), and Cymoxanil (2-CEU Int.) which empowered us to improve quality, reduce cost, add more customers and sales volume.
- Backward integrated our commercial products including Propargite (TBPC Int.), Metalaxyl (MAC Int.), and Thifluzamide (DBTFMA and Thiazole acid) at R&D and pilot plant.
- Processes developed for some new active ingredients (AI, technical products), covering various chemistries such as Difenoconazole, Metalaxyl-M, Prothioconazole, Picoxystrobin, Boscalid, Folpet, Propineb and are in advanced stage at R&D.
- Capitalising on the opportunity created by 'Make in India', we initiated CRAMS projects for a potential multinational partner.

INNOVATIVE SOLUTIONS

Leather

- Focus on promotion of core product range which resulted in increased market share of Acrylic Syntan, Binders and fat liquors.
- Strong emphasis on receivable management enabled us to reduce our Day Sales Outstanding (DSO).
- Established business with new corporate clients including ASP Pvt Ltd (Mumbai), Papilion Chemie (Jalandhar) and Zesvira -Germany (Indian Subsidiary).
- Strong focus on expanding export business in key geographies including China, Bangladesh and Egypt.

Plastic

- Established modifiers business with key customers such as Finolex Industries Ltd. and Astral Pipes Ltd.
- Full potential captured for non-toxic stabilizer and modifiers from Sudhakar pipe.
- With the help of Reagens Brazil team, we started export of modifiers in Brazil and Chile.

Textile

- Strong focus on high profit generation.
- Maintained stringent cost control across all our operations to improve our bottom line.
- Launched 2 new products in Bangladesh (Indofil BB007 and Indofil PB 100) as well as in the domestic market (Indofil DWP and DCP).
- Robust price management despite high monomer prices helped improve our profitability.
- Strong growth witnessed from key clients of pigment printing i.e Kokuyo Camlin Ltd. and Faber Castell.

Coating

- Received orders for Cemento from UltraTech Cement Ltd. and HIL Ltd.
- Started supplying Indofil 731 to BASF.

International Market

EUROPE

- Achieved sustained growth in sales volume, value and profitability.
- Built a strong order book for Cymoxanil.
- Focused on developing new and improved products by leveraging our Triazoles production asset.
- Achieved milestones of NPI New Product Introduction, comprising a range of mixtures which are under registration.
- Partnered with leading MNCs on global projects to introduce our products in their portfolio.

BRAZIL

- Sales volume, revenue and profitability nearly at par with Previous Year, largely due to the adverse impact of Covid-19 pandemic.
- Continued to sustain and build strong relationships with MNCs.
- Established strong brand presence for Manfil.
- Witnessed strong demand growth for Moximate in the potato segment.
- Registration of GRUMA products being processed.

BANGLADESH

- Achieved sustained growth in sales volume, value and profitability year on year.
- Strong focus on growing and strengthening B2B business segment in Bangladesh.
- Exploring opportunities to export from Bangladesh.
- Continued to focus on building our brand in Bangladesh.
- Working to strengthen our product offerings in key crops such as Rice, Potato, Mango and F&V.

REST OF THE WORLD

- Achieved strong growth in revenue and profitability, year-on-year, in various regions including APAC, America, Africa, Middle East and CIS.
- Registered strong volume growth in Tricyclazole, Merger, Cymoxanil and Matco on year-on-year basis.
- Successfully achieved sales of ~1100 MT of Mancozeb WG in USA.
- Registrations for various products planned for several regions, especially in Africa, CIS and South America. This will also enable us to boost the product mix and strengthen our business in these regions.

PHILIPPINES

- Strong focus on penetrating B2C and branded product market.
- Strengthening our presence in the market by building a strong network of distributors and dealers.
- Achieved sustained growth in sales volume, value and profitability year on year.

ACHIEVING SUCCESS IN MANUFACTURING AND SUPPLY CHAIN MANAGEMENT

Resting on robust manufacturing capabilities and efficient supply chain management, we have emerged as a market leader. While travel restrictions, migration of labour from cities, logistic challenges and rising input cost affected manufacturing and supply and distribution to a certain extent, we overcame challenges to deliver sustainable results.

Manufacturing excellence

Our state-of-the-art manufacturing facilities empower us to deliver exceptional products and fulfil customer requirements seamlessly. We expanded our production capacity and improved capacity utilisation to meet the growing demand in domestic and international markets. We also successfully produced 2 CEU and MPX with backward integration and it enabled us to reduce costs and improve the quality of our products. We continued to derive benefits from the scale of our operations, enabling cost saving, ensuring bulk order fulfilment with minimum lead time and retaining the quality of our products.

Despite the challenges posed by reduced manpower and labour shortage during the lockdown, we quickly adapted and established new SOPs across our manufacturing units to ensure business continuity. This not only enabled us to meet our production targets but, also enabled us to deliver orders without delays.

CERTIFICATIONS ACCREDITED TO OUR PLANTS

- ISO 9001:2015 for Quality Management Systems
- ISO 14001:2015 for Environmental Management System
- ISO 45001:2018 for Occupational Health & Safety
- Unit 1 was accredited by NABL (National Accreditation Board for Testing and Calibration Laboratories under ISO/IEC 17025:2005
- Unit 1 received certificate from Academic division of TUV SUD South Asia Pvt. Ltd. for TPM Excellence Practices

Adopting digital tools in operations

Our operations have shifted to digital platforms and we have harnessed advanced technology to ensure smooth and seamless operations.

We achieved effective supply chain management in the domestic market and introduced a digital platform for SPOT bidding of primary freight contract. Although the pandemic affected the availability of freight transport and other vehicles used for logistic support, we introduced the SPOT tool to solve this issue. More than 50 service partners were selected from 150+ vendors and they were empanelled in the digital bidding

platform with the help of our IT service partner. It also helped us to evaluate bidder behaviour and maximize the efficiency at multiple levels.

For our international operations, we collaborated with Udyog software for automation of export documents. This helped us to increase our TAT for sending documents to customers as well as build a strong data base. We also tied up with Bombay Chamber of Commerce for issuance of digital certificate of origin, which was acceptable at various countries where we have a strong customer base. Further, our tie up with shipping lines for digital bill of ladings (BL) enabled us to send documents to our customers on time.

Collaboration with new and existing partners

We are immensely proud of the resilience, flexibility, and professionalism demonstrated by our service partners, who have stayed focused on ensuring timely delivery to our customers and partners. Even during the pandemic when mobility restrictions emerged as a major hurdle, we connected with them through Video Conferences. It not only improved the confidence in our service partners but, also helped Indofil achieve its targets.

Moreover, all our business partners (vendors) were working remotely and to custom clear shipments on time, we proactively agreed on seamless movement of documents to customers in the overseas market. However, in some cases, customers had to pay shipping line detention charges. Being a customer centric Company, we compensated our customers and reimbursed the detention charges. We also managed to convince Government departments (Customs, DGFT and EIA), Banks and Shipping Lines for issuance and submission of digital documents to customers. Indofil was the first Company in agro chemicals (Gujarat region) sector to opt for digital documents that were readily accepted by customers and other government departments.

Further, to ensure seamless movement of containers to Brazil and other countries, we managed to sign contracts with shipping lines like Maersk – the largest shipping line in the world. This was a remarkable achievement for us as we became the only Company to secure a direct contract with them.

99.77%
Of dispatches achieved every month owing to our proactive arrangements for shipments

We achieved
highest ever dispatch
of 47,270 MT in international orders

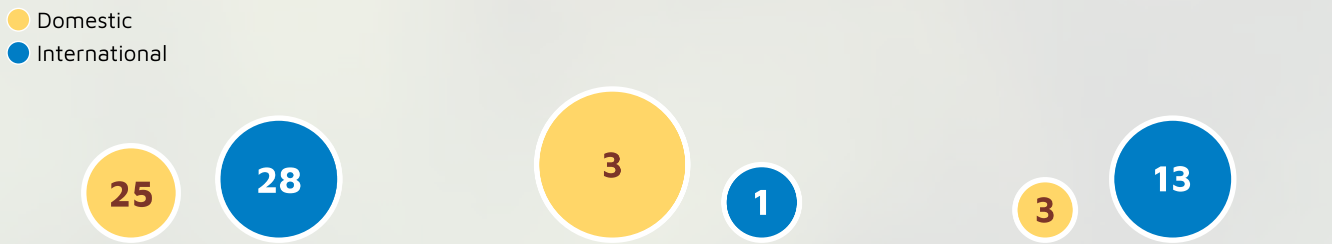
ASPIRING FOR SUSTAINABLE GROWTH

Despite volatile macroeconomic situations, we aspire to be future ready with a robust financial model and an agile operational framework. To achieve these goals, we have identified the following focus areas:

CREATING A STRONG PRODUCT PIPELINE

To develop new and innovative products, we are improving our R&D capabilities and formulating innovative agrochemicals and other specialty solutions. Further, we aspire to acquire patents for our superior quality products and formulations. We constantly seek to capitalise on emerging opportunities in the domestic market while strengthening our presence in the increasing opportunity markets of Europe and Brazil.

11
New products launched in FY 2020-21



Patent portfolio as of 31st March 2021

Patents granted during FY 2020-21

Patents applied during FY 2020-21

IMPROVING PROFITABILITY

Owing to our constant emphasis on cost control across operational processes, robust receivable collections and productivity improvement in manufacturing, our EBITDA improved by 70% YoY.

70%
YoY growth in EBITDA in FY 2020-21

BUILDING STRONG BRAND VISIBILITY

Over the years, we have constantly provided information to dealers and farmers about the changing industry landscape, empowering them with product knowledge and its benefits. Our commitment to ensure crop productivity has made us a credible and preferred partner for dealers and farmers. As we move ahead, we continue to fortify relationships and create a strong brand recall for our products.

ADOPTING NEW TECHNOLOGIES

At Indofil, we aim to develop and deploy state-of-the-art technologies across operations and on-field activities to bolster efficiency and productivity. To fulfil this objective, we continue to collaborate with various domestic and international technology players that play an integral role in our business model. We are also committed to usher transformation in the agricultural space with technologically advanced solutions that will cater to diverse farmer needs.

ENVIRONMENT, HEALTH & SAFETY

BUILDING A SUSTAINABLE FOUNDATION

At Indofil, sustainability lies at the core of our endeavours. Right from our manufacturing facilities, products and solutions to our processes and people, we find ways to inculcate sustainability and diligently strive to minimise the impact of our operations on the environment.

As a practice, we consistently undertake efforts to ensure zero liquid discharge (ZLD), recycle waste, reduce water consumption and reuse waste water. Further, we are investing in products & solutions that address key issues related to climate change, soil erosion, loss of biodiversity and water scarcity.

We are committed to ensuring the safety and well-being of our people as well as stakeholders. To create a safe and healthy working environment, we continuously evaluate our Environment, Health and Safety (EHS) framework and strive to implement practices that help to conserve resources, minimise waste and reduce our carbon footprint.

We revised our EHS Policy, clearly defining the roles and responsibilities of stakeholders to implement EHS principles and achieve targeted goals.

Prioritising safety at the workplace

The collaborative efforts of the management and employees have resulted of significant improvement in safety performance during the year under review. Some of the highlights of our safety performance during the year were:

- Zero accident at Dahej Unit-1, Unit-2, Unit-3 manufacturing sites as well as Thane R&D centres.
- Zero EHS non-compliance across all sites.
- 100% compliance of legal requirement, as per Legatrix matrix, at all sites.
- Obtained CC&A amendment for plants to modify and upgrade utilities at our sites.
- Conducted Safety Audit and QRA study approved by third party auditors at our sites.
- Six Sigma project on ZLD cost reduction and salt quality improvement in unit 2 and 3, respectively.
- Successfully commissioned sewage treatment plant (STP) to conserve freshwater usage for landscaping in Unit-1 & 3 and commissioned Peddle Dryer to reduce the solid waste generation in Unit-1.
- Pre-treatment facility developed for CYMOX effluent in Unit-2.
- CCOE tank farm water sprinkler system commissioned and activated in Unit-3.
- Fire System Impairment permit system implemented at all sites.
- Formation of COVID-19 taskforce to implement safety protocols during the pandemic, ensure employee safety and business continuity.

OVERALL SAFETY PERFORMANCE IN 2020-21

7419.5
EHS Training Manhours (in hours)

Zero
FAT-Fatal / Disability

Zero
LTI-Lost Time Incidence

7
MTI-Medical Treatment Injury

31
DO-Dangerous Occurrence (PD/EI/FIRE/SMD/RTA)

23
FAC-First Aid Injuries

18
NM-Near Misses

2,099
UA/UC-EHS Concerns

1,695
BBS-BBS Observations

EHS Achievements in FY 2020-21


INDOFIL INDUSTRIES LIMITED, QUALITY ASSURANCE LABORATORY

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2017

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

in the field of

TESTING

Signed for and on behalf of NABL

- Dahej Unit-01 was conferred with CII National Award for Excellence in Water Management 2020.
- Indofil was identified as a Noteworthy Water Efficient Unit 'Within the Fence' category.
- Dahej Unit-2 received 'FAME Excellence Award-2020' Platinum Award for Excellence in Environment Protection from FAME India Foundation in November 2020.
- Dahej Unit-2 won the Greentech Environment Award-2020 for outstanding achievement in Environment Protection.
- Indofil Unit-2 is now an ISO 45001:2018 & ISO14001:2015 certified unit. The certificate is valid till November 2023.

Towards a safer tomorrow

At Indofil, we are committed to protect the natural resources and therefore, celebrate events that help promote ecological awareness and environmental conservation. We are also committed to the health, safety and well-being of our employees as well as the local communities in which we operate. To promote these objectives, we celebrate various events at our sites and aim to build awareness about a safer and sustainable world.

WORLD ENVIRONMENT DAY

During the year under review, at Indofil, the theme of World Environmental Day was 'Celebrate Biodiversity'. We celebrated the event at our Dahej units and organised various activities for our employees as well as their families. Quiz competitions, slogan, poster-making competition and waste recycling competitions were held during the event. Prioritising the safety of our people during the pandemic, the events were conducted on a virtual platform. We also planted trees around our operational areas on World Environment Day.

NATIONAL SAFETY WEEK CELEBRATION

At our Dahej units, we celebrated 50th National Safety Week and this year, the theme of the event was 'Learn from disaster and prepare for a safer future'. It allowed us to implement safety programs that helped us to follow health and safety protocols necessary for prevention of COVID-19 infections. Activities such as Chalta Bolta Quiz, use of safety harness and Spot the Hazard was organised to improve the safety culture among contract workers. Winners of these activities were also rewarded for their performance.

DE-ADDICTION CAMPAIGN

We organised de-addiction camp (Nasha-Mukti Abhayan project) in collaboration with Brahma-Kumaris, at our Dahej unit to create awareness about tobacco and alcohol addiction. Contractual employees also participated in the event and it created a positive impact on them, educating them about the hazards of addiction and how it may be overcomed.

SOCIAL RESPONSIBILITY

IMPACTING LIVES, EMPOWERING COMMUNITIES

At Indofil, we strongly believe in sustainable and inclusive growth. To ensure lasting changes in communities, we endeavour to engage in various activities that are socially responsible, ethical and environment-friendly. With an objective to create empowered individuals, we aim for holistic developments that empower people to lead dignified lives.

OUR FOCUS AREAS

- COMMUNITY EMPOWERMENT
- EDUCATION
- HEALTH CARE
- VOCATIONAL SKILLS

Community Empowerment

We consider it our responsibility to serve communities in which we operate and address their needs. During the pandemic we distributed grocery kits, medical aid and safety kits to reach out to local communities around our manufacturing units. Further, to meet the scarcity of oxygen concentrators amidst the second wave of Covid-19, we decided to donate an Oxygen producing plant with a capacity of ~10NM3/HR, to Bharuch District Administration. We also offered 'Swarg Vahini' – a hearse van, to the Rotary Club of Dahej, for carrying the mortal remains of Covid-19 patients in Dahej and its surrounding areas.

Badhit Bal Vikas Samiti

We promoted quality education and vocational teaching facilities like computer education, tailoring classes, dyeing, painting, etc. for hearing-impaired students. The programme is conducted in rural districts of Rajasthan for marginalised sections of the society.

265
Differently-abled beneficiaries

Natya Vriksha

With the help of Bharatanatyam dance, the program aimed to create awareness about a traditional dance form among the students' community. It also helped to create interest in a new form of blended learning, combining dance and traditional learning.

Healthcare

We undertook rural development projects focused at achieving sustainable sanitation and water treatment in Kishanganj District, Bihar.

At Indofil, we believe that protecting our stakeholder's interest is a prime concern. We proactively engage and promote systematic processes to address issues in a just, fair and equitable manner.

Additionally, our community development measures are designed to build and maintain harmonious relationship with the local communities in and around our operations, making way for formidable change within societies.

BOARD OF DIRECTORS
ESTABLISHING A CULTURE OF EXCELLENCE

DR. BINA MODI

Chairperson and Managing Director

Managing Director – Godfrey Phillips (India) Limited

Chairperson – Modi Enterprises

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

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

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

MS. CHARU MODI

Executive Director: Indofil Industries Limited

Vice Chairperson and CEO: Modi Academic International Institute

Founder and Promoter: Modi Healthcare Placement

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

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

MR. SAMIR KUMAR MODI

Non-executive and Non-independent Director: Indofil Industries Limited

Executive Director: Godfrey Philips India Limited

Mr. Samir Modi, son of Mr. K. K. Modi, has been instrumental in conceptualising, strategising, establishing and running new businesses of the Group. A graduate from the Hindu College, Delhi University, and an alumnus of the famed Harvard Business School, US, Mr. Samir Modi's strength lies in his extensive leadership and management experience, coupled with excellent analytical and interpersonal skills. His new philosophy of management, innovative strategy and lateral thinking helps him catalyse ground-breaking ideas for successful profit-making ventures.

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

Member – Executive Committee of Federation of Indian Chamber of Commerce and Industry

Prominent Member – Retailers' Association of India

Chairman – CSR Committee of PHD Chamber of Commerce & Industry

Life Member – All India Management Association (AIMA)

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

MS. ALIYA MODI

Non-executive and Non-independent Director: Indofil Industries Limited

Ms. Aliya Modi graduated from Brandeis University in Waltham, Massachusetts, US. She holds a Bachelor of Arts degree with a major in Art History, Criticism and Conservation. Given her international qualification, experience and credentials, the Board is confident that it will help Indofil increase its international market. She joined the Board on March 18, 2016.

MR. M. N. THAKKAR

Non-executive and Independent Director: Indofil Industries Limited

Mr. M. N. Thakkar is a practicing Chartered Accountant since 1967 and was the Senior Partner of M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai. He has a wealth of experience in handling accounting, auditing and management consultancy matters of large corporate clients in diversified sectors. He occupies the following positions:

Director – Samkrg Pistons & Rings Limited

Proprietor – MNT & Co. Chartered Accountants

MR. SUNIL K. ALAGH

Non-executive and Independent Director: Indofil Industries Limited

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

Mr. Alagh is occupying the following positions in the industry:

Director – United Breweries Limited

Managing Director – SKA Advisors Private Limited

Advisory Board Chairman – Vikas Multicorp Limited

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

Member of Board of Governors – IIM Bangalore

Member of Round Table on Higher Education – Ministry of HRD, Government of India

Member of Advisory Board – Jawaharlal Darda Institute of Engineering and Technology, Yavatmal

Member of Advisory Board – Setco Automotive Limited

Former Managing Director and CEO – Britannia Industries Limited

Former President – The Federation of Biscuit Manufacturers of India

Former President – The Bangalore Chamber of Commerce & Industry

Former President – AIMA Delhi

Former Member of the Board of Governors – IIM Indore

Former Member of the Governing Council – National Institute of Design, Ahmedabad

Former Member on Governing Board of Prasar Bharati

Former Member on the Board of GATI Ltd

Former Member of the Board of IL&FS Investsmart Limited

Former Member of the Indian Advisory Board of Schindler Management Limited, Switzerland.

MR. SANJAY BUCH

Non-executive and Independent Director: Indofil Industries Limited

Mr. Sanjay Buch is Senior Advocate & Solicitor, is also a partner of M/s. Crawford Bayley & Co., practicing in Mumbai for the past 28 years. He has been a witness and a participant to the sweeping changes made in the Regulatory/Policy Environment in past two decades.

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

For the past 28 years, he has been advising many Indian and multinational companies on a wide variety of legal issues. He is known for his business acumen and practical approach in solving complex legal issues and resolving family and business disputes.

As a senior professional, Mr. Buch is also associated with National Stock Exchange's Steering Committee on Security Laws, Associated Chambers of Commerce and Industry, CII, Bombay Chamber of Commerce, Indo-German Chamber of Commerce, Indo-American Chamber, Indo-Italian Chamber, Chamber of Tax Consultants, Forum of Free Enterprises and other such prestigious institutions. Apart from Indofil, he also occupies the position of an Independent Director in few reputable companies.

Mr. Sanjay Buch is occupying the following positions in the industry:

Director – Fermenta Biotech Limited

Director – JM Foundation for Excellence in Journalism

Director - Indo Baijin Chemicals Private Limited

Director – Sulphur Mills Limited

Partner – Crawford Bayley & Company

MR. S. LAKSHMINARAYANAN, IAS (RETD.)

Non-executive and Independent Director: Indofil Industries Limited

Mr. S. Lakshminarayanan, a retired IAS officer, holds a master's degree in Chemistry and postgraduate diploma from the University of Manchester (UK) in Advanced Social and Economic Studies. He has served for more than 36 years in the Indian Government in senior positions with the Ministry of Home Affairs, Ministry of Communications and Information Technology, and Ministry of Information and Broadcasting and in the Department of Tourism, Culture and Public Relations; Department of Mines, Mineral Resources, Revenue and Relief; and Rehabilitation of the Government of Madhya Pradesh. His last assignment with the government was that of Secretary in the Union Ministry of Home Affairs. During his tenure with the Government of India, he travelled extensively all over the world. He has served as the Vice Chairman in UNESCO's Communication Development Programme in Paris for five years. He was also awarded the Honorary Doctorate Degree by Foro De Federaciones, Mexico, in March 2008.

At present, Mr. Lakshminarayanan holds the following positions:

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.

Director – Car Trade Tech Ltd.

DR. ATCHUTUNI L. RAO

Whole-time Director – Manufacturing, Operations and Safety: Indofil Industries Limited

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

Dr. Rao holds a Bachelor's degree in Chemical Technology from UDCT, Mumbai, an MTech degree from IIT, Delhi, and a PhD in Chemistry from South Gujarat University. He attended the Advanced Management Program at the Harvard Business School. He joined the Board on March 18, 2016.

UPSIDC NOMINEE DIRECTORS

Mr. Mayur Maheshwari, IAS, took charge as Managing Director of UPSIDC and was nominated by UPSIDC as Director on the Board of Company.

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

ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the Twenty Eighth 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 Thursday, 23 September, 2021 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, 2021 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, 2021 and the Report of Auditors thereon and in this regard to pass the following resolutions as **Ordinary Resolutions:**

   (c) "**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Report of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   (d) "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 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, 2021 and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** a Dividend on Equity Shares of the Company at the rate of ₹ 8 /- (Rupees Eight Only) per Equity Share of ₹ 10/- (Ten Rupees) each Fully Paid-Up and ₹ 2.40 /- (Two rupees and forty paisa only) per Equity Share of ₹ 3/- (Three Rupees) each Partly Paid-Up, be and is hereby declared for the Financial Year ended March 31, 2021 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, 2021."

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."

5. To appoint Statutory Auditors of the Company from the conclusion of this AGM until the conclusion of Thirty Third AGM 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 provisions of Section 139 and other applicable provisions of the Companies Act 2013 read with the Companies Rules (Audit and Auditor's Rules, 2014) (including any statutory amendments or re-enactment thereof) M/s. Lodha & Co. Chartered Accountants (Firm Regn. No. 301051E), be and is hereby appointed as the Statutory Auditors of the Company for a period of 5 years to hold the office from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company, and that M/s Lodha & Co be requested to conduct Audit of Company's record from 1st April, 2021 to 31st March, 2022 and for subsequent Financial Years up to F.Y. 2025-26 and that the Company do hereby authorise Board to fix their Statutory Audit Fees for each of such Financial Years."

SPECIAL BUSINESS

6. To appoint Dr. Atchutuni Rao (DIN: 07467414) as a Whole Time Director of the Company and to pass if thought fit the following resolution as an **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, Safety and Innovative Solution Business and who was subject to approval of Members, appointed by Board upon recommendations of Nomination and Remuneration Committee as Whole Time Director of the Company with effect from 27th July, 2021, be and is hereby appointed as Whole Time Director, designated as Director – Manufacturing, Operations and EHS up to 26th July, 2023 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).

a. Basic Salary: ₹ 4,57,077/- per month.

b. Allowances, Reimbursements (including Leave Travel Allowance, Hard Furnishings, Medical Reimbursement and Insurance), and Performance Incentive: In accordance with rules, policy, yearly increments and normal payroll practices of the Company.

c. Provident Fund and Gratuity: As per Company policy

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

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

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

RESOLVED FURTHER THAT Dr. Atchutuni Rao shall be responsible for all manufacturing, operations and EHS functions and 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 of the Company, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e Directors other than the Managing Director and/ or the Whole-Time Director and/ or Executive Director) be paid, in aggregate the commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof) for Financial Year 2021-22 (which shall be subject to applicable taxes) up to 1% of the Net Profits of the Company computed in accordance with Section 198 and other applicable provisions of the Companies Act, 2013 and rules made there under subject to a maximum limit of ₹ 25 lacs per Non-Executive Director

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized in accordance with applicable regulations to do all acts and take all such decisions and steps as may be necessary in interest of the Company in this regard."

8. To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2022 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 23rd June, 2021 to conduct the audit of the Cost Records of the Company for the Financial Year ending March 31, 2022 be and is hereby fixed at INR 2,60,000 (Rupees Two Lakhs and Sixty 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 Devang Mehta
Head- Company Secretary and Legal
(Membership No. ACS 8930)

Place: Mumbai
Date: 23 June, 2021

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed. Further, pursuant to the Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and General Meeting can be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Register of Members and Shares Transfer Books will remain closed from Friday, 17 September, 2021 to Thursday, 23 September, 2021 (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 Thursday, 23 September, 2021.

   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 Thursday, 16 September, 2021 as per details furnished by the depositories for this purpose.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 attendees on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/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 EGM/AGM will be provided by NSDL.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.indofil.com.

8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020,MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

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

   In view of this, to eliminate 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's Registrars and Transfer Agents, MAS Services Limited for assistance in this regard.

10. To support the 'Green Initiative' and difficulties faced in sending physical copies of Annual Reports and other correspondences, Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar and Shares Transfer Agents, MAS Services Limited,, in case the shares are held by them in Physical Form.

11. 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, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MAS Services Limited in case the shares are held by them in Physical Form.

12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be obtained from Company's Registrar and Share Transfer Agents, MAS Services Limited. Members are requested to submit the said details to their DP, in case the shares are held by them in electronic form and to MAS Services Limited in case the shares are held in Physical Form.

13. Members holding shares in Physical Form, in identical order of names, in more than one folio are requested to send to the Company or MAS Services Limited, the details of such folios together with the Share Certificates, if they wish to continue their Shareholding in Physical Form for consolidating their holdings in one folio. A consolidated Share Certificate will in such cases be issued to such Members after making requisite changes.

14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

15. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat Account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

16. We wish to inform you that the Board of Directors of your Company ("Board") have at their meeting held on 23 June, 2021 recommended dividend of ₹ 8/- per equity share having nominal value of ₹ 10/- each and dividend of ₹ 2.40/- per Equity Share having nominal value of ₹ 3/- for the Financial Year ended 31st March 2021.

    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 Thursday, 16th September, 2021 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. 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 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. The shareholders are requested to update their valid PAN with the MAS Services Limited (in case of shares held in Physical Mode) and depositories (in case of shares held in Demat Mode) by 16th September 2021.

      Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication or from the website of the Company viz. www.indofil.com. Please note that all fields mentioned in the Form are mandatory and Company may reject the forms submitted, if it does not fulfil the requirement of law. To avail the benefit of non-deduction of tax at source, we request you to update PAN and provide duly executed Form 15G/ 15H by e-mail to info@masserv.com by 16th September 2021.

      Shareholders who are required to link Aadhar Number with PAN as required under Section 139AA(2) read with Rule 114AAA, should compulsorily link the same by 30 June, 2021. If any PAN is found to have not been linked with Aadhar by 30 September, 2021 as required under the law then such PAN will be deemed invalid, and TDS would be deducted at higher rates u/s206AA of the Act.

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below:

i. **Insurance companies:** Declaration by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;

ii. **Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income-Tax Act, 1961along with self-attested copies of registration documents and PAN card;

iii. **Alternative Investment Fund (AIF)established in India:** Declaration that the shareholder is eligible for exemption under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.

iv. **New Pension System Trust:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

v. **Other shareholders** – Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

vi. Shareholders who have provided a valid certificate issued u/s. 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the Income Tax authorities along with Declaration.

The self-declaration can be downloaded from the link given at the end of this communication or from the website of the Company viz. www.indofil.com. To avail the benefit of lower/ non-deduction of tax at source, we request you duly executed Form self-declaration along with copy of PAN by e-mail to info@masserv.com by 16th September 2021.

Section 206AB of the Act

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of Act (effective from 1 July 2021) which introduces special provisions for TDS in respect of non-filers of Income-Tax return. As provided in Section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two Sections.

The term 'specified person' is defined in sub Section (3) of Section 206AB who satisfies the following conditions:

- A person who has not filed the Income Tax return for two Previous Years immediately prior to the Previous Year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the I-T Act has expired; and
- The aggregate of TDS and TCS in his case is ₹ 50,000 or more in each of these two Previous Years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

Income Tax Department has provided a functionality "Compliance Check to facilitate and verify if a person is a "Specified Person" as per Section 206AB of the I-T Act on Reporting Portal. Outcome of the Reporting Portal on 16th September, 2021 shall be considered for determining whether shareholder is specified person or not and accordingly TDS shall be deducted.

- **For non-resident shareholders (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. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following avail the tax treaty benefits, the non-resident shareholder will have to provide the following documents by to info@masserv.com.:

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

  ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;

  iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;

  iv. Self-declaration by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of Section 206AB of the IT Act).

  v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.

vi. In case of shareholder 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 self-declarations referred to in point nos. (iii) to (iv)can be downloaded from the link given at the end of this communication or from the website of the Company viz. www.indofil.com.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting requirement of Income Tax Act read with applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend amounts.

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

A	Individual Resident Shareholder	Rate (%)
	1. Receiving dividend upto Rs. 5000/- and provided valid PAN	Nil
	2. Submit valid 15G/ or 15H (as applicable) along with self-attested copy of pan card	Nil
	3. Receiving dividend more then Rs. 5000/- and 15G/15H not submitted and pan is available with RTA or depository	10%
	4. Receiving dividend up to Rs. 5000/- and pan is not available with RTA or depository	20%
	5. Receiving dividend more then Rs. 5000/- and pan is not available with RTA or depository	20%
B	Body Corporate / Firm / HUF etc (other then individual resident shareholder)	
	1. PAN available with RTA/ Depository	10%
	2. Pan not available with RTA/Depository	20%
C	For non-resident shareholders	
	In case the relevant documents are not submitted	20% + applicable surcharge & cess
D	On submission of self-attested copy of the valid certificate issued under Section 197 of the Act.	Lower/ NIL TDS As per Certificate under Section 197 of the Income Tax Act

Aforesaid rates will be subject to applicability of Section 206AB 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.

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 TDS return. No communication on the tax determination / deduction shall be entertained after 16th September, 2021.

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.

17. 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 Monday, 20 September, 2021 at 9:00 a.m. and ends on Wednesday, 22 September, 2021 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. Thursday, 16 September, 2021, 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 Thursday, 16 September, 2021.

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 athttps://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 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.inor 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 1014560000001. 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 siroyam@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 cssupport@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. 6

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 have further appointed Dr. Atchutuni Rao as Whole Time Director designated as Director - Manufacturing, Operations and EHS and as Occupier subject to approval of the Shareholders for a further period of 2 years from 27th July, 2021 to 26th July, 2023 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. 6 of the Notice.

The Board recommends the Special Resolution as set out at Item no. 6 for approval by Shareholders.

Item No. 7

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 2021-22, considering the restrictions contained in the aforesaid Sections of the Companies Act, 2013, the compensation to

Non-Executive Directors be paid in aggregate up to 1% of the Net Profits of the Company, computed in accordance with the provisions of Section 198 and other applicable provisions of the Companies Act, 2013 and rules made there under, subject to a maximum of ₹ 25 Lakh per Non-Executive Director in addition to re-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. 7 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 also Mr. Sanjay Buch, Mr. S. Lakshminarayanan, Mr. M.N. Thakkar, Mr. Sunil Kumar Alagh and Mr. Mayur Maheshwari are concerned / interested in resolution set out at Item No. 7 of the Notice.

The resolution at Item No. 7 is proposed as a Special Resolution.

Item No. 8

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("The Act") and the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audits) Amendment Rules, 2014 ("the Rules") the Company is required to appoint a Cost Auditor to audit 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 2021-22, for a fee of ₹ 2,60,000 plus taxes.

You are requested to accord your consent for the aforesaid appointment and fee recommended in respect of the Cost Auditors for Financial Year 2021-22.

The resolution at Item No. 8 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. 8 of the Notice.

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

Sd/-
CS Devang Mehta
Head- Company Secretary and Legal
(Membership No. ACS 8930)

Place: Mumbai
Date: 23 June, 2021

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

Management Discussion and Analysis

About Indofil Industries Limited

Established in 1962, Indofil Industries Limited (Indofil) has evolved multifold to be one of the leading players in the Agrochemical and Industrial chemical segments in the domestic and international markets. The Company delivers quality solutions to farmers across the world, backed by an extensive research and development processes for crop care and speciality sciences.

The year under review was marked by multiple challenges caused by the outbreak of Covid-19 crisis. However, the agriculture sector registered positive growth. Indofil's strong market presence and agile strategies has enabled it to sustain the pressures of a global pandemic and deliver strong growth. The Company has strengthened its core capacities by adapting to a changing business environment and delivering excellent results. The management confidently looks forward to maintain the growth momentum in the years ahead as well.

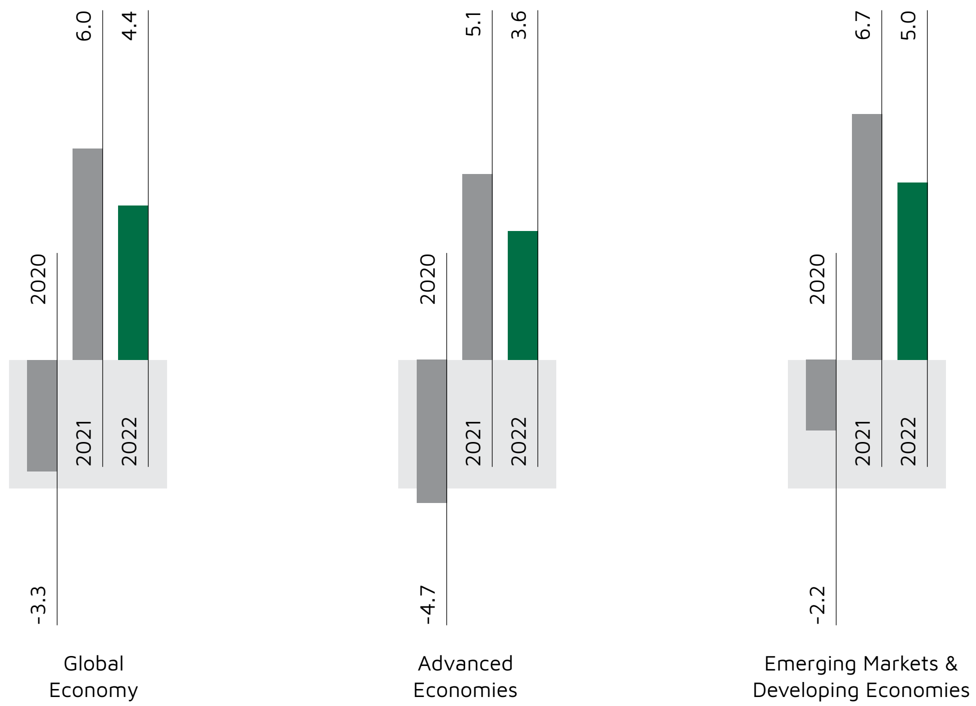
Global Economy

Amidst an unprecedented global health crisis, the global economy contracted by 3.3% during CY 2020 due to financial disruptions and contraction in demand of various products globally coupled with manufacturing and supply chain disruptions. The agriculture sector, however being an important economic driver, remained resilient across the world. A plausible explanation, as can be concluded from a World Bank report, is an increase in the share of households involved in agriculture during the pandemic, engaged mainly in crop farming.[1] Favourable policies such as stimulus packages, lower interest rates and support from governments and central banks world over is aiding the gradual recovery of the global economy. As per estimates, the fiscal stimulus by 9 countries exceeded more than one fifth of their GDP, with the US government providing the largest support to agriculture sector and related activities in absolute terms.[2] Agricultural production in some agro based economies such as Brazil and India posted record highs.

Global Economic Outlook

With normalization of economic activity and availability of Covid-19 vaccines, the global economy is expected to register a strong growth rate of 6% in CY 2021. However, the actual pace of economic recovery will largely depend on the success of pandemic control measures such as vaccination drives and the implementation of policies that stimulate private investment and consumer confidence.

GDP growth rate



Source: IMF World Economic Outlook April 2021

[1] https://blogs.worldbank.org/opendata/agriculture-buffer-covid-19-crisis-evidence-five-sub-saharan-african-countries

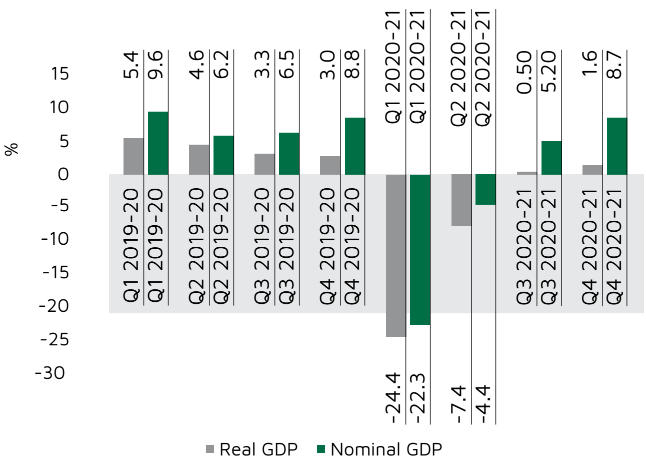
[2] Washington post - https://www.washingtonpost.com/world/2021/03/10/coronavirus-stimulus-international-comparison/

Various rating agencies and the World Bank have projected that among the large developing economies of the world, India will report a healthy GDP growth. This will be largely on account of by substantial demand generated from agriculture and other core sectors. Indofil is poised to tap into emerging opportunities posed by a global recovery.

Indian Economy

The Indian economy registered a steep decline in real GDP, at -7.3% during the FY 2020-21[3] due to the pandemic. Small landholders, who indulge in agricultural activities seasonally were affected due to the lack of availability of migrant workers.

According to the national statistical office estimates of Gross Domestic Product (GDP) for FY 2020-21, the services sector declined by 8.4% over FY 2019-20 and the industrial sector witnessed a contraction of 7%. In contrast, agriculture and allied sectors was the only sectors demonstrating positive growth of 3.6 % during FY 2020-21 over the 4.3 % growth in FY 2019-20. This can be understood better with help of the following chart:



Source: MOSPI

The economy is gradually recovering due to the lifting of lockdown restrictions and economic measures taken by the government. This has led to a subsequent growth in the last two quarters of FY 2020-21. However, full recovery and real growth may take some time.

The policy action in India, aimed at reviving business and consumer demand through expansionary fiscal and monetary policies helped to infuse liquidity in the economy. Government consumption increased by 8%[4] year on year in FY 2020-21 aided by social security measures and demand revival. Predictably, India will eventually report positive economic growth that will lead to increased demand and supply of goods and services.

Outlook

India's GDP has been revised upward by RBI in its June 2021 Monetary Policy Committee Report to record a growth rate of 9.5% during FY 2021-22[5], amidst the second Covid-19 wave that swept the country during the initial months of Q1 FY 2021-22. Fitch Ratings also estimated 10% growth for the Indian economy in FY 2021-22.

The macroeconomic fundamentals, barring incidents of temporary resurgence of Covid-19 infections, are conducive for achieving the target of becoming a USD 5 trillion economy by 2025. Monsoon rainfall during FY 2021-22 has been consistent. With favourable monsoon forecast for FY 2021-22, sowing of Kharif crops is expected to be on track. global commodity prices including international food prices, geopolitical developments and spread of Covid-19 in rural areas is likely to influence the choice of crops during the Kharif season. With the success of vaccination drives across the country, agricultural output is also expected to be stronger.

In the medium to long term, revival of the financial sector coupled with ongoing government reforms for manufacturing, including the PLI schemes[6], formalisation of labour codes, incentivising policies for FDI investments and relaxation of sectoral FDI norms for higher FDI inflows will help to improve overall growth prospects.

Agriculture Industry

According to the UN, the world population is expected to increase by nearly 26% to 9.7 billion by 2050. As a consequence of the rising population and changes in dietary patterns, global agriculture output must be doubled to accommodate the rising demand for crop food, livestock feed and industrial demand. However, challenges related to land availability and the effects of climate change continue to affect the prospects for increased farm yield. As a result, innovative and technology intensive farming techniques as well as the use of agrochemicals are being encouraged to increase yield, protect crops, keep the nutritional value of crops intact and increase farmer's income. This also improves the future prospects of several agriculture based industries such as fertilisers, agrochemicals, farm equipment manufacturers, food processing etc.

[3] NSO press release dated 31st May 2021

[4] CARE Ratings : India's economic growth in Q4FY21

[5] RBI MPC Press Release dated 4th June 2021

[6] PIB

[7] Various Government schemes and policies as published in respective PIB articles

Global Agricultural Industry

According to OECD,[8] the average global food availability per person is forecasted to grow by 4% over the next decade, reaching up to 3025 Kcal per day by 2030. Emerging economies are expected to contribute to the surge in demand for food products significantly while demands in low-income countries are expected to remain unchanged. Over the next decade, global agricultural production is projected to increase by 1.4% per annum, with additional output from low income and emerging economies.

Consumption

Population growth will continue to drive global consumption growth for most agri- products. The demand for readyready-to-eat food is also expected to go up due to urbanisation, increased disposable income, changing consumer preferences, affordable pricing national and international policies and other cultural factors.[9]

Annual demand growth for key commodity groups

Brazil, Argentina, Mexico, Columbia, India, United States, Australia, Spain, France, China are the the primary producers of grains, cereals, fruits, vegetables, cotton, coffee, sugarcane, etc. The following factors are expected to drive the consumption of agro based products:

Production

The growth of agriculture output in the next decade is likely to be driven by productivity gains from intensive cropping patterns and higher yields due to technological advancements.

The global crop production is projected to increase by 15% between 2020 to 2029 to 582 million tonnes (Mt), with the strongest volumes expected from emerging and developing economies.

Trade

Changes in demand pattern, volume and mode of supply may influence global agricultural trade in the next decade. Low and middle income countries are particularly vulnerable to regional imbalances caused by policy changes and price volatility.[6]

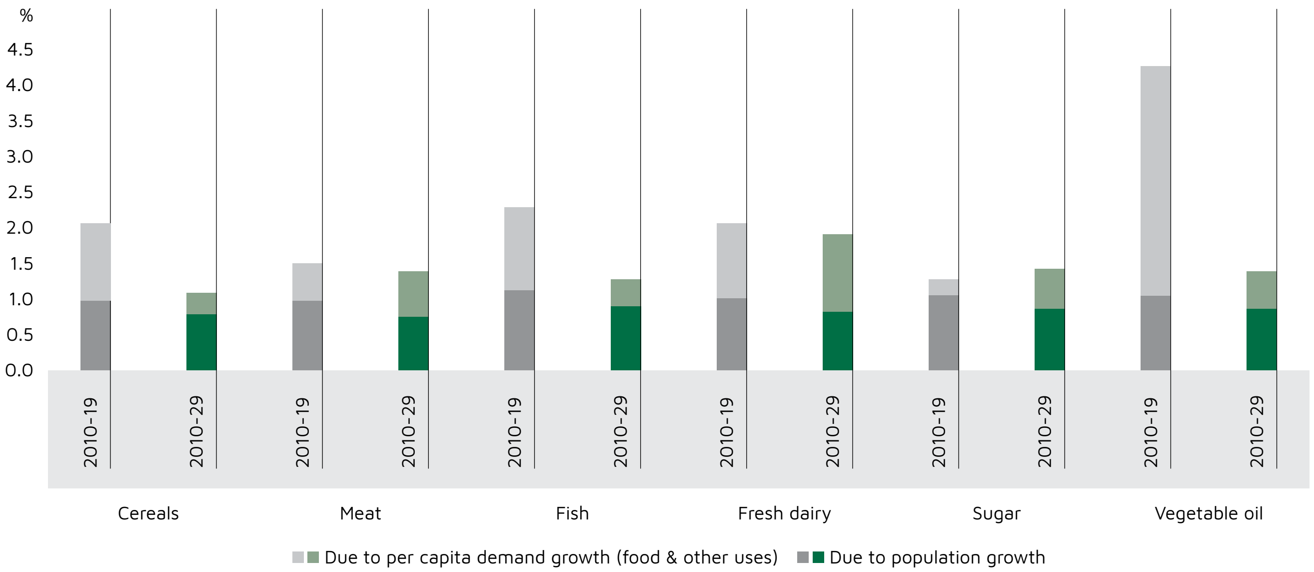
Prices

Price decreasing factors in mid-term, such as improvements in productivity from crop intensification and high yield are likely to exert more pressure on pricing rather than the price increasing factors such as resource constraints, population increase and income growth. The resultant impact of above on agro products prices is therefore likely to witness downward levels.

Indian Agricultural Industry

India has the tenth-largest arable land area in the world, along with 20 agro-climatic regions and 46 out of the 60 soil types found globally.[10] Agriculture continues to be the backbone of the Indian economy as the primary source of livelihood for approximately 58% of India's population. The contribution of the sector to the country's GDP has increased to 19.9% in FY 2020-21 from 17.8% in FY 2019-20.[11] The Gross Value Addition (GVA) by agriculture, forestry and fishing activities in FY 2019–20 was estimated to be ₹ 19.5 lakh crore.

The pattern of food consumption of agro based products



Source: Organisation for Economic Co-operation and Development (OECD)

[8] OECD-FAO Agricultural Outlook 2021-2030

[9] OECD -FAO Agricultural outlook 2020-2029

[10] IBEF : Indian Agriculture Industry Analysis Presentation | IBEF

[11] Economic Survey 2020-21

With the introduction of technological improvements in farming practices and extensive use of fertilizers & agrochemicals, and better irrigation facilities, agricultural yields continued to increase at a steady pace.

India registered a record increase of 7.94 million tonnes in of food grain production, at 305.44 million tonnes during fiscal FY 2020-21.[12] Further, the production in FY 2020-21 is was 26.66 million tonnes more than the average production of food grains in the previous five years (FY 2015-16 to FY 2019-20).[12]

Not withstanding the above, the Indian agriculture sector is still riddled with challenges pertaining to low productivity, wastage of crops in the post-harvest season, small and fragmented land holdings and rapid climate change. The productivity is anticipated to improve with better use of technology and availability of storage warehouses, transportation and infrastructure improvements.

Major Growth Drivers

Rising population and India's varied climatic conditions make the country naturally conducive for agricultural growth. Furthermore, development of Farmer Produce Organisation (FPO), robust intellectual property rights (IPR) for agricultural technology, innovations and the use of advanced technology to drive precision farming is a positive step for the growth of agriculture. Along with it, relaxation of in norms for investment in agricultural infrastructure, increased for exports induced by demand from other countries and international price competitiveness augurs well for growth of agriculture and allied industries, which in turn offers Indofil ample opportunity for growth.

Expected Trends in Indian Agriculture

Notable trends in the Indian agricultural sector can be summarized as under:

1. Shift in consumer food preferences due to increased disposable income, globalisation and preference for healthy food.
2. Increased market competition from innovative products, high quality seeds, fertilisers, plant protection chemicals and customised farm machinery.
3. Improvement of and breeding technology for developing eco-friendly, disease resistant and climate resilient crop varieties.
4. Increased demand for processed and affordable food, aided by the use of state-of-the-art technologies.
5. Improvement in technology and research facilities for judicious use of resources. It also helps to find new terrains for enhancing production. Hydroponic farming has also gained traction for crop cultivation.
6. Ensuring precision farming through soil testing, automation of processes through artificial intelligence has enhanced efficiency in agriculture. Sensors and drones are also used to sustain the quality of crops, improve farming practices and utilise natural resources in a cost-effective manner.
7. Nano-materials in agriculture are expected to reduce the use of chemicals, minimise nutrient losses and increase yield through pest and nutrient management.
8. Digital connectivity to drive market access for farmers, and improve connections with various stakeholders. The government continues to encourage the use of digital technology for sharing information with farmers and creating awareness about new farming techniques. It has also introduced schemes for directly depositing funds in farmers' accounts.

The agriculture industry in India is projected to be valued at ₹ 125,350 billion by 2026, exhibiting a CAGR of 12% between 2021 and 2026[13]. The government is also working towards doubling farmer's income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure - on irrigation facilities, warehousing and dedicated freight are also being considered to provide logistic support. Furthermore, the growing use of genetically modified crops are likely to improve the yield of Indian farmers. Going forward, India is expected to be self-sufficient in the production of pulses due to the concerted research and development efforts for developing early maturing varieties of pulses and the increase in minimum support price. The recent legislative changes permitting farmers to sell their produce in any area of their choice shall improve the income of farmers.

Agro-Chemical Industry

Agrochemicals are designed to protect crops from insects, diseases and weeds. They do so by controlling pests that infect, consume or damage the crops. Uncontrolled pests significantly reduce the quantity and quality of food production. It has been estimated that between 26% and 40% of the world's potential crop production is lost annually due to weeds, pests and crop diseases.[14] Food crops need to be protected from about 30,000 species of weeds, 3,000 species of nematodes and 10,000 species of plant-eating insects. New generation agro chemicals have been found to be extremely beneficial for crop protection and enhancing growth.

Agrochemicals used for farming must be diluted in recommended doses and applied to soil, irrigation water and crops to prevent damages from pests, weeds and diseases. Therefore, to improve crop performance and yield, agrochemicals are the most relevant and reliable solution for controlling pests, insects, weeds and nematodes.[15]

[12] Third Advance Estimates , Ministry of Agriculture and Farmers welfare

[13] https://www.imarcgroup.com/agriculture-industry-in-india#:~:text=Looking%20forward%2C%20IMARC%20Group%20expects,12%25%20during%202021%2D2026. &text=India%20is%20the%20second%2Dlargest,of%20the%20total%20world%20population.

[14] Pesticidefacts :https://pesticidefacts.org/topics/necessity-of-pesticides/

Global Scenario

The global agrochemical industry is growing at a CAGR of 3.4% between 2020 to 2025.[16] A rapidly growing world population and increasing income levels continue to be the key growth drivers for agro produce and subsequent growth of the agrochemicals market. To increase volume and incomes, farmers increasingly use various agrochemicals to increase farm yields.

Agriculture and agrochemicals industry, in most countries were exempted from Covid-19 related movement restrictions and therefore maintained resilience in business operations despite challenges in supply chain, changes in demand patterns, currency volatility and restrictions on moving goods to many countries.

Good agronomic conditions across most of Latin America coupled with increase in soy and corn acreage has led to an increase agrochemical sales. The market in Brazil registered a strong growth, compared to the Previous Year. Despite initial challenges in Brazil and Argentina due to drought, the increase in grain commodity prices and adequate rains supported positive trends. Brazil has in fact attained historically high volumes during the Previous Years.

In North America, favourable weather, better price realisation of grain commodities and easing trade tensions with China supported growth. European markets delivered growth despite the second wave of Covid-19 and increased sale of differentiated and sustainable solutions in Europe have led to an improved mix. Non-renewable of Mancozeb in Europe, as an active substance led to the introduction of various new products in the market.

The rest of the world including Africa, Middle East, Australia and New Zealand benefitting from a normal agri-season in comparison to the last year. Markets in Indonesia, Malaysia, Vietnam and other countries in South East Asia are also growing.

With increasing awareness about the impact of chemical insecticides on the health of humans, there is a gradual shift towards the adoption of biopesticides. The growth of biopesticides will also be driven by a growing consensus to minimize the use of harmful chemicals around the world.

Governments across the world are promoting environment-friendly agriculture policies. This has led to increased demand for sustainable and environmental friendly agrochemicals that enable farmers to improve yield without decreasing the fertility of the land.

Indian Agrochemical Industry

India is the fourth largest producer of agrochemicals globally.[17] The Indian Agrochemical industry has a large latent potential due to low levels of consumption of agrochemicals in India. The average per hectare consumption of agrochemicals in India is about one tenth of the US and UK, and one twentieth of Japan and China. In India, generally, paddy accounts for the maximum share of agrochemicals consumption followed by cotton. While India imports over 50% of its agrochemical raw materials and intermediates, the increasing environmental reforms in China have reduced the supply, resulting in supply shortage and price increase. Indian agrochemical companies are gearing up to meet new challenges.

The industry is expected to grow at a CAGR of 8%-10% till 2025[18]. The growth is driven by increasing demand for high-value agricultural products, supported by earnest efforts from the industry and the Government.

Shifting preferences towards biopesticides, biological control agents and bio stimulants have resulted in an annual growth of more than 10% in recent years. Increasing awareness among farmer community, information availability through social media and rising income levels of farmers are other important factors driving demand for agrochemicals upwards.

The Indian agrochemicals market was valued at nearly USD 4.5 billion in FY 2020-21.[19] It continues to grow at a rapid pace due to the high demand for agricultural produce.

Segments of Indian Agro-Chemical Industry

1) Insecticides- Insecticides provide protection to crops from insects by eliminating or preventing the threat. They help to control the pest population below a threshold level. Tropical climatic conditions and production of huge volumes of paddy, cotton, sugarcane and other types of cereals in India have increased the demand for insecticides in the country.

2) Herbicides - Herbicides are used to kill undesirable plants. Sale of herbicides is mainly seasonal because weeds flourish in damp and warm weather.

3) Fungicides- Fungi are the most widespread cause of crop loss. Fungicides are used to protect crops from fungi. The requirement for superior quality agricultural produce, lack of arable land and the need to improve crop yield tend to drive the growth of the fungicide market. Besides, growing resistance of fungus, emergence of novel diseases continue to increase the development of different types of fungicides.

[15] CARE Ratings

[16] https://www.globenewswire.com/news-release/2020/07/08/2059549/0/en/Global-Agrochemicals-Industry.html

[17] India: A global manufacturing hub for chemicals and petrochemicals – FICCI March 2021.

[18] FICCI Knowledge Report Agrochemicals conference December 2020.

[19] https://www.expertmarketresearch.com/reports/india-agrochemicals-market#:~:text=The%20India%20agrochemicals%20market%20size,USD%207.4%20billion%20by%202026

4) Others varieties- Fumigants and rodenticides consist of chemicals that prevent pest attacks during crop storage. Other varieties of agrochemicals, like plant growth regulators, are used to control or modify plant growth and are commonly used for cotton, rice and fruit production.

Overall Production, Export and Import of Agrochemicals in India

Production of agrochemicals is projected to be valued at 11.5% during 9 months of FY 2020-21. Despite the impact of the Covid-19 pandemic on the domestic market, two consecutive seasons of good monsoon, vibrancy of the rural markets and a favourable sowing season has contributed to the growth of agricultural production. New product launches also supported the increase in manufacturing of agrochemicals. Aided with improved transportation facilities, total agrochemical exports have increased sharply by 13.4% during the reference period. India primarily exported agrochemicals to Brazil which constituted 19% of the overall exports. Other export markets for agrochemicals predominantly include the US, Vietnam, Bangladesh and Australia.

Production, Export and Import of Agrochemicals (Units: 000 tonnes, April-December 2020-21)

			Change (y-o-y)	
	2019-20	2020-21	2019-20	2020-21
Production	145	163	-12.8%	11.9%
Exports	330	384	0.0%	16.1%
Imports	83	117	-9.4%	41.2%

Source: CARE Ratings

Note: *Total exports and imports include insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant growth regulators and disinfectants

Export and Import of key agrochemicals (in units: thousand tonnes)

			Change (y-o-y)	
	2019-20	2020-21	2019-20	2020-21
		Exports		
Insecticides	100	103	72.2%	3.0%
Fungicides	121	151	17.1%	24.6%
Herbicides	78	93	6.5%	19.3%
		Imports		
Insecticides	11	13	-26.8%	13.1%
Fungicides	7	9	-3.4%	39.1%
Herbicides	26	39	-11.1%	50.7%

Source: CARE Ratings

Major Growth Drivers

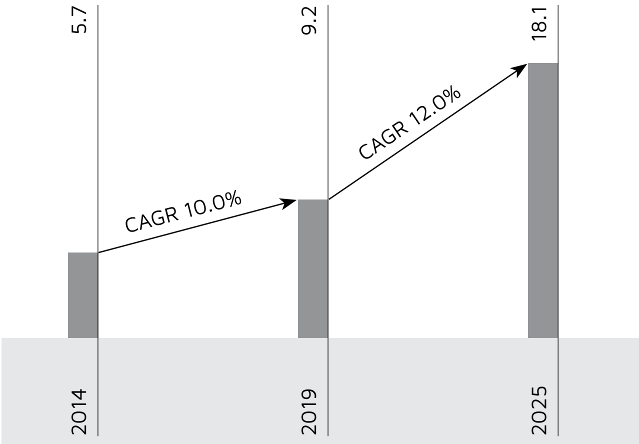
1) **Increasing awareness-** The Government and private players in India are creating awareness and training farmers about the right usage of agrochemicals. With proper information about appropriate chemicals and its usage, farmers are likely to improve agricultural production and handle pest problems efficiently.

2) **Growth of Horticulture and Floriculture-** Production from horticulture and floriculture during FY 2020-21 was valued at ₹ 9.83 million tonnes.[20] The rising demand for agrochemicals in this industry is anticipated to drive market growth, especially that of fungicides.

3) **Growth in demand for food grains-** The global population is expected to reach 8.5 billion by 2030, as per OECD. As the population increases, the demand for food grains will also increase. As a result, the demand for agrochemicals is anticipated to rise in the years ahead.

4) **Government initiatives-** The Government of India has announced credit facilities for farmers at low interest rates. Easy availability of loans is expected to encourage farmers to use more crop protection chemicals that shall improve crop yields.

Agrochemical Industry in India (in USD billion)



Source: Avendus& FICCI: Indian Specialty Chemicals Industry

Outlook

The outlook for the industry is optimistic and will be supported by rising population, high demand for paddy crops and a favourable monsoon during FY 2021-22. The Government of India projects agro exports growth at USD 8 billion for FY 2021-22, a sharp growth from USD 3.4 billion in FY 2020-21[21]. The growth potential of the agrochemicals sector will be dependent on three major growth drivers – trade production and policy support. The improvements in trade and marketing of agrochemicals would increase scientific usage of agrochemicals. This can be achieved by improving agrochemical trade and empowering consumers with knowledge about technological interventions. Increasing focus on production would further strengthen the agrochemicals sector.

Further, increased efforts towards R&D and capacity building, along with policy interventions, would help in positioning India as a global agrochemicals hub. Thirdly, a favourable policy environment for the agrochemicals sector would help in increasing agrochemical exports, attracting foreign

[20] https://pib.gov.in/PressReleseDetailm.aspx?PRID=1657839#:~:text=As%20per%20First%20Advance%20Estimates%20for%202020%2D21%20(Kharif%20Only,15%20to%202018%2D19).

investments in the sector and ensuring equal opportunities for all players. Therefore, it is important for key stakeholders to understand the role agrochemicals will play in propelling India's economic growth and take necessary actions to enable the sector to achieve its potential.

The domestic agrochemicals sector has a the opportunity to gain considerable market share in global markets as customers continue to look for avenues to diversify their supplies away from China. The industry is also trying to engage into backward integration for the manufacturing of technical grade agrochemicals as it wants to reduce its reliance on China and become self-sufficient in the coming years.

Opportunities

1) The government aims to double farmers' income by 2022 and has taken steps to provide credit facilities to farmers in rural areas. Along with easy access to loans, interest rates have also been reduced for farmers. This is expected to support the growth of agrochemicals as well.

2) Since arable land in India is limited, income of farmers and others engaged in agriculture can be increased by either increasing the volume of output, i.e increasing agricultural yields, or the value of output, i.e. increasing the production of high-value crops.

3) Improvements in yield and high-value production will create a surplus produce for export. The exports are expected to register a growth of 2-2.5% in volume.[22]

4) Foreign Direct Investments to India are also expected to improve the quality of agrochemical agro chemicals products. Further, policy changes and relaxations in regulatory and licensing processes are likely to enhance capacity building and boost export of agrochemicals.

5) Since small and regional players have limited resources, policy initiatives for encouraging export manufacturing, enhancing capacity, building R&D infrastructure or creating special economic zones (SEZs) for agrochemicals may provide the required impetus to small and regional players.

Threats

- The average farmer in India lacks proper knowledge of agronomy and relies mostly on skills and knowledge gained through experience or on product recommendations from agro-input retailers. Lack of awareness and usage of non-scientific agrochemicals and recommendations may lead to over-use or under-use of a particular product, resulting in sub-optimal yields and returns for farmers.

- Agrochemical consumption in India is represented by high usage of generic molecules, some of which have been continuously used for decades. Although, the adoption of newer or better molecules continue to increase, its usage is comparatively lower. The high R&D cost of agrochemicals, coupled with a complex registration procedure has deterred companies from introducing new molecules to the market. Premium-pricing for better molecules can be unaffordable for a large segment of farmers.

- The Pesticide Management Bill 2020, proposes limited interventions in areas like R&D of new molecules, the current registration process or expansion of current production capacities of agrochemicals manufacturing industries. This, could hamper the growth of the industry to a certain extent.

Speciality Chemicals Industry

Speciality chemicals are formulations obtained from unique mixture of molecules with physical and chemical properties of the mixture suitable for targeted and innovative commercial applications. The speciality chemicals are produced by a complex and interlinked industry and marketed on the basis of performance or function rather than their composition, as is done in commodity or pharmaceutical industries. It is used in agriculture, for fertilizers and crop protection applications. In the electronics industry, it is used to produce printed circuit boards and other components; in housing, chemicals for construction materials, sealants, coatings, paints and plastics are produced with specialty chemicals. Besides, it is largely used for producing perfumes, detergents, paper items, pharmaceuticals, textile, leather etc.

The global chemicals market was estimated to be around USD 4.0 trillion in 2019. Commodity chemicals make up ~80% of the global chemical industry, and the remaining 20% constitutes specialty chemicals. Specialty chemicals are different from commodity chemicals in terms of its extensive R&D processes and therefore, result in better margins, profitability and lesser capex intensity. While commodity chemicals are largely characterized by chemicals that are used in bulk quantities, specialty chemicals are usually defined as chemicals that are used in lesser quantities (not bulk) but, have a higher value, and also greatly influence the performance of the end-product.

Global speciality Chemical Industry

Global speciality chemicals market reached USD 615 billion in 2019 with construction, coatings speciality and water-soluble polymers cumulatively accounting for one fourth of the total market. From the end user industry perspective, the market was driven by high uptakes from soap, cleaning, cosmetics and food and beverages industry, representing 24% of the demand in 2019. However, the demand pattern is expected to have been rebalanced due to the impact of the Covid-19 pandemic in 2020. Along with biocides, neutracides, cosmetics, flavour and fragrances and surfactants, chemicals used to prevent Covid-19 have been recording positive growth.[23]

The post Covid growth in speciality segments is expected to exhibit strong recovery, led by mainland China and other

[21] http://www.ficci.in/ficci-in-news-page.asp?nid=27440

[22] http://ficci.in/spdocument/23379/Knowledge-Report-Agrochemicals-Conference-20.pdf

parts of the Asian continent. Among the segments, electronic chemicals are expected to register the fastest growth at nearly 6% CAGR through 2022 -2025.[20] Global discussions on climate change, sustainability and waste management is anticipated to gain momentum in the post Covid world and the industry is expected to improve efforts to address these problems.

Indian Speciality Chemical Industry

The speciality chemicals represent an important segment in the Indian chemical industry clocking an impressive growth rate of 10-12% over the last decade and is estimated to provide significant opportunities worth USD 60 billion over the next 8-10 years.[24]

With decreasing production of speciality chemicals in China, owing to the robust manufacturing capabilities of India, the country continues to fortify its position to capture the growing opportunities in the segment. The demand for speciality chemicals in India is mainly driven by surfactants, specialty polymers and the textile industry. However, demand from other industries such as cosmetics, adhesives, sealants, flavors, fragrances, printing inks, food additives and water management are expected to significantly contribute to the growth of the segment.

Growth Drivers

Domestic market

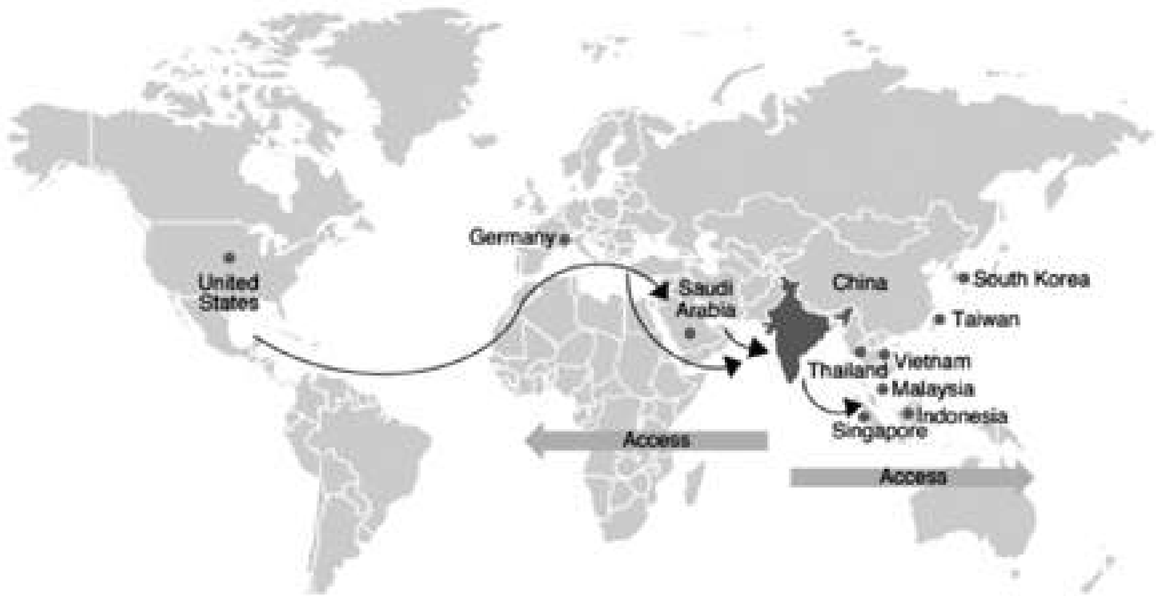
The domestic market is driven by broad socio-economic factors such as increasing population, rising urbanization and growing income levels across key end markets of food and nutrition, personal hygiene, water treatment and construction. In comparison to the global average, the Indian specialty chemicals segment still has lower penetration levels and exhibits ample scope for growth.

Export Market

The competitiveness of the Indian chemical industry and specialty chemicals segment in the international market is driven by lower cost of manufacturing, availability of skilled labour, a strong Intellectual Protocol (IP) policy and strong process optimization capabilities demonstrated by companies.

However, the export market represents less than 5% share in global speciality chemicals trade even as it accounts for more than 50% of total chemical exports from India. The post pandemic shift towards the adoption of a China + 1 strategy by companies to hedge unforeseen risks in the global supply chain provides immense opportunity for India, due to its geostrategic location and favourable policies.

Strategic Location of India



Source: PWC

Opportunities

India continues to be a preferred manufacturing destination for players across the globe, given its low cost of manufacturing, cheap labour wage rates and abundant availability of skilled manpower. Strong IPR protection is a vital criterion for global innovators looking to source materials, and India has established itself as a strong proponent of IPR protection. Moreover, India's speciality chemical industry enjoys strong global acceptance, with exports constituting more than 50% of the production in sub-segments, such as flavours, fragrances and nutraceuticals

[23] IHS markitt

[24] Chemicals in India: The right chemistry for growth March 2021 ; Kearney and Invest India

[25] McKinsey Report

Threats

Since majority of India's petrochemical building blocks are channelized towards bulk polymers, the other end-user segments have to predominantly rely upon imports for their feedstock requirements. This affects the operational efficiency of most players. Majority of the speciality chemical manufacturers in India operate at a significantly lower scale and hence potential to grow in their respective segments is limited. While environmental regulations and enforcement in India have always been stricter than China, the level of enforcement varies depending upon the location and the size of the enterprise.

Operational Highlights

The Company performed well in the domestic business, leading with products comprising fungicides, insecticides, herbicides, surfactants and plant growth regulators, plant nutrition and acaricides. The Company's domestic as well as international business crossed the milestone of ₹ 1000 crores revenue for the first time, in FY 2020-21. The business was partially supported due to its classification as an essential service provider during the nationwide lockdown early in FY 2020-21.

Nevertheless, the Company adopted a dynamic attitude and was successful in growing the business. The Company created a cross functional team to identify problems and device winning strategies to solve problems. The Company also supported its business partners such as suppliers and distributors by providing timely supply of products and maintaining communication through digital platforms. The Company recalibrated its strategy to eliminate non-value generating costs across processes, thereby preparing the grounds for improved margins, cash flow and profits.

In the international business, the Company continues to consolidate its position in key markets of Africa, Asia Pacific, Brazil, Argentina and Mexico. It is also expanding its product portfolio, as per the needs of the customers. It continues to leverage its brand value in the international market to add new customers and strengthen its market standing in B2B as well as B2C business segments. The Company is also making significant investments for new product registration in Europe and Brazil and looking forward to similar opportunities in Bangladesh and Philippines. This will enable the Company to further increase its revenue from these markets.

Risk and Concerns

Environmental risk

The increasing awareness about the impact of climate change on agriculture and its projected threat on food security could increase regulatory burden on some products, particularly in agrochemicals.

Mitigation

The Company has been focussing on research and development along with extensive consultation with the stakeholders in the respective field to deliver environment friendly solutions without compromising productivity.

Currency risk

Due to its global operations, currency fluctuations can impact the Company's finances.

Mitigation

The Company has a strong hedging strategy which constantly focuses on global and domestic macroeconomic developments to hedge against geopolitical risks and protect its finances.

Trade barrier risks

Agriculture is an important sector for the economy and political decisions tend to influence domestic policies for export. It may affect trade policies with other countries. The recent inclination towards regional grouping away from global organisations such as World Trade Organisations (WTO) further amplifies the risk towards protectionism and trade barriers.

Mitigation

The Company has a diverse product range with a strong market presence, cushioning against the risk arising from limited access to markets due to trade barriers.

Product Risk

The Company has been manufacturing and marketing mancozeb-based products for many years. Non renewal of Mancozeb in Europe might impact the Company's growth in the coming years.

Mitigation

The Company has been constantly introducing new and improved products in the European market for the past few years. Further, its diversified presence across various geographies and markets enables it to mitigate risks arising from any changes or slowdown in a particular market.

Financial Overview

₹ in Crores

Particulars	FY 2020-21	FY 2019-20	YoY Change (in %)
Consolidated Total Income	2441	2236	9%
EBITDA	467	274	70%
PBT before exceptional item	290	97	199%
PBT after exceptional item	141	66	114%
PAT	67	95	-29%
Total Equity	1953	1927	1%

Internal Control Systems and their Adequacy

The Company believes that the Internal Control System is one of its main pillars. It covers the financial and operating functions along with the size and nature of its operations. The Company's internal control system ensures timely recording of important transactions, maintenance and optimal utilisation of the Company's assets. The internal control system helps to manage and ensure timely completion of all internal audits.

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

Human Resources

Indofil believes that the skill sets, competencies and capabilities of its human resources remain pivotal for its success. Being a people centric Company, it strives to create a workplace that is open and inclusive, supporting employees to grow and thrive. The Company also provides strong emphasis on health, safety and well-being of its employees. During these challenging times, it further increased its focus on ensuring the health & well-being of its employees. The Company conducted various seminars and programs focused on creating awareness related to Covid-19 situation and precautionary measures that ought to be taken at home and workplace. The Company also organised various initiatives to strengthen the mental and emotional health of its employees.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of the Company, 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 the Company's Annual Report, 2020-21.

DIRECTOR'S REPORT

Your Directors are pleased to present the 28th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended on March 31, 2021.

FINANCIAL RESULTS

₹ in Crores

Particulars	For the year ended 31.03.2021		For the year ended 31.03.2020	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	2,303.53	2,440.82	2,079.80	2,235.88
Profit before Interest, Depreciation, exceptional item & Tax	445.37	466.55	273.35	305.28
Less: Interest and Finance Charges	59.91	64.67	87.13	89.88
Less: Depreciation	93.99	111.74	102.81	118.10
Profit Before Tax and Exceptional Items	291.47	290.14	83.41	97.30
Less: Exceptional Items	69.33	149.54	31.41	31.41
Profit Before Tax	**222.14**	**140.60**	**52**	**65.89**
Less: Provision for Taxation	93.39	93.06	(15.17)	(12.79)
Net Profit After Tax	**128.75**	**47.54**	**67.17**	**78.68**
Share of Profit / (Loss) of Joint Ventures	-	19.40	-	16.08
Profit For The Year	**128.75**	**66.94**	**67.17**	**94.76**

DIVIDEND

Your Directors are pleased to recommend for approval of the Company's Shareholders at the ensuing Annual General Meeting (AGM), a final Dividend of 80% for the year ended March 31, 2021, i.e. ₹ 8 for each Fully Paid Up Equity Shares of ₹ 10 each and ₹ 2.40 for each Partly Paid Up Equity Shares of ₹ 3 each.

OPERATIONS

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The Company's Consolidated Income was up from ₹ 2,236 Crores to ₹ 2,441 Crores in the year under review, increasing by 9% y-o-y. The Consolidated Profit before Tax for the year stood at ₹ 141 Crores against ₹ 66 Crores for the Previous Year - an increase of 114% y-o-y. The Company's total income on a standalone basis was recorded at ₹ 2,304 Crores for the current year against ₹ 2,080 Crores in the Previous Year - an increase of 11% y-o-y. While the Standalone Profit before Tax for the year stood at ₹ 222 Crores against ₹ 52 Crores for the Previous Year, registering an increase of 327% y-o-y. The increase in sales and profits can be attributed to positive factors that has impacted Company and its business. One of the important factor was reduction in finance costs as a result of pre payment of loans and reduced borrowings in the books (both short-term and long-term). The Company has during year made a provision for impairment / write-off of intangible assets related to Mancozeb in Europe, which is shown under exceptional item.

The Company has a balanced revenue model. It has consolidated with leading market share in both domestic and international regions. Even as Covid-19 restrictions were imposed in the first quarter of FY 21, above-normal monsoons contributed to healthy agriculture output for the year in India. In some pockets in the country, continuous rains resulted in spray skips in crops like cotton and rice, while the offseason rains spoiled the near harvest crop in some geographies of the country, impacting the cash flows and resulting in higher inventory during a part of the year. However good produce and improved prices of seasoned key focused crops like potato and paddy, helped record good growth in key the Company's core products like Indofil M45, Avtar, Sprint, Indofil Z78 and Merger.

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 with the institutional players, thereby sustaining revenues and profitability.

The Company's business model is pivoted on a having a robust distribution model. During the year, the Company further strengthened key distributors driven by structured policy framework, that helped it achieve smart and quality business for the year.

The temporary supply chain restrictions and rising freight costs did impact Company's suppliers but Company could pass on increased costs and improved it's margin. The Company's collection performance was upto mark during these tough times, helping improve the debtors cycle and Working Capital. An favourable Working Capital helped the Company with prudent capital allocation and achieve record financial numbers during year under review.

On the manufacturing side, the Mancozeb-manufacturing plant, with an aggregate capacity of 68,600 MT per annum operated at an improved capacity utilisation, while the capacity utilisation of the third plant was slightly lower. However, the capital invested and newer technologies introduced are expected to drive the capacity utilisaton higher in the coming fiscal.

After successfully shifting the manufacturing operations from Thane to GIDC, Dahej, the Company is pleased to report that now operations at Dahej Plant are streamlined with improved productivity. During the year under review, the Company also strategised and implemented seamless transition of small pack and formulation activities to the Dahej, GIDC, third plant.

The improved margins and profitability were also driven by adoption of digital tools with restrictions on physical movement. The Company quickly adopted to new normal and implemented digital tools like virtual meetings and tele-calling, increasing digitalised operational processes resulting in faster and improved performance.

Being an essential service provider and an important contributor to nation's agriculture output, the Board is pleased to report that there were no major disruptions in the Company's business operations because of the Covid-19 pandemic. The minor disruptions and challenges faced in manufacturing and supply chains were offset in latter part of the year. The team worked diligently to meet the increase in demand and ensure sustainable distribution of products. The Company Management continues to closely monitor the changes in domestic and international business environment and economic conditions and its potential impact on the business, going forward. Appropriate timely actions are taken continuously to be on top of operations and face challenges thrown up by changes in business environment.

The long term growth prospects of the division remain promising, driven by Company's Brand Equity, favourable climatic conditions and encouraging reforms introduced by the government. Initiatives like 'Aatmanirbhar Bharat' provide ample opportunity for us to grow and expand our operations going forward.

The Innovative Solutions Division was impacted during the year, especially in the first quarter, due to the Covid-19 pandemic. Unlike the agro business, the division was not classified as an essential segment and therefore reported lower than expected revenue for the year. However, owing to better product mix and right pricing strategies, profitability is expected to improve going forward.

INTERNATIONAL BUSINESS

On International Business front too, FY 2020-21 was challenging for all businesses due to unique challenges posed by the pandemic. With major disruptions caused in supply chain and logistics, the Company reworked it's strategies and operations to deliver results. The international business outperformed expectations despite the Covid challenges and challenging global agrochemicals market scenario. Some of the strategies adopted were:

- Realignment of distribution expansion
- Entry in new markets
- Penetrate the markets of Asia Pacific with favourable season and tapping Australian market that is now seen recovering from three-year drought-like situation
- Delve deeper and improve the market share in plantation business for the South and Central America region

The Company achieved growth in international business in terms of volume as well value terms. A focused approach led to record top line and bottom line growth, well supported by establishing approvals in international business product mix and mix of B2B & B2C business. Majority of the volume growth came from the South America and the Asia Pacific regions. The Company added new products in the international markets keeping in mind the local requirements. This includes products manufactured by Indofil and also products sourced from global suppliers. Realignment of distribution in South American market has helped in business grow. New product registrations and strategic operational initiatives is expected in further market penetration in South American countries. All the manufacturing units, despite the challenges posed by the pandemic supported well in timely supply for increased volume-led demand.

The Company's international business story continues to be exciting, driven by expansion of the product portfolio and rising market share in key geographies. During the year, new product registrations were initiated across all the subsidiaries along with submission of new registrations in the AME & the Asia-Pacific region. The main items comprised in Company's products offering is as under:

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

The above products were well received in international and domestic markets. The business scenario during year in different markets of world is as under:

Brazil

The Brazil market is the largest agrochemical market globally due to large cultivable areas availability and hence the Brazilian subsidiary remains the priority for the expansion strategy of the international business, both on distribution & portfolio expansion. For strategically designed portfolio launch, registration & submission of applications were completed as per plan in important parts of Brazilian market. The Brazil subsidiary is expected to become one of the largest contributors for international business in the coming years. Due to the Covid situation, a balanced approach was taken for the B2B & B2C businesses and efforts were taken to cater to both segments adequately. The aim over the coming years is to improve market penetration and presence in the already strong B2C segment. 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 & strategic cooperation with large corporations.

Philippines

The Philippines archipelago has been a stable market for the international business. Indofil Philippines continued to contribute good business from plantations & F&V segment. Successful introduction of liquid Mancozeb helped the subsidiary in strengthening its position in the Banana market. It has successfully initiated sourcing collaboration with global suppliers, which has helped in improving the product portfolio to cater to the needs of Filipino farmers to improve their farm productivity.

Bangladesh

Indofil Bangladesh has added products in all the FHI segments, sourcing from India & Korea. This international business has set up its first manufacturing plant outside India in Bangladesh, which has been fully functional since Dec-2020. This has helped in improving the prospects for Indofil Bangladesh to expand in the B2C business in that country. The team is also in negotiations with MNCs for alternative revenue models like tolling and also exploring opportunities for exports to nearby markets.

Europe

Indofil Industries (Netherland) B.V. which has been in operation for the last five years, was the largest contributor for the international business amongst the subsidiaries. To cater to the changing European market requirements, realignment was done for the existing European set-up supported by capital portfolio expansion for the European market. 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 the pan-Italy level. However, during the year European Union is not in favour of renewing registration for Mancozeb. 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).

Initiatives taken in European markets includes:

a) Full automation of invoicing process using EXACT book keeping program

b) Full automation implemented in order booking; reducing manual intervention

c) Improved internal process to keep customers updated on the shipment status

d) Regular interaction and contact with clients to keep them updated on regulatory status

e) Formation of strategies to introduce new products in Europe.

REDUCTION IN STAKE IN INDO REAGENS POLYMER ADDITIVES PVT LTD

In order to focus on its core business, Indofil is in the process of reducing its stake in its Joint Venture Company viz. Indo Reagens Polymer Additives Private Limited (Indo Reagens) to 5% from 49.9% in accordance with applicable laws. Indofil will continue to supply to Indo Reagens, the range of its complementary products and extend its strategic support on arms length basis.

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

DEPOSITS

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONS

As per provisions of Sections 152 of the Companies Act, 2013, Mr. Samir Modi and Dr. 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.

During the Financial Year 2020-21, Uttar Pradesh State Industrial Development Corporation appointed their new Managing Director, Mr. Mayur Maheshwari on the Board of the Company as their nominee on 9 September, 2020 in place of Mr Anil Garg.

Further, Dr Atchutuni Rao, Whole Time Director holds his office upto 26 July, 2021. The Board of Directors upon recommendation of the Nomination and Remuneration Committee, subject to approval of the Shareholders, have at their meeting held on 23rd June, 2021 re-appointed Dr. Atchutuni Rao as Whole Time Director, designated as Director – Manufacturing, Operations and EHS and "Occupier" of Company's factories for a period of two years from 27th July, 2021 to 26th July, 2023.

There was no change in Key Managerial Personnel during FY 2020-21.

BOARD MEETINGS

The Board of Directors met four times during the Financial Year ended March 31, 2021, 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.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

Pursuant to the provisions of the Companies Act, 2013, the Independent Directors are required to hold their separate meeting during each of the Calendar Year for discussing and evaluation of effectiveness of Directors and Committees. Accordingly, the Independent Directors held their separate meeting on 23th September, 2020 in which they discussed and evaluated the performance of the Chairperson, Executive Directors, Committees, Key Managerial Persons and the Board as a whole through structured evaluation feedback forms and expressed their satisfaction on the outcome.

NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee which comprises Mr. S. Lakshminarayan as Chairman and Mr. M.N. Thakkar and Mr. Sunil Alagh, all Independent Directors as Members of the Committee. The Nomination and Remuneration Committee meets with the constitutional and functional requirements stated in Section 178 of the Companies Act, 2013 and the Rule made thereunder.

The Company has in place, a robust Nomination and Remuneration Policy duly approved by the Board setting out the criteria for determining qualifications, positive attributes, independence of Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The said policy is appended as Annexure I to this Report. The management of Company ensures implementation of the policy in the best interest of the Company under guidance of Nomination and Remuneration Committee.

AUDIT COMMITTEE

The Company's Audit Committee was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder (including any statutory enactments thereof). Mr. S. Lakshminarayanan, Independent Director was nominated on the Committee by Board during FY 2020-21 to further strengthen the Audit Committee. The Audit Committee is chaired by Mr. M N Thakkar, Independent Director and ex-Senior Partner of N M Raiji and Company, a renowned firm of Chartered Accountants Mr. Sunil Alagh, Mr. Sanjay Buch and Mr. S. Lakshminarayanan, Independent Directors are Members of the Audit Committee.

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

IMPORTANT POLICIES

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

RISK MANAGEMENT POLICY

The Risk Management Committee assesses various risks affecting functions of the Company and its business. The Board of Directors of the Company has defined a structured approach to manage uncertainties and to factor such uncertainties in their decision-making. All risk factors and their mitigations are considered in periodic business and functional review and timely actions are initiated to mitigate and reduce risks' impact on the Company's business well in time.

The Company's Risk Management Committee comprises Whole Time and Independent Directors with expertise in different areas. The present Members of Risk Management Committee are Mr. Sanjay Buch, Mr. M.N. Thakkar and Mr. S. Lakshminarayanan and Dr Atchutuni Rao, Whole-Time Director and Occupier. Functional Sub Risk Management Committees are formed for each of the important functions comprising of the Functional Heads, top executives of the functions and executives from other relevant cross functions to identify risks and take appropriate mitigation actions. The functional heads update the Committee on all risks effecting their functions and steps taken to mitigate the risks. The Board Risk Management Committee provides its expert guidance and periodically monitors the implementation of risk mitigation actions to manage risks. The Risk Management Committee of Board and functional Risk Management Committee meetings has a major role in protecting interests of Company and each of the functions putting up good performances during Covid pandemic to minimize Risks and it's impact on Company's functioning.

The Risk Management Policy approved by Board Corporate Governance Report to Shareholders as contained in the said Report.

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 is denied access to the Chairman of the Audit Committee during the Financial Year ended March 31, 2021.

CORPORATE SOCIAL RESPONSIBILITY POLICY

As per the provisions of Sections 135 of the Act read with the Companies (Corporate Social Responsibility policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The present CSR Committee comprises Dr. Bina Modi as Chairperson of the Committee and Mr Sunil Alagh and Mr. Mayur Maheshwari, Nominee of the UPSIDC as the Member of the Committee. The Board of Directors of the Company has approved the new CSR Policy based on the recommendations of the CSR Committee. The CSR Policy has been amended considering a revision in Section 135 read with fresh set of rules introduced on 22 January, 2021. The Company has been implementing its CSR activities in accordance with its CSR policy. The details of such initiatives are contained in the format prescribed for CSR Reporting wide notification dated 22 January, 2021 and the same forms a part of the Director's Report and is attached as Annexure II to this Report. The Report also contains the composition of the CSR Committee as per Section 135(2) of the Companies Act, 2013.

The Company, as stipulated in Section 135 of Companies Act, 2013 has formed a Corporate Social Responsibility Committee (CSR) to undertake CSR initiatives in accordance with Section 136 and CSR Regulations promulgated from time to time. The Company has been spending its CSR budget each year in accordance with Section 135 read with schedule VII and Company's CSR policy. The Company has undertaken projects to support initiatives to promote agriculture, water conservation, medical and general welfare of society members.

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, 2021, the Board of Directors hereby confirms that:

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

b. Such Accounting Policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the Profit / Loss of the Company for that year.

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

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

e. Internal Financial Controls have been laid down and to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.

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

SECRETARIAL AUDIT

In terms of the provisions of Sections 204 read with Section 134(3) of the Companies Act, 2013 and the Rules made thereunder (including any statutory enactments thereof), the Board had appointed M/s. Ragini Chokshi Co., Company Secretaries (Membership No. 2390), to conduct the Secretarial Audit of the Company for the Financial Year 2020-21.

Secretarial Audit Report issued by M/s. Ragini Chokshi & Co. in Form MR-3 for the Financial Year 2020-21 is appended in Form MR-3 as Annexure III to this Report. The said Report does not contain any qualification requiring explanation or comments from the Board under Sections 134 (3) of the Companies Act, 2013. The Board has re-appointed M/s. Ragini Choksi & Co. Practicing Company Secretaries as the Secretarial Auditors of the Company for the Financial Year 2021-22.

STATUTORY AUDITORS

M/s Bansi Mehta & Co. were appointed as Statutory Auditors of Company in F.Y. 2011-12. In accordance with provisions of Section 139 and other applicable provisions of Companies Act, 2013, they shall cease to be Statutory Auditors of the Company at the conclusion of 28th Annual General Meeting. Pursuant to the provisions of Section 139 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors upon recommendation of the Audit Committee, subject to approval of the Shareholders have at their meeting dated 23rd December, 2020 appointed M/s. Lodha & Co. (Firm Regn. No. 301051E) renowned firm of Chartered Accountants as Statutory Auditors to hold office up to F.Y. 2025-26. Their appointment forms part of the notice for 28th Annual General Meeting. The Board seeks your approval for their appointment as the Statutory Auditors up to 33rd Annual General Meeting 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, 2021 are detailed and self explanatory and do not require any further explanation.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE OUTGO AND EARNINGS

The particulars regarding Foreign Exchange expenditure and earnings are contained in the Notes to Accounts forming part of the Financial Statements for the year ended March 31, 2021.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Sections 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the Financial Year ended March 31, 2021 made under the provisions of Sections 92(3) of the Act is appended as Annexure V to this Report.

SUBSIDIARIES

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

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company under Sections 188 of the Companies Act, 2013, with promoters, Key Managerial Personnel or other designated persons which may be potential conflict with interest of the Company at large. Consequent upon which details as prescribed in Form AOC - 2 are not required to be disclosed. The said form for the purpose of records is annexed hereto as Annexure VII.

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

CORPORATE GOVERNANCE REPORT

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

CAUTIONARY STATEMENT

Statements in this Report, 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: June 23, 2021

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"

NOMINATION AND REMUNERATION POLICY

1. Preface

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

2. Objectives

The objective and purpose of this policy are:

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

3. Definitions

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

'Board' means Board of Directors of the Company.

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

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

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

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

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

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

(ii) Company Secretary; and

(iii) Chief Financial Officer

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

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

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

Part - A covers the appointment and nomination related policies.

Part - B covers remuneration related policies.

4.1. Part A - Appointment and Nomination

4.1.1 Criteria for Board Membership

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

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

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

4.1.2 Additional Criteria for Independent Directors

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

4.1.3 Term /Tenure

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

4.1.4 Removal

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

4.1.5 Retirement

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

4.1.6 Policy on Board diversity

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

4.2 Part B - Remuneration and Perquisites

4.2.1 Recommendation for Remuneration

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

4.2.2 Managing Director/Whole-Time Director/Executive Director

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

4.2.3 Non executive Independent Directors

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

4.2.4 KMPs / Senior Management Personnel etc

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

5. Review

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

K.K. Modi

Sd/-

Place: Mumbai Chairman

Date: June 13, 2018 DIN: 00029407

ANNEXURE "II"

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

   The Company over years has been focusing on sustainable business practices encompassing economic, environmental and social imperatives covering business as well as society. Our Corporate Social Responsibility (CSR) comprehensively covers holistic community development and sustainability related initiatives.

   The CSR Policy aims to provide dedicated approach in improving water management and supporting various initiatives in that regard, educational and health care related initiatives for benefit of society, helping initiatives for preserving Indian arts and culture and supporting various social initiatives aimed to improve condition of deprived, underprivileged and differently able Section of society.

2. Composition of CSR Committee:

Sl. 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	1	1
2.	Mr. Sunil Alagh	Independent Director	1	1
3.	Mr. Mayur Maheshwari	Nominee Director (UPSIDC)	1	Nil

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). – ₹ 193.72 crores

7. (a) Two percent of average net profit of the Company as per Section 135(5) - ₹ 3,87,43,057

   (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) - ₹ 3,87,43,057

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.
11,53,000	3,75,90,057	26 April, 2021	Nil	Nil	Nil

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current Financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	K K Modi University	Promoting Education	Yes	Chattisgarh	Raipur	3 years	3,65,83,057	-	3,65,83,057	No	Modi Innovative Education Society	CSR00012517
2.	Oxygen Plant [Referral Hospital (CHC), Gadhada]	Promoting healthcare	Yes	Gujarat	Dahej	2 years	11,60,000	11,53,000	7,000	Yes	-	Direct Spent
3.	Vardan Hospital, ICU Ward	Promoting healthcare	Yes	Uttar Pradesh	Ghaziabad	2 years	10,00,000	-	10,00,000	No	Vardan Hospital	CSR00011059
	TOTAL						**3,87,43,057**	**11,53,000**	**3,75,90,057**			

*Due to COVID 19 Pandemic, no further development work took place at K.K. Modi University

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

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

(b) Amount spent in Administrative Overheads - NIL

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

(d) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 11,53,000

(e) 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.	2019-20	Nil	27,00,000	Nil	Nil	Nil	Nil
2.	2018-19	Nil	Nil	Nil	Nil	Nil	Nil
3.	2017-18	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL		**27,00,000**				

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in Which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
NIL								

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

(i) Purchased and donated Hearse, out of the CSR Budget of Financial Year 2019-20 for benefit of general public in Dahej area.

(ii) Oxygen plant for benefit of COVID affected people.

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

(i) Date of acquisition of Hearse: 24 September, 2020

(ii) Date of creation of Oxygen Plant: 10 June, 2021

CSR Spent for creation of the Oxygen Plant was made on 10 June, 2021, however, the duly constructed Oxygen Plant was handed over late on 12 June, 2021, due to priority given by the manufacturer to the government orders.

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

(i) Hearse: ₹ 10,53,000

(ii) Oxygen Plant: ₹ 17,25,000

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

(i) Donated to Rotary Club of Dahej, Gujarat for benefit of people in and around Dahej

(ii) Donated to Referral Hospital (CHC) Gadhada, Gujarat for benefit and treatment of COVID affected people.

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

(i) Hearse Model No. 410 Tata 410 EX/34 BSIV donated to Rotary club located at Dahej, Gujarat.

(ii) Oxygen Plant made by M/s Airro Engineering Co., Vadodara donated to Referral hospital (CHC) Gadhada, Dist. Botad.

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 has been spending it's CSR obligations for social causes in accordance with provisions of Section 135, Schedule VII and CSR Policy of the Company for social causes. However, the portion of CSR budget for FY 2020-21 allocated for education purposes for K K Modi University remained unspent due to COVID 19 Pandemic as no significant development took place in the project.

Place: Delhi
Date: 23 June, 2021

Dr. Bina Modi
Chairperson & Managing Director

ANNEXURE "III"

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2020 TO 31-03-2021

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INDOFIL INDUSTRIES LIMITED (CIN: U24110MH1993PLC070713) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of INDOFIL INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering 1st April, 2020 to 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by INDOFIL INDUSTRIES LIMITED for the audit period 1st April, 2020 to 31st March, 2021 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;

(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 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'): - (Not Applicable to the Company during the Audit Period)

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011 and as amended from time to time;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009 and as amended from time to time;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008 and as amended from time to time;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

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

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

1. Insecticides Act, 1968 and Rules 1971
2. Poison Act, 1919
3. Factories Act, 1948

4. Legal Metrology Act, 2009
5. Industrial Disputes Act, 1947
6. Environment Protection Act,1986
7. Employees State Insurance Act, 1948
8. Minimum Wages Act, 1948
9. Water (Prevention and Control of Pollution) Act, 1981
10. Air (Prevention and Control of Pollution) Act, 1974
11. Negotiable Instruments Act, 1881
12. Hazardous Waste (Management and Handling) Rules, 1989
13. The Trade Marks Act, 1999

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

i. Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations 2015; (Not Applicable to the Company during the Audit Period)

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

We further report that

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

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

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

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

We further report that during the audit period the Company had following specific events or actions which might have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. Appointment of Mr. Mayur Maheshwari as a Nominee Director representing U.P. State Industrial Development Corporation Limited (UPSIDCL) in place of Mr. ANIL GARG w.e.f. 09/09/2020.

2. Cessation of Mr. Anil Garg w.e.f. 09/09/2020 as Nominee Director of the Company.

3. The Company declared dividend of ₹ 5.00/- per Equity Share of ₹ 10/- each-, Fully Paid-Up Equity Shares and ₹ 1.50/- per Equity Shares of ₹ 3/- each Partly Paid Up; for the Financial Year 2019-2020 in the Annual General Meeting held on 23/09/2020.

For Ragini Chokshi & Co.

Ragini Chokshi
(Partner)
C.P. No: 1436
FCS No: 2390
UDIN: F002390C000479152

Place: Mumbai
Date: 17-06-2021

ANNEXURE “IV”

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

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

A. CONSERVATION OF ENERGY

a. About Unit 1 - 62538 KL, Unit 2 - 45790 KL & Unit 3- 124512 KL of water was recycled in Mancozeb and Synthesis plants through the use of Multiple Effect Evaporators in FY 2020-21.

b. The Company has received full bonus subsidy by achieving the power factor in FY 2020-21.

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. The R&D Center is certified by ISO 9001 QMS and ISO 14001 EMS, accredited by NABL (National Accreditation Board for Testing and Calibration Laboratories (a Constituent Board of Quality Council of India) under ISO/IEC 17025:2005, and certified for Good Laboratory Practices (GLP) by National GLP Compliance Monitoring Authority of India (NGCMA).

This R&D serves is growth engine of the Company, and has highly motivated team of about 60 qualified scientists working in following thrust area:

1. Organic Synthesis and Process Development of active ingredients (AIs) of Technical grade materials used as Fungicides, Insecticides, Acaricides, and Herbicides.
2. Development of variety of combination (ready mixture) formulations from variety of technical grade agrochemicals (Fungicides, Insecticides, Acaricides, and Herbicides) to launch sellable formulations in Indofil brands as well as bulk/ branded supply to co-marketing partners.
3. Development of unique plant health improvement products based on natural ingredients, microbial metabolite, microbial organisms as well as 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 group to scale-up the process from laboratory to manufacturing scale.
6. Analytical Development group involved in identification, quantification, method validation and certification of products from laboratory to commercial scale.

Two new proprietary formulated ready mixtures containing insecticides, Viz. Ceasemite & Dammu were successfully launched in 2020-21 and two more are awaiting registration approval , commercialization planned in 2021-22. Registration of many unique ready mixture formulations progressed well in India and overseas whereas many new ones were developed for screening at field level . Most of these formulations are novel and patenting process is on.

Process of a few existing branded fungicide formulations (Thifluzamide and Dodine) have been further improved and commercialized during the year, while Mancozeb 600 OS is awaiting commercialization.

ii. Benefits from R & D

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

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

iii. Future plan

To sustain in the market, we continue our efforts to improve efficiency of the products, and have also backward integrated our commercial products, viz. Propargite (TBPC Int.), Metalaxyl (MAC Int.), and Thifluzamide (DBTFMA and Thiazole acid) at R&D and pilot plant scale. While TBPC and MAC have been successfully piloted and waiting for commercialization, DBTFMA and Thiazole acid are ready for pilot trial. Most of these will be implemented at commercial level, and cost benefits will be realized from 2021-22.

Process development of a few new active ingredients (AI, technical products), covering various chemistries, viz. Difenoconazole, Metalaxyl-M, Prothioconazole, Picoxystrobin, Boscalid, Folpet, Propineb etc. are in advanced stage at R&D. Difenoconazole and Metalaxyl-M have been successfully piloted, and are awaiting commercial trial in 2021-22.

Looking at the opportunity from MAKE IN INDIA drive, R&D initiated CRAMS projects for a potential multinational partner. Two of their intermediates have been successfully piloted, and awaiting commercial trials in 2021-22. Laboratory process for two more have been developed, and they are ready for piloting. Others are at various stages of development in lab.

(iv) Expenditure on R&D

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Capital including Capital Work in Progress	8.87	18.21
Recurring	12.25	12.61
TOTAL	**21.12**	**30.82**
R&D Expenditure as a percentage of Revenue from Operation	**0.92%**	**1.51%**

C) Foreign earning and outgoing

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
i) Foreign Exchange earned	961.84	878.27
ii) Foreign Exchange expensed	479.21	552.65

ANNEXURE "V"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31.3.2021

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U24110MH1993PLC070713
(ii)	Registration Date	9.2.1993
(iii)	Name of the Company	INDOFIL INDUSTRIES LIMITED
(iv)	Category/ Sub-Category of the Company	Company having Share Capital
(v)	Address of the Registered office and contact details	Kalpataru Square, 4th Floor, off Andheri Kurla Road, Andheri(East) Mumbai- 400059 Tel.No. 022-66637373
(vi)	Whether listed Company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAS Services Ltd, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020 Telephone No. 011-26387281 - 83 Fax No 011-263873843 E-mail id: info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Good Investment (India) Ltd., Omaxe Square, Plot No- 14, 5th Floor, Jasola District Centre, Jasola, New Delhi- 110 025	U65993DL1979PLC010060	Subsidiary	100%	2(87)
2	Quick Investment (India)Ltd., Omaxe Square, Plot No- 14, 5th Floor, Jasola District Centre, Jasola, New Delhi- 110 025	U65993DL1979PLC010018	Subsidiary	100%	2(87)
3	Indo Baijin Chemicals Pvt. Ltd., Plot No. Z-7/1, SEZ Area, Dahej SEZ Ltd, Taluka Vagra, Disrict Bharuch, Gujarat 392130	U24233GJ2011PTC065293	Subsidiary	51%	2(87)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
4	Indofil Bangladesh Industries Pvt. Ltd., 87, New Eskaton Road, Home Town Apartment Complex, 16th Floor, Ramna, Dhaka	Foreign Company	Subsidiary	100%	2(87)
5	Indofil Costa Rica S.A., Sanjose, Barrio Los Yoses, 10th Avenue, 37th Street, Bufete Quiros Abogados, Central Law, Costa Rica	Foreign Company	Subsidiary	100%	2(87)
6	Indofil Industries (Netherlands) B.V., Piet Heinkade 55, 1019 GM, Amsterdam, Netherlands.	Foreign Company	Subsidiary	100%	2(87)
7	Indofil Industries (International) BV Piet Heinkade 55, 1019 GM Amsterdam, Netherlands	Foreign Company	Subsidiary	100%	2(87)
8	Indofil Industries DO Brasil LTDA Alameda Rio Negro 503, Room 2510, Alphaviile, Barueri, Sao Paulo State, Brazil	Foreign Company	Subsidiary	100%	2(87)
9	Indofil Philippines Inc. Unit 3201, Robinson Equitable Tower, ADB Avenue Corner, P. Poveda Street, Ortigas Centre, Pasig City - 1605, Metro Manila, Philippines	Foreign Company	Subsidiary	100%	2(87)
10	Agrowin Bioscience S.r.l. Bergamo, Via Monte Grappa n.7, Italy	Foreign Company	Subsidiary	80%	2(87)
11	PT Industries Indonesia	Foreign Company	Subsidiary	100%	2(87)
12	Finkotech Pvt. Ltd. (Application for Closure of Company filed with Ministry of Company Affairs)	U24299MH2018PTC307863	Subsidiary	100%	2(87)
13	Indo Reagens Polymer Additives Pvt. Ltd. 4th Floor, Kalpataru Square, Kondivita Road, Marol, Andheri (East), Mumbai - 400059	U24304MH2018PTC318641	Associate	49.9%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2020)				No. of Shares held at the end of the year (31.03.2021)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a)Individual/ HUF	-	4,98,550	4,98,550	2.172	-	4,98,550	4,98,550	2.172	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,29,18,170	-	1,29,18,170	56.268	1,29,18,170	-	1,29,18,170	56.268	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other. (Trusts)	1,45,722	7,01,033	8,46,755	3.688	1,45,722	7,01,033	8,46,755	3.688	-
Sub-total (A) (1):-	**1,30,63,892**	**11,99,583**	**1,42,63,475**	**62.128**	**1,30,63,892**	**11,99,583**	**1,42,63,892**	**62.128**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2020)				No. of Shares held at the end of the year (31.03.2021)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a)NRIs Individuals	-	-	-	-	-	-	-	-	-
b)Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**1,30,63,892**	**11,99,583**	**1,42,63,475**	**62.128**	**1,30,63,892**	**11,99,583**	**1,42,63,475**	**62.128**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	450	-	450	0.002	450	-	450	0.002	-
b) Banks/FI	261	562	823	0.004	261	525	786	0.003	(0.001)
c) Central Govt	-	-	-	-	-	-	-		-
d) State Govt(s)	21,69,956	-	21,69,956	9.452	21,69,956	-	21,69,956	9.452	-
e) Venture Capital Funds	-	-	-	-			-		-
f) Insurance Companies	2,96,482	-	2,96,482	1.291	2,96,557	-	2,96,557	1.292	0.001
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**24,67,149**	**562**	**24,67,711**	**10.749**	**24,67,224**	**525**	**24,67,749**	**10.749**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4,00,695	11,27,043	15,27,738	6.654	4,05,178	11,26,818	15,31,996	6.673	0.019
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i)Individual shareholders holding nominal Share Capital upto ₹ 1 lakh	11,48,336	3,01,186	14,49,522	6.314	1145,607	2,68,499	14,14,106	6.159	(0.155)
ii)Individual shareholder holding nominal Share Capital in excess of ₹ 1 lakh	7,28,736	1,06,579	8,35,315	3.638	7,34,358	1,06,579	8,40,937	3.663	0.025
c) Others (specify)									
i) NRI / OCB	22,66,558	75	22,66,633	9.873	21,47,402	1,19,156	22,66,558	9.873	-
ii)Clearing Member	19,244	-	19,244	0.084	19,544	-	19,544	0.085	0.001
iii)Trusts	158	-	158	0.001	75	-	75	0.00	(0.001)
iv)Directors & their relatives	39,957	-	39,957	0.174	39,957	-	39,957	0.174	-
v) Investor Education and Protection Fund	88,469	-	88,469	0.385	1,13,825	-	1,13,825	0.496	0.111
Sub-total (B)(2):-	**46,92,153**	**15,34,883**	**62,27,036**	**27.123**	**46,05,946**	**16,21,052**	**62,26,998**	**27.123**	**-**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**71,59,302**	**15,35,445**	**86,94,747**	**37.872**	**70,73,170**	**16,21,577**	**86,94,747**	**37.872**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2,02,23,194**	**27,35,028**	**2,29,58,222**	**100.00**	**2,01,37,062**	**28,21,160**	**2,29,58,222**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2020)			Share holding at the end of the year (31.03.2021)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	
1	K.K.Modi Investment & Financial .Services Private .Limited	1,02,73,073	44.747	-	1,02,73,073	44.747	-	-
2	Rajputana Developers Limited	19,16,666	8.348	-	19,16,666	8.348	-	-
3	Premium Merchants Limited	4,64,760	2.024	-	4,64,760	2.024	-	-
4	Kaushambi Industries Private Limited	3,671	0.016	-	3,671	0.016	-	-
5	Super Investment (India) Ltd.	1,25,000	0.544	-	1,25,000	0.544	-	-
6	HMA UdyogPvt. Ltd	1,35,000	0.588	-	1,35,000	0.588	-	-
7*	Dr. Bina Modi	2,18,607	0.952	-	4,52,457	1.971	-	1.019
8*	Mr. K. K .Modi	2,33,850	1.019	-	-	-	-	(1.019)
9	Mr. Lalit K. Modi	10,455	0.046	-	10,455	0.046	-	-
10	Mr. Ruchir Modi	9,873	0.043	-	9,873	0.043	-	-
11	Mr. Samir K.Modi	25,765	0.112	-	25,765	0.112	-	-
12	Indofil Senior Executives(O) Benefit Trust	9,877	0.042	-	9,877	0.042	-	-
13	Indofil Senior Executives (O) Welfare Trust	2,39,144	1.042	-	2,39,144	1.042	-	-
14	Indofil Senior Executives (F) Welfare Trust	1,42,698	0.622	-	1,42,698	0.622	-	-
15	IndofilJuniorEmployees (O) Welfare Trust	1,42,698	0.622	-	1,42,698	0.622	-	-
16	Indofil Junior Employees (F) Welfare Trust	1,75,805	0.766	-	1,75,805	0.766	-	-
17	Indofil Senior Executives(F) Benefit Trust	65,127	0.284	-	65,127	0.284	-	-
18	Indofil Junior Employees (O) Benefit Trust	25,914	0.113	-	25,914	0.113	-	-
19	Indofil Junior Employees (F) Benefit Trust	45,492	0.198	-	45,492	0.198	-	-
	Total	**1,42,63,475**	**62.128**	**-**	**1,42,63,475**	**62.128**	**-**	**-**

*[Please refer to point (iii) below]

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	142,63,475	62.128	142,63,475	62.128
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)				
	14th September, 2020, Mr. K.K. Modi			(2,33,850)	(1.019)
	14th September, 2020 Dr. Bina Modi			2,33,850	1.019
3.	At the End of the year	1,42,63,475	62.128	1,42,63,475	62.128

* Upon sad demise of our beloved ex-Chairman and Promoter, Mr. K.K. Modi shares held by him in the Company were transmitted to his wife Dr. Bina Modi on 14 September, 2020 as per his will.

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

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**UPSIDC LIMITED**				
	At the beginning of the year	21,69,956	9.452		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			21,69,956	9.452
2	**APMS Investment Fund Ltd**				
	At the beginning of the year	16,35,822	7.125		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			16,35,822	7.125
3	**Modi Industries Limited**				
	At the beginning of the year	10,50,000	4.574		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			10,50,000	4.574
4	**Cresta Funds limited**				
	At the beginning of the year	5,00,000	2.178		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			5,00,000	2.178
5	**Life Insurance Corporation of India**				
	At the beginning of the year	2,96,482	1.291		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			2,96,482	1.291
6	**Umesh Kumar Modi**				
	At the beginning of the year	1,11,678	0.486		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			1,11,678	0.486
7	**Govind Swaroop**				
	At the beginning of the year	90,000	0.392		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			90,000	0.392
	At the End of the year			(21,166)	
8	**Laoleen Investments Pvt. Ltd**				
	At the beginning of the year	62,394	0.272		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			62,394	0.272

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	**Jaideep Narendra Sampat**				
	At the beginning of the year	55,611		0.242	
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	6 November, 2020	48,714			
	13 November, 2020	(48,714)			
	1 January, 2021	(48,714)			
	8 January, 2021	48,714			
	At the End of the year			55,611	0.242
10	**Shweta Anand Agarwal**				
	At the beginning of the year	52,900	0.251		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	6 November, 2020	52,900	0.230		
	13 November, 2020	(52,900)			
	At the End of the year			52,900	0.230

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of Shares	% of total shares of the Company	No. of shares.	% of total shares of the Company
1.	**Dr. Bina Modi**				
	At the beginning of the year	2,18,607	0.952		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	14th September, 2020	2,33,850	1.019		
	At the End of the year			4,52,457	1.971
2.	**Ms. Charu Modi**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
3.	**Mr. Samir Kumar Modi**				
	At the beginning of the year	25,765	0.112		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			25,765	0.112
4.	**Ms. Aliya Modi**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
5.	**Mr. M.N. Thakkar**				
	At the beginning of the year	11,417	0.050		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			11,417	0.050

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of Shares	% of total shares of the Company	No. of shares.	% of total shares of the Company
6.	**Mr. S.K. Alagh**				
	At the beginning of the year	28,540	0.124		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			28,540	0.124
7.	**Mr. Sanjay Buch**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
8.	**Mr. S. Lakshminarayanan**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
9.	**Mr. Mayur Maheshwari**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
10.	**Dr. Atchutuni Rao**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
	Key Managerial Personnel:				
11.	**Mr. Narendra Rane**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
12.	**Mr. Devang R Mehta**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0
13.	**Mr. Rajib Mukhopadhyay**				
	At the beginning of the year	0	0		
	Date wise Increase/ (Decrease) in Shareholding during the year and reasons				
	At the End of the year			0	0

V. INDEBTEDNESS

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	1155.47	Nil	Nil	1155.47
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	2.68	Nil	Nil	2.68
Total (i+ii+iii)	**1158.15**	**Nil**	**Nil**	**1158.15**
Change in Indebtedness during the Financial Year				
• Addition	-	Nil	Nil	-
• Reduction	416.14	Nil	Nil	416.14
Net Change	**(416.14)**	**Nil**	**Nil**	**(416.14)**
Indebtedness at the end of the Financial Year				
i) Principal Amount	740.97	Nil	Nil	740.97
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	1.04	Nil	Nil	1.04
Total (i+ii+iii)	**742.01**	**Nil**	**Nil**	**742.01**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crores)

Sl. No.	Particulars of Remuneration	Name of Managing Director		Name of the Whole Time Director	Total Amount
		Dr. Bina Modi Chairperson & Managing Director	Ms. Charu Modi Executive Director	Dr. Atchutuni Rao Whole-Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6.96	4.70	0.89	12.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.55	0.20	0.01	0.76
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit	4.59	7.20	-	11.79
	- others, specify...				
5	Others, please specify				
	Total (A)	12.10	12.10	0.90	25.10
	Ceiling as per the Act	12.10	12.10	0.90	25.10

B. Remuneration to other Directors::

(₹ in Crores)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	**Independent Directors**	**Mr. Sunil K. Alagh**	**Mr. M.N. Thakkar**	**Mr. Sanjay Buch**	**Mr. S. Lakshminarayanan**	
	• Fee for attending Board & Committee Meetings	0.11	0.11	0.11	0.09	0.42
	• Commission	0.20	0.20	0.20	0.20	0.80
	• Others, please specify					
	Total (1)	**0.32**	**0.32**	**0.31**	**0.29**	**1.22**
2	**Other Non-Executive Directors**	**Mr. Samir Modi**	**Ms. Aliya Modi**	**Mr. Anil Garg/ Mr. Mayur Maheshwari**		
	• Fee for attending board committee meetings	0.04	0.03	0.03		0.10
	• Commission	0.20	0.20	0.20		0.60
	• Others, please specify					
	Total (2)	**0.24**	**0.23**	**0.23**		**0.70**

ANNEXURE "VI"

FORM – AOC- I

PART "A" - 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 0.86 / BDT	EUR – INR 86.10 / EUR	EUR – INR 86.10 / EUR	Costa Rica Colon – INR 0.12 / Colon	BRL - INR 12.99 / BRL	PHP - INR 1.51 / PHP	EUR – INR 86.10 / EUR
Share Capital	0.70	0.13	85.61	5.52	4.30	4.30	-	37.58	4.11	1.03
Reserves & Surplus	74.36	30.70	80.93	4.85	169.95	83.10	-	(29.16)	5.26	7.43
Total Assets	75.10	30.92	315.69	13.56	363.08	93.57	-	110.88	23.94	70.44
Total Liabilities	0.04	0.10	149.15	3.19	188.83	6.17	-	102.46	14.57	61.98
Investments	53.33	20.85	-	-	0.13	88.94	-	0.07	-	1.51
Turnover (Total Revenue)	1.25	0.58	232.58	5.36	261.38	0.04	-	58.30	38.76	66.96
Profit before Taxation	1.24	0.57	55.04	(4.46)	(57.50)	(0.41)	-	(14.76)	4.89	0.61
Provision for Taxation	0.35	0.15	18.53	(0.07)	(14.16)	-	-	-	1.14	-
Profit after Taxation	0.89	0.42	36.51	(4.39)	(43.34)	(0.41)	-	(14.76)	3.75	0.61
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	100%	51%	100%	100%	100%	100%	100%	100%	80%

Part "B": Associates and Joint Ventures

Name of Associates/ Joint Ventures	**Indo Reagens Polymer Additives Pvt. Ltd.**
1. Latest audited Balance Sheet Date	31st March, 2021
2. Shares of associate/ Joint Venture held by Company on the year end	
No of shares	1,99,60,000
Amount of investment in Associate / Joint Venture (₹ in Crore)	19.96
Extend of holding in %	49.90%
3. Description of how there is significant influence	-
4. Reason why associate/ Joint Venture is not consolidated	-
5. Networth attributable to shareholding as per latest audited Balance Sheet (49.9% share in net worth) (₹ in Crore)	19.89
6. Profit/ (Loss) for the year(₹ in Crore)	0.79
Profit / (Loss) Considered in consolidation (₹ in Crore)	0.40
Not considered in consolidation (₹ in crore)	-

ANNEXURE "VII"

FORM NO. AOC – II

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

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

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

For **Indofil Industries Limited**

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

Place: Mumbai
Date: June 23, 2021

ANNEXURE "VIII"

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 10 Members strong board comprises of three Executive Directors and seven Non-Executive Directors with versatile background. Executive Directors includes a Managing Director who is also Chairperson of Company, besides one Whole-Time Director and one Executive Director. The Non-Executive Director and Occupier includes four 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. 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	7
Ms. Charu Modi	Executive Director	00029625	2	NIL	10
Mr. Samir Modi	Promoter Director	00029554	5	NIL	9
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	Whole Time Director	07467414	NIL	NIL	NIL
Independent Directors					
Mr. Sunil Alagh	Independent Director	00103320	1	NIL	NIL
Mr. M.N. Thakkar	Independent Director	00268818	1	NIL	NIL
Mr. S. Lakshminarayanan	Independent Director	02808698	2	2	NIL
Mr. Sanjay Buch	Independent Director	00391436	2	NIL	NIL
Nominee Director					
Mr. Anil Garg (Up to 9 September,2020	Nominee Director (UPSIDC)	00768222	1	NIL	NIL
Mr. Mayur Maheshwari (From 9 September, 2020)	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.

Appointment/Re-appointment of Directors

In terms of Section 149 (13) of the Companies Act, 2013, the provisions of Section 152 (6) and (7) of the said Act, clauses pertaining to retirement of Directors by rotation shall not be applicable to Independent Directors and Nominee Director.

Pursuant of Section 152 of the Companies Act, 2013, Mr. Samir Modi and Dr. Atchutuni Rao are liable to retire by rotation at the ensuing Annual General Meeting. Mr. Samir Modi is a Director with sharp business acumen and is associated with the Company as a promoter with proven track record over years in establishing and managing various businesses. Dr. Atchutuni Rao has rich experience in managing operations and excellent track record spread over around 4 decades. Resolutions for their re-appointments as Directors are incorporated in the Notice of the Meeting.

ANNUAL GENERAL AND BOARD MEETINGS

The previous Annual General Meeting (AGM) of the Company was held on 23th September, 2020.

During the Financial Year 2020-21, four meetings of the Board of Directors were held. The necessary quorum was present for Annual General and all Board Meetings. All the meeting during F.Y. 2020-21 were held on Video Conferencing 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 2020-21 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	4(4)	Yes
Ms. Charu Modi	4(4)	Yes
Ms. Aliya Modi	3(4)	Yes
Mr. Samir Modi	3(4)	Yes
Dr. Atchutuni Rao	4(4)	Yes
Mr. Sunil Alagh	4(4)	Yes
Mr. M.N. Thakkar	4(4)	Yes
Mr. Lakshminarayanan	4(4)	Yes
Mr. Sanjay Buch	4(4)	Yes
Mr. Anil Garg/ Mr. Mayur Maheshwari	2(4)	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 23rd June, 2021, 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. Due to prevailing situation of COVID 19 throughout country, all the meetings were conducted through Video Conferencing (V.C.) in accordance with guidelines issued in that regard. 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.

COMPENSATION TO DIRECTORS DURING FINANCIAL YEAR 2020-21.

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 commission 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 commission paid to Non-Executive Directors during the year 2020-21 are as under.

₹ in Crores

Name of Director	Sitting Fees	Commission
Mr Sunil Alagh	0.12	0.20
Mr M N Thakkar	0.12	0.20
Mr Lakshminarayanan	0.09	0.20
Mr Sanjay Buch	0.11	0.20
UPSIDC Limited	0.03	0.20

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 FAMILIARISATION PROGRAMME 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 Full Time Directors and Independent 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

Constitution

The Audit Committee as on 31st March, 2021 comprised of four 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. Mr. Sanjay Buch, Mr. Sunil Alagh and Mr. S. Lakshminarayanan, Independent Directors are other Members of the Committee. Mr. S. Lakshminarayanan, IAS and Independent Director was appointed as a Member of Audit Committee as per provisions of Section 177 of Company Act, 2013 during the FY 2020-21. The Company Secretary of the Company acts as the Secretary of the Committee. 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 2020-21, four Audit Committee Meetings were held. The composition of the Audit Committee and the number of meetings attended by each of the Committee Members are as follows:

Committee Members	Category	No. of Meetings Attended (Total held)
Mr. M.N. Thakkar	Independent Director & Chairman of Committee	4(4)
Mr. Sunil Alagh	Independent Director	4(4)
Mr. Sanjay Buch	Independent Director	4(4)
*Mr. S. Lakshminarayanan	Independent Director	1(1)

*Nominated on Audit Committee during FY 2020-21.

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

Constitution

The Company's Board has constituted a Nomination and Remuneration Committee consisting of qualified

Members. As on March 31, 2021, the Committee comprises of three Non - Executive Independent Directors. Mr. S. Lakshminarayanan is the Chairman of the Committee. Mr. Sunil Alagh and Mr. M.N. Thakkar are the other Members of the Committee. The Company Secretary acts as the Secretary of the Committee.

Composition and Attendance

During the Financial Year 2020-21, 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 and Chairman of Committee	3(3)
Mr. Sunil Alagh	Independent Director	3(3)
Mr. M.N. Thakkar	Independent Director	3(3)

Nomination and Remuneration Policy

The Company has in place a Board approved Nomination and Remuneration Policy which was recommended by the Nomination and Remuneration Committee.The same is adhered to by the Company. The said policy is attached as Annexure to the Director's Report. The policy helps management to determine qualifications, positive attributes of candidate for top management position or for position of Independent Director, their independence and other related matters as provided under Section 178(3) of the Companies Act, 2013. The policy is reviewed by Board from time to time.

The Company also ensures that the remuneration paid to the Directors is as per the terms laid in the duly approved and adopted Nomination and Remuneration Policy of the Company.

III. Stakeholders Relationship Committee

Constitution

The Stakeholders Relationship Committee has been constituted for redressal and satisfaction of Investor's grievances and approval of requests for transmission of Shares, transposition and deletion of name in the Register of Members, addressing to the complaints for non-receipt of declared Dividends, re- validation of Dividend Warrants, approval of request for change of address, consolidation and split of Shares etc. The Committee meets as often as required.

The Stakeholder's Relationship Committee comprises of three Non-Executive Independent Directors viz. Mr. M.N. Thakkar as Chairman and Mr. Sunil Alagh and Mr. Sanjay Buch as other two Committee Members. The Company Secretary acts as the Secretary to the Committee.

Composition and Attendance

During the Financial Year 2020-21, two 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 and Chairman of Committee	2(2)
Mr. Sunil Alagh	Independent Director	2(2)
Mr. Sanjay Buch	Independent Director	2(2)

Investor Complaints

During the year 2020-21 the Company has resolved all complaints from Shareholders / Investors.

IV. Corporate Social Responsibility Committee

Constitution

The Board of Directors of the Company have formed a Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The Committee has framed a Corporate Social Responsibility Policy, the purpose of which is to articulate what CSR means to the Company, identification of projects and areas of projects to be undertaken as per Schedule VII of Companies Act, 2013, approach to be adopted to achieve the CSR goals and monitoring mechanism for the same. The CSR framework enables management to put in place, the CSR Policy and best practice in line with the policy. The Committee has noted CSR obligations of the Company arising from amendments in CSR norms wide recent notification issued by Ministry of Corporate Affairs. The CSR Committee has accordingly put in place the revised CSR Policy of Company. It may be noted that CSR amount allocated for ongoing K.K. Modi University project has remained unspent as much development work for the project could not take place last year during Covid pandemic. The unspent allocated amount has been accordingly transferred to Unspent CSR A/c 2020-21 and will be spent on projects as prescribed under regulations in this regard. The CSR Committee as on the date of this Report comprises of three Directors viz. Dr. Bina Modi, Chairperson, Mr. Mayur Maheshwari, Nominee Director- UPSIDC and Mr. Sunil Alagh, Independent Director. The Company Secretary of the Company acts as the Secretary to the Committee. The CSR Report contained herein describes details of CSR activities of Company.

Committee Meetings and Attendance

During the Financial Year 2020-21, one meeting of Corporate Social Responsibility Committee was held. The present composition of the Corporate Social Responsibility Committee and the number of meetings attended by the Committee Members are as under.

Committee Members	Category	No. of Meetings Attended (Total held)
Dr. Bina Modi	Chairman/ Chairperson and Managing Director	1(1)
Mr. Mayur Maheshwari	Nominee Director	0(1)
Mr. Sunil Alagh	Independent Director	1(1)

V. Risk Management Committee

Constitution

The Risk Management Committee has been formed to assess constantly, various risks that may impact Company and its business and to initiate timely actions and measures effect of actions taken to mitigate / reduce the risks and it's impact. Though not mandatory for the Company, it has formed the Risk Management Committee for good governance in best interest of the Company. The present Risk Management Committee comprises of Mr. Sanjay Buch, Independent Director as the Chairman of the Committee, Mr. M.N. Thakkar and Mr. S. Lakshminarayanan, Independent Directors and Dr. Atchutuni Rao, Whole Time Director and Occupier as the Members of the Committee. Mr. S. Lakshminarayanan was appointed as a Member of the Committee during the FY 2020-21. 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.

Composition and Attendance

The Risk Management Committee of Board was held on December 23, 2020. All the present Members of Risk Management Committee viz Mr. Sanjay Buch, Mr. M.N. Thakkar, Mr. S. Lakshminarayan, Independent Directors and Dr. Atchutuni Rao, Whole Time Director and Occupier attended the meeting.

COMPLIANCE OFFICER

Mr. Devang Mehta, Company Secretary acts as the Company's Compliance Officer and is responsible for complying with the requirements of Companies Act, 2013.

INDOFIL'S POLICIES

The Committees of the Company as stated above are guided by the following respective policies approved by the Board. These policies are reviewed from time to time and are kept relevant under changing business environment.

I. Related Party Transactions 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).

II. Nomination and 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 compensation of the Company's Directors and other senior level employees. The Company while recommending compensation 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.

III. Corporate Social Responsibility Policy

As responsible citizen, 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 CSR activities of the Company will be implemented pro-actively. The Company will continuously engage with relevant stakeholders, understand their perspectives and be responsive to their needs. The Company in doing so as a responsible citizen uses and promotes systematic processes to engage with the society and address their concerns in a just, fair and equitable manner. The Company has been actively supporting social privileged causes for children, promotion of arts, and programmes for benefit of society to battle Covid-19 pandemic. The Company has revised its CSR Policy in view of the notifications issued by MCA read with amendments to Section 135 of the Companies Act, 2013.

IV. Environment Health and Safety Policy

The Company attaches highest importance to environment health and safety aspects. These aspects forms part of 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 It's 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. During the ongoing Covid pandemic Company took initiatives to protect employees and have complied with guidelines issued from time to time.

V. Indofil's 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.

VI. Indofil's Policy on Vigil Mechanism

The Company's Vigil Mechanism policy or the Whistle Blower Policy is in line with Section 177 (9) and (10) of Companies Act, 2013 and Rules made thereunder and is framed and implemented with a view to provide a mechanism for employees and Directors of the Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any Financial Statements and Reports and instances of unethical behaviour, and actual or suspected violation of the Company's policies. The Whistleblower Policy allows the employees to raise concerns about unacceptable, improper or unethical practices, without necessarily informing their superiors. The policy ensures that the employees are protected against victimization / any adverse action and / or discrimination as a result of such a reportings provided it is justified and made in good faith. As per the policy, the Whistle Blower is provided direct access to the Chairman of the Audit Committee and to report his / her concerns at highest levels.

GENERAL BODY MEETINGS

I. Annual General Meeting

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

Financial Year	Date	Time	Location of the meeting
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
2017-18	26.09.2018	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
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

Financial Year	Particulars of Special Resolutions Passed
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. (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.
2017-18	(i) For obtaining approval u/s 180(1)(c) for borrowings upto INR 2000 Crore (ii) For obtaining approval u/s 180(1) (a) for creation of charges, mortgages upto INR 2000 Crore (iii) For obtaining approval u/s 42, 71 for issuance of Non-convertible Debentures upto INR 150 crore on Private Placement Basis

Share Transfer System

Shares held in the Dematerialized Mode are electronically traded. The Registrars and Share Transfer Agent of the Company periodically receive from the Depository, the beneficiary holdings so as to enable them to update their records for sending all Corporate Communications, Dividend warrants etc. As per MCA notification, Physical transfer of shares are not permitted.

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 (inclu DDT)	Amount paid to the shareholders (incl DDT)	Unclaimed amount as on March 31, 2021
2019-20	50%	10.67 Crs	09.66 Crs	1.01 Crs.
2018-19	80%	17.29 Crs	17.16 Crs	0.13 Crs
2017-18	80%	20.65 Crs.	20.53 Crs	0.12 Crs
2016-17	80%	20.65 Crs.	20.45 Crs	0.20 Crs.
2015-16	60%	15.49 Crs.	15.35 Crs.	0.14 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) - 28322272 cssupport@indofil.com

For **Indofil Industries Limited**

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

Place: Mumbai
Date: June 23, 2021

Financial Statements

Independent Auditor's Report

To the Members of
The Indofil Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Indofil Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the standalone financial statements" Section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by The Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and notes to the standalone financial statements dealt with by this Report are in agreement with the books of account;

    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    e. On the basis of the written representations received from the Directors as on March 31, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

g. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Company to its Directors is in accordance with the provisions of Section 197 of the Act. Accordingly, the remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not presecribed other details under Section197(16) which are required to be commented upon by us.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;

   ii. The Company has long term contracts including derivative contracts. However, no provision is required to be made for any foreseeable loss in respect thereof, as required under the applicable law or accounting standards. Accordingly, no such provision is reflected in the standalone financial statements – Refer Note 41 to the standalone financial statements;

   iii. There were no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

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

PARESH H. CLERK
Partner
Membership No. 36148
UDIN : 21036148AAAACB3615

PLACE : Mumbai
DATED : June 23, 2021

Annexure A

To The Independent Auditor's Report

Referred to in paragraph 1 (f) under the heading of "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report of even date on the Standalone Financial Statements for the year ended March 31, 2021.

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Indofil Industries Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

The Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the Statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal controls over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note.

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

PARESH H. CLERK
Partner
Membership No. 36148
UDIN : 21036148AAAACB3615

PLACE : Mumbai
DATED : June 23, 2021

Annexure B

To The Independent Auditor's Report

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the standalone financial statements for the year ended March 31, 2021.

Report on the Companies (Auditor's Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Indofil Industries Limited ("the Company"):

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE").

b. PPE have been physically verified by the management according to a phased programme designed to cover all the PPE over a period of three years, which in our opinion, provides for physical verification of all the items of PPE at reasonable intervals. Pursuant to the programme, certain items of PPE have been verified by the management during the year, and no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as included in Note 3 to the standalone financial statements, are held in the name of the Company.

ii. Inventories other than stocks-in-transit have been physically verified by the management during the year. For stocks-in-transit at the year-end, the necessary documentary evidences have been obtained. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.

iii. According to information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, reporting requirements as per the provisions of Clause 3(iii) [(a) to (c)] of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3 (v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government for maintenance of cost records under Section 148(1) of the Act, in respect the products manufactured by the Company and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax and other statutory dues as applicable to it with the appropriate authorities. There are no arrears of outstanding statutory dues on the last day of the Financial Year, for a period of more than six months from the date they become payable.

b. According to the information and explanations given to us and on the basis of the books and records of the Company examined by us, as may be applicable, given herein below are the details of dues of Sales-tax, Duty of Customs, Duty of Excise, Value Added Tax, which have not been deposited on account of disputes and the forum where the dispute is pending:

₹ in Crores

Name of the Statute	Nature of dues	Financial Years to which the matter pertains	Forum where matter is pending	Gross Liability	Payment made*	Net Liability
Central Excise Act, 1944	Excise Tax	2005-06/2012-13	Assistant Commissioner	0.36	NIL	0.36
Central Sales Tax Act, 1956 (Gujarat)	Sales Tax	2013-14	1st Appellate Authority	2.17	0.40	1.77

₹ in Crores

Name of the Statute	Nature of dues	Financial Years to which the matter pertains	Forum where matter is pending	Gross Liability	Payment made*	Net Liability
Central Sales Tax Act, 1956 (Maharashtra)	Sales Tax	2012-13	Joint Commissioner	0.29	0.29	NIL
Central Sales Tax Act, 1956 (Madhya Pradesh)	Sales Tax	2014-15/2015-16 /2016-17	1st Appellate Authority	1.60	0.40	0.97**
Central Sales Tax Act, 1958 (West Bengal)	Sales Tax	2016-17/2017-18	1st Appellate Authority	0.53	0.08	0.45
Entry Tax (Madhya Pradesh)	Entry Tax	2012-13	Appellate Board	0.25	NIL	0.25
Sales Tax (Orissa)	Sales Tax	2006-07/2015-16 /2016-17/2017-18	Joint Commissioner/ Deputy Commissioner	0.14	0.01	0.13
Central Sales Tax (Uttar Pradesh)	Sales Tax	2008-09/2009-10 /2010-11/2011-12 /2012-13/2014-15	Assistant Commissioner	0.35	NIL	0.35
Sales Tax (Madhya Pradesh)	Sales Tax	2006-07/2012-13	Appellate Board/ Deputy Commissioner	1.75	0.35	NIL ***
Service Tax (Gujrat)	Service Tax	2017	High Court	0.99	NIL	0.99

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

** FY 2014-15, Scheme Order issued on 21/01/2021 and Matter closed under Amnesty Scheme Order

*** FY 2012-13, Scheme Order issued on 21/01/2021 and Matter closed under Amnesty Scheme Order, No case pending for FY 2006-07

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or on dues of debenture holders. The Company did not have any outstanding loan or borrowing from financial institutions and the government during the year.

ix. According to the information and explanations given to us and on the basis of the books and records examined by us, moneys raised by way of term loans were applied for the purposes for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, paragraph 3 (ix) of the Order to that extent is not applicable.

x. To the best of our knowledge and and according to the information and explanations given to us, no fraud by the Company or no material fraud onthe Company by its officers or employees, has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration during the Financial Year 2020-21 in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us,the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. In our opinion and according to the information and explanations given to us,the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

PARESH H. CLERK
Partner
Membership No. 36148
UDIN : 21036148AAAACB3615

PLACE : Mumbai
DATED : June 23, 2021

Standalone Balance Sheet

as at March 31, 2021

₹ in Crores

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3A	632.85	678.91
Capital Work-in-Progress	3B	18.20	12.32
Right-of-Use Assets	4	37.39	40.04
Other Intangible Assets	5A	52.59	111.97
Intangible Assets under Development	5B	39.49	66.30
Financial Assets			
Investments	6	348.65	275.71
Loans	7	8.56	8.52
Other Financial Assets	8	11.81	10.34
Deferred Tax Assets	9	60.71	115.99
Income Tax Assets (Net)	9	12.27	25.05
Other Non-current Assets	10	5.62	6.62
Total Non-current Assets		**1,228.14**	**1,351.77**
Current Assets			
Inventories	11	313.48	415.79
Financial Assets			
Investments	12	50.23	1.96
Trade Receivables	13	775.57	812.83
Cash and Cash Equivalents	14	162.11	133.12
Other Bank Balances	15	46.03	8.45
Loans	16	0.08	0.13
Other Financial Assets	17	2.84	3.59
Other Current Assets	18	65.86	91.11
Total Current Assets		**1,416.20**	**1,466.98**
Non-current Assets held for sale	6A	18.96	–
TOTAL ASSETS		**2,663.30**	**2,818.75**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	21.35	21.35
Other Equity	20	1,394.39	1,275.58
Total Equity		**1,415.74**	**1,296.93**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	21	281.00	402.33
Lease Liabilities	40	1.76	3.85
Other Financial Liabilities	22	15.66	20.43
Provisions	23	11.52	25.91
Total Non-current Liabilities		**309.94**	**452.52**
Current Liabilities			
Financial Liabilities			
Borrowings	24	355.09	574.84
Trade Payables	25		
Total outstanding dues of creditors other than micro enterprises and small enterprises		339.63	210.97
Total outstanding dues of micro enterprises and small enterprises		1.41	0.44
Lease Liabilities	40	2.07	1.97
Other Financial Liabilities	26	218.52	255.69
Other Current Liabilities	27	10.26	9.90
Provisions	28	8.63	13.48
Current Tax Liabilities (Net)	9	2.01	2.01
Total Current Liabilities		**937.62**	**1,069.30**
Total Liabilities		**1,247.56**	**1,521.82**
TOTAL EQUITY AND LIABILITIES		**2,663.30**	**2,818.75**
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3-54		

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

₹ in Crores

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from Operations	29	2,286.80	2,037.35
Other Income	30	16.73	42.45
Total Income		**2,303.53**	**2,079.80**
EXPENSES			
Cost of Materials Consumed	31	985.22	909.12
Purchase of Stock-in-Trade	32	105.15	115.36
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	33	122.14	130.21
Employee Benefits Expense	34	184.21	193.60
Finance Costs	35	59.91	87.13
Depreciation and Amortisation Expense	36	93.99	102.81
Other Expenses	37	461.44	458.16
Total Expenses		**2,012.06**	**1,996.39**
Profit before Tax and Exceptional Items		**291.47**	**83.41**
Less : Exceptional Items	38	69.33	31.41
Profit before Tax for the year		**222.14**	**52.00**
Tax Expenses	9		
Current Tax		81.16	11.85
(Excess)/ Short provision of Earlier Years		(0.67)	(0.35)
Deferred Tax		12.90	(26.67)
Total Tax Expenses		**93.39**	**(15.17)**
Profit after Tax for the year		**128.75**	**67.17**
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on Defined Benefit Obligation		(1.28)	(1.60)
Fair Value changes of investments in equity instruments		1.47	(0.35)
Income Tax on above items		0.45	0.56
Total (A)		**0.64**	**(1.39)**
B. Items that will be reclassified to profit or loss			
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge		0.15	(29.92)
Income Tax on above item		(0.05)	10.45
Total (B)		**0.10**	**(19.47)**
Total Other Comprehensive Income / (Loss) for the year (A+B)		**0.74**	**(20.86)**
Total Comprehensive Income for the year		**129.49**	**46.31**
Earnings per equity share of nominal value ₹10 each- Basic and Diluted	45	**60.30**	**31.46**
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3-54		

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity Share Capital

Particulars	₹ in Crores
Balance as on April 1, 2019	**21.35**
Add: Changes in Equity Capital during the Year	–
Balance as on April 1, 2020	**21.35**
Add: Changes in Equity Capital during the Year	–
Balance as at March 31, 2021	**21.35**

B. Other Equity

₹ in Crores

Particulars	Reserves and Surplus							Items of Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Special Economic Zone Re-investment Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of gains and loss on hedging instruments in the Cash Flow Hedge Reserve	
Balance as at April 1, 2019	**0.01**	**108.04**	**5.08**	**37.50**	**49.73**	**–**	**1,060.13**	**0.59**	**(14.55)**	**1,246.53**
Profit for the year	–	–	–	–	–	–	67.17	–	–	67.17
Transfer from Debenture Redemption Reserve	–	–	–	(30.00)	–	–	30.00	–	–	–
Transfer to / (from) SEZ Re-investment Reserve	–	–	–	–	–	50.00	(50.00)	–	–	–
Other comprehensive income										
- Re-measurement gains / (losses) on defined benefit plans	–	–	–	–	–	–	(1.01)	–	–	(1.01)
- Fair value changes of investment in equity instruments	–	–	–	–	–	–	–	(0.35)	–	(0.35)
- Loss on effective portion of cash flow hedge	–	–	–	–	–	–	–	–	(19.47)	(19.47)
Dividends on Equity Shares	–	–	–	–	–	–	(17.08)	–	–	(17.08)
Dividend Distribution Tax	–	–	–	–	–	–	(0.21)	–	–	(0.21)
Balance as at March 31, 2020	**0.01**	**108.04**	**5.08**	**7.50**	**49.73**	**50.00**	**1,089.00**	**0.24**	**(34.02)**	**1,275.58**
Balance as at April 1, 2020	**0.01**	**108.04**	**5.08**	**7.50**	**49.73**	**50.00**	**1,089.00**	**0.24**	**(34.02)**	**1,275.58**
Profit for the year	–	–	–	–	–	–	128.75	–	–	128.75
Transfer from Debenture Redemption Reserve	–	–	–	(7.50)	–	–	7.50	–	–	–
Transfer to / (from) SEZ Re-investment Reserve	–	–	–	–	–	(6.61)	6.61	–	–	–
Other comprehensive income										
- Re-measurement gains / (losses) on defined benefit plans	–	–	–	–	–	–	(0.83)	–	–	(0.83)
- Fair value changes of investment in equity instruments	–	–	–	–	–	–	–	1.47	–	1.47
- Loss on effective portion of cash flow hedge	–	–	–	–	–	–	–	–	0.10	0.10
Dividends on Equity Shares	–	–	–	–	–	–	(10.68)	–	–	(10.68)
Balance as at March 31, 2021	**0.01**	**108.04**	**5.08**	**–**	**49.73**	**43.39**	**1,220.35**	**1.71**	**(33.92)**	**1,394.39**

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

C. Dividends Paid / Proposed during the year

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Corporate Dividend Paid During the year		
Dividend Paid	10.68	17.08
Dividend Per Fully Paid Up Share (In ₹)	5.00	8.00
Corporate Dividend Proposed for the year		
Dividend Proposed	17.08	10.68
Dividend Per Fully Paid Up Share (In ₹)	8.00	5.00

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Standalone Statement of Cash Flow

for the year ended March 31, 2021

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
A Cash Flow from Operating Activities:				
Profit / (Loss) Before Tax		**222.14**		**52.00**
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
Depreciation and Amortisation Expense	93.99		102.81	
Finance Costs	59.91		87.13	
Interest Income	(4.71)		(6.97)	
Dividend Income	(6.55)		(15.71)	
(Profit) / Loss on Sale of Current Investments	(0.15)		(0.94)	
Guarantee Commission	(1.03)		(2.05)	
Sundry Balances Written Back	0.69		(4.16)	
(Profit) / Loss on Sale of Property, Plant and Equipment	(0.91)		(0.07)	
(Gain) / Loss on Financial Assets measured at fair value through profit or loss	(1.56)		0.14	
Loss arising from financial instruments designated as fair value through profit or loss	0.15		(25.30)	
Provision for Doubtful Debts and Advances	–		14.14	
Provision for Other Contingencies	0.73		–	
Provision for Impairment / Written off of Intangible Assets/ Intangible Asset under Development	69.33		–	
Foreign Exchange Loss / (Gain)	20.21	230.10	33.70	182.72
Operating Profit Before Changes in Working Capital		**452.24**		**234.72**
Adjustment for Changes in Working Capital				
(Increase) / decrease in Inventories	102.31		202.45	
(Increase) / decrease in Trade Receivables	31.12		37.81	
(Increase) / decrease in Other Financial Assets	0.60		(0.04)	
(Increase) / decrease in Other Current and Non-current Assets	26.25		31.89	
Increase / (decrease) in Trade Payables	128.03		(130.77)	
Increase / (decrease) in Other Financial Liabilities	33.80		(21.90)	
Increase / (decrease) in Other Current and Non-current Liabilities	0.37		(4.45)	
Increase / (decrease) in Current and Non-current Provisions	(21.25)	301.23	(2.56)	112.42
Cash (Used) / Generated from Operations		**753.47**		**347.15**
Less: Taxes Paid (Net of refund received)		(24.93)		(20.06)
Net Cash (Used) / Generated from Operating Activities (A)		**728.54**		**327.09**
B Cash Flow from Investing Activities:				
Purchase of Property, Plant and Equipment and Intangible Assets	(33.39)		(36.95)	
Investments made during the year (net)	(136.98)		(83.66)	
Loans (Given) /Repaid	0.01		0.61	
Interest received	3.69		6.55	
Bank Deposits with original maturity within 3 to12 months	(38.60)		(4.87)	
Dividend received from Non-current Investments	6.55		15.71	
Guarantee Commission	1.03		2.05	
Net Cash (Used) / Generated from Investing Activities (B)		**(197.70)**		**(100.56)**
C Cash Flow from Financing Activities:				
Proceeds from Borrowings	–		115.00	
Repayment of Borrowings	(209.24)		(212.31)	
Proceeds from/(repayment of) Short-term borrowings	(218.42)		(24.94)	
Earmarked balances with banks	0.71		(1.64)	
Interest and other finance charges paid	(61.14)		(85.50)	
Payment of Principal portion of the Lease Liabilities	(2.00)		(1.84)	
Payment of Interest portion of the Lease Liabilities	(0.41)		(0.56)	
Dividend Paid (including corporate dividend tax)	(11.36)		(15.63)	
Net Cash (Used) / Generated from Financing Activities (C)		**(501.85)**		**(227.42)**

Standalone Statement of Cash Flow

for the year ended March 31, 2021

₹ in Crores

Particulars		Year ended March 31, 2021		Year ended March 31, 2020
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)			**28.99**		**(0.91)**
Add: Cash and Cash Equivalents at the beginning of the year			133.12		134.03
Cash and Cash Equivalents at the end of the year (Refer Note 14)			**162.11**		**133.12**
CORPORATE INFORMATION	1				
SIGNIFICANT ACCOUNTING POLICIES	2				
NOTES ON ACCOUNTS	3-54				

Notes :

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

2. **Disclosure pursuant to Ind AS 7 :**

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

₹ in Crores

Particulars	As at April 1, 2020	Cash Flows	Non-cash Changes	As at March 31, 2021
Long-term Borrowings (including Current Maturities but excluding Debentures)	505.65	(134.24)	14.46	385.87
Short-term Borrowings	574.84	(218.42)	(1.33)	355.09
Non-convertible Debentures	75.00	(75.00)	–	–
Lease Liabilities	5.82	(2.41)	0.41	3.83
Deposits held as margin money	0.33	(0.03)	–	0.30

₹ in Crores

Particulars	As at April 1, 2019	Cash Flows	Non-cash Changes	As at March 31, 2020
Long-term Borrowings (including Current Maturities but excluding Debentures)	490.91	(22.31)	37.05	505.65
Short-term Borrowings	587.87	(24.95)	11.92	574.84
Non-convertible Debentures	150.00	(75.00)	–	75.00
Lease Liabilities	7.38	(2.40)	0.84	5.82
Deposits held as margin money	0.33	–	–	0.33

3. Purchase of Property, Plant and Equipment includes addition to other Intangible Assets and adjusted for movement from Capital Work-in-progress and Capital Advances.

4. Figures in bracket indicate Cash Outflow.

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 1: CORPORATE INFORMATION

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

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

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 23, 2021.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, and notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The Financial Statements for the year ended March 31, 2021 have been prepared in accordance with the Ind AS issued and effective as at the reporting date.

2.2 Basis of preparation

These financial statements have been prepared and presented on the basis of going concern, under historical cost convention 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.

2.3 Use of Estimates and Judgments

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

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

- Measurement of Defined Benefit Obligations – Note 49
- Measurement and likelihood of occurrence of provisions and contingencies – Notes 23, 28 and 42.
- Recognition of Deferred Tax Assets / (Liabilities) – Note 9
- Key Assumptions used in Fair Valuation Methods of Financial Assets – Note 48
- Impairment of Financial Assets (Trade Receivables) – Note 13
- Leases – Note 40

2.4 Classification of Assets and Liabilities

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

An asset is treated as "current" when :

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

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

A liability is "current" when :

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

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

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

2.5 Property, Plant and Equipment

Property, Plant and Equipment is recognised when it is probable that future economic benefits associated with the item will flow, and the cost of the item can be measured reliably.

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

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

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

Freehold land is carried at historical cost less impairment loss, if any.

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

Items of Plant Property and Equipment which has cost of ₹ 5,000 or less are depreciated fully in the year of purchase/capitalization.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each Financial Year end and adjusted prospectively, if appropriate.

2.6 Capital Work-in-Progress

Items of Property, Plant and Equipment which are not ready for intended use on the date of Balance Sheet are disclosed as Capital Work-in-progress. It is carried at cost, less accumulated impairment loss, if any. The items classified under Capital Work-in-progress are capitalized to the respective items of Property, Plant and Equipment on their completion and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

2.7 Other Intangible Assets

Other Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow and the cost of the item can be measured reliably. Other Intangible Assets acquired separately are measured on initial recognition at cost. Subsequently, Intangible Assets are carried at cost less any accumulated amortisation and impairment losses.

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

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

2.8 Research and Development Cost

Revenue expenditure on Research and Development is charged off as expense in the year in which it is incurred under the respective natural heads of account. Expenditure resulting in creation of Capital Assets (Including Intangibles) is capitalised and depreciated / amortised accordingly.

2.9 Investments

Investments in subsidiaries and joint 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.

2.10 Inventories

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

2.11 Financial instruments

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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 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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

- **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.

2.12 Hedge Accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

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

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

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

2.13 Impairment of Non-Financial Assets

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

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

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

2.14 Provisions and Contingent Liabilities / Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

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

Contingent liability is disclosed in the case of:

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

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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

2.15 Revenue from Contracts with Customers:

Revenue from contracts with customers for sale of goods is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at a point in time, i.e., when the customer obtains control of the asset.

Revenue is measured at the amount of transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and applicable Good and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. The discounts/ right of return are estimated and provided for, based on past experience. A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

Export Incentives

Income from Export Benefit Entitlement under the Duty Drawback Scheme 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. Incomes from investments are accounted on an accrual basis.

Liability for Sales Return

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by the Company to be reliable estimate of future sales returns.

2.16 Leases

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

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

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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.

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.

2.17 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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

monetary assets and liabilities at the reporting date are recognised in the Statement of Profit and Loss / Cash flow hedge reserve.

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

Exchange difference arising on settlement or restatement of foreign currency denominated liabilities existing as on / incurred on or after April 1, 2011 but before March 31, 2016 relating to acquisition of depreciable capital assets, have been added to/deducted from the cost of the respective asset and depreciated over the balance life of the asset.

2.18 Employee Benefits

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

Defined Contribution Plans

The Company's contributions paid/payable during the year to Employees' Provident Fund, Family Pension Fund, ESIC, Labour Welfare Fund, Superannuation Fund are recognised in the Statement of Profit and Loss. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined Benefit Plans

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

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

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

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

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

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

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

2.19 Borrowing Costs

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

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

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

2.20 Taxes

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

Current Income Tax

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

Deferred Tax

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

A Deferred Tax Liability is recognised based on the expected realisation settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted, by the end of the reporting period.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

Deferred Tax Asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred Tax Assets is recognised in respect of unused tax credit in the form of Minimum Alternate Tax (MAT) Entitlement in respect of MAT paid as per the provisions of Income-Tax Act, 1961, that future taxable profit will be available against which the unused tax credits can be utilised. Deferred Tax Assets and Deferred Tax Liabilities are reviewed at each reporting date.

2.21 Earnings Per Share

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

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

2.22 Segment Reporting

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

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

Segment Policies:

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

2.23 Recent Accounting Pronouncement

The Ministry of Corporate Affairs ("MCA") through a notification of March. 24, 2021, amended Schedule III to the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are:

Balance Sheet :

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity Share Capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then to disclose details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, Directors, Key Managerial Personnel (KMP) and related parties, details of benami property held, etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to those as required by law.

Notes forming Part of Financial Statements
for the year ended March 31, 2021

NOTE 3A : PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Freehold Land	Buildings	Road and Culvert	Office Equipment	Computers	Vehicles	Plant and Machinery	Furniture and Fixture	Total
I. Gross Block									
Balance as at April 1, 2019	**1.77**	**342.02**	**11.86**	**13.75**	**10.52**	**18.51**	**568.32**	**7.67**	**974.42**
Additions	–	10.59	–	1.43	0.17	–	17.39	0.58	30.16
Disposals	–	–	–	(0.01)	(0.02)	(0.95)	(0.80)	–	(1.78)
Balance as at March 31, 2020	**1.77**	**352.61**	**11.86**	**15.17**	**10.67**	**17.56**	**584.91**	**8.25**	**1,002.80**
Additions	–	3.20	–	0.18	0.50	–	19.56	0.03	23.47
Disposals	–	–	–	–	(0.03)	(7.76)	(4.00)	(0.09)	(11.88)
Balance as at March 31, 2021	**1.77**	**355.81**	**11.86**	**15.35**	**11.14**	**9.80**	**600.47**	**8.19**	**1,014.39**
II. Accumulated Depreciation and Impairment									
Balance upto April 1, 2019	**–**	**83.83**	**4.21**	**10.84**	**8.42**	**14.34**	**127.09**	**5.93**	**254.66**
Depriciation for the year	–	21.82	2.12	1.50	1.18	1.19	41.82	0.49	70.12
Withdrawal on disposal	–	–	–	(0.01)	(0.01)	(0.90)		–	(0.92)
Balance upto March 31, 2020	**–**	**105.65**	**6.33**	**12.33**	**9.59**	**14.63**	**168.91**	**6.42**	**323.86**
Depriciation for the year	–	20.54	1.48	1.15	0.61	0.69	39.66	0.45	64.58
Withdrawal on disposal	–	–	(0.01)	(0.02)	(0.02)	(6.81)	–	(0.05)	(6.90)
Balance upto March 31, 2021	**–**	**126.19**	**7.80**	**13.46**	**10.18**	**8.51**	**208.57**	**6.82**	**381.54**
Balance as at March 31, 2021	**1.77**	**229.62**	**4.06**	**1.89**	**0.96**	**1.29**	**391.90**	**1.37**	**632.85**
Balance as at March 31, 2020	**1.77**	**246.96**	**5.53**	**2.84**	**1.08**	**2.93**	**415.99**	**1.82**	**678.91**

Notes:

1. Non - Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-
2. Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquistion of Fixed Assets ₹ NIL (March 31, 2020 ₹ 5.54 crores) capitalised during the year in terms of Para 7AA of "Indian Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates". Unamortised Amount as at the year end was ₹ 12.23 crores (March 31, 2020 ₹ 12.95 crores).
3. Property at Sameer Vihar, Modi Nagar yielding rental income to the Company is not recognised as Investment Property due o 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 the year end (March 31, 2020 ₹ 32.62 crores).
4. For Property, Plant and Equipments given as security refer Note 21 and Note 24.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 3B : CAPITAL WORK-IN-PROGRESS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**12.32**	**14.90**
Additions	11.95	10.51
Capitalised	(6.07)	(13.09)
Balance at the end of the year	**18.20**	**12.32**

NOTE 4 : RIGHT-OF-USE ASSETS

₹ in Crores

Particulars	Prepaid Land Leasehold	Vehicles	Total
I. Gross Block			
Balance as at April 1, 2019			
Transition to Ind AS 116	37.25	7.38	44.63
Additions	–	0.28	0.28
Withdrawal on disposal	–	–	–
Balance as at March 31, 2020	**37.25**	**7.66**	**44.91**
Additions	–	–	–
Withdrawal on disposal	–	(0.05)	(0.05)
Balance as at March 31, 2021	**37.25**	**7.61**	**44.86**
II. Accumulated Depreciation			
Balance upto April 1, 2019	–	–	–
Transition to Ind AS 116	–	–	–
Additions	0.74	4.13	4.87
Withdrawal on disposal	–	–	–
Balance upto March 31, 2020	**0.74**	**4.13**	**4.87**
Additions	0.73	1.87	2.60
Withdrawal on disposal	–	–	–
Balance upto March 31, 2021	**1.47**	**6.00**	**7.47**
Net Block as at March 31, 2021	**35.78**	**1.61**	**37.39**
Net Block as at March 31, 2020	**36.51**	**3.53**	**40.04**

Notes:

1. The aggregate depreciation expense amounting to ₹ 2.60 crores on ROU assets is included under Depreciation and Amortisation Expense in the Statement of Profit and Loss.

2. Prepaid Leasehold Land was reclassified on account of adoption of Ind AS 116.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 5A : OTHER INTANGIBLE ASSETS

₹ in Crores

Particulars	Software	Product Development	Total
I. Gross Block			
Balance as at April 1, 2019	5.96	210.64	216.60
Additions	0.43	4.59	5.02
Disposals	–	–	–
Adjustments			–
Balance as at March 31, 2020	**6.39**	**215.23**	**221.62**
Additions	0.23	1.01	1.24
Disposals	–	–	–
Adjustments	–	–	–
Balance as at March 31, 2021	**6.62**	**216.24**	**222.86**
II. Accumulated Amortisation			–
Balance upto April 1, 2019	1.20	80.64	81.84
Amortisation for the year	0.88	26.93	27.81
Withdrawal on disposal	–	–	–
Balance upto March 31, 2020	**2.08**	**107.57**	**109.65**
Amortisation for the year	0.89	25.92	26.81
Provision for Impairment (Refer Note 38)	–	33.81	33.81
Withdrawal on disposal	–	–	–
Balance upto March 31, 2021	**2.97**	**167.30**	**170.27**
Balance as at March 31, 2021	**3.65**	**48.94**	**52.59**
Balance as at March 31, 2020	**4.31**	**107.66**	**111.97**

NOTE 5B : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**66.30**	**52.68**
Additions	8.87	18.21
Intangible Assets written off on impairment (Refer Note 38)	(35.52)	–
Capitalised	(0.16)	(4.59)
Balance at the end of the year	**39.49**	**66.30**

Notes forming Part of Financial Statements
for the year ended March 31, 2021

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments at cost				
Investments in Equity Instruments				
Unquoted				
In Subsidiaries				
Indofil Industries (Netherlands) B.V.	500,000	171.98	100,000	85.84
(Face Value - Euro 1 each)				
Indofil Industries (International) B.V.	500,000	82.04	500,000	82.04
(Face Value - Euro 1 each)				
Indofil Bangladesh Industries Pvt. Limited	639,532	9.30	639,532	5.32
(Face Value - BDT 100 each) (Refer Note 2 below)				
Indofil Costa Rica, S.A.	10	–	10	–
(Face Value - Costa Rican Colon 1000 each)				
Quick Investment (India) Limited	12,515	3.42	12,515	3.42
(Face Value - ₹ 100 each)				
Good Investment (India) Limited	70,105	21.73	70,105	21.73
(Face Value - ₹ 100 each)				
In Joint Ventures				
Indobaijin Chemicals Pvt. Limited	4,366,096	43.66	4,366,096	43.66
(Face Value - ₹ 100 each)				
Indo Reagens Polymer Additives Private Limited (Refer Note 6A)	19,960,000	19.96	19,960,000	19.96
(Face Value - ₹ 10 each)				
Less: Investment held for sale	18,962,000	(18.96)	–	–
Investments at Fair Value through Profit and Loss				
Investments in Units of Mutual Funds				
Quoted				
Union Balanced Advantage Regular Fund	377,200	0.53	377,200	0.36
(Face Value - ₹ 10 each)				
Union Large cap Fund Regular Growth	249,990	0.34	249,990	0.21
(Face Value - ₹ 10 each)				
Investments at Fair value through Other Comprehensive Income				
Investments in Equity Instruments				
Quoted				
Modi Rubber Ltd. (Face Value - ₹ 10 each)	214,211	2.00	214,211	0.63
Unquoted				
The Cosmos Co-Op. Bank Ltd (Face Value - ₹ 100 each)	14,250	0.88	14,250	0.77
KKM Management Centre Pvt. Ltd. (Face Value - ₹ 10 each)	338,100	1.09	338,100	1.09
Grace Breeding Nitrogen Fixation Technologies Ltd .	10,848	10.68	10,848	10.68
(Face Value - NIS 0.01 each)				
TOTAL		**348.65**		**275.71**
Aggregate Amount of Quoted Investments and Market Value thereof		**2.87**		**1.20**
Aggregate amount of Unquoted Investments		**345.78**		**274.51**
Aggregate amount of Impairment in value of Investments		**–**		**–**

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.

Note 2 : During the year ended March 31, 2021, the Company has invested ₹ 3.98 crores of face value of BDT 100 (No. of shares to be issued 4,52,974) in Indofil Bangladesh Industries Private Limited (IBIPL). However, shares have not yet been allotted in the name of the Company.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 6A : NON-CURRENT ASSETS HELD FOR SALE

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Equity Shares of Indo Reagens Polymer Additives Private Limited (No. of Equity Shares 1,89,62,000 of ₹ 10 each)	18.96	–
TOTAL	**18.96**	**–**

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Security and Other Deposits	8.40	8.28
Loans to Employees	0.16	0.24
TOTAL	**8.56**	**8.52**

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Forward Contracts Receivable (Refer 8.1)	1.14	–
Fixed Deposits maturing after 12 months	10.37	10.34
Margin Money Pledged with Banks	0.30	–
TOTAL	**11.81**	**10.34**

8.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

NOTE 9 : INCOME TAXES

a. Current Tax Assets and Liabilities

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Assets		
Advance Income Tax (net of provision for taxation)	12.27	25.05
TOTAL	**12.27**	**25.05**
Current Tax Liabilities		
Provision for tax (net of advance Income Tax)	2.01	2.01
TOTAL	**2.01**	**2.01**

Notes forming Part of Financial Statements
for the year ended March 31, 2021

b. Components of Income Tax Expense / (Income)

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income Tax recognised in the Statement of Profit and Loss		
Current Tax:		
Current Tax	81.16	11.85
(Excess)/Short provision of Earlier Years	(0.67)	(0.35)
Deferred tax	12.90	(26.67)
TOTAL	**93.39**	**(15.17)**

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Deferred 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	(0.05)	10.45
Re-measurement gains/(losses) on defined benefit plans	0.45	0.56
TOTAL	**0.40**	**11.01**

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, 2021	Year ended March 31, 2020
Profit before tax	**222.14**	**52.00**
Statutory tax rate	**34.94%**	**34.94%**
Expected Income Tax expense at statutory tax rate	77.62	18.17
Tax effect of temporary difference	5.39	6.84
Tax effect of expenses not deductible	2.31	1.85
Tax effect of allowable items	(4.15)	(12.06)
Tax effect of differential tax rate	–	(2.85)
Tax effect of Income Tax incentives	(0.01)	(18.39)
Defered Tax expenses	3.73	(8.39)
Reversal of Entitlement of MAT credit	9.17	–
Reversal of excess provision	(0.67)	(0.35)
Tax expense	**93.39**	**(15.17)**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

d. Deferred Tax Assets / (Liabilities) Net

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities		
Allowances on Property, Plant and Equipment and Other Intangible Assets	(42.55)	(54.33)
Fair Value changes of Current Investment through Profit and Loss	(0.39)	(0.05)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	–	–
Total Deferred Tax Liabilities	**(42.94)**	**(54.38)**
Deferred Tax Assets		
Allowance for Doubtful Advances / Debts	14.97	18.36
Accrued Expenses deductible on cash basis	25.67	34.04
Payment under Voluntary Retirement Scheme [Refer Note (i) below]	5.37	8.79
Defined benefit obligations	1.38	0.93
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	3.74	3.79
MAT Credit Entitlement	52.52	104.46
Total Deferred Tax Assets	**103.65**	**170.37**
Net Deferred Tax Assets / (Liabilities)	**60.71**	**115.99**

i. Payment under Voluntary Retirement Scheme allowable over a period of 5 years under the Income-Tax Act, 1961

ii. As per the Taxation Laws (Amendment) Act, 2019, a new Section 115BAA in the Income-Tax Act, 1961 providing an option to the assessee to pay the Income Tax at reduced rates as per the provisions/conditions defined in the said Section. While the Company is continuing to provide and consider the payment of Income Tax at the old rates, deferred tax assets and liabilities are measured at the reduced rates at which such deferred tax assets / liabilities are expected to be realised or settled.

e. Movement during the year

₹ in Crores

Particulars	Balance as at April 1, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Utilisation of MAT Credit	Balance as at March 31, 2021
Allowances on Property, Plant and Equipment and Other Intangible Assets	(54.33)	11.78	–	–	(42.55)
Fair Value changes of Current Investment through Profit and Loss	(0.05)	(0.34)	–	–	(0.39)
Allowance for doubtful advances / debts	18.36	(3.39)	–	–	14.97
Accrued Expenses deductible on cash basis	34.04	(8.37)	–	–	25.67
Payment under Voluntary Retirement Scheme	8.79	(3.42)	–	–	5.37
Defined Benefit Obligations	0.93	–	0.45	–	1.38
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	3.79	–	(0.05)	–	3.74
MAT Credit Entitlement	104.46	(9.16)	–	(42.78)	52.52
TOTAL	**115.99**	**(12.90)**	**0.40**	**(42.78)**	**60.71**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ in Crores

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

NOTE 10 : OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	3.11	2.21
Balances with Government Authorities	2.51	4.41
TOTAL	**5.62**	**6.62**

NOTE 11 : INVENTORIES (At Lower of Cost or Net Realisable Value)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials	68.30	39.98
Raw Materials-in-transit	10.70	21.62
Packing Materials	24.59	27.11
Work-in-progress	10.26	10.26
Finished Goods	155.88	262.34
Finished Goods-in-transit	11.23	8.73
Stock-in-Trade	18.91	37.08
Stores and Spares	13.61	8.67
TOTAL	**313.48**	**415.79**

1. The cost of inventories recognised as an expense during the year was ₹ 1212.51 crores (March 31, 2020 ₹ 1154.69 crores).

2. The cost of inventories recognised as an expense includes ₹ Nil (March 31, 2020 ₹ 3.59 crores) in respect of adjustment of inventories to net realisable value/slow moving.

3. The products of the Company are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Company has assessed liquidation plan of near expiry products and provision of ₹ NIL (March 31, 2020 ₹ 3.59 crores) has been accounted which is included in point (ii) above. The Company does not foresee any further diminution in the net realisable value of inventories carried as at March 31, 2021 due to COVID-19.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

4. For mode of valuation of inventories [Refer Note 2.10].

5. Certain Inventories are hypothecated against borrowings, details relating to which have been described in Notes 21 and 24.

6. The assignment of cost of inventories of finished goods lying at depots is changed by using weighted average from first-in, first-out formula. Due to this change, the value of finished goods is higher by ₹ 0.83 crore.

NOTE 12 : FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments at Fair Value through Profit or Loss (FVTPL)				
Investments in Units of Mutual Funds (Quoted At Fair Value)				
Franklin India Ultra	360,036	1.07	713,328	1.96
(Face Value - ₹ 10 each)				
HDFC Liquid Fund - Growth	7,637	3.07	–	–
(Face Value - ₹ 1000 each)				
ICICI Prudential Liquid Fund - Reg - Growth	370,723	11.23	–	–
(Face Value - ₹ 100 each)				
Kotak Savings Fund - Growth	3,039,225	10.25	–	–
(Face Value - ₹ 10 each)				
Aditya Birla Sun Life Savings Fund - Growth	193,605	8.18	–	–
(Face Value - ₹ 100 each)				
Tata Liquid Fund - Growth	19,022	6.13	–	–
(Face Value - ₹ 1000 each)				
HDFC Ultra Shot Grow	6,092,004	7.22	–	–
(Face Value - ₹ 10 each)				
Aditya Birla Sun Life Liquid Fund -Growth	93,244	3.08	–	–
(Face Value - ₹ 100 each)				
TOTAL		**50.23**		**1.96**
Aggregate Amount of Quoted Investment and Market Value thereof		**50.23**		**1.96**

NOTE 13 : FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in Crores

Particulars	As at March 31, 2021		As at March 31, 2020	
Considered good – Secured		14.50		9.64
Considered good – Unsecured				
Related Parties (Refer Note 50)	310.96		259.28	
Others	450.11		543.91	
Trade Receivables – credit impaired	50.28		51.08	
	811.35		**854.27**	
Add: Allowance for bad and doubtful debts	(50.28)	761.07	(51.08)	803.19
TOTAL		**775.57**		**812.83**

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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

4. Movement in the amount of credit impaired on debtors:

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	51.08	38.40
Add: Allowance for bad and doubtful debts	(0.80)	12.68
Balance at the end of the year	**50.28**	**51.08**

NOTE 14 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks	160.97	132.93
Cash on Hand	0.07	0.19
Fixed Deposits with original maturity of 3 months or less	1.07	–
TOTAL	**162.11**	**133.12**

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances		
Unpaid Dividend Account	1.80	2.49
Margin Money Pledged with Banks	–	0.33
Fixed Deposits with original maturity of 3 to 12 months	44.23	5.63
TOTAL	**46.03**	**8.45**

NOTE 16 : FINANCIAL ASSETS - LOANS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Employees	0.08	0.13
TOTAL	**0.08**	**0.13**

NOTE 17 : FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Receivable	1.73	0.70
Forward Contracts Receivable (Refer 17.1)	1.11	2.89
TOTAL	**2.84**	**3.59**

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 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, 2021

NOTE 18 : OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Export Incentives Receivable	1.34	8.78
Prepaid Expenses	7.23	9.83
Other Advances	0.77	2.35
Balances with Indirect Tax Authorities	56.52	70.15
TOTAL	**65.86**	**91.11**

NOTE 19 : EQUITY SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
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 Preference Shares of ₹ 100 par value	6.00	6.00
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 :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
Shares at the beginning of the year	22,958,222	21.35	22,958,222	21.35
Changes during the year	–	–	–	–
Shares at the end of the year	**22,958,222**	**21.35**	**22,958,222**	**21.35**

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 Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
K. K. Modi Investment and Financial Services Pvt. Ltd.	10,273,073	44.75%	10,273,073	44.75%
APMS Investment Fund Ltd. (FII)	1,635,822	7.13%	1,635,822	7.13%
U.P. State Industrial Development Corporation Ltd.	2,169,956	9.45%	2,169,956	9.45%
Rajputana Fertilizers Ltd.	1,916,666	8.35%	1,916,666	8.35%

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 20 : OTHER EQUITY

₹ in Crores

Particulars	As at March 31, 2021		As at March 31, 2020	
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**
Debenture Redemption Reserve				
Opening Balance		7.50		37.50
Less: Transferred from/(to) Retained Earnings		(7.50)		(30.00)
Closing Balance		**–**		**7.50**
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		50.00		–
Add: Transferred from/(to) Retained Earnings		(6.61)		50.00
Closing Balance		**43.39**		**50.00**
Retained Earnings				
Opening Balance		1,089.00		1,060.13
Add: Profit for the year	128.75		67.17	
Less: Transferred from Debenture Redemption Reserve	7.50		30.00	
Less: Transferred to/(from) Special Economic Zone Re-investment Reserve	6.61		(50.00)	
Less: Re-measurement gains / (losses) on defined benefit plans	(0.83)		(1.01)	
Less: Dividends on Shares paid during the year	(10.68)		(17.08)	
Less: Dividend Distribution Tax paid during the year	–	131.35	(0.21)	28.87
Closing Balance		**1,220.35**		**1,089.00**
Equity Instruments through Other Comprehensive Income (OCI)				
Opening Balance		0.24		0.59
Add/ Less: Fair value changes of investments in Equity Instruments		1.47		(0.35)
Closing Balance		**1.71**		**0.24**
The effective portion of gains and loss on hedging instruments				
Opening Balance		(34.02)		(14.55)
Add/ Less: Loss on effective portion of cash flow hedge		0.10		(19.47)
Closing Balance		**(33.92)**		**(34.02)**
TOTAL		**1,394.39**		**1,275.58**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

Nature and Purpose of the Reserves

a. Capital Reserve

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

b. Securities Premium

Securities Premium is created when shares are issue 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 is created due to redemption of Preference Share Capital in earlier years as per the requirement of the Companies Act, 2013.

d. Debenture Redemption Reserve

Debenture Redemption Reserve is created for repayment of Non-convertible Debentures. Non-convertible Debentures repaid fully during the year, hence remaining balance has been transferred to Retained Earnings.

e. General Reserve

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

f. Special Economic Zone Re-investment Reserve

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

g. Retained Earnings

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

h. Equity Instruments through Other Comprehensive Income

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

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.

NOTE 21 : FINANCIAL LIABILITIES (NON-CURRENT BORROWINGS)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Secured:		
a. Non-convertible Debentures	–	74.83
b. Rupee Term Loan	–	25.57
c. Foreign Currency Term Loans	385.88	480.22
	385.88	**580.62**
Less : Current Maturities of Long-term debts (Refer Note 26)	104.88	178.29
TOTAL	**281.00**	**402.33**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

A. Non-convertible Debenture:

Series C and B - 375 each Non-convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.87% p.a. repaid fully in June 2020 and September 2020 respectively.

B. Rupee Term Loans :

1. Term loan amounting to ₹ 25 crores as at March 31, 2020 has been swapped into foreign currency term loan which is disclosed under C.9 below.
2. Vehicle loan amounting to ₹ 0.57 crores as at March 31, 2020 has been repaid during the year.

C. Foreign Currency Term Loans:

1. All term loans carry interest rate between of 3.00% p.a. to 5.00% p.a. (3.00% p.a. to 5.00% p.a. as on March 31, 2020)
2. Term loan amounting to ₹ 84.59 crores (March 31, 2020 ₹ 93.32 crores) is repayable over 2 installments of ₹ 2.95 crores each and 16 installments of ₹ 4.92 crores each.
3. Term loan amounting to ₹ 7.41 crores (March 31, 2020 ₹ 14.81 crores) is repayable over 5 quarterly installments of ₹ 1.31 crores each and 1 installment of ₹ 0.86 crores.
4. Term loans amounting to ₹ 197.64 crores (March 31, 2020 ₹ 221.53 crores) are repayable over 3 quarterly installments of ₹ 7.80 crores each and 16 quarterly installments of ₹ 10.40 crores each and 1 installment of ₹ 7.80 crores.
5. Term Loan amounting to ₹ 20.47 crores (March 31, 2020 ₹ 34.60 crores) is repayable over 5 quarterly installments of ₹ 3.82 crores each and 1 installment of ₹ 1.38 crores.
6. Term Loan amounting to ₹ 14.67 crores (March 31, 2020 ₹ 22.32 crores) is repayable over 7 quarterly installments of ₹ 2.10 crores each.
7. Term Loan amounting to ₹ 29.75 crores (March 31, 2020 ₹ 39.27 crores) is repayable over 11 quarterly installments of ₹ 2.70 crores each.
8. Term Loan amounting to ₹ 13.69 crores (March 31, 2020 ₹ 19.88 crores) is repayable over 4 semi-annually paid installments of ₹ 3.42 crores each.
9. Term Loan amounting to ₹ 17.65 crores (March 31, 2020 ₹ NIL) is repayable over 3 semi-annually paid installments of ₹ 4.39 crores each and 1 installment of ₹ 4.48 crores.
10. Term Loan amounting to ₹ 35.23 crores as at March 31, 2020 has been repaid during the year.

D. Security / Charges

1. Term Loan amounting to ₹ 84.59 crores is secured by first ranking charge on the Andheri office property and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
2. Term Loan amounting to ₹ 103.65 crores are secured by first *pari passu* charge on the present and future Property, Plant and Equipments of the Company (except those assets which have been specifically financed) and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.
3. Term Loan amounting to ₹ 197.64 crores is secured by first ranking *pari passu* charge on the EBDC plant at Dahej, Gujarat and second *pari passu* charge on other Property, Plant and Equipments of the Company (except those assets which have been specifically financed) and collateral on present and future current assets of the Company *inter se* the Working Capital Lenders.
4. An amount of ₹ 10.41 crores (March 31, 2020 ₹ 8.99 crores) has been held by way of Debt Service Reserve Account with Bank.

E. Current Maturity

1. Amounts falling due within one year in respect of all the above loans up to March 31, 2021 have been grouped under "Current Maturities of Long Term Debts" under Note 26.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 22 : FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits Received from Customers	14.63	16.02
Financial Guarantee Obligations	1.03	1.47
Forward Contracts Payable (Refer 22.1)	–	2.94
TOTAL	**15.66**	**20.43**

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.

NOTE 23 : PROVISIONS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits (Refer Note 49)		
Leave Encashment	10.79	10.12
Gratuity	–	15.79
Provision for Other Contingency	0.73	–
TOTAL	**11.52**	**25.91**
Movement in Provision for Other Contingency		
As at April 1, 2019	–	–
Addition	–	–
Utilisation	–	–
As at March 31, 2020	–	–
Addition	0.73	–
Utilisation	–	–
As at March 31, 2021	**0.73**	**–**

NOTE 24 : FINANCIAL LIABILITIES - BORROWINGS-CURRENT

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Working Capital Loans from Banks (Refer 24.1)	355.09	574.84
TOTAL	**355.09**	**574.84**

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 sethe Term Lenders.

24.2 Short-term Borrowings include liability on account of dealer financing.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 25 : FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of creditors other than micro enterprises and small enterprises	339.63	210.97
Total outstanding dues of micro enterprises and small enterprises	1.41	0.44
TOTAL	**341.04**	**211.41**
Additional disclosure in respect of dues to Micro, Small, Medium Enterprises		
i. Principal amount remaining unpaid	1.41	0.44
ii. Interest accrued on the above amount and remaining unpaid	0.00*	–
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	–	–
iv. Interest paid in terms of Section 16	–	–
v. Interest due and payable for payments already made	–	–
vi. Interest accrued and remaining unpaid	–	–
vii. Amount of further interest remaining due and payable even in succeeding years	–	–

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

NOTE 26 : FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-term debts	104.88	178.29
Interest Accrued but not due on Borrowings	1.04	2.68
Financial Guarantee Obligations	0.48	0.44
Forward Contracts Payable (Refer 26.1)	–	1.06
Unclaimed Dividend (Refer 26.2)	1.80	2.49
Liabilities for expenses		
Payable to related parties (Refer Note 50)	13.19	0.70
Payable to others	86.16	52.35
Others Liabilities	10.97	17.68
TOTAL	**218.52**	**255.69**

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.

NOTE 27 : OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Other Payables		
Advances from customers	3.75	2.47
Statutory Dues Payable	6.51	7.43
TOTAL	**10.26**	**9.90**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 28 : PROVISIONS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits (Refer Note 49)		
Leave Encashment	4.30	8.05
Gratuity	4.33	5.43
TOTAL	**8.63**	**13.48**

NOTE 29 : REVENUE FROM OPERATIONS

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Sale of Products*				
Agrochemical	2,003.39		1,730.42	
Specialty and Performance Chemicals	271.77	2,275.16	286.70	2,017.12
Other Operating Revenue:				
Export Incentives and Entitlements		10.57		18.83
Scrap Sales		1.00		1.27
Miscellaneous Income		0.07		0.13
TOTAL		**2,286.80**		**2,037.35**

* Refer Note 39

NOTE 30 : OTHER INCOME

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Interest Income				
On Bank Deposits	2.81		1.41	
On Customers Overdues	–		4.61	
On Others	1.90	4.71	0.94	6.96
Dividend Income				
Long-term Investments in Joint Venture and Subsidiary		6.55		15.71
Profit on Sale of Current Investments measured at Fair Value Through Profit and Loss (FVTPL)		0.15		0.94
Other Non-operating Income:				
Guarantee Commission	1.03		2.05	
Rent	0.30		0.34	
Insurance Claims received	0.27		0.79	
Sundry balances / excess provisions written back	0.59		4.16	
Others	0.66	2.85	0.50	7.84
Other Gains				
Net gain on foreign currency transactions and translation	–		10.93	
Gain on Financial Assets measured at fair value through profit or loss	1.56		–	
Profit on Sale of Property, Plant and Equipment (Net)	0.91	2.47	0.07	11.00
TOTAL		**16.73**		**42.45**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 31 : COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw Materials Consumed	892.06	821.17
Packing Materials Consumed	93.16	87.95
TOTAL	**985.22**	**909.12**

NOTE 32 : PURCHASE OF STOCK-IN-TRADE

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Stock-in-trade	105.15	115.36
(Purchase of Traded Goods)		
TOTAL	**105.15**	**115.36**

NOTE 33 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Opening Stock :				
Finished Goods	271.08		380.49	
Stock-in-trade	37.08		58.48	
Work-in-progress	10.26	318.42	9.66	448.63
Less : Closing Stock :				
Finished Goods	167.11		271.08	
Stock-in-trade	18.91		37.08	
Work-in-progress	10.26	196.28	10.26	318.42
NET CHANGE IN INVENTORIES		**122.14**		**130.21**

NOTE 34 : EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Allowances	160.50	161.16
Contribution to Provident and Other Funds	9.37	12.68
Gratuity Expense	3.06	3.13
Staff Welfare Expenses	11.28	16.63
TOTAL	**184.21**	**193.60**

NOTE 35 : FINANCE COSTS

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expenses On		
Non-convertible Debentures	2.56	13.48
Long-term Borrowings	18.87	21.42
Short-term Borrowings	30.59	40.58
Lease Liabilities (Refer Note 40)	0.46	0.56
Ancillary Borrowing Costs	6.31	9.79
Others	1.12	1.30
TOTAL	**59.91**	**87.13**

Notes forming Part of Financial Statements
for the year ended March 31, 2021

NOTE 36 : DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Property, Plant and Equipments	64.58	70.13
Amortisation on Right-of-Use Assets	2.60	4.87
Amortisation on Intangible Assets	26.81	27.81
TOTAL	**93.99**	**102.81**

NOTE 37 : OTHER EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Consumption of Stores and Spares		15.40		15.85
Power, Fuel and Utilities		70.85		76.95
Processing Charges		59.03		49.18
Lease Rent / Hire Charges (Refer Note 40)		6.88		11.23
Repairs and Maintenance :				
– Building	1.52		3.05	
– Plant and Machinery	14.46		11.72	
– Others	4.06	20.04	4.22	18.99
Insurance		11.01		12.13
Rates and Taxes		1.20		0.68
Pollution Control Expenses		9.09		8.25
Legal and Professional Fees		27.71		52.52
General Office Expenses		22.40		26.04
Foreign Exchange Fluctuation (Net)		14.27		–
Advertisement, Publicity and Sales Promotion		57.81		50.89
Outward Freight Charges		114.60		74.78
Loading and Unloading Charges		0.04		2.21
Provision for Doubtful Debts		–		12.68
Travelling and Conveyance		12.17		36.54
Payment to Auditors :				
– Audit Fees	0.30		0.30	
– Transfer Pricing Audit Fees	–		0.05	
– Taxation and Other Advisory Matters	0.11		0.11	
– Certification Charges and Others	0.06		0.07	
– Reimbursement of Expenses	0.01	0.48	0.01	0.54
Director's sitting fees		0.53		0.55
Corporate Social Responsibility (Refer Note 44)		4.14		4.96
Donations		0.00*		0.32
(Gain) / Loss on Financial Assets measured at fair value through profit or loss		–		0.14
Indirect Tax expenses		8.99		1.16
Miscellaneous Expenses		4.80		1.57
TOTAL		**461.44**		**458.16**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 38 : EXCEPTIONAL ITEMS

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount paid under Voluntary Retirement Scheme (Refer 38.1)	–	31.41
Provision for Impairment on Intangible Assets (Refer 38.2)	33.81	–
Write off - Intangibe Assets under development (Refer 38.2)	35.52	–
TOTAL	**69.33**	**31.41**

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

38.2 The Company has large product portfolio of Mancozeb products and formulations from manufacturing knowhow to brands, registration which gives access to various markets. In this connection, the Company has recognised Intangible Assets relating to Mancozeb (Products Registrations, Trademarks etc.) with the carrying amount of ₹ 51.88 crores (Cost of ₹ 94.34 crores as capitalised less ₹ 42.46 crores as amortised).

The European Union (EU) Commission, in its order dated December 14, 2020 took a decision not to renew the Mancozeb related registrations, and a short transition period was allowed against which the Company has already sought interim relief and filed appeal before European courts. Since the decision would impact the business of the Company in European countries, on the basis of impairment testing, it was assessed that the recoverable amount of the intangible assets related to active substance Mancozeb in EU is less than its carrying amount as on March 31, 2021. In fact, the possibility of having any sum as recoverable could be remote and hence, the Company has made an impairment provision for such related intangible assets to the extent of its carrying amount of ₹ 33.81 crores. Further, the Company has incurred expenditure of ₹ 35.52 crores upto March 31, 2021 on certain items of registration, etc. for Mancozeb in EU which are under development and till the time its process is completed the same have been reflected as Intangible Assets under development; however, the consequent to non-renewal of approval of the active substance Mancozeb in EU, the Company has written off such expenditure reflected as Intangibles assets under development.

The above mentioned provision for impairment of ₹ 33.81 crores and write off of Intangibles assets under development of ₹ 35.52 crores, considering the nature and the materiality of amount involved, the same have been reflected as Exceptional Items in the Statement of Profit and Loss.

NOTE 39 : IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue from Contracts with Customers

₹ in Crores

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Agro	Innovative Solutions	Total	Agro	Innovative Solutions	Total
Sale of Products						
India	1,058.50	254.82	1,313.32	875.72	263.12	1,138.84
Europe	283.66	–	283.66	281.73	0.07	281.80
South America	191.11	0.70	191.81	220.30	0.43	220.73
Others	470.12	16.25	486.37	352.67	23.08	375.75
Total (A)	**2,003.39**	**271.77**	**2,275.16**	**1,730.42**	**286.70**	**2,017.12**
Other Operating Revenue						
Export Incentives and Entitlements	10.42	0.15	10.57	17.99	0.84	18.83
Scrap Sales	0.84	0.16	1.00	0.93	0.34	1.27
Others	0.07	–	0.07	0.13	–	0.13
Total (B)	**11.33**	**0.31**	**11.64**	**19.05**	**1.18**	**20.23**
Revenue from Operations (A+B)	**2,014.72**	**272.08**	**2,286.80**	**1,749.47**	**287.88**	**2,037.35**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

Sales by performance obligations

Performance obligations is satisfied at a point in time when the customer obtains control of the asset and accordingly, in most of the cases, revenue is recognised on shipment or dispatch of products.

Reconciliation of Revenue recognised from Contracts with Customers in the Statement of Profit and Loss with the contracted price

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per Contract Price	2,476.29	2,275.79
Adjustments made to contract price:		
a. For Discounts/ Rebates/ Incentives	146.31	125.88
b. Sales Returns	54.82	132.79
Revenue from contract with customers	**2,275.16**	**2,017.12**
Other Operating Revenue	11.64	20.23
Revenue from Operations	**2,286.80**	**2,037.35**

Impact of COVID-19

There was no material disruption due to the COVID-19 pandemic on operations of the Company. However, business operations mainly supply chain and specialty chemical division were impacted due to lockdown and other emergency measures imposed by the governments. The Company continues with its operations in a phased manner in line with directives from the authorities. The Company has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions, there is no material impact and adjustments required on its financial statements as at March 31, 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material change to future economic conditions and its impact, if any.

NOTE 40 : Ind AS 116 on "Leases"

1.1 Transition to Ind AS 116 :

The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019, by applying to all contracts of leases existing on April 1, 2019, subject to below practical expedient, by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 was not restated. The Company recognised and measured the Right-of-Use (ROU) asset and the corresponding lease liability on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset on Prepaid Leasehold Land of ₹ 37.24 crores and ROU asset and lease liabilities on Vehicles taken on lease of ₹ 7.38 crores as on April 1, 2019. Further, the nature of expenses in respect of operating leases was changed from lease rent in previous periods to depreciation for the ROU asset and finance costs for interest accrued on lease liability. The impact of adoption of Ind AS 116 on the profit before tax and earning per share for the year ended March 31, 2020 is ₹ 2.31 crores.

1.2 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, 2021	As at March 31, 2020
Current Lease Liabilities	2.07	1.97
Non-current Lease Liabilities	1.76	3.85
TOTAL	**3.83**	**5.82**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

B. Movement in Lease Liabilities during the year :

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**5.82**	
Transition to Ind AS 116	–	7.38
Additions	–	0.28
Finance costs accrued	0.46	0.56
Deletions	(0.05)	–
Payment of Lease Liabilities	(2.40)	(2.40)
Balance at the end of the year	**3.83**	**5.82**

C. The aggregate interest expense amounting to ₹ 0.46 crores (March 31, 2020 ₹ 0.56 crores) on Lease Liabilities is disclosed separately under Note 35 on "Finance Costs"

D. Details regarding the contractual maturities of Lease Liabilities on an undiscounted basis :

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	2.38	2.43
One to five years	2.02	4.44
More than five years	–	–
TOTAL	**4.40**	**6.87**

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, 2021	Year ended March 31, 2020
Depreciation charge on Right-of-use Assets	2.60	4.87
Interest expense on Lease Liabilities	0.46	0.56
Expense relating to Short-term Leases	0.06	0.29
Expense relating to Leases of low value assets, excluding short-term leases of low value assets	6.82	10.95
Gain on termination of Leases	0.02	–

G. Total cash outflow for leases from financing activites is recognised in the Statement of Cash Flows for the year ended March 31, 2021 is ₹ 2.40 crores (March 31, 2020 ₹ 2.40 crores).

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, 2021	As at March 31, 2020
Less than one year	0.27	0.30
One to five years	0.48	0.75
More than five years	–	–
TOTAL	**0.75**	**1.05**

B. Lease Income recognised in the Statement of Profit and Loss for the year ended March 31, 2021 is ₹ 0.30 crores (March 31, 2020 ₹ 0.34 crores) is disclosed under Note 30 on "Other Income".

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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:

Hedging Instrument	As at March 31, 2021			Maturity Date
	Amount outstanding in foreign currency (EUR in crores)	Amount outstanding in foreign currency (USD in crores)	Amount outstanding in local currency (₹ in crores)	
Foreign Currency Term Loans	4.41	–	378.47	April 2021 to June 2026
TOTAL	**4.41**		**378.47**	

Hedging Instrument	As at March 31, 2020			Maturity Date
	Amount outstanding in foreign currency (EUR in crores)	Amount outstanding in foreign currency (USD in crores)	Amount outstanding in local currency (₹ in crores)	
Buyer's Credit	–	1.12	84.04	April 2020 to October 2020
Foreign Currency Term Loans	5.43	–	450.42	April 2021 to June 2026
TOTAL	**5.43**	**1.12**	**534.46**	

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 to ₹ 4.57 crores (March 31, 2020 ₹ 2.16 crores) on account of Buyer's Credit ₹ 12.22 crores (March 31, 2020 ₹ 5.94 crores) on account of Term Loans.

The cash flow hedges of the expected future sales during the year ended March 31, 2021 were assessed to be highly effective and a net unrealised loss of ₹ 0.15 crores, with a deferred tax asset of ₹ 0.05 crores relating to the hedging instruments, is reflected under Other Comprehensive Income (OCI) (March 31, 2020 ₹ 19.46 crores (net)).

Cash flow hedge balance as on March 31, 2021 and March 31, 2020 was ₹ 52.12 crores and ₹ 52.27 crores respectively. The amounts retained in OCI at March 31, 2021 and March 31, 2020 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, 2021	As at March 31, 2020
2020-2021	–	12.64
2021-2022	12.14	8.78
2022-2023	14.03	10.40
2023-2024	9.21	7.24
2024-2025	9.02	7.05
2025-2026	7.72	6.16
TOTAL	**52.12**	**52.27**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 42 : CONTINGENT LIABILITIES

(To the extent not provided for)

1. Consequent to termination of the contract by the Indofil Chemicals Company (erstwhile Modipon Ltd.), a toll manufacturer (Polson Ltd.) filed a Civil suit bearing No.378/1997 before District Judge, Kolhapur, now transferred to Commercial Court, Kolhapur numbered as Spl. C.S.No.1/2016, against the Company claiming ₹ 3.15 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.

2. **Other money for which the Company is contingently liable**

   Though a review petition filed against the decision of the Hon'ble Supreme Court of India 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.

3. **Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax**

₹ in Crores

Statute	As at March 31, 2021	As at March 31, 2020
Sales tax matters (including VAT and CST appeal)	3.67	5.28
Excise matters	0.36	0.36
Service tax matters	0.99	–
Entry tax matters	0.25	0.25
TOTAL	**5.27**	**5.89**

4. **Guarantees Executed in favour of Corporate**

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Guarantees Executed in Favour of Corporate	94.80	228.35
Less: Counter Guarantees Received	(41.68)	(55.60)
Net Guarantees Executed in favour of Corporate	**53.12**	**172.75**

NOTE 43 : CAPITAL COMMITMENTS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated Amount of Capital Commitments remaining to be executed	8.34	12.18
Less: Advances Paid	(5.81)	(2.21)
Net Capital Commitments	**2.53**	**9.97**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount required to be spent during the year	**4.14**	**5.23**
Amount spent during the year		
Construction of Asset (Refer 44.1)	–	4.71
For other purposes	0.38	0.25
Total Paid during the year	**0.38**	**4.96**
To be Paid	3.76	0.27
TOTAL	**4.14**	**5.23**

44.1 Represents provision for contribution of ₹ 1.94 crores (March 31, 2020 ₹ 4.71 crores) to be made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

44.2 The Company has made provisions for unspent CSR expenses of ₹ 3.87 crores for year ended March 31, 2021.

44.3 Amount spent during the year includes ₹ 0.27 crores pertaining to the year ended March 31, 2020.

NOTE 45 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year as per Statement of Profit and Loss (₹ in crores)	128.75	67.17
Weighted Average No. of Equity Shares of Face Value ₹ 10 each	21,351,147	21,351,147
Earnings Per Share - Basic and Diluted (Amount in ₹)	**60.30**	**31.46**

NOTE 46 : CAPITAL MANAGEMENT

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

NOTE 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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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 adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Company's internal Forex Risk Management Policy, as approved by the management, and in accordance with the applicable regulations where the Company operates. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign Currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period :

Particulars	As at March 31, 2021			
	USD in Crores	₹ in Crores	EURO in Crores	₹ in Crores
Financial Assets				
Trade Receivable	4.56	333.26	2.40	205.97
EEFC Balances	1.25	91.51	0.11	9.67
DSRA Balance	0.04	2.56	–	–
Derivative Assets				
Foreign Exchange Forward Contracts	–	–	–	–
Sell Foreign Currency	(1.14)	(83.35)	(0.52)	(44.93)
Net Exposure to Foreign Currency Risk (Assets)	**4.71**	**343.98**	**1.99**	**170.71**
Financial Liability				
Foreign Currency Loan				
Short term	0.77	56.14	0.50	42.98
Long term	–	–	4.50	385.88
PCFC	0.15	10.97	0.20	17.15
Trade Payables	0.72	52.30	0.03	2.73
Derivative Liability				
Foreign Exchange Forward Contracts	–	–	–	–
Buy Foreign Currency	–	–	–	–
Net Exposure to Foreign Currency Risk (Liability)	**(1.64)**	**(119.41)**	**(5.23)**	**(448.74)**
Net Exposure to Foreign Currency Risk Open	**3.07**	**224.57**	**(3.24)**	**(278.03)**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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

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, 2021		As at March 31, 2020	
	Amounts in Foreign currency (Crores)	₹ in Crores	Amounts in Foreign currency (Crores)	₹ in Crores
Foreign currency forwards - Buy				
USD	–	–	–	–
EURO	–	–	0.63	52.25
Foreign currency forwards - Sell				
USD	1.14	83.35	1.47	110.75
EURO	0.52	44.93	1.55	128.90

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

Currency	As at March 31, 2021		As at March 31, 2020	
	5% Strengthening	5% Weakening	5% Strengthening	5% Weakening
USD	11.23	(11.23)	(0.73)	0.73
EURO	(13.90)	13.90	(21.41)	21.41

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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, 2021	As at March 31, 2020
Variable rate borrowings	–	33.08
Fixed rate borrowings	740.96	1,107.76
Total Borrowings	**740.96**	**1,140.84**

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, 2021 would increse/(decrease) by ₹ NIL (March 31, 2020 would increase/(decrease) by ₹ 0.33 crores).

iii. Price Risk

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

Sensitivity:

A 5% increase in prices would have led to approximately and additional NIL gain in the Statement of Profit and Loss. A 5% decrease in prices would have led to an equal but opposite effect.

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, 2021 and as at March 31, 2020 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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ in Crores

Particulars	As at March 31, 2021		As at March 31, 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Non-current Borrowings	104.88	281.00	178.29	402.33
Security Deposits	–	14.63	–	16.02
Working Capital Loans from Banks	355.09	–	574.84	–
Trade Payables	341.04	–	211.41	–
Lease Liabilities	2.07	1.76	1.97	3.85
Other Financial Liabilities	113.64	1.03	77.40	4.41
TOTAL	**916.72**	**298.42**	**1,043.91**	**426.62**

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.

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, 2021	As at March 31, 2020
Financial Assets		
Fair Value through Profit and Loss		
Investments in Units of Mutual Funds	51.10	2.53
Fair Value through Other Comprehensive Income		
Investments in Equity Shares (Other than Subsidiaries and Joint Ventures)	14.65	13.17
Derivative Instruments not in Hedging Relationship		
Forward Contracts Receivable	2.25	2.89
Amortised Cost		
Loans	8.64	8.65
Trade Receivables	775.57	812.83
Cash and Cash Equivalents	162.11	133.12
Other Bank Balances	46.03	8.45
Other Financial Assets	12.40	11.04
TOTAL	**1,072.75**	**992.68**
Financial Liabilities		
Fair Value through Profit and Loss		
Financial Guarantee Obligations	1.51	1.91
Derivative Instruments not in Hedging Relationship		
Forward Contracts Payable	–	4.00
Derivative Instruments in Hedging Relationship		
Term Loans	378.47	450.42
Buyer's Credit	–	84.04
Amortised Cost		
Borrowings	362.49	620.99
Trade Payables	341.04	211.41
Lease Liabilities	3.83	5.82
Other Financial Liabilities	127.79	91.92
TOTAL	**1,215.13**	**1,470.51**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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, 2021 and March 31, 2020 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:

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, 2021	As at March 31, 2020
Financial Assets		
Level 1		
Investments in Quoted Equity Shares	2.00	0.63
Investments in Units of Mutual Funds	51.10	2.53
Level 2		
Derivative Financial Assets	2.25	2.88
Level 3		
Investments in Unquoted Equity Shares	12.65	12.54
TOTAL	**68.00**	**18.58**
Financial Liabilities		
Level 2		
Derivative Financial Liabilities	–	4.00
Level 3		
Financial Guarantee Obligations	1.51	1.91
TOTAL	**1.51**	**5.91**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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 ₹ 0.63 crores (₹ 0.63 crores as at March 31, 2020) and 5% decrease will have an equal but opposite effect.
Financial Guarantee Obligations	Discount Rate 5.51%	1 % increase in Discount Rate will have Loss of ₹ 0.02 crores (₹ 0.02 crores as at March 31, 2020) and 1% decrease in Discount Rate will have an equal but opposite effect.

c. **Reconciliation of Level 3 Fair Value Measurement**

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance of Level 3 Financial Assets / (Liabilities)	**10.62**	**10.09**
Add / (Less): Changes during the year		
Guarantee Commission recognised	0.48	0.70
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through Other Comprehensive Income (OCI)	0.10	–
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	(0.06)	(0.17)
Closing Balance of Level 3 Financial Assets / (Liabilities)	**11.14**	**10.62**

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, 2021	Year ended March 31, 2020
Employer's Contribution to Employees' Provident Fund	6.02	8.06
Employer's Contribution to Employees' Pension Fund	1.32	1.58
Employer's Contribution to Superannuation Fund	2.02	3.02
Employer's Contribution to ESIC	0.01	0.02
Employer's Contribution to MLWF	–	–
TOTAL	**9.37**	**12.68**

Notes forming Part of Financial Statements
for the year ended March 31, 2021

b. Defined Benefit Plans

Retirement Gratuity

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

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, 2021 (Funded)	As at March 31, 2020 (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	31.70	48.26
2	Interest cost	2.16	3.76
3	Current service cost	1.61	1.56
4	Past Service Cost - Non-Vested Benefit Incurred During the Period	–	–
5	Past Service Cost - Vested Benefit Incurred During the Period	–	–
6	Liability Transferred In/ Acquisitions	–	–
7	(Liability Transferred out / Divestment)	–	(0.24)
8	(Gains)/ Losses on Curtailment	–	–
9	Liabilities Extinguished on Settlement	–	–
10	Benefits paid directly by the employer	–	–
11	Benefits paid from the fund	(15.80)	(22.62)
12	The Effect Of Changes in Foreign Exchange Rates	–	–
13	Actuarial changes arising from changes in demographic assumptions	–	0.69
14	Actuarial changes arising from changes in financial assumptions	(0.02)	0.86
15	Actuarial changes arising from changes in experience adjustments	1.09	(0.57)
16	**Present Value of defined benefit obligation at the end of the year**	**20.74**	**31.70**

₹ in Crores

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	10.48	28.03
2	Interest Income	0.72	2.18
3	Contributions paid by the employer	21.22	3.50
4	Expected Contributions by the Employees	–	–
5	Assets Transferred In/ Acquisitions	–	–
6	Assets transferred out / divestments	–	–
7	Benefits paid from the fund	(15.80)	(22.62)
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	(0.21)	(0.62)
12	**Fair value of plan assets at the end of the year**	**16.41**	**10.48**

Notes forming Part of Financial Statements
for the year ended March 31, 2021

₹ in Crores

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
III	**Net Asset / (Liability) recognised in the Balance Sheet**		
1	Present Value of defined benefit obligation at the end of the year	(20.74)	(31.70)
2	Fair value of plan assets at the end of the year	16.41	10.48
3	Funded Status [Surplus/ (Deficit)]	(4.33)	(21.22)
4	**Net Asset / (Liability) recognised in the Balance Sheet**	**(4.33)**	**(21.22)**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2021 (Funded)	Year ended March 31, 2020 (Funded)
IV	**Net Interest Cost for the year**		
1	Present Value of Benefit Obligation at the Beginning of the Period	31.70	48.26
2	Fair Value of Plan Assets at the Beginning of the Period	(10.48)	(28.03)
3	Net Liability/(Asset) at the Beginning	21.22	20.23
4	Interest Cost	2.16	3.76
5	Interest Income	(0.72)	(2.18)
6	**Net Interest Cost for the year**	**1.44**	**1.58**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2021 (Funded)	Year ended March 31, 2020 (Funded)
V	**Expenses recognised in the Statement of Profit and Loss for the year**		
1	Current service cost	1.61	1.56
2	Interest cost on benefit obligation (Net)	1.44	1.58
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**	**3.05**	**3.14**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2021 (Funded)	Year ended March 31, 2020 (Funded)
VI	**Recognised in Other Comprehensive Income for the year**		
1	Actuarial changes arising from changes in demographic assumptions	–	0.69
2	Actuarial changes arising from changes in financial assumptions	(0.02)	0.86
3	Actuarial changes arising from changes in experience adjustments	1.09	(0.57)
4	Return on plan assets excluding interest income	0.21	0.62
5	Change in Asset Ceiling	–	–
6	**Recognised in Other Comprehensive Income**	**1.28**	**1.60**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ in Crores

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
VII	**Cash Flow Projection: From the Fund**		
1	Within the next 12 months (next annual reporting period)	5.68	15.36
2	2nd following year	1.58	3.06
3	3rd following year	1.68	1.75
4	4th following year	2.45	1.57
5	5th following year	2.70	2.34
6	Sum of years 6 to 10	7.34	8.42
7	Sum of years 11 and above	9.04	9.18

The average duration of the defined benefit plan obligation as at March 31, 2021 is 5 years (March 31, 2020: 5 years).

₹ in Crores

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
VIII	**Quantitative sensitivity analysis for significant assumption**		
	Projected Benefit Obligation on current assumptions	20.74	31.70
(i)	Delta Effect of +1% Change in Rate of Discounting	(0.87)	(0.90)
(ii)	Delta Effect of -1% Change in Rate of Discounting	0.97	1.00
(i)	Delta Effect of +1% Change in Rate of Salary Increase	0.99	1.02
(ii)	Delta Effect of -1% Change in Rate of Salary Increase	(0.90)	(0.93)
(i)	Delta Effect of +1% Change in Rate of Employee Turnover	0.13	0.14
(ii)	Delta Effect of -1% Change in Rate of Employee Turnover	(0.15)	(0.16)

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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.

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
IX	**The major categories of plan assets as a percentage of total**		
	Insurer managed funds	100%	100%
X	**Actuarial assumptions**		
1	Discount rate	6.86%	6.83%
2	Salary escalation	4%	4%
3	Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	N.A.	N.A.
5	Rate of Employee Turnover	5%	5%
6	Expected Return on Plan Assets	6.86%	6.83%

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, 2021	As at March 31, 2020
1	**Leave Encashment**		
	Current	4.30	8.05
	Non-current	10.79	10.12

NOTE 50 : RELATED PARTY

List of Related Parties:

Wholly Owned Subsidiaries

Quick Investments (India) Ltd.

Good Investment (India) Ltd.

Indofil Bangladesh Industries Private Ltd.

Indofil Costa Rica 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 (80%)

Joint Ventures (Extent of holding)

Indo Baijin Chemicals Pvt. Ltd. (51%)

Indo Reagens Polymer Additives Pvt. Ltd. (49.9%)

Other Related Parties:

ICC Employee Provident Fund Trust

Key Management Personnel (KMP)

Executive Director

Mr. Krishan Kumar Modi (upto November 2, 2019)

Dr. Bina Modi (with effect from November 14, 2019)

Ms. Charu Modi

Dr. Atchutuni Rao

Notes forming Part of Financial Statements

for the year ended March 31, 2021

Other Related Parties in which Directors/ KMP's relatives have significant influence:

Godfrey Phillips India Ltd.
H.M.A. Udyog Pvt. Ltd.
Modi Care Ltd.
Beacon Travels Pvt. Ltd.
Bina Fashions N Food Pvt. Ltd.
Premium Merchants Ltd.
Modi Rubber Ltd.
KKM Management Centre Pvt. Ltd.
KKM Management Centre Middle East FZE
Modi Stratford Enterprises Management Pvt Ltd.
Modi Innovative Education Society
Colorbar Cosmetics Pvt Ltd.
EGO Obsession
AMC Chemicals Pvt. Ltd. (upto April 20, 2020)
Vismita Industries (upto April 20, 2020)
Utsavi Agritech (upto April 20, 2020)
Utsavi Biotech (upto April 20, 2020)

Non-Executive Director

Mr. Samir Modi
Ms. Aliya Modi
Mr. Mahendra Naranji Thakkar
Mr. Sunil Kumar Alagh
Mr. Sanjay Buch
Mr. Lakshminarayanan Subramanian
Mr. Anil Garg (UPSIDC) (upto September 9, 2020)
Mr. Mayur Maheshwari (with effect from September 9, 2020)

KMPs other than Director

Mr. Rajinder Kumar Malhotra - Group CEO (upto April 20, 2020)
Mr. Narendra C Rane - COO (with effect from April 20, 2020)
Mr. Rajib Mukhopadhyay - Chief Financial Officer
Mr. Devang R Mehta - Company Secretary

₹ 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, 2021	Year ended March 31, 2020
RECEIVING OF SERVICES						
1. HMA Udyog Pvt. Ltd.	–	–	0.06	–	0.06	0.03
2. Beacon Travels Pvt. Ltd.	–	–	0.61	–	0.61	5.76
3. Bina Fashions N Food Pvt. Ltd.	–	–	0.30	–	0.30	0.75
4. EGO Obsession	–	–	0.13	–	0.13	0.04
5. Modi Care Ltd.	–	–	0.02	–	0.02	0.03
6. Modi Stratford Enterprises Management Pvt. Ltd.	–	–	0.76	–	0.76	0.85
7. Indo Reagens Polymer Additives Pvt. Ltd.	4.32	–	–	–	4.32	2.78
8. Utsavi Agritech	–	–	–	–	–	1.54
9. Utsavi Biotech	–	–	–	–	–	10.83
10. Agrowin Bioscience s.r.l.	–	–	–	–	–	0.40
11. Godfrey Phillips India Ltd.	–	–	0.17	–	0.17	–
12. Colorbar Cosmetics Pvt Ltd.	–	–	0.06	–	0.06	–
Total	**4.32**	**–**	**2.11**	**–**	**6.43**	**23.01**
PURCHASE OF GOODS						
1. Indo Baijin Chemicals Pvt. Ltd.	111.43	–	–	–	111.43	100.60
2. AMC Chemicals Pvt. Ltd.	–	–	–	–	–	38.42
3. Vismita Industries	–	–	–	–	–	22.01
Total	**111.43**	**–**	**–**	**–**	**111.43**	**161.03**
TRANSFER OF LICENSE FOR UTILISATION						
1. Indo Baijin Chemicals Pvt. Ltd.	1.30	–	–	–	1.30	0.13
2. Indo Reagens Polymer Additives Pvt. Ltd.	–	–	–	–	–	0.05
Total	**1.30**	**–**	**–**	**–**	**1.30**	**0.18**
SALE OF GOODS						
1. Indofil Industries (Netherlands) B.V.	204.80	–	–	–	204.80	165.24

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ 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, 2021	Year ended March 31, 2020
2. Indofil Industries DO Brasil LTDA	46.55	–	–	–	46.55	71.14
3. Indofil Philippines, Inc.	33.66	–	–	–	33.66	14.51
4. Indofil Bangladesh Industries Pvt. Ltd.	0.96	–	–	–	0.96	5.09
5. Indo Reagens Polymer Additives Pvt. Ltd.	0.15	–	–	–	0.15	7.05
6. Agrowin Bioscience S.r.l.	–	–	–	–	–	0.73
7. Modi Care Ltd.	–	–	7.47	–	7.47	2.85
8. Godfrey Phillips India Ltd.	–	–	0.01	–	0.01	–
Total	**286.12**	**–**	**7.48**	**–**	**293.60**	**266.61**
MANAGEMENT CONTRACTS						
1. KKM Management Center Pvt. Ltd.	–	–	1.95	–	1.95	2.10
2. KKM Management Centre Middle East FZE	–	–	–	–	–	4.75
Total	**–**	**–**	**1.95**	**–**	**1.95**	**6.85**
RENT EXPENSE						
1. Premium Merchants Ltd.	–	–	0.08	–	0.08	0.06
2. Ms. Charu Modi	–	0.09	–	–	0.09	0.09
Total	**–**	**0.09**	**0.08**	**–**	**0.17**	**0.15**
DIVIDEND PAID						
1. Mr. Krishan Kumar Modi	–	–	–	–	–	0.17
2. Dr. Bina Modi	–	0.19	–	–	0.19	0.16
3. Mr. Samir Modi	–	0.01	–	–	0.01	0.02
Total	**–**	**0.20**	**–**	**–**	**0.20**	**0.35**
CONTRIBUTION TO EMPLOYEES BENEFIT TRUST						
1. ICC Employee Provident Fund Trust	–	–	–	13.18	13.18	16.93
Total	**–**	**–**	**–**	**13.18**	**13.18**	**16.93**
DIVIDEND INCOME						
1. Indo Baijin Chemicals Pvt. Ltd.	6.55	–	–	–	6.55	–
2. Indofil Industries (Netherlands) B.V.	–	–	–	–	–	15.71
Total	**6.55**	**–**	**–**	**–**	**6.55**	**15.71**
RENT INCOME						
1. Modi Rubber Ltd.	–	–	0.06	–	0.06	0.06
2. Indo Reagens Polymer Additives Pvt. Ltd.	0.23	–	–	–	0.23	0.28
Total	**0.23**	**–**	**0.06**	**–**	**0.29**	**0.34**
GUARANTEE COMMISSION INCOME						
1. Indofil Industries (Netherlands) B.V.	0.30	–	–	–	0.30	0.92
2. Indo Baijin Chemicals Pvt. Ltd.	0.48	–	–	–	0.48	0.70
3. Indofil Industries DO Brasil LTDA	0.25	–	–	–	0.25	0.42
Total	**1.03**	**–**	**–**	**–**	**1.03**	**2.04**
REIMBURSEMENT OF EXPENSES (RECEIVED)						
1. Indo Baijin Chemicals Pvt. Ltd.	1.34	–	–	–	1.34	0.29
2. Indofil Industries (Netherland) B.V.	0.19	–	–	–	0.19	0.49
3. Indo Reagens Polymer Additives Pvt. Ltd.	3.03	–	–	–	3.03	4.31
4. Indofil Industries DO Brasil LTDA	0.19	–	–	–	0.19	0.06
Total	**4.75**	**–**	**–**	**–**	**4.75**	**5.15**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ 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, 2021	Year ended March 31, 2020
CSR EXPENSES						
1. Modi Innovative Education Society	–	–	–	–	–	4.71
Total	**–**	**–**	**–**	**–**	**–**	**4.71**
INTEREST INCOME						
1. Indo Baijin Chemicals Pvt. Ltd.	–	–	–	–	–	0.29
2. Indo Reagens Polymer Additives Pvt. Ltd.	0.03	–	–	–	0.03	–
Total	**0.03**	**–**	**–**	**–**	**0.03**	**0.29**
GURANTEES GIVEN TO SUBSIDIARIES / JV's OUTSTANDING						
1. Indo Baijin Chemicals Pvt. Ltd.	43.38	–	–	–	43.38	57.87
2. Indofil Industries (Netherland) B.V.	9.74	–	–	–	9.74	46.97
3. Indofil Industries DO Brasil LTDA	–	–	–	–	–	67.91
Total	**53.12**	**–**	**–**	**–**	**53.12**	**172.75**
OUTSTANDING BALANCES						
Receivables						
1. Indofil Industries (Netherland) B.V.	189.94	–	–	–	189.94	166.47
2. Indofil Industries DO Brasil LTDA	100.03	–	–	–	100.03	75.92
3. Indofil Philippines, Inc.	17.40	–	–	–	17.40	9.45
4. Indofil Bangladesh Industries Pvt. Ltd.	2.87	–	–	–	2.87	4.55
5. Indo Reagens Polymer Additives Pvt. Ltd.	0.17	–	–	–	0.17	0.84
6. Beacon Travels Pvt. Ltd.	–	–	–	–	–	0.01
7. Agrowin Bioscience S.r.l.	0.73	–	–	–	0.73	3.34
8. Modi Care Ltd.	–	–	1.14	–	1.14	0.22
9. Modi Rubber Ltd.	–	–	0.02	–	0.02	–
Total	**311.14**	**–**	**1.16**	**–**	**312.30**	**260.80**
PAYABLES						
1. KKM Management Center Pvt. Ltd.	–	–	1.66	–	1.66	0.97
2. Indofil Industries (Netherlands) B.V.	1.02	–	–	–	1.02	1.02
3. Indo Baijin Chemicals Pvt. Ltd.	10.31	–	–	–	10.31	3.83
4. AMC Chemicals Pvt. Ltd.	–	–	–	–	–	2.57
5. Vismita Industries	–	–	–	–	–	6.74
6. Utsavi Agritech	–	–	–	–	–	0.06
7. Utsavi Biotech	–	–	–	–	–	0.79
8. Indo Reagens Polymer Additives Pvt. Ltd.	1.74	–	–	–	1.74	–
Total	**13.07**	**–**	**1.66**	**–**	**14.73**	**15.98**
ADVANCE PAID						
1. KKM Management Centre Middle East FZE	–	–	–	–	–	1.76
Total	**–**	**–**	**–**	**–**	**–**	**1.76**
INVESTMENTS MADE DURING THE YEAR						
1. Indofil Bangladesh Industries Pvt. Ltd.	3.98	–	–	–	3.98	–
2. Indofil Industries (International) B.V.	–	–	–	–	–	63.14
3. Indo Reagens Polymer Additives Pvt. Ltd.	–	–	–	–	–	19.46
4. Indofil Industries (Netherland) B.V.	86.14	–	–	–	86.14	–
Total	**90.12**	**–**	**–**	**–**	**90.12**	**82.60**
Remuneration payable to KMP	**–**	**13.19**	**–**	**–**	**13.19**	**0.70**
Total	**–**	**13.19**	**–**	**–**	**13.19**	**0.70**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: NIL). This assessment is undertaken each Financial Year through examining the financial position of the related party and the market in which the related party operates.

Remuneration and Sitting Fees payable to KMP

₹ in Crores

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Executive Directors	Non-Executive Directors	Total	Executive Directors	Non-Executive Directors	Total
Short-term Employee Benefits	25.10	1.40	26.50	12.29	0.70	12.99
Post-Employment Benefits	3.38	–	3.38	3.46	–	3.46
Sitting Fees	–	0.53	0.53	–	0.55	0.55
	28.48	**1.93**	**30.41**	**15.75**	**1.25**	**17.00**

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, 2021 are as below :

Loans

No loan is given by the Company in favour of Corporates are outstanding as at March 31, 2021.

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 :

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Indo Baijin Chemicals Pvt. Ltd. (net of counter guarantee)	43.38	57.87
Indofil Industries Netherlands B.V.	9.74	46.97
Indofil Industries DO Brasil LTDA	–	67.91

All the above Corporate Guarantees are given for business purpose.

NOTE 52 :

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 53 :

The Income Tax Department had searched the office premises of the Company in February 2021 in connection with search carried out by them under Section 132 of the Income Tax act, 1961 on a promoter of the Company. The tax officials have taken custody of certain records of the Company and recorded statements of some of the Company officials. No further communication has been received by the Company in this regard from the tax authorities.

NOTE 54 :

Figures in brackets indicate Previous Year's figures and have been regrouped/reclassified wherever necessary to conform to current year's classification.

CORPORATE INFORMATION	1
SIGNIFICANT ACCOUNTING POLICIES	2
NOTES ON ACCOUNTS	3-54

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Independent Auditor's Report

To the Members of
The Indofil Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Indofil Industries Limited** ("the Holding Company") and it's subsidiaries (the Holding Company and its subsidiaries collectively referred to as "the Group"), its joint ventures which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, including a the summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements on the subsidiaries and joint ventures as were audited by other auditors referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit and consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SA). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" Section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by The Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the Subsidiaries audited by the other auditors, to the extent it relates to the Subsidiaries and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Subsidiaries is traced from the financial statements audited by the other auditors.

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

Management's Responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), the consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further prescribed in Section titled 'Other Matters' to this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Group and its joint ventures included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements and the financial information of 2 (Two) subsidiaries which are incorpoarted in India and 5 (Five) subsidiaries which are incorporated outside India, whose financial statements and financial information reflect total assets of ₹ 752.21 crores as at March 31, 2021, total revenue of ₹ 365.04 crores and net cash inflows of ₹ 49.20 crores for the year ended on that date, as considered in preparation of consolidated financial statements. These financial statements and financial information of the 2 (Two) subsidiaries which are incorporated in India, have been prepared in accordance with Indian GAAP and accounting principles generally accepted in India. These financial statements and financial information of the subsidiaries which are incorporated outside India have been prepared in accordance with accounting principles generally accepted in its respective country and have been audited by other auditors. The management of the Holding Company has converted these financial statements and financial information of such subsidiaries to the Indian GAAP and the accounting principles generally accepted in India. We have audited these conversion adjustments made by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the reports of those respective other auditors and our audit of the conversion adjustments made.

We did not audit the financial statements and the financial information of 1 (one) subsidiary located outside India, whose financial statements and financial information reflect total assets of ₹ 70.44 crores as at March 31, 2021, total revenue of ₹ 66.82 crores and net cash inflows amounting to ₹ 0.75 crores for the year ended on that date, as considered in preparation of consolidated financial statements. These unaudited financial statements and financial information are certified by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of this subsidiary, is based solely on such financial statements and financial information. In our opinion and according to the information and explanations given to us by the management of the Holding Company, these unaudited financial statements and financial information are not material to the Group.

The consolidated financial statements and financial information also include the Group's share of net profit of ₹ 19.40 crores and total comprehensive income of ₹ 19.37 crores in respect of 2 (two) joint ventures, for the year ended March 31, 2021, as considered in the consolidated financial statements. The financial statements/financial information of 2 (Two) joint ventures, which are incorporated in India, have been prepared in accordance with Indian GAAP and accounting principles generally accepted in India. These financial statements and financial information of the joint ventures have been audited by other auditors whose report have been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of this joint ventures, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the management.

Report on Other Legal and Regulatory Requirements

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

    e. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and as reported by the statutory auditors of its subsidiaries companies and joint venture, none of the Directors of the companies in the Group and joint ventures are disqualified as on March 31, 2021 from being appointed as a director of the respective Company in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls of the financial statements of the Group and its joint ventures and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us and based on the report of the statutory auditors of subsidiaries and joint ventures incorporated in India which are not audited by us, the remuneration paid during the current year by the Holding Company to its Directors and the remuneration paid during the current year by the subsidiaries and its joint ventures to its Directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director of the Holding Company, its subsidiaries and its joint ventures incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 41 to the consolidated financial statements;

ii. The Company has long term contracts including derivative contracts. However, no provision is required to be made for any foreseeable loss in respect thereof, as required under the applicable law or accounting standards. Accordingly, no such provision is reflected in the consolidated financial statements – Refer Note 40 to the consolidated financial statements;

iii. There were no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

PARESH H. CLERK
Partner
Membership No. 36148
UDIN : 21036148AAAACC7585

PLACE : Mumbai
DATED : June 23, 2021

Annexure A

To The Independent Auditor's Report

Referred to in paragraph 1 (f) under the heading of "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report of even date on the Consolidated Financial Statements for the year ended March 31, 2021.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to the financial statements of **Indofil Industries Limited ("the Holding Company")**, and its subsidiaries (collectively referred to as "the Group") and its joint ventures, which are incorporated in India, are as at March 31, 2021.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Group and its joint ventures, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial control with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matter Section below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the financial statements of the Group and its joint ventures, which are incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b. provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group and its joint ventures, which are incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal controls over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to its subsidiaries and joint ventures of the Holding Company, is based on the corresponding report of the auditors of such subsidiaries and joint ventures, which are incorporated in India.

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

PARESH H. CLERK
Partner
Membership No. 36148
UDIN : 21036148AAAACC7585

PLACE : Mumbai
DATED : June 23, 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ in Crores

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3A	639.78	687.84
Capital Work-in-Progress	3B	18.20	12.32
Goodwill		10.59	10.20
Right-of-Use Assets	4	38.03	40.94
Other Intangible Assets	5A	151.78	303.50
Intangible Assets under Development	5B	64.83	72.94
Financial Assets			
Investments	6	711.03	731.76
Loans	7	8.88	8.99
Other Financial Assets	8	11.81	10.33
Deferred Tax Assets	9	60.21	113.76
Income Tax Assets (Net)	9	13.25	26.38
Other Non-current Assets	10	5.64	6.62
Total Non-current Assets		**1,734.03**	**2,025.58**
Current Assets			
Inventories	11	356.41	459.82
Financial Assets			
Investments	12	50.23	1.96
Trade Receivables	13	721.04	772.03
Cash and Cash Equivalents	14	264.61	185.73
Other Bank Balances	15	46.03	8.45
Loans	16A	0.08	0.13
Other Financial Assets	16	4.12	3.75
Other Current Assets	17	68.86	94.36
Total Current Assets		**1,511.38**	**1,526.23**
Non-current Assets held for sale	6A	18.96	–
TOTAL ASSETS		**3,264.37**	**3,551.81**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	21.35	21.35
Other Equity	19	1,930.97	1,905.40
Equity attributable to owners of the Company		**1,952.32**	**1,926.75**
Non-controlling interests	19	0.38	0.27
Total Equity		**1,952.70**	**1,927.02**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	20	281.07	422.49
Lease Liabilities	39	2.25	4.59
Other Financial Liabilities	21	15.66	20.43
Provisions	22	11.52	25.91
Total Non-current Liabilities		**310.49**	**473.42**
Current Liabilities			
Financial Liabilities			
Borrowings	23	373.66	587.14
Trade Payables	24		
Total outstanding dues of creditors other than micro enterprises and small enterprises		371.73	247.73
Total outstanding dues of micro enterprises and small enterprises		1.41	0.44
Lease Liabilities	39	2.29	2.16
Other Financial Liabilities	25	230.78	288.50
Other Current Liabilities	26	10.66	9.90
Provisions	27	8.63	13.49
Current Tax Liabilities (Net)	9	2.01	2.01
Total Current Liabilities		**1,001.17**	**1,151.37**
Total Liabilities		**1,311.67**	**1,624.79**
TOTAL EQUITY AND LIABILITIES		**3,264.37**	**3,551.81**
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3-55		

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ in Crores

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from Operations	28	2,430.78	2,216.65
Other Income	29	10.04	19.55
Total Income		**2,440.82**	**2,236.20**
EXPENSES			
Cost of Materials Consumed	30	1,043.86	978.80
Purchase of Stock-in-Trade	31	105.15	115.36
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	120.06	112.55
Employee Benefits Expense	33	210.87	221.54
Finance Costs	34	64.67	90.20
Depreciation and Amortisation Expense	35	111.74	118.10
Other Expenses	36	494.33	502.35
Total Expenses		**2,150.68**	**2,138.90**
Profit before Tax and Exceptional Items		**290.14**	**97.30**
Less : Exceptional Items	37	149.54	31.41
Profit before Tax for the year		**140.60**	**65.89**
Tax Expenses			
Current Tax	9	82.82	16.23
(Excess)/ Short provision of Earlier Years		(0.67)	(0.35)
Deferred Tax		10.91	(28.67)
Total Tax Expenses		**93.06**	**(12.79)**
Profit after Tax for the year		**47.54**	**78.68**
Share of Profit/(Loss) of equity accounted investees		**19.40**	**16.08**
Profit for the year		**66.94**	**94.76**
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurement gains/(losses) on Defined Benefit Obligation		(1.28)	(1.60)
Fair Value changes of investments in equity instruments		(15.30)	(142.71)
Income Tax on above items		0.45	0.56
Total (A)		**(16.13)**	**(143.75)**
B. Items that will be reclassified to profit or loss			
Share of OCI of Joint Ventures		(0.03)	–
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge		0.15	(29.92)
Foreign Currency Translation Reserve (FCTR)		(14.90)	11.80
Income Tax on above item		(0.06)	10.46
Total (B)		**(14.84)**	**(7.66)**
Total Other Comprehensive Income / (Loss) for the year (A+B)		**(30.97)**	**(151.41)**
Total Comprehensive Income for the year		**35.97**	**(56.66)**
Total Profit / (loss) for the year attributable to :			
Owners of the Company		66.82	94.79
Non-controlling interests		0.12	(0.04)
		66.94	**94.76**
Other Comprehensive Income / (loss) for the year attributable to :			
Owners of the Company		(30.97)	(151.41)
Non-controlling interests		–	–
		(30.97)	**(151.41)**
Total Comprehensive Income /(loss) for the year attributable to :			
Owners of the Company		35.85	(56.62)
Non-controlling interests		0.12	(0.04)
		35.97	**(56.66)**
Earnings per equity share of nominal value ₹10 each- Basic and Diluted	44	**31.35**	**44.38**
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3-55		

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity Share Capital

Particulars	₹ in Crores
Balance as on April 1, 2019	**21.35**
Add: Changes in Equity Capital during the Year	–
Balance as on April 1, 2020	**21.35**
Add: Changes in Equity Capital during the Year	–
Balance as on March 31, 2021	**21.35**

B. Other Equity

₹ in Crores

Particulars	Reserves and Surplus									Item of Other Comprehensive Income				Non-controlling interest	Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Special Economic Zone Re-investment Reserve	Special Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	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, 2019	**0.01**	**6.30**	**108.04**	**5.08**	**37.50**	**51.70**	**–**	**11.29**	**1,321.01**	**470.10**	**(14.55)**	**(17.16)**	**(0.04)**	**0.31**	**1,979.60**
Profit for the year	–	–	–	–	–	–	–	–	94.80	–	–	–	–	(0.04)	94.77
Transfer from Debenture Redemption Reserve	–	–	–	–	(30.00)	–	–	4.59	25.41	–	–	–	–	–	-
Transfer to / (from) SEZ Re-investment Reserve	–	–	–	–	–	–	50.00	–	(50.00)	–	–	–	–	–	-
Other comprehensive income	–	–	–	–	–	–	–	–	(1.01)	(142.71)	(19.47)	11.80	–	–	(151.38)
Dividends on Equity Shares	–	–	–	–	–	–	–	–	(17.08)	–	–	–	–	–	(17.08)
Dividend Distribution Tax	–	–	–	–	–	–	–	–	(0.21)	–	–	–	–	–	(0.21)
Balance as at March 31, 2020	**0.01**	**6.30**	**108.04**	**5.08**	**7.50**	**51.70**	**50.00**	**15.88**	**1,372.92**	**327.39**	**(34.02)**	**(5.36)**	**(0.04)**	**0.27**	**1,905.67**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

B. Other Equity (Contd..)

₹ in Crores

Particulars	Reserves and Surplus									Item of Other Comprehensive Income				Non-controlling interest	Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Special Economic Zone Re-investment Reserve	Special Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	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, 2020	**0.01**	**6.30**	**108.04**	**5.08**	**7.50**	**51.70**	**50.00**	**15.88**	**1,372.92**	**327.39**	**(34.02)**	**(5.36)**	**(0.04)**	**0.27**	**1,905.67**
Profit for the year	–	–	–	–	–	–	–	–	66.94	–	–	–	–	0.11	67.05
Transfer from Debenture Redemption Reserve	–	–	–	–	(7.50)	–	–	0.27	7.50	–	–	–	–	–	0.27
Transfer to / (from) SEZ Re-investment Reserve	–	–	–	–	–	–	(6.61)	–	6.61	–	–	–	–	–	-
Other comprehensive income	–	–	–	–	–	–	–	–	(0.83)	(15.30)	0.10	(14.90)	(0.03)	–	(30.96)
Dividends on Equity Shares	–	–	–	–	–	–	–	–	(10.68)	–	–	–	–	–	(10.68)
Balance as at March 31, 2021	**0.01**	**6.30**	**108.04**	**5.08**	**–**	**51.70**	**43.39**	**16.15**	**1,442.46**	**312.09**	**(33.92)**	**(20.26)**	**(0.07)**	**0.38**	**1,931.35**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

C. Dividends Paid / Proposed during the year

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Corporate Dividend Paid During the year		
Dividend Paid	10.68	17.08
Dividend Per Fully Paid Up Share (In ₹)	5.00	8.00
Corporate Dividend Proposed for the year		
Dividend Proposed	17.08	10.68
Dividend Per Fully Paid Up Share (In ₹)	8.00	5.00

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Consolidated Statement of Cash Flow

for the year ended March 31, 2021

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
A Cash Flow from Operating Activities:				
Profit / (Loss) Before Tax		**140.60**		**65.89**
Add / (Less): Adjustments for Non-Cash / Non-Operating Items:				
Depreciation and Amortisation Expense	111.74		118.10	
Finance Costs	64.67		89.88	
Interest Income	(4.71)		(7.02)	
(Profit) / Loss on Sale of Current Investments	(0.15)		(0.94)	
Guarantee Commission	(0.48)		(0.70)	
Sundry Balances Written Back	(0.59)		(3.94)	
(Profit) / Loss on Sale of Property, Plant and Equipment	(0.93)		(0.09)	
(Gain) / Loss on Financial Assets measured at fair value through profit or loss	(1.80)		0.07	
Loss arising from financial instruments designated as fair value through profit or loss	–		(25.30)	
Provision for Doubtful Debts and Advances	–		14.14	
Provision for Impairment / Written off of Intangible Assets/ Intangible Asset under Development	149.54			
Foreign Exchange Loss / (Gain)	20.20	337.49	33.70	217.90
Operating Profit Before Changes in Working Capital		**478.09**		**283.79**
Adjustment for Changes in Working Capital				
(Increase) / decrease in Inventories	103.41		180.58	
(Increase) / decrease in Trade Receivables	44.27		37.75	
(Increase) / decrease in Other Financial Assets	0.66		(1.46)	
(Increase) / decrease in Other Non-Financial Assets	26.48		26.65	
Increase / (decrease) in Trade Payables	125.33		(134.59)	
Increase / (decrease) in Other Financial Liabilities	30.26		(27.37)	
Increase / (decrease) in Other Non-Financial Liabilities	(0.52)		1.38	
Increase / (decrease) in Current and Non-current Provisions	(19.24)	310.65	(2.57)	80.37
Cash (Used) / Generated from Operations		**788.74**		**364.16**
Less : Taxes Paid (Net of refund received)		(26.25)		(30.72)
Net Cash (Used) / Generated from Operating Activities (A)		**762.49**		**333.44**
B Cash Flow from Investing Activities:				
Purchase of Property, Plant and Equipment and Intangible Assets	(55.30)		(55.84)	
Investments made during the year (net)	(47.00)		(18.68)	
Proceeds from sale of current investments	0.15		0.94	
Loans (Given) /Repaid	0.16		0.93	
Interest received	2.51		6.54	
Bank Deposits with original maturity within 3 to 12 months	(38.60)		(4.81)	
Dividend received from Non-current Investments	6.55		–	
Guarantee Commission	0.48		0.70	
Net Cash (Used) / Generated from Investing Activities (B)		**(131.05)**		**(70.22)**
C Cash Flow from Financing Activities:				
Proceeds from Long-term Borrowings	–		115.00	
Repayment of Long term borrowings	(246.27)		(275.99)	
Proceeds from / (Repayment of) Short-term borrowings	(212.16)		(10.16)	
Earmarked balances with banks	0.71		(1.65)	
Payment of Principal portion of Lease Liabilities	(2.21)		(2.00)	
Payment of Interest portion of Lease Liabilities	(0.54)		(0.59)	
Interest and other finance charges paid	(65.83)		(84.47)	
Dividend Paid (including corporate dividend tax)	(11.36)		(15.64)	
Net Cash (Used) / Generated from Financing Activities (C)		**(537.66)**		**(275.50)**

Consolidated Statement of Cash Flow

for the year ended March 31, 2021

₹ in Crores

Particulars			Year ended March 31, 2021		Year ended March 31, 2020
Exchange Differences on Translation of Foreign Operations			(14.90)		11.80
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)			78.88		(0.48)
Add : Cash and Cash Equivalents at the beginning of the year			185.73		186.21
Cash and Cash Equivalents at the end of the year (Refer Note 14)			264.61		185.73
CORPORATE INFORMATION	1				
SIGNIFICANT ACCOUNTING POLICIES	2				
NOTES ON ACCOUNTS	3-55				

Notes :

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

2. **Disclosure pursuant to Ind AS 7 :**

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

₹ in Crores

Particulars	As at April 1, 2020	Cash Flows	Non-cash Changes	As at March 31, 2021
Long-term Borrowings (including Current Maturities but excluding Debentures)	552.61	(171.27)	14.49	395.83
Short-term Borrowings	587.14	(212.16)	1.33	376.31
Non-convertible Debentures	75.00	(75.00)	–	–
Deposits held as margin money	0.33	(0.03)	–	0.30

₹ in Crores

Particulars	As at April 1, 2019	Cash Flows	Non-cash Changes	As at March 31, 2020
Long-term Borrowings (including Current Maturities but excluding Debentures)	601.55	(85.99)	37.05	552.61
Short-term Borrowings	596.80	(10.16)	0.50	587.14
Debenture	150.00	(75.00)	–	75.00
Deposits held as margin money	0.33	(0.00*)	–	0.33

3. Purchase of Property, Plant and Equipment includes addition to other Intangible Assets and adjusted for movement from Capital Work-in-progress and Capital Advances.

4. Figures in brackets indicate Cash Outflow.

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 1: GROUP INFORMATION

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

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

The Holding 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		80%
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 (%)
Indo Baijin Chemicals Pvt. Ltd.	India	Manufacture, Marketing & Distribution of Chemicals	51%
Indo Reagens Polymer Additives Pvt. Ltd.	India		49.90%

Investment in Indo Reagens Polymer Additives Private Limited is disclosed as non current assets held for sale to the extent of ₹ 18.96 crores (95% of Indofil's holding)

NOTE 2: SIGNIFICANT ACCOUNTING POLIICES

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act

The Consolidated Financial Statements for the year ended March 31, 2021 have been prepared in accordance with the Ind AS issued and effective as at the reporting date.

2.2 Basis of preparation

The financial statements of the Subsidiaries and the Joint Ventures used for consolidation are drawn/prepared for consolidation up to the same reporting date as the Group. The consolidated financial statements have been prepared on the following basis:

- The financial statements of subsidiary companies have been combined on line to line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances, intra group transactions and the unrealised profits/losses in accordance with Ind AS 110 – "Consolidated Financial Statements"

Notes forming Part of Financial Statements

for the year ended March 31, 2021

- 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 Holding 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.

2.3 Use of Estimates and Judgments:

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

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

- Measurement of Defined Benefit Obligations – Note 48
- Measurement and likelihood of occurrence of provisions and contingencies – Notes 22, 27 and 41.
- Recognition of Deferred Tax Assets / (Liabilities) – Note 9
- Key Assumptions used in Fair Valuation Methods of Financial Assets – Note 47
- Impairment of Financial Assets (Trade Receivables) – Note 13
- Leases – Note 39

2.4 Classification of Assets and Liabilities

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

An asset is treated as "current" when :

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

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

A liability is "current" when :

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

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

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

2.5 Property, Plant and Equipment

Property, Plant and Equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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

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

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

Freehold land is carried at historical cost less impairment loss, if any.

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

Items of Plant Property and Equipment which has cost of ₹ 5,000 or less are depreciated fully in the year of purchase/capitalisation.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each Financial Year end and adjusted prospectively, if appropriate.

2.6 Capital Work-in-Progress

Items of Property, Plant and Equipment which are not ready for intended use on the date of Consolidated Balance Sheet are disclosed as Capital Work-in-progress. It is carried at cost, less accumulated impairment loss, if any. The items classified under Capital Work-in-progress are capitalised to the respective items of PPE on their completion and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

2.7 Other Intangible Assets

Other Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow to the Group and the cost of the item can be measured reliably. Other Intangible Assets acquired separately are measured on initial recognition at cost. Subsequently, Other Intangible Assets are carried at cost less any accumulated amortisation and impairment losses.

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

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

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

2.8 Research and Development Cost

Revenue expenditure on Research and Development is charged off as expense in the year in which it is incurred under the respective natural heads of account. Expenditure resulting in creation of Capital Assets (Including Intangibles) is capitalised and depreciated / amortised accordingly.

2.9 Inventories

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

2.10 Financial instruments

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

Financial assets

- **Initial recognition and measurement**

  On initial recognition, a financial asset is recognised at fair value. In case of Financial Assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the Statement of Profit and Loss, while in other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

- **Subsequent Measurement**

  Financial Assets are subsequently classified as measured at

  - Amortised cost
  - Fair Value through Profit and Loss (FVTPL)
  - Fair Value through Other Comprehensive Income (FVOCI)

  Financial Assets are not reclassified subsequent to their recognition, except in the period when the 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 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 derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual right to receive the cash flows from the asset.

- **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

  - Amortised cost
  - Fair Value through Profit and Loss (FVTPL)

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

- **Derecognition**

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

- **Offsetting of financial instruments**

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

- **Financial Guarantee Contracts**

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

2.11 Hedge Accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group 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 Group 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 Group 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 Group uses its Foreign Currency Borrowings and Buyer's Credit as hedging instrument of its exposure to foreign exchange risk on its highly probable forecasted sales. Amounts recognised in OCI will be transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.

2.12 Impairment of Non-Financial Assets

If internal/external indications suggest that an asset of the 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 its carrying amount, the carrying amount of the asset/cash generating unit is reduced to the said recoverable amount.

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

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

2.13 Provisions and Contingent Liabilities / Assets

Provisions are recognised when the 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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

2.14 Revenue from Contracts with Customers:

Revenue from contracts with customers for sale of goods is recognised when the Group satisfies performance obligation by transferring promised goods to the customer at an amount that reflects the consideration which the Group is expected to be entitled to in exchange for those goods. In case of the Group, performance obligations are satisfied at a point in time, i.e., when the customer obtains control of the asset.

Revenue is measured at the amount of transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and applicable Good and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales rebates, discounts and incentives. The rebates, discounts incentives and right of return are estimated and provided for, based on past experience. A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

Export Incentives

Income from Export Benefit Entitlement under the Duty Drawback Scheme 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 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. Incomes from investments are accounted on an accrual basis.

Liability for Sales Return

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Group to be reliable estimate of future sales returns.

2.15 Leases

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

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

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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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 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 Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

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

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

2.16 Foreign Currencies

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

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

recognised in the Statement of Profit and Loss / Cash flow hedge reserve.

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

Exchange difference arising on settlement or restatement of foreign currency denominated liabilities existing as on / incurred on or after April 1, 2011 but before March 31, 2016 relating to acquisition of depreciable capital assets, have been added to/deducted from the cost of the respective asset and depreciated over the balance life of the asset.

2.17 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

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

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

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

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

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

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

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

2.18 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.

2.19 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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

2.20 Earnings Per Share

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

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

2.21 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.

Segment Policies:

The Group 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.

2.22 Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") through a notification of March. 24, 2021, amended Schedule III to the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are:

Balance Sheet :

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in Equity Share Capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then to disclose details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, Directors, Key Managerial Personnel (KMP) and related parties, details of benami property held, etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to those as required by law.

Notes forming Part of Financial Statements
for the year ended March 31, 2021

NOTE 3A : PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Freehold Land	Buildings	Road and Culvert	Office Equipment	Computers	Vehicles	Plant and Machinery	Furniture and Fixture	Total
I. Gross Block									
Balance as at April 1, 2019	**1.77**	**342.10**	**11.85**	**13.96**	**10.79**	**20.54**	**568.31**	**8.44**	**977.76**
Additions	–	11.56	–	1.52	0.42	1.69	19.74	0.85	35.78
Disposals	–	–	–	(0.01)	(0.02)	(1.13)	(0.78)	–	(1.94)
Adjustments	–	–	–	–	0.01	0.03	–	–	0.04
Balance as at March 31, 2020	**1.77**	**353.66**	**11.85**	**15.47**	**11.20**	**21.13**	**587.27**	**9.29**	**1,011.64**
Additions	–	3.97	–	0.24	0.53	–	19.68	0.04	24.46
Disposals	–	(0.09)	–	(0.02)	–	(8.84)	(4.13)	(0.09)	(13.17)
Adjustments	–	–	–	–	(0.11)	–	–	–	(0.11)
Balance as at March 31, 2021	**1.77**	**357.54**	**11.85**	**15.69**	**11.62**	**12.29**	**602.82**	**9.24**	**1,022.82**
II. Accumulated Depreciation									
Balance upto April 1, 2019	**–**	**83.96**	**4.21**	**10.87**	**8.46**	**14.68**	**127.11**	**6.14**	**255.43**
Depreciation for the year	–	19.80	2.13	1.55	1.27	1.81	42.03	0.71	69.30
Withdrawal on disposal	–	–	–	(0.01)	(0.01)	(0.91)	–	–	(0.93)
Balance upto March 31, 2020	**–**	**103.76**	**6.34**	**12.41**	**9.72**	**15.58**	**169.14**	**6.85**	**323.80**
Depreciation for the year	–	21.26	1.48	1.23	0.69	0.89	39.99	0.63	66.17
Withdrawal on disposal	–	(0.01)	–	(0.02)	(0.03)	(6.82)	–	(0.05)	(6.93)
Balance upto March 31, 2021	**–**	**125.01**	**7.82**	**13.62**	**10.38**	**9.65**	**209.13**	**7.43**	**383.04**
Balance as at March 31, 2021	**1.77**	**232.53**	**4.03**	**2.07**	**1.24**	**2.64**	**393.69**	**1.81**	**639.78**
Balance as at March 31, 2020	**1.77**	**249.90**	**5.51**	**3.06**	**1.49**	**5.55**	**418.14**	**2.44**	**687.84**

Notes:

1. Non - Factory Building includes Cost of Shares of Face Value of ₹ 1,350/-
2. Includes Foreign Exchange Differences arising on restatement of foreign currency denominated liabilities relating to the acquistion of Fixed Assets ₹ NIL (March 31, 2020 ₹ 5.54 crores) capitalised during the year in terms of Para 7AA of "Indian Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates". Unamortised Amount as at the year end was ₹ 12.23 crores (March 31, 2020 ₹ 12.95 crores).
3. Property at Sameer Vihar, Modi Nagar yielding rental income to the Company is not recognised as Investment Property due to non availability of reliable measurement of cost. The Fair Value of the said Investment Property based on the Management Estimate is ₹ 32.62 crores as at the year end (March 31, 2020 ₹32.62 crores).
4. For Property, Plant and Equipments given as security refer Note 20 and Note 23.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 3B : CAPITAL WORK-IN-PROGRESS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**12.32**	**14.90**
Additions	11.95	10.51
Capitalised	(6.07)	(13.09)
Balance at the end of the year	**18.20**	**12.32**

NOTE 4 : RIGHT-OF-USE ASSETS

₹ in Crores

Particulars	Prepaid Land Leasehold	Vehicles	Factory Building	Total
I. Gross Block				
Balance as at April 1, 2019				
Transition to Ind AS 116	37.25	7.38	0.98	45.61
Additions	–	0.28	–	0.28
Disposals	–	–	–	–
Balance as at March 31, 2020	**37.25**	**7.66**	**0.98**	**45.89**
Additions	–	–	–	–
Disposals	–	(0.05)	–	(0.05)
Balance as at March 31, 2021	**37.25**	**7.61**	**0.98**	**45.84**
II. Accumulated Amortisation				
Balance upto April 1, 2019	–	–	–	–
Transition to Ind AS 116	–	–	–	–
Additions	0.74	4.14	0.07	4.95
Withdrawal on disposal	–	–	–	–
Balance upto March 31, 2020	**0.74**	**4.14**	**0.07**	**4.95**
Additions	0.73	1.87	0.26	2.86
Withdrawal on disposal	–	–	–	–
Balance upto March 31, 2021	**1.47**	**6.01**	**0.33**	**7.81**
Net Block as at March 31, 2021	**35.78**	**1.60**	**0.65**	**38.03**
Net Block as at March 31, 2020	**36.51**	**3.52**	**0.91**	**40.94**

Notes:

1. The aggregate depreciation expense amounting to ₹ 2.86 crores on ROU Assets is included under Depreciation and Amortisation Expense in the Statement of Profit and Loss.

2. Prepaid Leasehold Land was reclassified on account of adoption of Ind AS 116.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 5A : OTHER INTANGIBLE ASSETS

₹ in Crores

Particulars	Software	Product Development	Total
I. Gross Block			
Balance as at April 1, 2019	6.01	475.01	481.02
Additions	0.45	11.52	11.97
Disposals	-	-	-
Adjustments	0.03	0.01	0.04
Balance as at March 31, 2020	**6.49**	**486.54**	**493.03**
Additions	0.23	10.27	10.50
Disposals	-	-	-
Adjustments	(0.02)	(5.46)	(5.48)
Balance as at March 31, 2021	**6.70**	**491.35**	**498.05**
II. Accumulated Amortisation			
Balance upto April 1, 2019	1.21	144.47	145.68
Amortisation for the year	0.91	42.94	43.85
Withdrawal on disposal	-	-	-
Balance upto March 31, 2020	**2.12**	**187.41**	**189.53**
Amortisation for the year	0.89	41.82	42.71
Withdrawal on disposal	0.01	-	0.01
Provision for Impairment (Refer Note 37)	-	114.02	114.02
Balance upto March 31, 2021	**3.02**	**343.25**	**346.27**
Balance as at March 31, 2021	**3.68**	**148.10**	**151.78**
Balance as at March 31, 2020	**4.37**	**299.13**	**303.50**

NOTE 5B : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**72.94**	**54.33**
Additions	27.73	23.22
Intangible Assets written off on impairment (Refer Note 37)	(35.52)	-
Capitalised	(0.32)	(4.61)
Balance at the end of the year	**64.83**	**72.94**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments at cost				
Investments in Equity Instruments				
Unquoted				
In Joint Ventures				
Indo Baijin Chemicals Pvt. Limited	4,366,096	84.93	4,366,096	72.48
(Face Value - ₹ 100 each)				
Indo Reagens Polymer Additives Private Limited (Refer Note 6A)	19,960,000	19.89	19,960,000	19.54
(Face Value - ₹ 10 each)				
Less: Investment held for sale	18,962,000	(18.96)	–	–
Investments at Fair Value through Profit and Loss				
Investments in Units of Mutual Funds				
Quoted				
Union Balanced Advantage Regular Fund	377,200	0.53	377,200	0.30
(Face Value - ₹ 10 each)				
Union Largecap Fund Regular Growth	249,990	0.34	249,990	0.27
(Face Value - ₹ 10 each)				
ABSL Enhanced Arbitrage Fund-Dividend	1,376,667	1.53	1,338,221	1.57
(Face Value - ₹ 10 each)				
ICICI Prudential Equity Arbitrage Fund	681,169	1.02	676,026	1.05
(Face Value - ₹ 10 each)				
Aditya Birla Sun Life Enhanced Arbitrage Fund	2,060,770	2.30	2,003,219	2.35
(Face Value - ₹ 10 each)				
DSP Black Rock Equity- Saving Fund	1,789,926	2.34	1,728,786	1.86
(Face Value - ₹ 10 each)				
Investments at Fair Value through Other Comprehensive Income				
Investments in Equity Instruments				
Quoted				
Godfrey Philips India Limited	6,545,020	599.56	6,545,020	615.56
(Face Value - ₹ 2 each)				
Modi Rubber Ltd.	215,311	2.01	215,311	0.63
(Face Value - ₹ 10 each)				
Unquoted				
The Cosmos Co-Op. Bank Ltd	14,250	0.87	14,250	0.77
(Face Value - ₹ 100 each)				
Modi Spinning and Weaving Mills Co.Ltd.	75,631	0.07	75,631	0.07
(Face Value - ₹ 10 each)				
Less : Provision for Diminution in Value of Investment		(0.07)		(0.07)
Modi Industries Limited	5,580	0.01	5,580	0.01
(Face Value - ₹ 10 each)				
Less : Provision for Diminution in Value of Investment		(0.01)		(0.01)
KKM Management Centre Pvt. Ltd.	338,100	1.09	338,100	1.09
(Face Value - ₹ 10 each)				
KKM Management Centre Middle East (FZE)	192	0.73	192	1.49
(Face Value - AED 1000 each)				

Notes forming Part of Financial Statements

for the year ended March 31, 2021

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Grace Breeding Nitrogen Fixation Technologies Ltd.	10,848	10.68	10,848	10.68
(Face Value - NIS 0.001 each)				
Investments in ITACA	30,000	0.63	30,000	0.58
(Face Value - Euro 1 each)				
International Research Park Laboratories	50,000	0.05	50,000	0.05
(Face Value - ₹ 10 each)				
Beacon Travels Pvt. Ltd.	4,500	0.53	4,500	0.54
(Face Value - ₹ 10 each)				
Agache Associates Limited	6,250	0.01	6,250	0.01
(Face Value - ₹ 10 each)				
Less : Diminution in Value of Investment		(0.01)		(0.01)
Rajputana Fertilizer Limited	–	–	15,126	–
(Face Value - ₹ 10 each)				
Haryana Distillery Limited	–	–	15,126	–
(Face Value - ₹ 10 each)				
Rajputana Developers Limited	–	–	15,126	–
(Face Value - ₹ 10 each)				
Investments measured at Amortised Cost				
Investment in Preference Shares				
Unquoted				
Modi Spinning & Weaving Mills Co. Ltd.	165	–	165	–
(Face Value - ₹ 100 each)				
Less : Provision for Diminution in Value of Investment		–		–
Premium Tradelinks Pvt. Ltd.	956,000	0.96	956,000	0.96
(Face Value - ₹ 10 each)				
Modi Care Limited	2,500,000	2.50	2,500,000	2.50
(Face Value - ₹ 10 each)				
Less : Provision for Diminution in Value of Investment		(2.50)		(2.50)
Investments measured at Amortised Cost				
Investments in Debentures				
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)
TOTAL		**711.03**		**731.76**
Aggregate Amount of Quoted Investment and Market Value thereof		**609.63**		**623.60**
Aggregate amount of Unquoted Investments		**103.99**		**110.76**
Aggregate amount of impairment in value of Investments		**2.59**		**2.59**

Note :

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, 2021

NOTE 6A : NON CURRENT ASSETS HELD FOR SALE

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Equity Shares of Indo Reagens Polymer Additives Private Limited (No. of Equity Shares 1,89,62,000 of ₹ 10 each)	18.96	–
TOTAL	**18.96**	**–**

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Security and Other Deposits	8.72	8.75
Loans to Employees	0.16	0.24
TOTAL	**8.88**	**8.99**

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Forward Contracts Receivable (Refer 8.1)	1.14	–
Fixed Deposits maturing after 12 months	10.37	10.33
Margin Money Pledged with Banks	0.30	–
TOTAL	**11.81**	**10.33**

8.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

NOTE 9 : INCOME TAXES

a. Current Tax Assets and Liabilities

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Assets		
Advance Income-Tax (net of provision for taxation)	13.25	26.38
TOTAL	**13.25**	**26.38**
Current Tax Liabilities		
Provision for tax (net of advance Income Tax)	2.01	2.01
TOTAL	**2.01**	**2.01**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

b. Components of Income Tax Expense / (Income)

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income Tax recognised in the Statement of Profit and Loss		
Current Tax:		
Current Tax	82.82	16.23
(Excess)/Short provision of Earlier Years	(0.67)	(0.35)
Deferred tax	10.91	(28.67)
TOTAL	**93.06**	**(12.79)**

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Deferred 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	(0.05)	10.46
Re-measurement (losses) / gains on defined benefit plans	0.44	0.56
TOTAL	**0.39**	**11.02**

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, 2021	Year ended March 31, 2020
Profit before tax	**140.60**	**65.89**
Statutory tax rate	**34.94%**	**34.94%**
Expected Income Tax expense at statutory tax rate	49.13	23.02
Tax effect of temporary difference	10.59	6.84
Tax effect of expenses not deductible	17.32	1.85
Tax effect of allowable items	(4.16)	(12.05)
Tax effect of differential tax rate	9.95	(2.85)
Tax effect of Income Tax incentives	(0.01)	(18.39)
Deferred Tax expenses	1.75	(10.86)
Reversal of Entitlement of MAT credit	9.16	–
Reversal of excess provision	(0.67)	(0.35)
Tax expense	**93.06**	**(12.79)**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

d. Deferred Tax Assets / (Liabilities) Net

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities		
Allowances on Property, Plant and Equipment and Other Intangible Assets	(42.54)	(54.33)
Fair Value changes of Current Investment through Profit and Loss	(0.39)	(0.05)
Total Deferred Tax Liabilities	**(42.93)**	**(54.38)**
Deferred Tax Assets		
Allowance for Doubtful Advances / Debts	14.98	18.36
Accrued Expenses deductible on cash basis	25.84	34.30
Due to loss in subsidiary (Business losses and unabsorbed depreciation)	14.07	–
Payment under Voluntary Retirement Scheme [Refer Note (i) below]	5.37	8.79
Defined Benefit Obligations	1.37	0.93
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	3.74	3.79
Due to Joint Ventures profit	(14.80)	(2.53)
MAT Credit Entitlement	52.57	104.50
Total Deferred Tax Assets	**103.14**	**168.14**
Net Deferred Tax Assets / (Liabilities)	**60.21**	**113.76**

Note :

i. Payment under Voluntary Retirement Scheme allowable over a period of 5 years under Income-Tax Act,1961

ii. As per the Taxation Laws (Amendment) Act, 2019, a new Section 115BAA in the Income-Tax Act, 1961 providing an option to the assessee to pay the Income Tax at reduced rates as per the provisions/conditions defined in the said Section. While the Company is continuing to provide and consider the payment of Income Tax at the old rates, deferred tax assets and liabilities are measured at the reduced rates at which such deferred tax assets / liabilities are expected to be realised or settled.

e. Movement during the year

₹ in Crores

Particulars	Balance as at April 1, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Utilisation of MAT Credit / Exchange difference	Balance as at March 31, 2021
Allowances on Property, Plant and Equipment and Other Intangible Assets	(54.33)	11.85	–	(0.06)	(42.54)
Fair Value changes of current investment through Profit and Loss	(0.05)	(0.34)	–	–	(0.39)
Allowance for doubtful advances / debts	18.36	(3.38)	–	–	14.98
Accrued Expenses deductible on cash basis	34.30	(8.35)	–	(0.11)	25.84
Business losses and unabsorbed depreciation of Subsidiary	–	14.16	–	(0.09)	14.07
Payment under Voluntary Retirement Scheme	8.79	(3.42)	–	–	5.37
Defined Benefit Obligations	0.93	–	0.44	–	1.37
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	3.79	–	(0.05)	–	3.74
Due to Joint Ventures profit	(2.53)	(12.27)	–	–	(14.80)
MAT Credit Entitlement	104.50	(9.16)	–	(42.77)	52.57
TOTAL	**113.76**	**(10.91)**	**0.39**	**(43.03)**	**60.21**

Notes forming Part of Financial Statements
for the year ended March 31, 2021

₹ in Crores

Particulars	Balance as at April 1, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Utilisation of MAT Credit / Exchange difference	Balance as at March 31, 2020
Allowances on Property, Plant and Equipment and Other Intangible Assets	(51.29)	(3.07)	–	0.03	(54.33)
Fair Value changes of current investment through Profit and Loss	–	(0.05)	–	–	(0.05)
Allowance for doubtful advances / debts	13.42	4.94	–	–	18.36
Accrued Expenses deductible on cash basis	26.67	7.61	–	0.02	34.30
Payment under Voluntary Retirement Scheme	–	8.79	–	–	8.79
Defined Benefit Obligations	0.37	–	0.56	–	0.93
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(6.67)	–	10.46	–	3.79
Due to Joint Ventures profit	(4.59)	2.06	–	–	(2.53)
MAT Credit Entitlement	96.11	8.39	–	–	104.50
TOTAL	**74.02**	**28.67**	**11.02**	**0.05**	**113.76**

NOTE 10 : OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	3.11	2.21
Balances with Government Authorities	2.53	4.41
TOTAL	**5.64**	**6.62**

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials	69.00	44.16
Raw Materials-in-transit	11.03	21.62
Packing Materials	25.17	27.71
Work-in-progress	10.26	10.26
Finished Goods	197.20	301.59
Finished Goods-in-transit	11.23	8.74
Stock-in-Trade	18.91	37.07
Stores and Spares	13.61	8.67
TOTAL	**356.41**	**459.82**

1. The cost of inventories recognised as an expense during the year was ₹ 1269.07 crores (March 31, 2020 ₹ 1206.71 crores).

2. The cost of inventories recognised as an expense includes ₹ NIL (March 31, 2020 ₹ 3.59 crores) in respect of adjustment of inventories to net realisable value/slow moving inventory.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

3. The products of the Company are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Company has assessed liquidation plan of near expiry products and provision of ₹ NIL (March 31, 2020 ₹ 3.59 crores) has been accounted which is included in point (ii) above. The Company does not foresee any further diminution in the net realisable value of inventories carried as at March 31, 2021 due to COVID-19.

4. For mode of valuation of inventories [Refer Note 2.09].

5. Certain Inventories are hypothecated against borrowings, details relating to which have been described in Notes 20 and 23.

6. The assignment of cost of inventories of finished goods lying at depots is changed by using weighted average from first-in, first-out formula. Due to this change, the value of finished goods is higher by ₹ 0.83 crore.

NOTE 12 : FINANCIAL ASSETS - INVESTMENTS (CURRENT)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	₹ in Crores	Nos.	₹ in Crores
Investments at Fair Value through Profit or Loss				
Investments in Units of Mutual Funds (Quoted At Fair Value)				
Franklin India Ultra	360,036	1.07	713,327.82	1.96
(Face Value - ₹ 10 each)				
HDFC Liquid Fund - Growth	7,637	3.07	–	–
(Face Value - ₹ 1000 each)				
ICICI Prudential Liquid Fund - Reg - Growth	370,723	11.23	–	–
(Face Value - ₹ 100 each)				
Kotak Savings Fund - Growth	3,039,225	10.25	–	–
(Face Value - ₹ 10 each)				
Aditya Birla Sun Life Savings Fund - Growth	193,605	8.18	–	–
(Face Value - ₹ 100 each)				
Tata Liquid Fund - Growth	19,022	6.13	–	–
(Face Value - ₹ 1000 each)				
HDFC Ultra Shot Grow	6,092,004	7.22	–	–
(Face Value - ₹ 10 each)				
Aditya Birla Sun Life Liquid Fund -Growth	93,244	3.08	–	–
(Face Value - ₹ 100 each)				
TOTAL		**50.23**		**1.96**
Aggregate Amount of Quoted Investment and Market Value thereof		**50.23**		**1.96**

NOTE 13 : FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in Crores

Particulars	As at March 31, 2021		As at March 31, 2020	
Considered good – Secured		14.50		9.64
Considered good – Unsecured	706.54		762.39	
Trade Receivables – Credit Impaired	50.53		51.33	
	757.07		**813.71**	
Add: Allowance for bad and doubtful debts	(50.53)	706.54	(51.33)	762.39
TOTAL		**721.04**		**772.03**

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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

4. Movement in the amount of credit impaired on debtors:

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	51.33	38.40
Add: Allowance for bad and doubtful debts	(0.80)	12.93
Balance at the end of the year	**50.53**	**51.33**

NOTE 14 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks	232.98	155.01
Cash on Hand	0.09	0.21
Fixed Deposits with original maturity of 3 months or less	31.54	30.51
TOTAL	**264.61**	**185.73**

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances		
Unpaid Dividend Account	1.80	2.49
Margin Money Pledged with Banks	–	0.33
Fixed Deposits with original maturity of 3 to 12 months	44.23	5.63
TOTAL	**46.03**	**8.45**

NOTE 16 : FINANCIAL ASSETS - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to Related Parties (Refer Note 49)	–	0.06
Interest Receivable	3.01	0.80
Forward Contracts Receivable (Refer 16.1)	1.11	2.89
TOTAL	**4.12**	**3.75**

16.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

NOTE 16A : FINANCIAL ASSETS - LOAN

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Employees	0.08	0.13
TOTAL	**0.08**	**0.13**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 17 : OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Export Incentives Receivable	1.34	8.79
Prepaid Expenses	7.61	10.56
Other Advances	2.75	3.50
Balances with Indirect Tax Authorities	57.16	71.51
TOTAL	**68.86**	**94.36**

NOTE 18 : EQUITY SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
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 Preference Shares of ₹ 100 par value	6.00	6.00
TOTAL AUTHORIZED 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
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	**21.35**	**21.35**

a. Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
Shares at the beginning of the year	22,958,222	21.35	22,958,222	21.35
Changes during the year	–	–	–	–
Shares at the end of the year	**22,958,222**	**21.35**	**22,958,222**	**21.35**

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 Shareholder	As at March 31, 2021		As at March 31, 2020	
	%	No. of Shares	%	No. of Shares
K. K. Modi Investment and Financial Services Pvt. Ltd.	44.75%	10,273,073	44.75%	10,273,073
APMS Investment Fund Ltd.(FII)	7.13%	1,635,822	7.13%	1,635,822
U.P. State Industrial Development Corporation Ltd.	9.45%	2,169,956	9.45%	2,169,956
Rajputana Fertilizers Ltd.	8.35%	1,916,666	8.35%	1,916,666

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 19 : OTHER EQUITY

₹ in Crores

Particulars	As at March 31, 2021		As at March 31, 2020	
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		6.30
Add/ Less: Changes during the year		–		–
Closing Balance		**6.30**		**6.30**
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**
Debenture Redemption Reserve				
Opening Balance		7.50		37.50
Add: Transferred from/(to) Retained Earnings		(7.50)		(30.00)
Closing Balance		**–**		**7.50**
General Reserve				
Opening Balance		51.70		51.70
Add/ Less: Changes during the year		–		–
Closing Balance		**51.70**		**51.70**
Special Economic Zone Re-invenstment Reserve				
Opening Balance		50.00		–
Add: Transferred from/ (to) Retained Earnings		(6.61)		50.00
Closing Balance		**43.39**		**50.00**
Special Reserve				
Opening Balance		15.88		11.29
Add: Transferred from /(to) Retained Earnings		0.27		4.59
Closing Balance		**16.15**		**15.88**
Retained Earnings				
Opening Balance		1,372.92		1,321.01
Add: Profit for the year	66.94		94.80	
Less: Transferred from Debenture Redemption Reserve	7.50		25.41	
Less: Transferred to/(from) Special Economic Zone Re-investment Reserve	6.61		(50.00)	
Less: Re-measurement gains / (losses) on defined benefit plans	(0.83)		(1.01)	
Less: Dividends on Shares paid during the year	(10.68)		(17.08)	
Less: Dividend Distribution Tax paid during the year	-	69.54	(0.21)	51.92
Closing Balance		**1,442.46**		**1,372.92**
Equity Instruments through Other Comprehensive Income (OCI)				
Opening Balance		327.39		470.10
Add/ Less: Fair value changes of investments in Equity Instruments		(15.30)		(142.71)
Closing Balance		**312.09**		**327.39**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ in Crores

Particulars	As at March 31, 2021		As at March 31, 2020	
The effective portion of gains and loss on hedging instruments				
Opening Balance		(34.02)		(14.55)
Add/ Less: Loss on effective portion of cash flow hedge		0.10		(19.47)
Closing Balance		**(33.92)**		**(34.02)**
Foreign Currency Translation Reserve				
Opening Balance		(5.36)		(17.16)
Add/ Less: Changes during the year		(14.90)		11.80
Closing Balance		**(20.26)**		**(5.36)**
Share of Other Comprehensive Income in Joint Ventures				
Opening Balance		(0.04)		(0.04)
Add/ Less: Changes during the year		(0.03)		–
Closing Balance		**(0.07)**		**(0.04)**
Non-controlling interest				
Opening Balance		0.27		0.31
Add/ Less: Profit for the period		0.11		(0.04)
Closing Balance		**0.38**		**0.27**
TOTAL		**1,931.35**		**1,905.67**

Nature and Purpose of the Reserves

a. **Capital Reserve**

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

b. **Securities Premium**

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

c. **Capital Redemption Reserve**

Capital Redemption Reserve is created due to redemption of preference Share Capital in earlier years as per the requirement of the Companies Act, 2013.

d. **Debenture Redemption Reserve**

Debenture Redemption Reserve is created for repayment of Non-convertible Debenture. NCD repaid fully during the year, hence remaining DRR balance transferred to Retained Earning.

e. **General Reserve**

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

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

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

g. **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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

h. Retained Earnings

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

i. Equity instruments through Other Comprehensive Income

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

j. The effective portion of gains and loss on hedging instruments

The effective protion 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.

k. 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 20 : FINANCIAL LIABILITIES (NON-CURRENT BORROWINGS)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Secured:		
a. Non-Convertible Debentures	–	74.83
a. Rupee Term Loans	–	25.57
b. Foreign Currency Term Loans	395.83	527.21
	395.83	**627.61**
Less : Current Maturities of Long-term debts (Refer Note 25)	114.76	205.13
TOTAL	**281.07**	**422.49**

A. Non-convertible Debenture:

Series C and B - 375 each Non-convertible Debentures of ₹ 10,00,000 each carrying coupon rate of 9.87% p.a. repaid fully in June 2020 and September 2020 respectively.

B. Rupee Term Loans:

1. Term Loan amounting to ₹ 25 crores as at March 31, 2020 has been swapped into foreign currency term loan which is disclosed under C.9 below.
2. Vehicle Loan amounting to ₹ 0.57 crores as at March 31, 2020 has been repaid during the year.

C. Foreign Currency Term Loans:

1. All Term Loans carry interest rate between of 1.00% p.a. to 5.00% p.a. (1.00% p.a. to 5.00% p.a. as on March 31, 2020)
2. Term Loan amounting to ₹ 84.59 crores (March 31, 2020 ₹ 93.32 crores) is repayable over 2 installments of ₹ 2.95 crores each and 16 installments of ₹ 4.92 crores each.
3. Term Loan amounting to ₹ 7.41 crores (March 31, 2020 ₹ 14.81 crores) is repayable over 5 quarterly installments of ₹ 1.31 crores each and 1 installment of ₹ 0.86 crores.
4. Term Loans amounting to ₹ 197.64 crores (March 31, 2020 ₹ 221.53 crores) is repayable over 3 quarterly installments of ₹ 7.80 crores each and 16 quarterly installments of ₹ 10.40 crores each and 1 installment of ₹ 7.80 crores.

Notes forming Part of Financial Statements
for the year ended March 31, 2021

5. Term Loan amounting to ₹ 20.47 crores (March 31, 2020 ₹ 34.60 crores) is repayable over 5 quarterly installments of ₹ 3.82 crores each and 1 installment of ₹ 1.38 crores.

6. Term Loan amounting to ₹ 14.67 crores (March 31, 2020 ₹ 22.32 crores) is repayable over 7 quarterly installments of ₹ 2.10 crores each.

7. Term Loan amounting to ₹ 29.75 crores (March 31, 2020 ₹ 39.27 crores) is repayable over 11 quarterly installments of ₹ 2.70 crores each.

8. Term Loan amounting to ₹ 13.69 crores (March 31, 2020 ₹ 19.88 crores) is repayable over 4 semi-annually paid installments of ₹ 3.42 crores each.

9. Term Loan amounting to ₹ 17.65 crores (March 31, 2020 ₹ NIL) is repayable over 3 semi-annually paid installments of ₹ 4.39 crores each and 1 installment of ₹ 4.48 crores.

10. Term Loan amounting to ₹ 9.70 crores (March 31, 2020 ₹ 21.90 crores) is repayable over 3 installments of ₹ 3.23 crores each.

11. Term Loan amounting to ₹ 35.23 crores as at March 31, 2020 has been repaid during the year.

D. Security / Charges

1. Term Loan amounting to ₹ 84.59 crores is secured by first ranking charge on the Andheri office property and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.

2. Term Loan amounting to ₹ 103.65 crores are secured by first *pari passu* charge on the present and future Property, Plant and Equipments of the Company (except those assets which have been specifically financed) and second *pari passu* charge on present and future current assets of the Company *inter se* the Working Capital Lenders.

3. Term Loan amounting to ₹ 197.64 crores is secured by first ranking *pari passu* charge on the EBDC plant at Dahej, Gujarat and second *pari passu* charge on other Property, Plant and Equipments of the Company (except those assets which have been specifically financed) and collateral on present and future current assets of the Company *inter se* the Working Capital Lenders.

4. An amount of ₹ 10.41 crores (March 31, 2020 ₹ 8.99 crores) has been held by way of Debt Service Reserve Account with Bank.

E. Current Maturity

1. Amounts falling due within one year in respect of all the above loans have been grouped under "Current Maturities of Long Term Debts '' under Note 25.

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit Received from Customers	14.64	16.02
Financial Guarantee Obligation	1.02	1.47
Forward Contracts Payable (Refer 21.1)	–	2.94
TOTAL	**15.66**	**20.43**

21.1 The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 22 : PROVISIONS (NON-CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits (Refer Note 48)		
Leave Encashment	10.79	10.12
Gratuity	–	15.79
Provision for Other Contingency	0.73	–
TOTAL	**11.52**	**25.91**
Movement in Provision for Other Contingency		
As at April 1, 2019		
Addition	–	–
Utilisation	–	–
As at March 31, 2020	–	–
Addition	0.73	–
Utilisation	–	–
As at March 31, 2021	**0.73**	**–**

NOTE 23 : FINANCIAL LIABILITIES - BORROWINGS-CURRENT

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Working Capital Loans from Banks (Refer 23.1)	373.66	587.14
TOTAL	**373.66**	**587.14**

23.1 Secured by first *pari passu* charge, by way of hypothecation of Company's Current Assets and other Movable Assets and second *pari passu* charge on the Property, Plant and Equipment, both present and future, *inter se* the Term Lenders.

23.2 Short Term Borrowing includes liability on account of dealer financing.

NOTE 24 : FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of creditors other than micro enterprises and small enterprise	371.73	247.73
Total outstanding dues of micro enterprises and small enterprises	1.41	0.44
TOTAL	**373.14**	**248.17**
Additional disclosure in respect of dues to Micro, Small, Medium Enterprise		
i. Principal amount remaining unpaid	1.41	0.44
ii. Interest accrued on the above amount and remaining unpaid	0.00*	–
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	–	–
iv. Interest paid in terms of Section 16	–	–
v. Interest due and payable for payments already made	–	–
vi. Interest accrued and remaining unpaid	–	–
vii. Amount of further interest remaining due and payable even in succeeding years	–	–

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 25 : FINANCIAL LIABILITIES - OTHERS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-term Debts	114.76	205.13
Interest Accrued on Borrowings	1.05	2.75
Financial Guarantee Obligation	0.48	0.44
Forward Contracts Payable (Refer 25.1)	–	1.06
Unclaimed Dividend (Refer 25.2)	1.80	2.49
Liability for expenses		
Payable to related parties (Refer Note 49)	13.19	0.70
Payable to others	87.83	57.35
Other Liabilities	11.67	18.58
TOTAL	**230.78**	**288.50**

25.1 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.

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

NOTE 26 : OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Other Payables		
Advances from Customers	3.75	2.47
Statutory Dues Payable	6.91	7.43
TOTAL	**10.66**	**9.90**

NOTE 27 : PROVISIONS (CURRENT)

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits (Refer Note 48)		
Leave Encashment	4.30	8.06
Gratuity	4.33	5.43
TOTAL	**8.63**	**13.49**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 28 : REVENUE FROM OPERATIONS

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Sale of Products*				
Agrochemical	2,144.94		1,886.58	
Specialty and Performance Chemicals	271.78	2,416.72	286.70	2,173.28
Interest Income		1.63		0.60
Dividend Income		0.21		22.52
Other Operating Income:				
Export Incentives and Entitlements	10.57		18.83	
Scrap Sales	0.99		1.27	
Miscellaneous Income	0.66	12.22	0.15	20.25
TOTAL		**2,430.78**		**2,216.65**

* Refer Note 38

NOTE 29 : OTHER INCOME

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Interest Income				
On Bank Deposit	2.81		1.41	
On Customers Overdues	–		4.61	
On Others	1.90	4.71	1.00	7.02
Profit on Sale of Current Investments measured at Fair Value through Profit and Loss (FVTPL)		0.15		0.94
Other Non-operating Income:				
Guarantee Commission	0.48		0.70	
Rent	0.30		0.34	
Insurance Claims received	0.27		0.79	
Sundry balances / excess provisions written back	0.59		3.94	
Others	0.81	2.45	1.35	7.12
Other Gains and Losses				
Net gain on foreign currency transactions and translation		–		4.38
Gain on Financial Assets measured at fair value through profit or loss		1.80		–
Profit on Sale of Property, Plant and Equipment (Net)		0.93		0.09
TOTAL		**10.04**		**19.55**

NOTE 30 : COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw Materials Consumed	950.70	890.85
Packing Materials Consumed	93.16	87.95
TOTAL	**1,043.86**	**978.80**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 31 : PURCHASE OF STOCK-IN-TRADE

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Stock-in-trade	105.15	115.36
(Purchase of Traded Goods)		
TOTAL	**105.15**	**115.36**

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

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Opening Stocks :				
Finished Goods	310.34		402.07	
Stock-in-trade	37.07		58.49	
Work-in-progress	10.26	357.67	9.66	470.22
Less : Closing Stocks :				
Finished Goods	208.44		310.33	
Stock-in-trade	18.91		37.08	
Work-in-progress	10.26	237.61	10.26	357.67
NET CHANGE IN INVENTORIES		**120.06**		**112.55**

NOTE 33 : EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Allowances	186.75	187.76
Contribution to Provident and Other Funds	9.40	13.62
Gratuity Expense	3.06	3.13
Staff Welfare Expenses	11.66	17.03
TOTAL	**210.87**	**221.54**

NOTE 34 : FINANCE COSTS

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expenses On		
Non-convertible Debenture	2.56	13.48
Long-term Borrowings	19.21	23.17
Short-term Borrowings	30.76	40.88
Lease Liabilities (Refer Note 39)	0.54	0.59
Ancilliary Borrowing Costs	8.84	10.74
Others	2.76	1.34
TOTAL	**64.67**	**90.20**

NOTE 35 : DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Property, Plant and Equipments	66.17	69.30
Amortisation on Right-of-Use Assets (Refer Note 39)	2.86	4.95
Amortisation on Intangible Assets	42.71	43.85
TOTAL	**111.74**	**118.10**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 36 : OTHER EXPENSES

₹ in Crores

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Consumption of Stores and Spares		15.40		15.85
Power, Fuel and Utilities		71.55		78.65
Processing Charges		68.90		58.55
Lease Rent / Hire Charges (Refer Note 39)		8.99		13.14
Repairs and Manitenance				
– Building	1.54		3.07	
– Plant and Machinery	14.55		11.78	
– Others	4.29	20.38	4.24	19.09
Insurance		11.30		12.34
Rates and Taxes		1.87		3.71
Pollution Control Expenses		9.92		9.91
Legal and Professional Fees		35.96		62.92
General Office Expenses		23.91		29.82
Foreign Exchange Fluctuation (Net)		17.58		–
Advertisement, Publicity and Sales Promotion		58.91		52.31
Outward Freight Charges		116.43		78.79
Loading and Unloading Charges		–		2.20
Provision for Doubtful Debts		–		12.68
Travelling and Conveyance		13.64		41.05
Payment to Auditors :				
– Audit Fees	0.72		0.59	
– Transfer Pricing Audit Fees	–		0.05	
– Taxation and Other Advisory Matters	0.11		0.16	
– Certification Charges and Others	0.06		0.05	
– Reimbursement of Expenses	0.01	0.90	0.01	0.84
Director's sitting fees		0.53		0.55
Corporate Social Responsibility (Refer Note 43)		4.14		4.96
Donations		0.00*		0.32
(Gain) / Loss on Financial Assets measured at fair value through profit or loss		–		0.07
Indirect Tax expenses		8.99		1.16
Miscellaneous Expenses		5.03		3.43
TOTAL		**494.33**		**502.35**

NOTE 37 : EXCEPTIONAL ITEMS

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount paid under Voluntary Retirement Scheme (Refer 37.1)	–	31.41
Provision for Impairment on Intangible Assets (Refer 37.2)	114.02	–
Write off - Intangibe Assets under development (Refer 37.2)	35.52	–
TOTAL	**149.54**	**31.41**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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

37.2 The Group has large product portfolio of Mancozeb products and formulations from manufacturing knowhow to brands, registration which gives access to various markets. In this connection, the Group has recognised Intangible Assets relating to Mancozeb (Products Registrations, Trademarks etc.) with the carrying amount of ₹ 288.65 crores (Cost of ₹ 438.74 crores as capitalised less ₹ 150.09 crores as amortised).

The European Union (EU) Commission, in its order dated December 14, 2020 took a decision not to renew the Mancozeb related registrations, and a short transition period was allowed against which the Group has already sought interim relief and filed appeal before European courts. Since the decision would impact the business of the Group in European countries, on the basis of impairment testing, it was assessed that the recoverable amount of the intangible assets related to active substance Mancozeb in EU is less than its carrying amount as on March 31, 2021. In fact, the possibility of having any sum as recoverable could be remote and hence, the Group has made an impairment provision for such related intangible assets to the extent of its carrying amount of ₹ 114.02 crores Further, the Group has incurred expenditure of ₹ 35.52 crores upto March 31, 2021 on certain items of registration, etc. for Mancozeb in EU which are under development and till the time its process is completed the same have been reflected as Intangible Assets under development; however, the consequent to non-renewal of approval of the active substance Mancozeb in EU, the Group has written off such expenditure reflected as Intangibles assets under development.

The above mentioned provision for impairment of ₹ 114.02 crores and write off of Intangibles assets under development of ₹ 35.52 crores, considering the nature and the materiality of amount involved, the same have been reflected as Exceptional Items in the Statement of Profit and Loss.

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

Disaggregation of Revenue from Contracts with Customers

₹ in Crores

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Agro	Innovative Solutions	Invest-ments	Total	Agro	Innovative Solutions	Invest-ments	Total
Sale of Products								
India	1,058.50	254.82	–	1,313.32	875.72	263.12	–	1,138.84
Europe	404.55	–	–	404.55	390.18	0.07	–	390.25
South America	202.86	0.70	–	203.56	256.87	0.43	–	257.30
Others	479.03	16.26	–	495.29	363.81	23.08	–	386.89
Interest Income	–	–	1.63	1.63	–	–	0.60	0.60
Dividend Income	–	–	0.21	0.21	–	–	22.52	22.52
Total (A)	**2,144.94**	**271.78**	**1.84**	**2,418.56**	**1,886.58**	**286.70**	**23.12**	**2,196.40**
Other Operating Revenue								
Export Incentives and Entitlements	10.42	0.15	–	10.57	17.98	0.85	–	18.83
Scrap Sales	0.84	0.15	–	0.99	0.94	0.33	–	1.27
Others	0.66	–	–	0.66	0.15	–	–	0.15
Total (B)	**11.92**	**0.30**	**–**	**12.22**	**19.07**	**1.18**	**–**	**20.25**
Revenue from Operations (A+B)	**2,156.86**	**272.08**	**1.84**	**2,430.78**	**1,905.64**	**287.89**	**23.12**	**2,216.65**

Sales by performance obligations

Performance obligations is satisfied at a point in time when the customer obtains control of the asset and accordingly, in most of the cases, revenue is recognised on shipment or dispatch of products.

Notes forming Part of Financial Statements
for the year ended March 31, 2021

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

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per Contract Price	2,621.06	2,393.25
Adjustments made to contract price:		
a. For Discounts/ Rebates/ Incentives	147.68	69.39
b. Sales Returns	54.82	127.46
Revenue from contracts with customer	**2,418.56**	**2,196.40**
Other Operating Revenue	12.22	20.25
Revenue from Operations	**2,430.78**	**2,216.65**

Impact of COVID-19

There was no material disruption due to the COVID-19 pandemic on operations of the Group. However, business operations mainly supply chain and specialty chemical division were impacted due to lockdown and other emergency measures imposed by the governments. The Group continues with its operations in a phased manner in line with directives from the authorities. The Group has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions, there is no material impact and adjustments required on its financial statements as at March 31, 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial statements. The Group will continue to monitor any material change to future economic conditions and its impact, if any.

NOTE 39 : Ind AS 116 on "Leases"

1.1 Transition to Ind AS 116 :

The Group has adopted Ind AS 116 on "Leases" with effect from April 1, 2019, by applying to all contracts of leases existing on April 1, 2019, subject to below practical expedient, by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 was not restated. The Group recognised and measured the Right-of-Use (ROU) asset and the lease liability on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset on Prepaid Leasehold Land of ₹ 37.25 crores and ROU asset and lease liabilities on Vehicles taken on lease of ₹ 8.36 crores as on April 1, 2019. Further, the nature of expenses in respect of operating leases was changed from lease rent in previous periods to depreciation for the ROU asset and finance costs for interest accrued on lease liability. The impact of adoption of Ind AS 116 on the profit before tax and earning per share for the year ended March 31, 2020 is ₹ 2.31 crores.

1.2 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, 2021	As at March 31, 2020
Current Lease Liabilities	2.29	2.16
Non-current Lease Liabilities	2.25	4.59
TOTAL	**4.54**	**6.75**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

B. Movement in Lease Liabilities during the year:

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**6.75**	–
Transition to Ind AS 116	–	8.36
Additions	–	0.28
Finance costs accrued	0.54	0.60
Deletions	(0.05)	–
Payment of Lease Liabilities	(2.70)	(2.49)
Balance at the end of the year	**4.54**	**6.75**

C. The aggregate interest expense amounting to ₹ 0.54 crores (March 31, 2020 ₹ 0.59 crores) on Lease Liabilities is disclosed separately under Note 34 on "Finance Costs".

D. Details regarding the contractual maturities of Lease Liabilities on an undiscounted basis :

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	2.66	2.67
One to five years	2.52	5.39
More than five years	–	–
TOTAL	**5.18**	**8.06**

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, 2021	Year ended March 31, 2020
Depreciation charge on Right-of-use Assets	2.86	4.95
Interest expense on Lease Liabilities	0.54	0.60
Expense relating to Short-term Leases	0.06	0.29
Expense relating to Leases of low value assets, excluding short-term leases of low value assets	8.94	12.85
Gain on termination of Leases	0.02	–

G. Total cash outflow for leases from financing activites is recognised in the Statement of Cash Flows for the year ended March 31, 2021 is ₹ 2.70 crores (March 31, 2020 ₹ 2.48 crores).

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, 2021	As at March 31, 2020
Less than one year	0.27	0.30
One to five years	0.48	0.75
More than five years	–	–
TOTAL	**0.75**	**1.05**

B. Lease Income recognised in the Statement of Profit and Loss for the year ended March 31, 2021 is ₹ 0.30 crores (March 31, 2020 ₹ 0.34 crores) which is disclosed under Note 29 on "Other Income".

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 40 : HEDGING ACTIVITIES AND DERIVATIVES

Foreign Currency Risk

The Group has adopted hedge accounting Non-derivative financial liabilities (i.e. borrowings) are designated as hedging instruments in cash flow hedges of forecast sales in US dollar and Euro. These forecast transactions are highly probable.

Carrying value and maturity of foreign currency borrowings designated as hedging instruments are given below :

Hedging Instrument	As at March 31, 2021			Maturity Date
	Amount outstanding in foreign currency (EUR in crores)	Amount outstanding in foreign currency (USD in crores)	Amount outstanding in local currency (₹ in crores)	
Foreign Currency Term Loans	4.41	–	378.47	April 2021 to June 2026
TOTAL	**4.41**	**–**	**378.47**	

Hedging Instrument	As at March 31, 2020			Maturity Date
	Amount outstanding in foreign currency (EUR in crores)	Amount outstanding in foreign currency (USD in crores)	Amount outstanding in local currency (₹ in crores)	
Buyer's Credit	–	1.12	84.04	April 2020 to October 2020
Foreign Currency Term Loans	5.43	–	450.42	April 2020 to June 2026
TOTAL	**5.43**	**1.12**	**534.46**	

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 to ₹ 4.57 crores (March 31, 2020 ₹ 2.16 crores) on account of Buyer's Credit ₹ 12.22 crores (March 31, 2020 ₹ 5.94 crores) on account of Term Loans.

The cash flow hedges of the expected future sales during the year ended March 31, 2021 were assessed to be highly effective and a net unrealised loss of ₹ 0.15 crores, with a deferred tax asset of ₹ 0.05 crores relating to the hedging instruments, is reflected under Other Comprehensive Income (OCI) (March 31, 2020 ₹ 19.46 crores (net)).

Cash flow hedge balance as on March 31, 2021 and March 31, 2020 was ₹ 52.12 crores and ₹ 52.27 crores respectively. The amounts retained in OCI at March 31, 2021 and March 31, 2020 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, 2021	As at March 31, 2020
2020-2021	–	12.64
2021-2022	12.14	8.78
2022-2023	14.03	10.40
2023-2024	9.21	7.24
2024-2025	9.02	7.05
2025-2026	7.72	6.16
TOTAL	**52.12**	**52.27**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 41 : CONTINGENT LIABILITIES

(To the extent not provided for)

1. Consequent to termination of the contract by the Indofil Chemicals Company (erstwhile Modipon Ltd.), a toll manufacturer (Polson Ltd.) filed a Civil suit bearing No.378/1997 before District Judge, Kolhapur, now transferred to Commercial Court, Kolhapur numbered as Spl. C.S.No.1/2016, against the Company claiming ₹ 3.15 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.

2. 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.

3. Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax

₹ in Crores

Statute	As at March 31, 2021	As at March 31, 2020
Sales tax matters (including VAT and CST appeal)	3.67	5.28
Excise matters	0.36	0.36
Service tax matters	0.99	–
Entry tax matters	0.25	0.25
TOTAL	**5.27**	**5.89**

4. Guarantees Executed in favour of Corporate

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Guarantees Executed in Favour of Corporate	85.06	113.47
Less: Counter Guarantees Received	(41.68)	(55.60)
Net Guarantees Executed in favour of Corporate	**43.38**	**57.87**

NOTE 42 : CAPITAL COMMITMENTS

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated Amount of Capital Commitments remaining to be executed	8.34	12.18
Less: Advances Paid	(5.81)	(2.21)
Net Capital Commitments	**2.53**	**9.97**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

NOTE 43 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount required to be spent during the year	**4.14**	**5.23**
Amount spent during the year		
Construction of Asset (Refer 43.1)		4.71
For other purposes	0.38	0.25
Total Paid during the year	**0.38**	**4.96**
To be Paid	3.76	0.27
TOTAL	**4.14**	**5.23**

43.1 Represents provision for contribution of ₹ 1.94 Crore (March 31, 2020 ₹ 4.71 crores) to be made to Modi Innovative Education Society which is in the process of establishing a university in the state of Chhattisgarh.

43.2 The Group has made provisions for unspent CSR expenses of ₹ 3.87 crores for the year ended March 31, 2021.

43.3 Amount spent during the year includes ₹ 0.27 crores pertaining to the year ended March 31, 2020.

NOTE 44 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year as per Statement of Profit and Loss (₹ in crores)	66.94	94.76
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	21,351,147	21,351,147
Earnings Per Share - Basic and Diluted (Amounts in ₹)	**31.35**	**44.38**

NOTE 45 : CAPITAL MANAGEMENT

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

NOTE 46 : FINANCIAL RISK MANAGEMENT AND POLICIES

The Group's activities exposes it to a variety of financial risks: market risks, credit risks and liquidity risks. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The 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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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 :

Particulars	As at March 31, 2021			
	USD in Crores	₹ in Crores	EURO in Crores	₹ in Crores
Financial Assets				
Trade Receivable	4.56	333.26	2.40	205.97
EEFC Balances	1.25	91.51	0.11	9.67
DSRA Balance	0.04	2.56	–	–
Derivative Assets	–	–	–	–
Foreign Exchange Forward Contracts	–	–	–	–
Sell Foreign Currency	(1.14)	(83.35)	(0.52)	(44.93)
Net Exposure to Foreign Currency Risk (Assets)	**4.71**	**343.98**	**1.99**	**170.71**
Financial Liability				
Foreign Currency Loan				
Short term	0.77	56.14	0.50	42.98
Long term	–	–	4.50	385.88
PCFC	0.15	10.97	0.20	17.15
Trade Payables	0.72	52.30	0.03	2.73
Derivative Liability				
Foreign Exchange Forward Contracts	–	–	–	–
Buy Foreign Currency	–	–	–	–
Net Exposure to Foreign Currency Risk (Liability)	**(1.64)**	**(119.41)**	**(5.23)**	**(448.74)**
Net Exposure to Foreign Currency Risk Open	**3.07**	**224.57**	**(3.24)**	**(278.03)**

Notes forming Part of Financial Statements
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Particulars	As at March 31, 2020			
	USD in Crores	₹ in Crores	EURO in Crores	₹ in Crores
Financial Assets				
Trade Receivable	3.98	299.98	2.74	227.02
EEFC Balances	0.83	62.40	0.40	32.84
Derivative Assets				
Foreign Exchange Forward Contracts	–	–	–	–
Sell Foreign Currency	(1.47)	(110.75)	(1.55)	(128.90)
Net Exposure to Foreign Currency Risk (Assets)	**3.34**	**251.63**	**1.59**	**130.96**
Financial Liability				
Foreign Currency Loan				
Short term	1.45	109.28	1.22	100.90
Long term	0.49	36.67	5.34	443.57
PCFC	0.98	73.84	0.75	62.25
Trade Payables	0.62	46.45	0.06	4.71
Derivative Liability				
Foreign Exchange Forward Contracts	–	–	–	–
Buy Foreign Currency	–	–	(0.63)	(52.25)
Net Exposure to Foreign Currency Risk (Liability)	**(3.54)**	**(266.24)**	**(6.74)**	**(559.18)**
Net Exposure to Foreign Currency Risk Open	**(0.20)**	**(14.61)**	**(5.15)**	**(428.22)**

Note :

The Group 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, 2021		As at March 31, 2020	
	Amounts in Foreign currency (Crores)	₹ in Crores	Amounts in Foreign currency (Crores)	₹ in Crores
Foreign currency forwards - Buy				
USD	–	–	–	–
EURO	–	–	0.63	52.25
Foreign currency forwards - Sell				
USD	1.14	83.35	1.47	110.75
EURO	0.52	44.93	1.55	128.90

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

Currency	As at March 31, 2021		As at March 31, 2020	
	5% Strengthening	5% Weakening	5% Strengthening	5% Weakening
USD	11.23	(11.23)	(0.73)	0.73
EURO	(13.90)	13.90	(21.41)	21.41

Notes forming Part of Financial Statements
for the year ended March 31, 2021

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 beacuse of a change in market interest rates.

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate Borrowings	–	33.08
Fixed rate Borrowings	769.49	1,107.76
Total Borrowings	**769.49**	**1,140.84**

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, 2021 would increse/(decrease) by ₹ NIL (March 31, 2020 would increase/(decrease) by ₹ 0.33 crores).

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.

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, 2021 and as at March 31, 2020 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.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ in Crores

Particulars	As at March 31, 2021		As at March 31, 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Non-current Borrowings	114.76	281.07	205.13	422.49
Security Deposits	–	14.64	–	16.02
Financial Guarantee	0.48	1.02	0.44	1.47
Forward Contracts Payable	–	–	1.06	2.94
Working Capital Loans from Banks	373.66	–	587.14	–
Trade Payables	373.14	–	248.17	–
Lease Liabilities	2.29	2.25	2.16	4.59
Other Financial Liabilities	115.53	–	81.87	–
TOTAL	**979.86**	**298.98**	**1,125.97**	**447.51**

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 47 : 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, 2021	As at March 31, 2020
Financial Assets		
Fair Value through Profit and Loss		
Investments in Units of Mutual Funds	58.30	9.36
Fair Value through Other Comprehensive Income		
Investments in Equity Shares (Other than Subsidiaries and Joint Ventures)	617.10	632.35
Derivative Instruments not in Hedging Relationship		
Forward Contracts Receivable	1.11	–
Amortised Cost		
Loans	8.96	9.12
Trade Receivables	721.04	772.03
Cash and Cash Equivalents	264.61	185.73
Other Bank Balances	46.03	8.45
Other Financial Assets	14.82	14.08
TOTAL	**1,731.97**	**1,631.12**
Financial Liabilities		
Fair Value through Profit and Loss		
Financial Guarantee Obligation	1.51	1.92
Derivative Instruments not in Hedging Relationship		
Forward Contracts Payable	–	1.06
Derivative Instruments in Hedging Relationship		
Term Loans	378.47	450.42
Buyer's Credit	–	84.04
Amortised Cost		
Borrowings	391.02	680.30
Trade Payable	373.14	248.17
Lease Liabilities	4.54	6.75
Other Financial Liabilities	130.16	100.83
TOTAL	**1,278.84**	**1,573.49**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

In case of Investments in Equity Instruments designated as Fair Value through Other Comprehensive Income and investments in Preference Shares and Debentures measured at amortized cost,which have been provided for, the Group continues to estimate their fair value on the balance sheet date as NIL.

b. Fair Value Hierarchy

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

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

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

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

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

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

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

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

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

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets		
Level 1		
Investment in Quoted Equity Shares	601.57	616.19
Investments in Units of Mutual Funds	58.30	9.36
Level 2		
Derivative Financial Assets	1.11	–
Level 3		
Investments in Unquoted Equity Shares	15.54	16.16
TOTAL	**676.52**	**641.71**
Financial Liabilities		
Level 2		
Derivative Financial Liabilities	–	1.06
Level 3		
Financial Guarantee Obligations	1.51	1.91
TOTAL	**1.51**	**2.97**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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

Particulars	Significant Unobservable Input	Sensitivity of Input to Fair Value Measurement
Investment in Unquoted Equity Shares	Fair Value of Net Assets	5% increase in forecasted fair value will increase the value of investment by ₹ 0.78 crores (₹ 0.77 crores as on March 31, 2020) and 5% decrease will have equal but opposite effect.
Financial Guarantee Obligation	Discount Rate 5.51%	1 % increase in Discount Rate will have Loss of ₹ 0.02 crores (₹ 0.02 crores as on March 31, 2020) and a 1% decrease in Discount Rate will have a equal but opposite effect.

c. Reconciliation of Level 3 Fair Value Measurement

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance of Level 3 Financial Assets / (Liabilities)	**14.08**	**12.91**
Add / (Less): Changes during the year	–	
Guarantee Commission recognised	0.48	0.70
Fair Valuation Gain / (Loss) on Investments in Unquoted Equity Instruments through Other Comprehensive Income (OCI)	(0.47)	0.64
Fair Valuation Gain / (Loss) on Financial Guarantee Obligation	(0.06)	(0.17)
Closing Balance of Level 3 Financial Assets / (Liabilities)	**14.03**	**14.08**

NOTE 48 : EMPLOYEE BENEFITS EXPENSE

a. Defined contribution plans

Superannuation Fund

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

Superannuation Fund to which contributions are made is administered by Life Insurance Corporation of India.

Other Contribution Funds

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

The Group 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, 2021	Year ended March 31, 2020
Employer's Contribution to Employees' Provident Fund	6.05	9.00
Employer's Contribution to Employees' Pension Fund	1.32	1.57
Employer's Contribution to Superannuation Fund	2.02	3.02
Employer's Contribution to ESIC	0.01	0.03
Employer's Contribution to MLWF	0.00*	0.00*
TOTAL	**9.40**	**13.62**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

b. Defined benefit plans

Retirement Gratuity

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

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, 2021 (Funded)	As at March 31, 2020 (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	31.70	48.26
2	Interest cost	2.16	3.76
3	Current service cost	1.61	1.56
4	Past Service Cost - Non-Vested Benefit Incurred During the Period	–	–
5	Past Service Cost - Vested Benefit Incurred During the Period	–	–
6	Liability Transferred In/ Acquisitions	–	–
7	(Liability Transferred out / Divestment)	–	(0.24)
8	(Gains)/ Losses on Curtailment	–	–
9	Liabilities Extinguished on Settlement	–	–
10	Benefits paid directly by the employer	–	–
11	Benefits paid from the fund	(15.80)	(22.62)
12	The Effect Of Changes in Foreign Exchange Rates	–	–
13	Actuarial changes arising from changes in demographic assumptions	–	0.69
14	Actuarial changes arising from changes in financial assumptions	(0.02)	0.86
15	Actuarial changes arising from changes in experience adjustments	1.09	(0.56)
16	**Present Value of defined benefit obligation at the end of the year**	**20.74**	**31.70**

₹ in Crores

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	10.48	28.03
2	Interest Income	0.72	2.19
3	Contributions paid by the employer	21.22	3.50
4	Transfer from other Company	–	–
4	Expected Contributions by the Employees	–	–
5	Assets Transferred In/ Acquisitions	–	–
6	Assets transferred out / divestments	–	–
7	Benefits paid from the fund	(15.80)	(22.62)
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	(0.21)	(0.62)
12	**Fair value of plan assets at the end of the year**	**16.41**	**10.48**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ in Crores

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
III	**Net Asset / (Liability) recognised in the Balance Sheet**		
1	Present Value of defined benefit obligation at the end of the year	(20.74)	(31.70)
2	Fair value of plan assets at the end of the year	16.41	10.48
3	Funded Status (Surplus/ (Deficit))	(4.33)	(21.22)
4	**Net Asset / (Liability) recognised in the Balance Sheet**	**(4.33)**	**(21.22)**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2021 (Funded)	Year ended March 31, 2020 (Funded)
IV	**Net Interest Cost for the year**		
1	Present Value of Benefit Obligation at the Beginning of the Period	31.70	48.26
2	Fair Value of Plan Assets at the Beginning of the Period	(10.48)	(28.03)
3	Net Liability/(Asset) at the Beginning	21.22	20.23
4	Interest Cost	2.16	3.76
5	Interest Income	(0.72)	(2.18)
6	**Net Interest Cost for the year**	**1.44**	**1.58**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2021 (Funded)	Year ended March 31, 2020 (Funded)
V	**Expenses recognised in the Statement of Profit and Loss for the year**		
1	Current service cost	1.61	1.56
2	Interest cost on benefit obligation (Net)	1.44	1.58
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**	**3.05**	**3.14**

₹ in Crores

Sr. No.	Particulars	Year ended March 31, 2021 (Funded)	Year ended March 31, 2020 (Funded)
VI	**Recognised in Other Comprehensive Income for the year**		
1	Actuarial changes arising from changes in demographic assumptions	–	0.69
2	Actuarial changes arising from changes in financial assumptions	(0.02)	0.86
3	Actuarial changes arising from changes in experience adjustments	1.09	(0.57)
4	Return on plan assets excluding interest income	0.21	0.62
5	Change in Asset Ceiling	–	–
6	**Recognised in Other Comprehensive Income**	**1.28**	**1.60**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ in Crores

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
VII	**Cash Flow Projection: From the Fund**		
1	Within the next 12 months (next annual reporting period)	5.68	15.36
2	2nd following year	1.58	3.06
3	3rd following year	1.68	1.75
4	4th following year	2.45	1.57
5	5th following year	2.70	2.34
6	Sum of years 6 to 10	7.34	8.42
7	Sum of years 11 and above	9.04	9.18

The average duration of the defined benefit plan obligation as at March 31, 2021 is 5 years (March 31, 2020: 5 years).

₹ in Crores

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
VIII	**Quantitative sensitivity analysis for significant assumption**		
	Projected Benefit Obligation on current assumptions	20.74	31.70
(i)	Delta Effect of +1% Change in Rate of Discounting	(0.87)	(0.90)
(ii)	Delta Effect of -1% Change in Rate of Discounting	0.97	1.00
(i)	Delta Effect of +1% Change in Rate of Salary Increase	0.99	1.02
(ii)	Delta Effect of -1% Change in Rate of Salary Increase	(0.90)	(0.93)
(i)	Delta Effect of +1% Change in Rate of Employee Turnover	0.13	0.14
(ii)	Delta Effect of -1% Change in Rate of Employee Turnover	(0.15)	(0.16)

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.

Sr. No.	Particulars	As at March 31, 2021 (Funded)	As at March 31, 2020 (Funded)
IX	**The major categories of plan assets as a percentage of total**		
	Insurer managed funds	100%	100%
X	**Actuarial assumptions**		
1	Discount rate	6.86%	6.83%
2	Salary escalation	4%	4%
3	Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	N.A.	N.A.
5	Rate of Employee Turnover	5%	5%
6	Expected Return on Plan Assets	6.86%	6.83%

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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, 2021	As at March 31, 2020
1	**Leave Encashment**		
	Current	4.30	8.05
	Non-current	10.79	10.12

NOTE 49 : RELATED PARTY

List of Related Parties:

Joint Ventures (Extent of holding)

Indo Baijin Chemicals Pvt. Ltd. (51%)

Indo Reagens Polymer Additives Pvt. Ltd. (49.9%)

Other Related Parties in which Directors/ KMP's relatives have significant influence:

Godfrey Phillips India Ltd.

H.M.A. Udyog Pvt. Ltd.

Modi Care Ltd.

Beacon Travels Pvt. Ltd.

Bina Fashions N Food Pvt. Ltd.

Premium Merchants Ltd.

Modi Rubber Ltd.

KKM Management Centre Pvt. Ltd.

KKM Management Centre Middle East FZE

Modi Innovative Education Society

Modi Stratford Enterprises Management Pvt Ltd.

Colorbar Cosmetics Pvt Ltd.

EGO Obsession

AMC Chemicals Pvt. Ltd. (upto April 20, 2020)

Vismita Industries (upto April 20, 2020)

Utsavi Agritech (upto April 20, 2020)

Utsavi Biotech (upto April 20, 2020)

Other Related Parties:

ICC Employee Provident Fund Trust

Key Management Personnel

Executive Directors

Mr. Krishan Kumar Modi (upto November 2, 2019)

Dr. Bina Modi (with effect from November 14, 2019)

Ms. Charu Modi

Dr. Atchutuni Rao

Mr. Daniel Fontes Dias

Mr. Pankaj Amrit Patil

Mr. Narendra Sagrolikar

Mr. Ashrant Bhartia (with effect from January 1, 2021)

Non Executive Directors

Mr. Samir Modi

Ms. Aliya Modi

Mr. Mahendra Naranji Thakkar

Mr. Sunil Kumar Alagh

Mr. Sanjay Buch

Mr. Lakshminarayanan Subramanian

Mr. Anil Garg (UPSIDC) (upto September 9, 2020)

Mr. Mayur Maheshwari (with effect from September 9, 2020)

KMPs other than Directors

Mr. Rajinder Kumar Malhotra- Group CEO (upto April 20, 2020)

Mr. Narendra C Rane - COO (with effect from April 20, 2020)

Mr. Rajib Mukhopadhyay - Chief Financial Officer

Mr. Devang R Mehta - Company Secretary

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ 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, 2021	Year ended March 31, 2020
RECEIVING OF SERVICES						
1. Godfrey Phillips India Ltd.	–	–	0.17	–	0.17	0.00*
2. HMA Udyog Pvt. Ltd.	–	–	0.06	–	0.06	0.03
3. Beacon Travels Pvt. Ltd.	–	–	0.61	–	0.61	5.76
4. Bina Fashions N Food Pvt. Ltd.	–	–	0.30	–	0.30	0.75
5. EGO Obsession	–	–	0.13	–	0.13	0.04
6. Modi Care Ltd.	–	–	0.02	–	0.02	0.03
7. Modi Stratford Enterprises Management Pvt. Ltd.	–	–	0.76	–	0.76	0.85
8. Indo Reagens Polymer Additives Pvt. Ltd.	4.32	–	–	–	4.32	2.78
9. Utsavi Agritech	–	–	–	–	–	1.54
10. Utsavi Biotech	–	–	–	–	–	10.83
11. Colorbar Cosmetics Pvt Ltd.	–	–	0.06	–	0.06	–
Total	**4.32**	**–**	**2.11**	**–**	**6.43**	**22.61**
PURCHASE OF GOODS						
1. Indo Baijin Chemicals Pvt. Ltd.	111.43	–	–	–	111.43	100.60
2. AMC Chemicals Pvt. Ltd.	–	–	–	–	–	38.42
3. Vismita Industries	–	–	–	–	–	22.01
Total	**111.43**	**–**	**–**	**–**	**111.43**	**161.03**
TRANSFER OF LICENSE FOR UTILISATION						
1. Indo Baijin Chemicals Pvt. Ltd.	1.30	–	–	–	1.30	0.13
2. Indo Reagens Polymer Additives Pvt. Ltd.	–	–	–	–	–	0.05
Total	**1.30**	**–**	**–**	**–**	**1.30**	**0.18**
SALE OF GOODS						
1. Indo Reagens Polymer Additives Pvt. Ltd.	0.15	–	–	–	0.15	7.05
2. Modi Care Ltd.	–	–	7.47	–	7.47	2.85
3. Godfrey Phillips India Ltd.	–	–	0.01	–	0.01	–
Total	**0.15**	**–**	**7.48**	**–**	**7.63**	**9.90**
MANAGEMENT CONTRACTS						
1. KKM Management Center Pvt. Ltd.	-	-	1.95	-	1.95	2.10
2. KKM Management Centre Middle East FZE	-	-	-	-	-	4.75
Total	**-**	**-**	**1.95**	**-**	**1.95**	**6.85**
RENT EXPENSE						
1. Premium Merchants Ltd.	–	–	0.08	–	0.08	0.06
2. Ms. Charu Modi	–	0.09	–	–	0.09	0.09
Total	**–**	**0.09**	**0.08**	**–**	**0.17**	**0.15**
DIVIDEND PAID						
1. Mr. Krishan Kumar Modi	–	–	–	–	–	0.17
2. Dr. Bina Modi	–	0.19	–	–	0.19	0.16
3. Mr. Samir Modi	–	0.01	–	–	0.01	0.02
Total	**–**	**0.20**	**–**	**–**	**0.20**	**0.35**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ 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, 2021	Year ended March 31, 2020
CONTRIBUTION TO EMPLOYEES BENEFIT TRUST						
1. ICC Employee Provident Fund Trust	–	–	–	13.18	13.18	16.93
Total	**–**	**–**	**–**	**13.18**	**13.18**	**16.93**
DIVIDEND INCOME						
1. Godfrey Phillips India Ltd.	–	–	–	–	–	22.25
Total	**–**	**–**	**–**	**–**	**–**	**22.25**
RENT INCOME						
1. Modi Rubber Ltd.	–	–	0.06	–	0.06	0.06
2. Indo Reagens Polymer Additives Pvt. Ltd.	0.23	–	–	–	0.23	0.28
Total	**0.23**	**–**	**0.06**	**–**	**0.29**	**0.34**
GUARANTEE COMMISSION INCOME						
1. Indo Baijin Chemicals Pvt. Ltd.	0.48	–	–	–	0.48	0.70
Total	**0.48**	**–**	**–**	**–**	**0.48**	**0.70**
REIMBURSEMENT OF EXPENSES (RECEIVED)						
1. Indo Baijin Chemicals Pvt. Ltd.	1.34	–	–	–	1.34	0.29
2. Indo Reagens Polymer Additives Pvt. Ltd.	3.03	–	–	–	3.03	4.31
Total	**4.37**	**–**	**–**	**–**	**4.37**	**4.60**
CSR EXPENSES						
1. Modi Innovative Education Society	–	–	–	–	–	4.71
Total	**–**	**–**	**–**	**–**	**–**	**4.71**
INTEREST INCOME						
1. Indo Baijin Chemicals Pvt. Ltd.	–	–	–	–	–	0.29
2. Indo Reagens Polymer Additives Pvt. Ltd.	0.03	–	–	–	0.03	–
Total	**0.03**	**–**	**–**	**–**	**0.03**	**0.29**
GUARANTEES GIVEN						
1. Indo Baijin Chemicals Pvt. Ltd.	43.38	–	–	–	43.38	57.87
Total	**43.38**	**–**	**–**	**–**	**43.38**	**57.87**
OUTSTANDING BALANCES						
Receivables						
1. Indo-Reagens Polymer Additives Pvt. Ltd.	0.17	–	–	–	0.17	0.84
2. Beacon Travels Pvt. Ltd.	–	–	–	–	–	0.01
3. Modi Care Ltd.	–	–	1.14	–	1.14	0.22
4. Modi Rubber Ltd.	–	–	0.02	–	0.02	–
Total	**0.17**	**–**	**1.16**	**–**	**1.33**	**1.07**
Payables						
1. KKM Management Center Pvt. Ltd.	–	–	1.66	–	1.66	0.97
2. Indo Baijin Chemicals Pvt. Ltd.	10.31	–	–	–	10.31	3.83
3. Indo-Reagens Polymer Additives Pvt. Ltd.	1.74	–	–	–	1.74	–
4. AMC Chemicals Pvt. Ltd.	–	–	–	–	–	2.57
5. Vismita Industries	–	–	–	–	–	6.74
6. Utsavi Agritech	–	–	–	–	–	0.06
7. Utsavi Biotech	–	–	–	–	–	0.79
Total	**12.05**	**–**	**1.66**	**–**	**13.71**	**14.96**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ 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, 2021	Year ended March 31, 2020
ADVANCE PAYMENT						
1. KKM Management Centre Middle East FZE	–	–	–	–	–	1.76
Total	–	–	–	–	–	**1.76**
INVESTMENTS MADE DURING THE YEAR						
1. Indo Reagens Polymer Additives Pvt. Ltd.	–	–	–	–	–	19.46
Total	–	–	–	–	–	**19.46**
Remuneration Payable to KMP	–	**13.19**	–	–	**13.19**	**0.70**
Total	–	**13.19**	–	–	**13.19**	**0.70**

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, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: NIL). This assessment is undertaken each Financial Year through examining the financial position of the related party and the market in which the related party operates.

Loan to Joint Venture:

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

Remuneration and Sitting Fees payable to KMP

₹ in Crores

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Executive Directors	Non - Executive Directors	Total	Executive Directors	Non - Executive Directors	Total
Short-term Employee Benefits	28.85	1.40	30.25	16.11	0.70	16.81
Post-Employment Benefits	3.38	–	3.38	3.46	–	3.46
Sitting Fees	–	0.53	0.53	–	0.55	0.55
	32.23	**1.93**	**34.16**	**19.57**	**1.25**	**20.82**

NOTE 50 : Details of Loans given, Investments made and Guarantees given covered under Section 186 (4) of the Companies Act, 2013:

Loans

No loan given by the Group in favour of Corporates are outstanding as at March 31, 2021 and as at March 31, 2020.

Investments

Details required u/s 186 have been disclosed in Note 6 of the Consolidated Financial Statements.

Notes forming Part of Financial Statements

for the year ended March 31, 2021

Guarantees

All Corporate Guarantees given by the Group in respect of Loans as at March 31, 2021,

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Indo Baijin Chemicals Pvt. Ltd. (net of counter guarantee)	43.38	57.87

The above Corporate Guarantee is given for business purpose.

NOTE 51 : SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES

The Group has a 51% equity interest in Indo Baijin Chemicals Pvt. Ltd. and a 49.9% stake in Indo Reagens Polymer Additives Private Limited . The Group's interest in these Joint Ventures 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 Ventures, 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 Pvt. Ltd.

A. Summarised Balance Sheet :

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	91.18	67.46
Non-current Assets	224.51	241.33
Current Liabilities	81.21	80.48
Non-current Liabilities	67.95	86.21
Equity	**166.53**	**142.10**
Carrying Amount of Investment	**84.93**	**72.48**

B. Summarised Statement of Profit and Loss:

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	232.58	233.96
Cost of Material Consumed	111.98	122.96
Employee Benefits Expense	13.91	9.92
Depreciation and Amortisation Expense	20.42	19.24
Finance Costs	6.74	8.36
Other Expenses	24.49	35.34
Profit Before Tax	**55.04**	**38.14**
Less : Income Tax Expense	18.53	8.47
Profit For The Year	**36.51**	**29.67**
Other Comprehensive Income	–	–
Total Comprehensive Income for the year	**36.51**	**29.67**
Group's Share of Profit For The Year	**18.62**	**15.13**
Group's Share of Other Comprehensive Income	**–**	**–**

Notes forming Part of Financial Statements

for the year ended March 31, 2021

Indo Reagens Polymer Additives Private Limited

A. Summarised Balance Sheet :

₹ in Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	36.22	21.06
Non-current Assets	71.49	22.45
Current Liabilities	27.37	4.07
Non-current Liabilities	40.34	0.29
Equity	**40.00**	**39.15**
Carrying Amount of Investment	**19.89**	**19.54**

B. Summarised Statement of Profit and Loss:

₹ in Crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	26.58	18.92
Cost of Material Consumed	17.95	11.45
Employee Benefits Expense	4.07	3.98
Depreciation and Amortisation	0.12	0.07
Other Expenses	3.34	3.96
Profit Before Tax	**1.10**	**(0.55)**
Less : Income Tax Expense	0.31	(0.01)
Profit For The Year	**0.79**	**(0.54)**
Other Comprehensive Income	(0.07)	–
Total Comprehensive Income for the year	**0.72**	**(0.54)**
Group's Share of Profit For The Year	**0.40**	**(0.27)**
Group's Share of Other Comprehensive Income	**(0.03)**	**–**

NOTE 52 : ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARIES / ASSOCIATES

₹ in Crores

	FY 2020-21							
Name of the Enterprise	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 Statement of Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
Parent								
Indofil Industries Ltd.	72.52%	1,415.75	192.34%	128.75	45.73%	(14.16)	318.57%	114.59
Subsidiaries								
Indian								
Quick Investment (India) Ltd.	1.58%	30.82	0.63%	0.42	17.69%	(5.48)	(14.06%)	(5.06)
Good Investment (India) Ltd.	3.84%	75.06	1.33%	0.89	34.03%	(10.54)	(26.82%)	(9.65)
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.53%	10.37	(6.56%)	(4.39)	-	–	(12.20%)	(4.39)
Indofil –Costa Rica S.A.	-	–	-	–	-	–	-	–

Notes forming Part of Financial Statements

for the year ended March 31, 2021

₹ in Crores

Name of the Enterprise	FY 2020-21							
	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 Statement of Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
Indofil Industries (Netherland) B.V.	9.65%	188.32	(64.74%)	(43.34)	0.82%	(0.25)	(121.19%)	(43.59)
Indofil Industries International	4.48%	87.40	(0.61%)	(0.41)	0.82%	(0.25)	(1.84%)	(0.66)
Indofil Industries DO Brasil Ltda	0.43%	8.42	(22.05%)	(14.76)	0.82%	(0.25)	(41.74%)	(15.01)
Indofil Phillipines, Inc.	0.48%	9.37	5.60%	3.75	-	–	10.43%	3.75
Agrowin Bioscience S.r.l. (80%)	0.43%	8.46	0.91%	0.61	-	–	1.70%	0.61
Joint Ventures (as per Equity Method)								
Indian								
Indo Baijin Chemicals Pvt. Ltd.	4.35%	84.93	27.82%	18.62	-	–	51.77%	18.62
Indo Reagens Polymer Additives Private Limited	1.02%	19.89	0.60%	0.40	0.10%	(0.03)	1.03%	0.37
Inter Company Elimination	0.69%	13.53	(35.26%)	(23.60)	0.01%	(0.00*)	(65.62%)	(23.60)
Total	**100.00%**	**1,952.32**	**100.00%**	**66.94**	**100.00%**	**(30.97)**	**100.00%**	**35.97**

₹ in Crores

Name of the Enterprise	FY 2019-20							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Statement of Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Comprehensive Income	Amount
Parent								
Indofil Industries Ltd.	67.31%	1,296.94	70.91%	67.19	5.98%	(9.05)	(102.59%)	58.14
Subsidiaries								
Indian								
Quick Investment (India) Ltd.	1.58%	30.40	8.28%	7.85	32.28%	(48.87)	72.40%	(41.02)
Good Investment (India) Ltd.	3.85%	74.17	15.92%	15.09	62.24%	(94.24)	139.69%	(79.15)
Foreign								
Indofil Bangladesh Industries Pvt. Ltd.	0.48%	9.34	(0.22%)	(0.21)	–	–	0.37%	(0.21)
Indofil –Costa Rica S.A.	–	–	–	–	–	–	–	–
Indofil Industries (Netherland) B.V.	7.36%	141.81	11.95%	11.32	(0.17%)	0.25	(20.42%)	11.57
Indofil Industries International	4.39%	84.56	(0.80%)	(0.76)	(0.17%)	0.25	0.90%	(0.50)
Indofil Industries DO Brasil Ltda	1.30%	25.02	(7.49%)	(7.10)	(0.17%)	0.25	12.09%	(6.85)
Indofil Phillipines, Inc.	0.29%	5.56	1.06%	1.00	–	–	(1.76%)	1.00
Agrowin Bioscience S.r.l. (80%)	0.07%	1.32	(0.23%)	(0.22)	–	–	0.39%	(0.22)
Joint Ventures (as per Equity Method)								
Indian								
Indo Baijin Chemicals Pvt. Ltd.	3.76%	72.48	15.97%	15.13	–	–	(26.70%)	15.13
Indo Reagens Polymer Additives Private Limited	1.01%	19.54	(0.28%)	(0.27)	–	–	0.48%	(0.27)
Inter Company Elimination	8.60%	165.61	(15.05%)	(14.26)	–	–	25.17%	(14.26)
Total	**100%**	**1,926.75**	**100%**	**94.76**	**100%**	**(151.41)**	**100%**	**(56.66)**

Notes forming Part of Financial Statements
for the year ended March 31, 2021

NOTE 53: SEGMENT REPORTING

₹ in Crores

A. Primary Segment (by Business Segment)	Year ended March 31, 2021				Year ended March 31, 2020			
	AGRO	SPCD	INVESTMENTS	TOTAL	AGRO	SPCD	INVESTMENTS	TOTAL
a. Revenue :								
External Sales	2,156.79	272.15	1.84	2,430.78	1,905.64	287.89	23.12	2,216.65
Inter Segment Sales Revenue	–	–	–	–	-	-	-	-
Total Revenue	**2,156.79**	**272.15**	**1.84**	**2,430.78**	**1,905.64**	**287.89**	**23.12**	**2,216.65**
b. Result :								
Segment Result	167.11	31.49	1.82	200.42	108.15	11.06	23.10	142.31
Unallocable Corporate Expenses				(2.70)				(2.86)
Unallocable Corporate Income				7.55				16.64
Profit before Interest and Tax				205.27				156.09
Less : Finance Costs				64.67				90.20
Profit Before Tax				**140.60**				**65.89**
Provision for Tax & Deferred Taxes				93.06				(12.79)
Profit After Tax				**47.54**				**78.68**
Share of Profit /(Loss) of Joint Ventures				19.40				16.08
Profit For the Year				**66.94**				**94.76**

₹ in Crores

Particulars	As at March 31, 2021				As at March 31, 2020			
	AGRO	SPCD	INVESTMENTS	TOTAL	AGRO	SPCD	INVESTMENTS	TOTAL
c. Other Information :								
Segment Assets	2817.36	214.12	31.80	3,063.28	3,157.91	204.32	30.68	3,392.91
Unallocable Assets				201.09				158.90
Total Assets				**3,264.37**				**3,551.81**
Segment Liabilities	666.83	130.97	0.01	797.80	803.64	100.70	0.01	904.35
Unallocable Liabilities				513.87				720.44
Total Liabilities				**1311.67**				**1,624.79**
Total Equity				1952.70				1,927.02
Total Equity and Liability				**3264.37**				**3,551.81**

₹ in Crores

B. Secondary Segment Information (by Business Segment)	Year ended March 31, 2021			Year ended March 31, 2020		
	DOMESTIC	EXPORT	TOTAL	DOMESTIC	EXPORT	TOTAL
Revenues						
AGRO	1,060.01	1,096.78	2,156.79	876.80	1,028.84	1,905.64
SPCD	254.96	17.19	272.15	263.46	24.43	287.89
Investment	1.84	–	1.84	23.12	–	23.12
TOTAL	**1,316.81**	**1,113.97**	**2,430.78**	**1,163.38**	**1,053.27**	**2,216.65**

Notes:

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

Notes forming Part of Financial Statements

for the year ended March 31, 2021

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 54:

The Income Tax Department had searched the office premises of the Company in February 2021 in connection with search carried out by them under Section 132 of the Income Tax act, 1961 on a promoter of the Company. The tax officials have taken custody of certain records of the Company and recorded statements of some of the Company officials. No further communication has been received by the Company in this regard from the tax authorities.

NOTE 55:

Previous Year's figures have been regrouped / reclassified wherever necessary to conform with the current year's classification.

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NOTES ON ACCOUNTS	3-55

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

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

PARESH H. CLERK
Partner
Membership No.36148

Place: Mumbai
Date: June 23, 2021

For and on behalf of The Board of Directors

Dr. Bina Modi
Chairperson and Managing Director

Charu Modi
Executive Director

Narendra Rane
Chief Operating Officer

Rajib Mukhopadhyay
Chief Financial Officer

Devang Mehta
Company Secretary

Directors
Mumbai, June 23, 2021

Notes

Notes

Disclaimer

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forwardlooking statement, whether as a result of new information, future events, or otherwise.

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