

BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

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P. H. CLERK	R. G. DOSH
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Independent Auditor's Review Report on standalone audited annual financial results of Indofil Industries Limited Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

INDEPENDENT AUDITOR'S REPORT

**To The Board of Directors of
INDOFIL INDUSTRIES LIMITED**

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of standalone financial results of **INDOFIL INDUSTRIES LIMITED** ("the Company"), for the half-year and year ended March 31, 2020 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement :

- (i) is presented in accordance with the requirements of Regulation 52 of the Listing Regulations; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the half-year and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in *Auditor’s Responsibilities for Audit of the Standalone Financial Results* 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 results 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 is sufficient and appropriate to provide a basis for our audit opinion.

Management’s Responsibilities for the Statement

This Statement of financial results has been prepared on the basis of standalone financial statements. The Company’s Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations.

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 results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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 control with reference to financial statement in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors 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 Company 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 financial results 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 results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Other Matters

The figures of the standalone financial results as reported for the second half-year ended March 31, 2020 and the corresponding second half-year ended in the previous year are the balancing figures between audited figures in respect of the full financial year and published year-to-date figures up to the end of the first half-year ended September 30 of the relevant financial year. Also, the figures upto the end of the first half-year ended September 30, 2019 of the current financial year had only been subjected to limited review by us but the figures upto the end of the first half-year ended September 30, 2018 had not been subject to either separate audit or limited review but prepared by the management and was approved by the Board of Directors.

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

Paresh
Harikant
Clerk

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by Paresh
Harikant Clerk
Date: 2020.06.30
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PARESH H. CLERK
Partner

Membership No. 036148
UDIN : 20036148AAAABX4712

PLACE : MUMBAI
DATED : June 30, 2020

INDOFIL INDUSTRIES LIMITED
STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2020

₹ in Crore except EPS

Particulars	Half Year ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Audited	Audited	Audited
Income				
Revenue from Operations	1,020.48	1,065.83	2,037.35	2,177.20
Other Income	15.96	6.96	42.45	15.77
Total Income	1,036.44	1,072.79	2,079.80	2,192.97
Expenses				
Cost of Materials Consumed	386.31	558.76	909.12	1,185.58
Purchase of Stock-in-trade	48.74	63.01	115.36	183.46
Changes in Inventories of Finished Goods / Stock-in-trade	118.51	(109.90)	130.21	(224.09)
Employee Benefits Expense	91.22	96.97	193.60	196.49
Finance Costs	40.08	34.11	87.13	63.62
Depreciation and Amortisation	51.79	46.18	102.81	76.49
Other Expenses	236.44	270.44	458.16	496.55
Total Expenses	973.09	959.57	1,996.39	1,978.10
Profit / (Loss) Before Tax and Exceptional Items	63.35	113.22	83.41	214.87
Less : Exceptional Items (Refer Note 4)	0.53	-	31.41	-
Profit / (Loss) before Tax	62.82	113.22	52.00	214.87
Tax Expense				
Current Tax	15.90	23.22	11.85	44.06
Deferred Tax	(25.03)	(3.72)	(26.67)	(7.04)
Short / (Excess) provision of Earlier Years	(0.35)	0.14	(0.35)	0.14
Total Tax Expense	(9.48)	19.64	(15.17)	37.16
Profit after Tax	72.30	93.58	67.17	177.71
Other Comprehensive Income				
A Items that will not be reclassified to profit or loss				
Re-measurement of Gains / (Losses) on Defined Benefit Plans	(2.45)	(0.53)	(1.60)	(1.06)
Net Gain/(Loss) on Fair Value of Equity Instruments	(0.34)	(0.58)	(0.35)	(0.67)
Income Tax on above items	0.86	0.19	0.56	0.37
Total (A)	(1.93)	(0.92)	(1.39)	(1.36)
B Items that will be reclassified to profit or loss				
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge	(33.25)	19.06	(29.92)	19.06
Income Tax on above item	11.61	(6.66)	10.45	(6.66)
Total (B)	(21.64)	12.40	(19.47)	12.40
Total Other Comprehensive Income / (loss) for the year (A+B)	(23.57)	11.48	(20.86)	11.04
Total Comprehensive Income for the year	48.73	105.06	46.31	188.75
Earnings per equity share of nominal value of ₹ 10 each - Basic and Diluted	31.46	44.58	31.46	83.23
Paid up Equity Capital	21.35	21.35	21.35	21.35
Net Worth	1,117.31	1,107.63	1,117.31	1,107.63
Debenture Redemption Reserve (Refer Note 8)	7.50	37.50	7.50	37.50
Debt- Service Coverage Ratio (DSCR)*	1.09	4.11	1.09	4.37
Interest- Service Coverage Ratio (ISCR)**	2.78	6.54	2.78	6.14
Debt Equity Ratio***	0.91	0.97	0.91	0.97
Credit Rating	CRISIL A+	CRISIL A+	CRISIL A+	CRISIL A+
Previous due date of payment of interest and principal amount of debt securities and whether same is paid before due date	March 28, 2020	March 28, 2019	March 28, 2020	March 28, 2019

*DSCR = (Profit after tax + Depreciation + Interest on long term debts) / (Interest and Principal repayment of long term debts during the period)

**ISCR = (Profit before tax + Depreciation + Interest cost) / Interest cost

***Debt Equity Ratio = Total debt / Net worth

Half yearly reporting on Segment wise Revenues, Results, Assets and Liabilities under Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The following segments as per Ind AS 108 on "Operating Segments"

- a. Agro Chemicals
- b. Special and Performance Chemical Division

₹ in Crores

SR. No.	Particulars	Half year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2019
1	Segment Revenue			
	a) Agro B:C	896.57	1,749.47	1,870.24
	b) SPCD	123.91	287.88	306.96
	Total (a plus b)	1,020.48	2,037.35	2,177.20
	Less: Inter segment revenue	-	-	-
	Revenue from operations	1,020.48	2,037.35	2,177.20
2	Segment Results			
	a. Agro	54.83	91.89	264.94
	b. SPCD	4.31	11.04	9.89
	Total (a plus b)	59.14	102.93	274.83
	Less : Finance Costs	(40.08)	(87.13)	-63.62
	Other Unallocable Income net off unallocable expenditure	43.77	36.20	3.66
	Total Profit/(Loss) before Tax	62.83	52.00	214.87
3	Segment Assets			
	a. Agro	2,454.72	2,454.72	2,637.98
	b SPCD	204.32	204.32	263.84
	c. Unallocated Assets	159.83	159.83	115.15
	Total (a to c)	2,818.87	2,818.87	3,016.97
4	Segment Liabilities			
	a. Agro	753.65	753.65	900.61
	b SPCD	100.70	100.70	95.81
	c. Unallocated Liabilities	667.59	667.59	752.67
	Total (a to c)	1,521.94	1,521.94	1,749.09
	Net Capital Employed	1,296.93	1,296.93	1,267.88

Note : Segment Results of Agro is arrived at after reduction of expense on exceptional item.

INDOFIL INDUSTRIES LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
ASSETS		
Non-current Assets		
Property, Plant and Equipment	678.91	719.76
Capital Work-in-Progress	12.32	14.90
Right-of-Use Assets	40.04	-
Other Intangible Assets	111.97	134.76
Intangible Assets under Development	66.30	52.68
Financial Assets		
Investments	275.71	193.57
Loans	8.65	9.27
Other Financial Assets	10.34	9.70
Deferred Tax Assets	115.99	78.31
Income Tax Assets (Net)	25.05	16.48
Other Non-current Assets	6.74	42.16
Total Non-current Assets	<u>1,352.02</u>	<u>1,271.59</u>
Current Assets		
Inventories	415.79	618.24
Financial Assets		
Investments	1.96	-
Trade Receivables	812.83	863.32
Cash and Cash Equivalents	133.12	134.03
Other Bank Balances	8.45	1.93
Other Financial Assets	3.59	3.76
Other Current Assets	91.11	124.10
Total Current Assets	<u>1,466.85</u>	<u>1,745.38</u>
TOTAL ASSETS	<u><u>2,818.87</u></u>	<u><u>3,016.97</u></u>

Particulars	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	21.35	21.35
Other Equity	1,275.58	1,246.53
Total Equity	<u>1,296.93</u>	<u>1,267.88</u>
Liabilities		
Non - Current Liabilities		
Financial Liabilities		
Borrowings	402.33	483.92
Lease Liabilities	3.85	-
Other Financial Liabilities	20.43	20.56
Provisions	25.91	23.95
Total Non-current Liabilities	<u>452.52</u>	<u>528.43</u>
Current Liabilities		
Financial Liabilities		
Borrowings	574.84	587.87
Trade Payables	211.41	344.87
Lease Liabilities	1.97	-
Other Financial Liabilities	263.24	260.99
Other Current Liabilities	2.47	6.92
Provisions	13.48	18.00
Current Tax Liabilities (Net)	2.01	2.01
Total Current Liabilities	<u>1,069.42</u>	<u>1,220.66</u>
Total Liabilities	<u>1,521.94</u>	<u>1,749.09</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,818.87</u></u>	<u><u>3,016.97</u></u>

Notes:

1. The above standalone financial results which are published in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by SEBI Circular No. CIR/IMD/DF1/69/2016 date August 10, 2016 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meeting held on June 30, 2020. The standalone financial results of the Company have been prepared in accordance with the India Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and the Accounting principles generally accepted in India.

The figures for the second half-year ended March 31, 2020 and the corresponding second half-year ended March 31, 2019 as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the end of first half of the relevant financial year. The financial results of the first half year ended September 30, 2019 of the current year have been subjected to limited review but the corresponding financial results relating to the first half year ended September 30, 2018, have not been subject to either separate audit or limited review but prepared by the management and have been approved by the Board of Directors.

2. There was no material disruption due to The COVID-19 pandemic on operations of the Company. However, business operations mainly manufacturing and supply chain were impacted due to lockdown and other emergency measures imposed by the governments. Plants were shut in and around March 17, 2020 due to lockdown and labour shortage and supply chain impacted due to logistics issue during initial nationwide lockdown. The plants gradually started its operations from the third and last week of April. 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 results as at March 31, 2020. 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 results. The Company will continue to monitor any material change to future economic conditions and its impact, if any.
3. The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 and applied the Standard to its leases existing on April 1, 2019 by using modified retrospective approach with the cumulative effect of initially applying the Standard,

recognised on the date of initial application, that is, April 1, 2019 and accordingly, comparative figures for the year ended March 31, 2019 have not been restated. The Company has recognised and measured Right-of-Use (ROU) Assets and a corresponding lease liability over the remaining lease period and payment discounted using the incremental borrowing rate as at the date of initial application. As a result, as at April 1, 2019, the Company has recognised Right-of-Use (ROU) Assets of ₹ 7.38 Crore and a corresponding lease liability of ₹ 7.38 Crore as also has reclassified prepayment for leasehold land of ₹ 37.24 Crore as a ROU Asset.

In the results for current half-year and year ended March 31, 2020, the nature of expenses of operating leases has changed from lease rent in previous periods to depreciation or amortisation for ROU Assets and finance costs for interest accrued on lease liability. The effect of this adoption is ₹ 2.31 Crore on the profit or loss for the period and consequentially, that on earnings per share.

4. The exceptional item in the financial results is in respect of the Voluntary Retirement Compensation paid in the month of September and October 2019 to the Union employees related to shifting of Thane Plant Operations.
5. The Company's performance on an entity level has been examined by the Chief Operating Decision Maker. The Company has two Operating Segments, i.e. "Agrochemical" and "Specialty and Performance Chemical Division". Thus, the segment revenue, segment results, total carrying value of segment assets and segment liabilities are all reflected in the results for the half-year and year ended March 31, 2020 and the year ended March 31, 2019. While publishing the financial results for the half-year ended March 31, 2019, the segment information for the half-year ended March 31, 2019 was not published on the basis that since the segment information was disclosed in the consolidated financial statements, it would not form part of the standalone financial results. Thus, the segment information, now published, does not contain the information relating to the said half-year ended March 31, 2019.
6. The Company has paid the interest due on Non-convertible Debentures before the due date, that is, on June 28, 2019, September 28, 2019, December 28, 2019 and March 28, 2020. The next interest payment is due on June 28, 2020. Refer Annexure-1 for the details.
7. The Asset Cover as available is 2.01.
8. In accordance with the notification G.S.R 574 (E) dated August 16, 2019, the Company is no longer required to create Debenture Redemption Reserve from the above notified date. However as an abundant cautious company has maintained the Debenture Redemption Reserve of ₹ 7.50 Cr.

9. Figures for the previous periods have been regrouped/ reclassified to conform with those of the current period.

10. The Board of Directors of the Company has recommended a dividend at the rate of ₹ 5 per fully paid up equity share (50%) for the financial year 2019-20.

**Paresh
Harikant
Clerk**

Place: Mumbai

Dated: June 30, 2020

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Paresh Harikant
Clerk
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For **Indofil Industries Limited**

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(Dr. Atchutuni Rao)

Whole Time Director

Annexure-1 on NCD

Sr. No	Security Description	ISIN	Previous Actual Payment Date			Next Due Date			
			Interest (DD-MM-YYYY)	Amount (Rs. Crore)	Principal (DD-MM-YYYY)	Interest (DD-MM-YYYY)	Amount (Rs. Crore)	Principal (DD-MM-YYYY)	Amount (Rs. Crore)
1	INDOFIL INDUSTRIES LIMITED SERIES B 9.87 28/09/2020	INE071107021	27-03-2020	0.92	-	28-06-2020	0.94	28-09-2020	37.50
2	INDOFIL INDUSTRIES LIMITED SERIES C 9.87 26/03/2021	INE071107039	27-03-2020	0.92	-	28-06-2020	0.94	26-03-2021	37.50