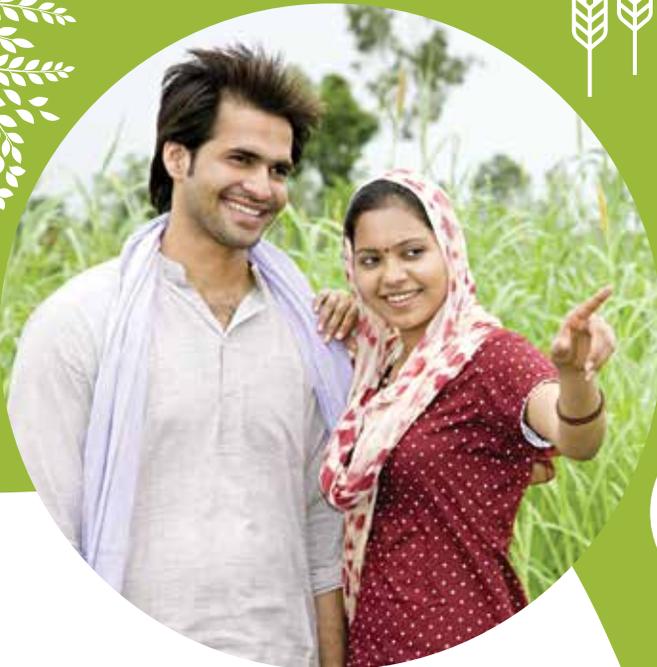
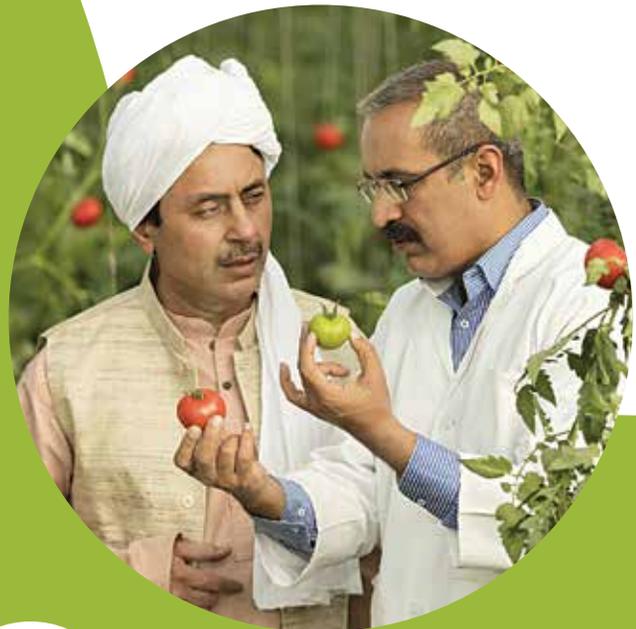




**RALLIS INDIA LIMITED**  
A **TATA** Enterprise

# Accelerating Farm Prosperity

71st Annual Report 2018-19



# Basis of Reporting

## OUR APPROACH TO THE ADOPTION OF INTEGRATED REPORTING <IR>

Integrated Report <IR> is fast emerging as a new corporate reporting platform and practice. <IR> enhances and enriches reporting primarily due to its (i) wider focus on creating value for all stakeholders and (ii) utilisation and interlinkages of multiple capitals in the value creation process.

While <IR> is not yet statutorily mandated we, at Rallis India Limited (Rallis), have voluntarily commenced our <IR> journey as part of our constant endeavour towards transparency and disclosures beyond statutory norms.

The Report embraces the holistic reporting approach as suggested by the International Integrated Reporting Council (IIRC) and the Securities and Exchange Board of India's (SEBI) circular dated 6th February, 2017.

## REPORTING PRINCIPLE

The Report is prepared in line with the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards and IIRC's <IR> framework. The Report is compiled with the help of various internationally recognised framework and guidelines especially to present the non-financial data in a manner that is concise, comparable and enhances the value of the Report for the shareholders as well as other stakeholders.

## REPORTING PERIOD, SCOPE AND BOUNDARY

The Report covers financial and non-financial information and activities of Rallis and subsidiaries - Metahelix Life Sciences Limited and Zero Waste Agro Organics Limited for the period 1st April, 2018 to 31st March, 2019. While the financial information has been audited by B S R & Co., LLP, Chartered Accountants, the non-financial information are management estimates.

## APPROACH TO MATERIALITY

The Report covers key material aspects that have been identified through various stakeholder engagements, their impact on the Company's value-creation process and how these are being addressed with a measurable target. This will assist stakeholders to take informed decisions regarding their engagement with the Company.



To view or download this report, please log on to [www.rallis.co.in/investor\\_relations.aspx?InvestorRelationSectionID=2&menuID=57](http://www.rallis.co.in/investor_relations.aspx?InvestorRelationSectionID=2&menuID=57)



# What's Inside?



01-36

## CORPORATE OVERVIEW

Company at a Glance	04
Performance Highlights	06
Chairman's Message	08
Board of Directors	10
Business Model and Value Creation	12
Business Review	14
Strategies to Accelerate Pace	15
Our Approach to Materiality	18
Engaging with the Stakeholders	19
Managing Risks Proactively	20
Harvesting Hope for Farmer Success	22
Accelerating Pace with Operational Excellence	26
Innovation - the Way Forward	28
Unlocking the People Potential	30
Being a Responsible Organisation	32
Senior Leadership	36



118-257

## FINANCIAL STATEMENTS

### Standalone Financial Statements

Independent Auditors' Report	119
Balance Sheet	130
Statement of Profit and Loss	131
Statement of Changes in Equity	132
Statement of Cash Flow	133
Notes to Financial Statements	135

### Consolidated Financial Statements

Independent Auditors' Report	187
Balance Sheet	194
Statement of Profit and Loss	195
Statement of Changes in Equity	196
Statement of Cash Flow	197
Notes to Financial Statements	199
Form AOC - 1	257



37-117

## STATUTORY REPORTS

Board's Report	38
Management Discussion and Analysis Report	72
Corporate Governance Report	88
Business Responsibility Report	108



258-280

Notice	258
Financial Statistics	275
Attendance Slip/Proxy Form	

<b>Annual General Meeting</b>	Friday, 28th June, 2019
<b>Time</b>	3.00 p.m.
<b>Venue</b>	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020
<b>Book Closure Dates</b>	21st June, 2019 to 28th June, 2019 (Both days inclusive)

### FORWARD-LOOKING STATEMENTS

Certain statements in this Report relating to our business operations and prospects may be forward-looking statements. These statements can be identified by usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

These forward-looking statements are dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. Such statements are not guaranteed of future operating, financial and other results, but constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks and uncertainties some of which are beyond our control. We do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.





Agriculture which contributes to 16% of the GDP and provides employment to nearly half of the country's population, plays an important role in the Indian economy. India is a leading farm producer as well as an exporter of many agro commodities. Its agro economy faces multiple challenges which is reflected in the relatively lower productivity compared to the advanced economies of the world. Science provides solutions to address some of these challenges and in turn, these provide opportunities for businesses involved in agriculture inputs.

By virtue of our long association with farmers we, at Rallis, leverage our deep understanding of their needs to develop and deliver innovative inputs to enhance farm productivity.

Our product offerings include crop protection, seeds, plant growth nutrients and organic compost. We partner with global agro-chem players by offering crop protection chemicals as well as contract manufacturing services by leveraging our expertise in chemistry.

We are focused on,

**Accelerating  
Farm  
Prosperity**





## OUR MISSION

Serving Farmers Through Science



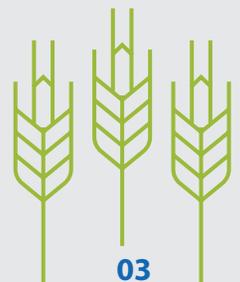
## OUR VISION

We aspire to be amongst the top 3 leading enterprises by 2025 in the chosen areas within farm inputs and chemistry-led businesses



## OUR VALUES

- Safety
- Passion
- Integrity
- Customer-Centricity
- Excellence



# Rallis: Serving Three Generations of the Farming Community with the Best of Science

At Rallis India Limited (Rallis), we are a part of the USD 110 billion Tata group and are associated with the farming community for 168 years. Trust built over long years reflects the strength of pioneering offerings, which helped farmers in addressing challenges of crop care from time to time.

We reach about 80% of the districts of India with our innovative and safe products developed through in-house Research and Development as well as in partnership with global innovators.

We remain committed to “Serving Farmers through Science” for sustainable farm prosperity.

## OUR PRESENCE IN THE AGRICULTURAL VALUE CHAIN



Seeds



Crop Protection



Soil Conditioners



Plant Growth Nutrients

## ORGANISATIONAL STRUCTURE – OUR BUSINESSES

### DOMESTIC BUSINESS

**Development, manufacturing and distribution of agri inputs:**

- Seeds: Paddy, Millet, Maize, BT Cotton, Mustard, Vegetables
- Crop Protection: Herbicides, Fungicides, Insecticides, Seed Treatment Chemicals, Household Pesticides
- Soil Conditioners
- Plant Growth Nutrients

### INTERNATIONAL BUSINESS

**Alliances and direct partnership**

- Distribution of technical-grade crop care and branded formulations in international markets

**Contract manufacturing**

- Manufacturing molecules for global agro chemical companies



## PRINCIPAL BUSINESS ACTIVITIES



- Agri inputs
- Contract manufacturing (Including chemicals)
- Miscellaneous (other than agri inputs)

\* As on 31st March, 2019

## OWNERSHIP STRUCTURE



- Promoter and promoter group
- Resident individuals
- Foreign holdings
- Public financial institutions
- Other companies, mutual funds
- Others

## OUR FOOTPRINT



### MANUFACTURING FACILITIES

1. Ankleshwar, Gujarat
2. Dahej, Gujarat
3. Lote, Maharashtra
4. Akola, Maharashtra



### INNOVATION CENTRES

5. Rallis Innovation Chemistry Hub (RICH), Bengaluru
  6. Metahelix Life Sciences R&D facility, Bengaluru
- Seed Research farms, across India



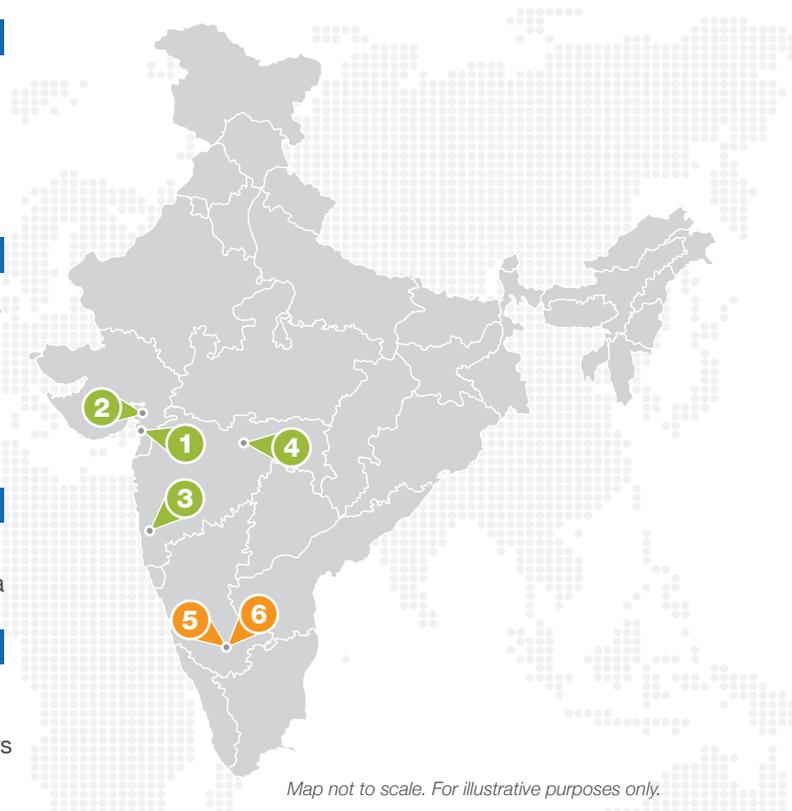
### EXPORT LOCATIONS

**50** countries across Europe, Asia, Middle East, Americas, Africa and Oceania



### SUPPLY CHAIN

<b>28</b> Depots	<b>3,667</b> Dealers
<b>1</b> Hub Warehouse	<b>40,432</b> Retailers
<b>12</b> Regional Offices	



Map not to scale. For illustrative purposes only.

# Performance Highlights



## FINANCIAL CAPITAL

Financial capital represents funds available and utilised for investment in manufacturing and other forms of capitals. We generate funds from surplus arising out of business operations and financing activities in the form of equity and debt. We leverage our expertise to source funds from various channels to strengthen our balance sheet.

### Standalone

#### Turnover

**₹ 1,671.5 crores**

Increased by 10% from ₹ 1,515.94 crores recorded in FY 2017-18 owing to the strong performance of the international business and increase in product realisation.

#### EBITDA

**₹ 206.3 crores**

Declined by 9% from ₹ 226.19 crores recorded in FY 2017-18 owing to increase in import costs of raw materials from China and higher exceptional charges.

#### PAT

**₹ 128.98 crores**

Declined by 9% from ₹ 141.49 crores recorded in FY 2017-18.

#### ROCE

**15%**

Declined by 96 basis points from 16% recorded in FY 2017-18.

#### RONW

**10%**

Declined by 167 basis points from 12% recorded in FY 2017-18.

### Consolidated

#### Turnover

**₹ 1,983.96 crores**

Increased by 10% from ₹ 1,808.46 crores recorded in FY 2017-18 owing to the strong performance of international business and increase in product realisation.

#### EBITDA

**₹ 240.94 crores**

Declined by 9% from ₹ 264.47 crores recorded in FY 2017-18 owing to increase in import costs of raw materials from China and higher exceptional charges.

#### PAT

**₹ 154.78 crores**

Declined by 7% from ₹ 167.02 crores recorded in FY 2017-18.

#### ROCE

**16%**

Declined by 170 basis points from 18% recorded in FY 2017-18.

#### RONW

**12%**

Declined by 199 basis points from 14% recorded in FY 2017-18.



## MANUFACTURED CAPITAL

Manufactured capital represents our plants, physical assets, warehouses and logistics facilities. We use these for production and distribution of our formulations and chemicals. We continually invest in these to enhance production, safety and reliability of operations and ensure efficient distribution.

#### Manufacturing plants

**4**

Gujarat: Ankleshwar and Dahej  
Maharashtra: Lote and Akola

#### Technical grade crop care products manufactured

**8,440 MT**

Decreased by 12% in FY 2018-19 compared to previous year.

#### Formulations manufactured

**16,192 KL/MT**

Decreased by 6% in FY 2018-19 compared to previous year.



## INTELLECTUAL CAPITAL

Intellectual capital represents our scientific knowledge and research skills which form the backbone of our business. It enables us to develop superior products, improve process efficiency and drive resource optimisation. We collaborate with global experts, institutions, innovators and start-ups to strengthen our capabilities and innovation quotient.

### Investment in R&D

**₹ 19.80 crores**

We have stepped up our R&D efforts and have new molecules and seeds in pipeline.

### Patents filed

**29**

Cumulative no. of patents filed between FY 1994-95 and FY 2018-19.

### Innovation turnover index

**10%**



## SOCIAL AND RELATIONSHIP CAPITAL

Social capital represents our engagement with the communities and investment in their development. We continue to build on the ethos of the Tata group by going beyond the regulations and maximising our impact. We have mapped our social interventions with the United Nation's Sustainable Development Goals (SDGs).

Relationship capital represents our focus on building long-term and trust-based relations with our business partners. We work closely with them to build their capacities, share knowledge and invest in product innovation to match their requirements.

### CSR outreach (no. of beneficiaries)

**1,55,205**

### Farmers and their families supported (nos.)

**33,758**

### Customer satisfaction index (Net Promoter Score for farmers)

**35**



## HUMAN CAPITAL

Human capital represents the collective knowledge, skills and experience of our workforce that facilitates in value creation. We invest in their skill building, engagement and welfare to maximise the outcomes and provide them with a safe and healthy work environment.

### Employees covered under talent development programme (nos.)

**39**

Through Tata Management Training Centre

### Employee engagement score

**79%**

### Turnover per employee

**₹ 1.67 crores**

### Diversity (nos.)

**Male - 968**

**Female - 33**



## NATURAL CAPITAL

Natural capital represents all the renewable and non-renewable resources that we utilise for our operations, including raw materials, land and water. We make these investments to ensure that our operations are sustainable.

### Fresh Water Consumption (m<sup>3</sup>)

**3,45,123**

### Utilisation of Renewable Energy in FY 2018-19 (Mwh)

**5,400**

# Chairman's Message



## Dear Shareholders,

In FY 2018-19, we continued our efforts to drive farmer prosperity with our innovation driven products, agronomic services and digital technology. Farmers continue to remain at the core of our strategy and we remain motivated to serve their composite needs. The theme of this Annual Report 'Accelerating Farm Prosperity' aptly captures this message.

This report marks the beginning of our Integrated Reporting <IR> journey. The reporting format is in line with our efforts to present a fair, transparent and holistic view of our value creation process to our stakeholders.

## PERFORMANCE REVIEW

FY 2018-19 was a challenging year, attributed to external and internal factors. Externally, environmental crackdowns in China continued and disrupted operations of several upstream suppliers, some of whom even shut down. This triggered a raw material scarcity and led to price hikes. Closer home, erratic monsoon, uneven rainfall distribution and its prolonged withdrawal in certain locations led to a drastic shifting in crop and pest load, along with rural distress. While crops such as paddy and cotton experienced a bad season, soybean and groundnut, despite undergoing a good season, witnessed low output price. Further, restrictions on co-marketing of products in certain States impacted sales. Consequently, greater levels of credit and sales returns together with expenses towards new technology absorption, impacted cash flows.

Amidst a challenging scenario, our strong portfolio, distribution network and brand equity enabled us to deliver a steady performance. In the domestic business, although volumes were largely flat with margins being under pressure, an encouraging sign has been the growing acceptance of our Rallis Samrudh Krishi® (RSK) package. Through RSK, we provide holistic solutions to the farmers – right from seeds to harvest, digital technology-enabled agronomy and weather information services. Increasing number of farmers for RSK validates its effectiveness in enhancing their yield and income. This is a big positive for our future growth.

Our international business performed well. Disruptions in China led to customers looking for better avenues for consistent and reliable supply of agro chemical products. A proven track record, along with the advantage of being a Tata group company, worked in our favour. We added new customers, achieved new product registrations and also retained existing customers through strong customer relations management. This led to an improved demand in the key markets of Brazil, the US, Europe and South East

₹ 1,984  
crores

Consolidated  
Revenues

₹ 155  
crores

Consolidated  
Profit After Tax

Amidst a challenging scenario, our strong portfolio, distribution network and brand equity enabled us to deliver a steady performance.



Asia. Though issues of capacity constraints perforce led us to forego several spot business opportunities, we remained focused on addressing this by ramping up the capacity of our Dahej plant.

Our subsidiary, Metahelix Life Sciences (Metahelix) also faced challenges leading to marginal growth in revenues and a decline in the bottom line. Despite difficult market conditions, it continued to maintain and grow its market share across various product lines. This is a positive trend, which indicates the strength of our product line-up and the robustness of its marketing and distribution initiatives.

Overall, for FY 2018-19, our consolidated revenue from operations grew by 10% to ₹ 1,984 crores, whereas pressure on margins led to EBITDA and PAT declining by 9% and 7%, respectively, to ₹ 241 crores and ₹ 155 crores, respectively.

### FOCUSED ON REGAINING MOMENTUM

Even as the numbers have been on the lower side, it is important to consider the strong fundamentals of the organisation. We are one of the few companies serving the composite needs of farmers. We have a strong portfolio of seeds, crop protection, organic compost and plant growth nutrient products, coupled with agronomic services backed with digital technology. This is being further fortified with a strong line-up of products.

We are determined to fill our portfolio gaps, supported by products from alliances and a strong R&D drive. We are looking at achieving deeper market penetration by expanding our distribution network and supporting them with enhanced incentive programmes and digital technology. Our product development teams are also working towards alternate product delivery mechanisms.

We remain optimistic about our international business. In fact, we consider this segment to be our key growth driver with significant opportunities in product distribution and contract manufacturing space, led by our strong partnerships. We are making the right investments to scale this business higher. We have already made investments towards expanding our manufacturing capacities, setting up new capacities for critical inputs as part of backward integration, acquiring more product registrations and thrust on R&D for developing relevant products for key markets. In the contract manufacturing space, we are reaching out to more customers to build new partnerships, leveraging our process and formulation development track record and our low-cost manufacturing advantage.

### STREAMLINING OPERATIONS

The seeds segment is an important growth business for us. Until now, this portfolio was handled by both Rallis and Metahelix separately. There was a need to optimise resource allocation and make the operations lean and hence, we took a strategic call of discontinuing our internal

seeds operations. During the year under review, the Board has approved the merger of Metahelix into Rallis to achieve operational synergies. The merger is subject to necessary statutory and regulatory approvals.

### SAFETY & SUSTAINABILITY

Despite robust safety management processes, there was an unfortunate incident of flash fire at the Ankleshwar unit during the year resulting in fatality of one employee. We have provided all support to the family of deceased employee. We are also taking various measures to further strengthen our process safety to ensure safe and healthy environment at all our units.

As much as we are contributing towards transforming India's agricultural scenario, we also remain committed to improve the communities around us and nurture the planet. Investment in renewable energy sources, effluent management and water recycling has enabled us to significantly reduce consumption of natural resources and the impact of our operations on the environment. Our efforts on reducing emission, harmful liquid discharge and toxicity of our products, by shifting to an environment-friendly portfolio, has significantly reduced our carbon footprint. Additionally, we are also adopting key initiatives to make all our buildings green. Our social initiatives are directed towards education, farmer awareness, skill development and ensuring the safety of our people.

### WAY FORWARD

Our intent, going forward, will be to accelerate farm prosperity, while striving for long-term sustainable growth. We have devised key strategies and embarked on several initiatives towards this goal. Our focus continues to be on effective implementation of these strategies to maximise value creation.

I would like to place on record the appreciation of the Board for the contribution of Mr. V. Shankar who stepped down from the Board to lead the Centre of Sustainable Agriculture and Farm Excellence (C-SAFE), an initiative to commemorate the 150 years of the Tata group. I also welcome Mr. Sanjiv Lal as the Managing Director & CEO effective 1st April, 2019.

I thank all our stakeholders for their whole-hearted support. As we move towards a better tomorrow, our intent will be to create value for each stakeholder – to ensure we can grow together.

Regards

**Bhaskar Bhat**  
Chairman



# Board of Directors



**Mr. Bhaskar Bhat**  
Chairman, Non-Executive  
Non-Independent Director

②

A mechanical engineer from IIT Madras with a Post-graduate Diploma in Management from IIM Ahmedabad, Mr. Bhaskar

Bhat joined the Tata Watch Project (initiated at Tata Press) in 1983, which is now a Titan Company. He has served as Managing Director of Titan Company Limited since April 2002. Mr. Bhat has engineered the creation of many brands including pioneering the concept of franchising and retailing in Watches, Jewellery, Eyewear and Precision Engineering. He was awarded the Distinguished Alumnus Award of IIT Madras in 2008. He was appointed as a Director on the Board of Tata Sons in November 2017. He was appointed as the Chairman and Director on the Board of Rallis in October 2015.



**Mr. Prakash R. Rastogi**  
Non-Executive Independent  
Director

①-②-④

Mr. Prakash R. Rastogi holds a M.Sc. Tech degree from Bombay University and has a Post Graduate Diploma in

Business Management. He has worked with Sandoz India from 1974 till 1994, where he was the Vice President and Head of the Chemicals Division before it was de-merged to become Clariant India Limited. He was then appointed the Vice Chairman and Managing Director of Clariant - a position he held till his retirement from the Company. He was appointed on the Board of Rallis in March 2007.



**Dr. C. V. Natraj**  
Non-Executive Independent  
Director

① ② ③

Dr. C. V. Natraj is a Ph.D. in Chemistry from the Indian Institute of Science, Bangalore. He also has postdoctoral

research experience in biochemistry from the University of Michigan, Ann Arbor. Dr. Natraj has more than 30 years of experience in research. He headed the research function as Director on the Board of Hindustan Lever Limited and later went on to lead the Corporate Research function for Unilever as Senior Vice President. He is currently serving on the Science and Engineering Research Board of the Department of Science and Technology, Government of India. He is also the Technical Advisor to the Indian Institute of Science. He was appointed on the Board of Rallis in July 2016.



**Dr. Y. S. P. Thorat**  
Non-Executive Independent  
Director

④-⑤

Dr. Y. S. P. Thorat holds a Doctorate in Economics along with Degrees in Political Science and Law. He started his career

with the Reserve Bank of India in 1972 and was appointed as its Executive Director in 2003. His major contribution has been in the field of policy support for agriculture finance, supervision and export credit. In the year 2004, he was appointed as the Managing Director of NABARD and later the Chairman. In the past, he has been associated with the Planning Commission, Government of India, for the 10th and 11th five year plans. Dr. Thorat is also a Director of several other companies and has been serving as a Director on the Board of Rallis since July 2011.

## BOARD COMMITTEES\*

① Audit | ② Nomination and Remuneration | ③ Risk Management | ④ Corporate Social Responsibility | ⑤ Stakeholders' Relationship

● Chairperson ● Member

\* as on 25th April, 2019



### Dr. Punita Kumar-Sinha

Non-Executive Independent Director

5

Dr. Punita Kumar-Sinha holds a Ph.D. and a Master's Degree in Finance from the Wharton

School, University of Pennsylvania, an MBA degree from Drexel University and a Degree in Chemical Engineering from the IIT New Delhi. She is also a CFA Charter holder. She has 30 years of experience in fund management in emerging markets. She is also on several Boards and has numerous years of experience in the field of corporate governance.

She is a member of the CFA Institute and the Council on Foreign Relations. She has served the Blackstone Asia Advisors L.L.C. as its Chief Investment Officer and was a Senior Managing Director of The Blackstone Group L.P. She was inducted on the Board of Rallis in March 2014.



### Ms. Padmini Khare Kaicker

Non-Executive Independent Director

1-3

Ms. Padmini Khare Kaicker is a Certified Public Accountant (USA), a Chartered Accountant

from the Institute of Chartered Accountants of India and a Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India. She is the Managing Partner of B. K. Khare & Co., one of the leading Indian accounting firms. She has a wide and varied experience in the areas of audit, taxation, corporate finance, risk management, corporate governance, M&A and restructuring. She serves on the Board of several companies and has been a Director on the Board of Rallis since July 2016.



### Mr. R. Mukundan

Non-Executive Non-Independent Director

2

An engineer from IIT Roorkee, Mr. R. Mukundan joined the Tata Administrative Service in 1990, after completing an

MBA from FMS, Delhi University. He is also an alumnus of the Harvard Business School. During his career with the Tata group, he has held various responsibilities across the chemical, automotive and hospitality sectors. Mr. Mukundan also serves as the Managing Director & CEO on the Board of Tata Chemicals. He was appointed on the Board of Rallis in December 2009.



### Mr. John Mulhall

Non-Executive Non-Independent Director

1-3-4

Mr. John Mulhall is the Chief Financial Officer of Tata Chemicals Limited. He is a graduate from the University

of Strathclyde and a Member of the Institute of Chartered Accountants of Scotland. Prior to Tata Chemicals, Mr. Mulhall worked in finance for various UK manufacturing companies. He joined Tata Chemicals in 2007 as European Finance Director of their recently acquired subsidiary-Brunner Mond (UK) Limited, followed by positions in Tata Chemicals North America Inc., (VP & CFO) and Tata Chemicals International Pte Limited in Singapore (CFO) before relocating to Mumbai in 2015. He was appointed as a Director on the Board in April 2018.



### Mr. Sanjiv Lal

Managing Director & CEO

3-4-5

Mr. Sanjiv Lal is a Chemical Engineering Graduate from the IIT, New Delhi. Mr. Lal was appointed on the Board of the Company as Managing Director & CEO on 1st April, 2019. Prior to his appointment, Mr. Lal was the Chief Operating Officer of the India Chemicals Business of Tata Chemicals. After he joined Tata Chemicals in 2004, he has handled its Agri Retail Business, headed the organisational transformation and business excellence function, headed the information technology function and was also nominated as the Joint Managing Director to IMACID, a JV in Morocco. Before joining Tata Chemicals, Mr. Lal has worked with Hindustan Unilever for 21 years in various functions.

# Business Model and Value Creation

## INPUTS\*

Financial capital		
	UoM	FY 2018-19
Total Capital Employed	₹ (crores)	1,321.42
Total CAPEX Incurred	₹ (crores)	34.36
Manufactured capital		
Akola	KL	7,584
Ankleshwar	KL	5,879
Lote	MT	3,574
Dahej	KL	4,028
Intellectual capital		
Investment in Research & Development	₹ (crores)	19.80
R&D expenditure as % of revenues	%	1.18
Technical collaborations (through RICH)	nos.	10
Patents filed (through RICH)	nos.	1
IT-related investments	₹ (crores)	2.78
Employees in R&D (through RICH)	nos.	58
Human capital		
Functional diversity		
Top Management and Leadership	nos.	12
Sales and Marketing	nos.	374
Manufacturing	nos.	407
Corporate Functions, R&D	nos.	208
Gender diversity		
Male	nos.	968
Female	nos.	33
Training, Learning & Development		
Total Training	hours	35,000
Investment per person	₹	9,000
Social and Relationship capital		
CSR Spend	₹ (crores)	3.86
Social Focus areas	-	Education, Skill development, Farmer education, Employee volunteering
Rallis Jal Dhan intervention is involved in creating water structures for rainwater harvesting and thereby helping and aligned with National Water Mission	Million Cubic Metre	1.21
Number of contacts with farmers	nos.	13 million
Pan-India dealer	nos.	3,667
Pan-India retailers	nos.	40,432
Natural capital		
Investments in Environmental Conservation/Biodiversity	₹ (lakhs)	300
Renewable energy capacity	KW	8,437

## GOVERNANCE

Mission, Vision, Values, Tata Code of Conduct, Tata Business Excellence Model, Quality Policy, Whistleblower Policy, Code of Corporate Disclosure Practices, Board of Directors and Committees

## KEY ASPECTS

Stakeholder engagement

## BUSINESS VALUE CHAIN

### Research and development

We leverage our expertise in science and knowledge of customers and market to develop superior, viable and environmentally sustainable products

### Raw material sourcing, processing and manufacturing

We procure quality raw materials from long-term suppliers and process them at own plants to manufacture products using optimal resources

### Marketing and farmer education

Demand generation through on-field product demonstration, campaigns and brand promotion activities

### Distribution and logistics

We reach 80% of districts in the country through strong network of dealers and retailers to take our innovative offerings to farmers

## SUPPORT FUNCTIONS

- Human Resource Management
- Corporate Sustainability and Corporate Social Responsibility
- Corporate Strategy and Planning
- Corporate Communications
- Research and Development



- Information Technology and Digital
- Finance and Accounts
- Legal and Secretarial
- Internal Audit
- Administration
- Business Excellence

## OUTPUT

Fungicide production  
MT  
6,755

Herbicide production  
MT  
6,119

Insecticide production  
MT  
11,738

### Key Products

**Herbicides:** Tata Metri, Taarak, Tata Panida, Panida-Grande, Sartaj, Fateh

**Fungicides:** Contaf, Contaf Plus, Taqat, Ergon, Tata Master, Sultaf

**Insecticides:** Asataf, Applaud, Takumi, Hunk, Nagata, Origin, Reeva 5, Sedna, Sonic Flo, Tata Mida, Zeeny, Rilon, Anant, Summit

### Plant Growth

**Nutrients:** Ralligold WP, Ralligold Gr, Tata Bahaar, Uphaar, Solubor, Glucobeta, Tracel, Surplus

## OUTCOMES\*

Financial capital		
	UoM	FY 2018-19
Net sales	₹ (crores)	1,671.5
EBIDTA	₹ (crores)	206.3
PAT	₹ (crores)	128.98
EPS	₹ / share	6.63
Dividend (on face value of ₹ 1 each)	₹ / share	2.5 (250%)
Net worth	₹ (crores)	1,248.36
Market capitalisation (as on 31st March, 2019)	₹ (crores)	3,187.35
ROCE	%	15
ROE	%	10
Working capital	days	116
Manufactured capital		
Fungicide sales	KL	2,503
Fungicide sales	Metric Tonnes	3,439
Herbicide sales	KL	1,452
Herbicide sales	Metric Tonnes	4,241
Insecticide sales	KL	4,265
Insecticide sales	Metric Tonnes	6,896
Seed sales	MT	1,378
Average plant utilisation	%	82.40
Intellectual capital		
Innovation turnover index	%	10
New products developed (through RICH) (1 product commercialised)	nos.	5
Products in pipeline (through RICH)	nos.	40
Molecules in pipeline (through RICH)	nos.	10
Ratio of R&D expenses to sales	%	1.18
Human capital		
Turnover per Employee	₹ (crores)	1.67
Fatality	nos.	1
TRIFR	Injuries/million man hours	1.01
Attrition rate	%	15.9
Employee Engagement Scores	%	79
People trained under management development programme	nos.	39
Employees covered under safety training programme	%	100
Training days per employee	man-days	5.46
Social and Relationship capital		
Lives impacted with CSR interventions	nos.	1,53,000
Students covered under education programme	nos.	8,600
Farmers and their families benefited from agriculture development programme	nos.	33,758
Evaluation of strategically important suppliers (% of target achieved)	%	100
Customer Satisfaction Index Score (for farmers)	Net Promoter Score	35
Customer complaints / resolution (DF + IBD)	nos./%	63/97%
Supplier satisfaction index	%	96.97
Grievance resolution time (DF + IBD)	days	20 (DF) & 60 (IBD) standard time
Natural capital		
Saplings planted	nos.	80,419
Energy saved	kWh	9,40,570
Energy generated from renewable sources	%	20.8
Fresh water consumption	m <sup>3</sup>	3,45,123
Water recharge	m <sup>3</sup>	1.21 mcm
Water discharged	m <sup>3</sup>	94,333
Water recycled	%	31
Green Manufacturing Index	score	79
Solid waste utilisation	%	27
GHG Emissions (CO <sub>2</sub> )	CO <sub>2</sub> emission	1.61

TRIFR: Total Recordable Injury Frequency Rate

DF: Domestic Formulation

IBD: International Business Division

RICH: Rallis Innovation Chemistry Hub

\*On Standalone basis

# Business Review



## Domestic Business

Domestic business is focused on comprehensive offering of agri inputs namely seed, crop protection, plant growth nutrients and organic compost.

We engage with millions of loyal farmers to promote safe and innovative products in the chosen area of business to enhance farm productivity aimed at improving quality of farm produce and life of farmers. Digital applications introduced in the recent past will provide services to farmers relating to agronomy information, weather and pest forecast to enable them for timely interventions in managing crops.

### Key Highlights

- Revenues marginally decreased from ₹ 1,037 crores in FY 2017-18 to ₹ 1,022 crores
- Merger of subsidiaries, Metahelix Life Sciences and Zero Waste Agro, with Rallis subject to necessary statutory approvals

### Road ahead

- Cost synergy from merger of subsidiaries
- Portfolio rejuvenation:
  - Five new products expected to be launched
  - Scale up recent launches
  - Address portfolio gaps through co-marketing
- Sharper focus in resourcing demand generation activities
- Focus on working capital efficiency
- Expand distributor network



## International Business

Under our international business, we engage in the distribution of technical-grade crop care and branded formulation either directly or through alliances. We also undertake contract manufacturing for leading companies in the areas of agro chemicals and polymers.

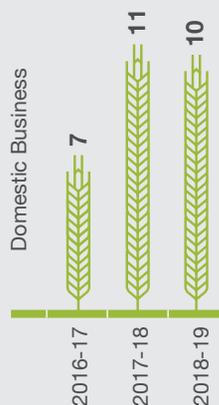
### Key Highlights

- Added new customers and obtained new registrations
- Evaluation in progress on new molecules
- 46% of growth led by the herbicide category

### Road ahead

- Increase share of wallet from B2B customers
- Cost effective offering of new off-patent molecules
- Augment capacities to meet demand of long-term partners as well as leverage short-term opportunities
- R&D focus on process improvement for cost efficiency

### INNOVATION TURNOVER INDEX (in %)

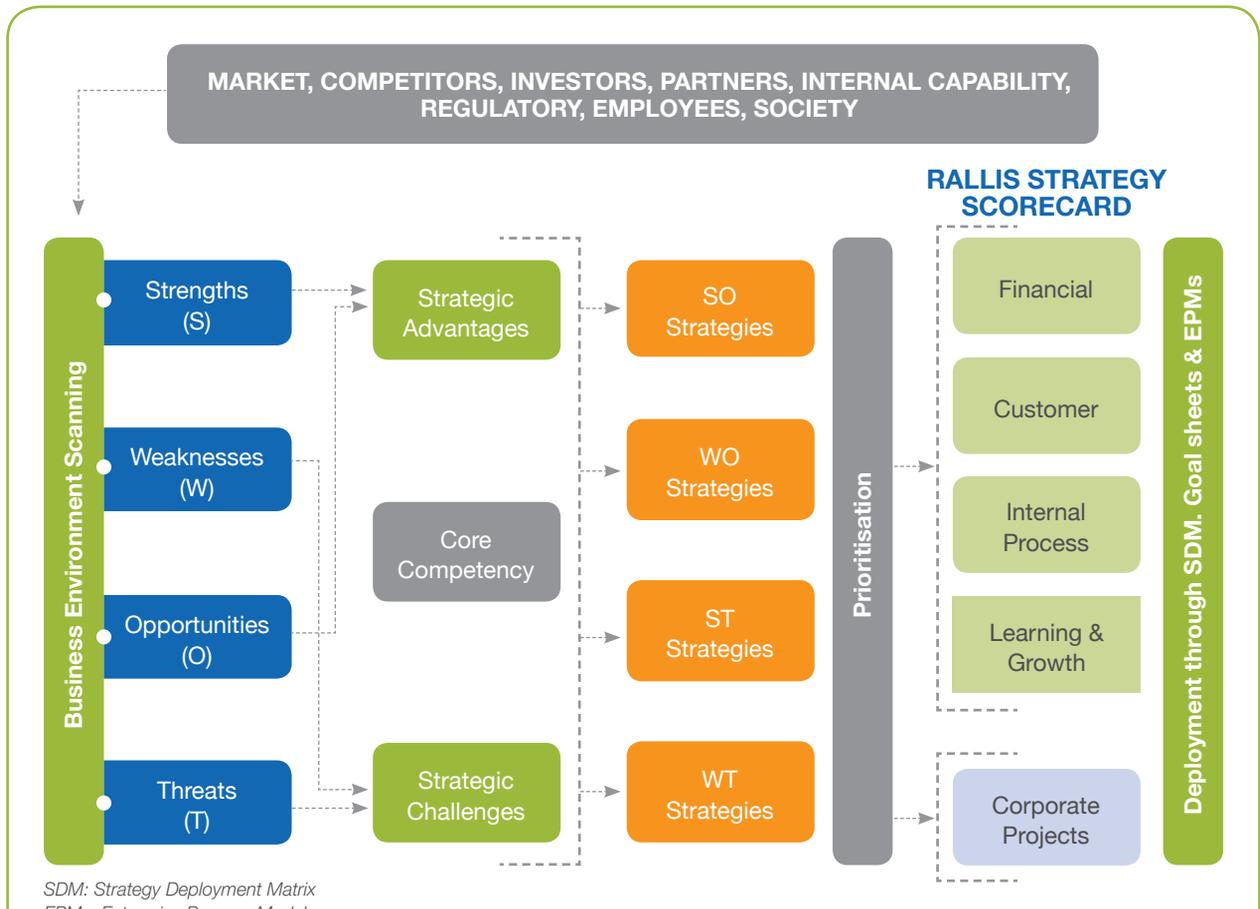




# Strategies to Accelerate Pace

Science and technology-led innovation for the betterment of agriculture and the farmer community is the bedrock of our long-term growth and value creation. We remain agile to changing customer preferences and industry trends by undertaking appropriate strategy planning and resource deployment.

## OUR INTEGRATED STRATEGY PLANNING PROCESS



## Strategies to Accelerate Pace

### INDUSTRY CONTEXT

#### Low awareness and penetration in India

Use of agrochemicals, better quality hybrid seeds and soil and plant nutrients have a proven track record of enhancing farm productivity, globally. However, affordability issues and lack of awareness are still prevalent in India, making it one of the lowest users of agrochemicals with low yield per hectare. Initiatives to hand-hold farmers and educate them on the benefits offer significant growth opportunities.

#### Tightening regulations

The growing concern for environment protection has led to regulatory norms getting stringent. Industry players are required to invest in environment-friendly technologies, adopt globally accepted good manufacturing practices and enhance the portfolio mix with eco-friendly products.

#### Limited resources and growing population

Agriculture in India is facing an imminent crisis – the cultivable land and water resources are decreasing

each year, even as population continues to grow. With the present level of farm yields, it would be impossible to meet the country's growing food demand. This makes it important to use better agronomy practices with the use of appropriate agri inputs.

#### Mobile penetration and digitisation

India is witnessing faster rate of internet and smartphone penetration, led by declining tariffs and increasing affordability. This growing consumption of data in India has opened opportunities to serve farmers digitally.

#### Contract manufacturing

High labour costs globally, along with capacities closures in China due to environmental crackdown, has made India an attractive contract manufacturing destination. Players with end-to-end execution capabilities, strong R&D and quality excellence will stand to benefit.





## THE RALLIS STRATEGY



### Strategy 1

Consolidate position as India's leading Agro Sciences Company

- Increase farmer connect to offer innovative and safe products in Crop Protection, Seeds, Plant Growth Nutrients and Organic Compost



### Strategy 2

Grow domestic market share

- Increase retail reach
- Further strengthen portfolio
- Increase channel engagement



### Strategy 3

Consolidate position as a cost leader

- Appropriate portfolio mix
- Digital intervention to improve internal system
- Simplify organisational structure by consolidating subsidiaries
- CAPEX in manufacturing for cost efficiency



### Strategy 4

Become a contract manufacturer of choice

- Investment in capacity and capability to tap contract manufacturing opportunities



### Strategy 5

Strengthen export revenue

- Investment in registration to enhance export revenue from existing as well as new markets



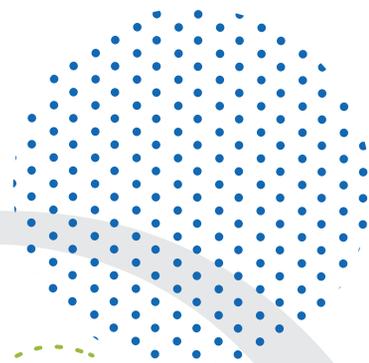
### Strategy 6

Lead CSR and EHS efforts

- Adopt safe practices and process management system
- Focus on making portfolio eco-friendly
- Ecological balancing with afforestation, water recharging and use of renewable energy
- Have a lasting impact on the society

## 5-YEAR CAPEX PROGRAMME

Plan of ₹ 800 crores over a five-year period for enhancing capacities to meet growth volumes, backward integration as well as for contract manufacturing opportunities.



# Our Approach to Materiality

We identify material issues as those that may substantially impact our business outcomes and our ability to create value for the stakeholders over the short, medium and long-term period. We constantly engage with our stakeholders to identify and assess such material issues and develop strategic priorities to overcome them.

## MATERIALITY PROCESS AT RALLIS



## KEY MATERIAL ISSUES IDENTIFIED

**BUSINESS**

- Product Stewardship
- Grievance Mechanism
- Supply Performance Standard
- Public Policy Advocacy

**ENVIRONMENT**

- Water Intensity
- Energy Efficiency
- Waste Generation

**SOCIAL**

- Community Engagement
- Customer Education
- Health and Safety
- Farmer Safety



# Engaging with the Stakeholders

Our philosophy of sustainable value creation involves listening to and addressing the concerns of each stakeholder group. We have a robust stakeholder engagement process that records issues and maps responses. This is indeed vital in building long-term relations, improving decision-making and maintaining transparency.

Stakeholders	Relevant matters	Engagement methods and response
<b>Investors</b>	<ul style="list-style-type: none"> <li>Strong profitability and cash generation</li> <li>Market share growth</li> <li>Robust business strategy</li> <li>Strong governance</li> <li>Appreciation in share price</li> <li>Sustained dividends</li> </ul>	We are committed to create long-term sustainable value with strong governance. We engage with investor community through investor/analyst meets, conference calls, quarterly results and media releases to communicate our performance and outlook.
<b>Customers and partners</b>	<ul style="list-style-type: none"> <li>Consistency in quality, delivery and services</li> <li>Responsiveness to needs</li> <li>Long-term business security and viability</li> <li>Sustainable profitable growth</li> </ul>	We connect with our customers and partners through various forums including (Bagidhari Sabha, MD's Elite Club, Distributor Meet, Anubandh Retailer. Meet in the crop protection business and Readers Club, Milaap, Milan in the Seeds business) and Customer Connect Programme – RSK Mega event, Farmer meet and Crop Seminar, among others. The purpose of these programmes is to understand market needs and strengthen the portfolio with better products. We have implemented digitisation, improved planning and capacities to ensure product availability. We also undertake periodic surveys of customers and business partners to develop better engagement.
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Transparency in selection</li> <li>Timely payment</li> <li>Ease of doing business</li> <li>Supplier feedback and evaluation</li> <li>Engagement</li> </ul>	We engage with suppliers through various meets including Annual Supplier Meet "Samagam". We periodically undertake satisfaction surveys to understand the satisfaction level of the suppliers. We have automated vendor registration and made use of digital technologies to resolve supplier problem leading to stronger relationship.
<b>Employees</b>	<ul style="list-style-type: none"> <li>Career growth</li> <li>Learning and development</li> <li>Competence building</li> <li>Health and safety</li> <li>Reward and recognition</li> </ul>	We connect with employees through regular communication with senior leaders, CEO online, skip meetings, TGIF, union meetings, performance reviews, website and intranet, engagement initiatives, publications and newsletters and field visits etc. We take feedback from employee regarding safe and conducive workplace, provide regular training and focus on diversity while hiring a new employee.
<b>Communities</b>	<ul style="list-style-type: none"> <li>Equitable and inclusive development through support in the areas of education, health, infrastructure creation, livelihood generation</li> <li>Clean and safe environment</li> </ul>	We connect with the communities located around us through various engagements to understand their needs and take targeted actions. Our focus areas include improving the quality of education, imparting skill development training and educating farmers. Our projects are focused towards individuals from socially backward communities, including SC/ST communities. We also undertake activities towards protecting the biodiversity by reducing water and energy consumption, waste discharge and wealth from waste.
<b>Government and regulatory bodies</b>	<ul style="list-style-type: none"> <li>Legal and regulatory compliance</li> <li>Contribution to exchequer</li> <li>Advocacy</li> </ul>	We engage with the Government and regulatory bodies through advocacy meetings, memberships in industry bodies, seminars and media releases. We have undertaken various measures to overcome challenges of environmental/regulatory compliance by investing in better technologies and addressing regional issues in partnership with the Government.

# Managing Risks Proactively

We operate in an era of stringent regulatory and environmental compliances, digital disruption and evolving customer needs. This exposes us to several external and internal risks, which we address through a robust Risk Management Framework linked to our long-term strategic plans. Our objective being to ensure business continuity and sustained value creation.

## RISK PROFILING

Risk	Potential impact	Mitigation
<b>Regulatory risk</b>	Our business, involving agrochemicals, is subject to stringent and changing regulations. Our contract manufacturing activity across diverse countries is also subject to high degree of statutory compliance. Our inability to follow these regulatory norms may lead to cancellation of licenses, penalties, damage to reputation, etc.	Our business policies involve stringent monitoring system to ensure adherence to various regulatory requirements. We have a credible track record of the same and always aim to go beyond regulations.
<b>Climate risk</b>	Our business is vulnerable to weather conditions. Droughts, natural calamities, uneven or excess rainfall tends to hinder agricultural activities which in turn impacts our demand. It may lead to loss of revenues and potentially impact profitability.	Though we cannot eliminate this risk, our efforts have been towards minimising its impact. We have initiated the practice of territory categorisation as per rainfall into good, semi and scarce regions to develop relevant strategies. We have invested in predictive solutions based on weather forecasts to assist in better planning.
<b>Business development risk</b>	Our inability to reach out to more farmers, getting products registered in global markets and maintain strong customer relationships may lead to stagnation of business.	In the domestic market, we have been strengthening our distributor and retail network to widen our reach and penetration. We continuously evaluate untapped geographies to enhance our reach.  In the global markets, we leverage our quality and cost advantage to get more product registrations. We put a strong emphasis on customer relationship management in terms of the quality and reliability of products and services.



Risk	Potential impact	Mitigation
<p><b>Cyber security risk</b></p>	<p>Our work involves extensive working on IT platforms. Additionally, we also undertake contract manufacturing where data confidentiality is important. All these digital data and IT systems are prone to cyber-attacks. Inability to protect data and systems may impact our competitiveness and confidentiality apart from causing damage to our reputation.</p>	<p>VAPT is conducted every year to identify any potential cyber security risk and take appropriate action.</p> <p>We also have NGFW in place which helps in detecting and protecting our network from advanced cyber-attacks.</p> <p>We also have NDA's signed up with our third party vendors with whom we have business relationships.</p>
<p><b>Environment health and safety risks</b></p>	<p>Our business involves handling and storage of hazardous chemicals which pose potential risk to human beings and the environment.</p> <p>Our inability to adopt necessary safety standards may impact the health and safety of people.</p>	<p>We have adopted globally accepted best manufacturing practices and have invested in various safety systems and processes. In addition to this, we follow RC guidelines, PSM &amp; Behaviour Based Safety within the organisation. We strive to look beyond regulatory compliance and have certifications like ISO 9001, ISO 14001, OHSAS 18001/ ISO 45001, ISO 17025 and Responsible Care Logo. This ensures safe production and distribution of our products with least impact on our various stakeholders.</p>

VAPT: Vulnerability Assessment & Penetration Testing  
 NGFW: Next Generation Fire Wall  
 NDA: Non-Disclosure Agreement  
 RC: Responsible Care  
 PSM: Process Safety Management



# Harvesting Hope for Farmer Success

Farmer-centricity and value creation are central to our business strategy and value system. Our deep understanding of Indian agriculture, sustained engagement with farmers, use of innovative practices and our technological competencies qualify us to create relevant digital solutions and equip them to address these challenges. The immense trust of the farmers in our organisation endorses their strong bonding with us.

## DRIVING DIGITAL REVOLUTION FOR BETTER EXPERIENCES

In an effort to enhance the farmers’ service experience and gain momentum on our growth plan, we have embarked on a digital initiative.

Progressing ahead on our digital information and communication technology mission, we have undertaken several initiatives to provide value-added services to the farming community.



## OUR DIGITAL SOLUTIONS

### DRISHTI

A pioneering predictive advisory service providing weather forecast, crop health, pest/diseases, soil moisture related information.

### SAMPARK APP

An internal app that facilitates better engagement with farmer community, field force productivity, visibility on farmer reach mechanisms and data collection and access to virtual crop advisers.

### RALLIS KRISHI SAMADHAN

Provides farmers direct access to Rallis’ products, Package of Practices developed by R&D and real-time inputs on weather and mandi prices among others.





## OUR 5-YEAR DIGITAL VISION

To serve 5 million+ farmers phygitally (physical + digital) – through a combination of workforce and digitally-powered, advanced customer experience ecosystem – to help them increase yield, reduce costs and grow income.



Farmer's name: **MUKESH BHAI**

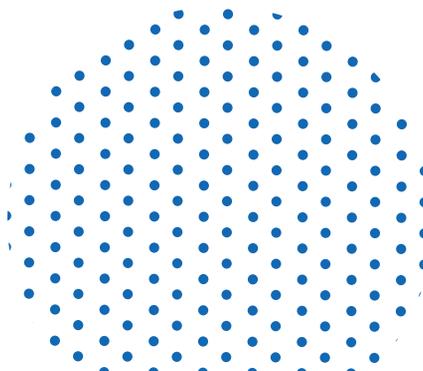
Village: **Dholi**

Dist.: **Surendernagar**

State: **Gujarat**

Acreage: **10 Acres**

*"I used Rallis Summit in one of the areas and a product from another Company in the adjacent plot. Even after 10 days passed after spraying Summit, there was no single incidence of thrips, whereas it started in the adjacent plot. Apart from thrips control, I also observed improved growth and healthier leaves where Summit was sprayed. The same was not the case with the adjacent plot."*





Farmer's name: **RANDHEER SINGH**

Village: **Nathu Chal**

Dist.: **Kapurthala**

State: **Punjab**

Potato acreage: **40 acres**

*"I have immensely benefited from Rallis Drishti services. We received updated information pertaining to weather and crop conditions through text messages and voice calls. Timely updates about any disease attacks, eventually led to an increase in yield as well – a particular instance which I can recollect, wherein, we received prior information of a blight attack in the potato crop and after consultation, the recommended fungicide was sprayed, benefiting us a lot. I'm heartily obliged with this service of Rallis and appeal to all my farmer friends to choose Rallis and get an opportunity to feel the difference using Drishti. **Thank you, Rallis India!**"*



Farmer's name: **GURUDEV SINGH**

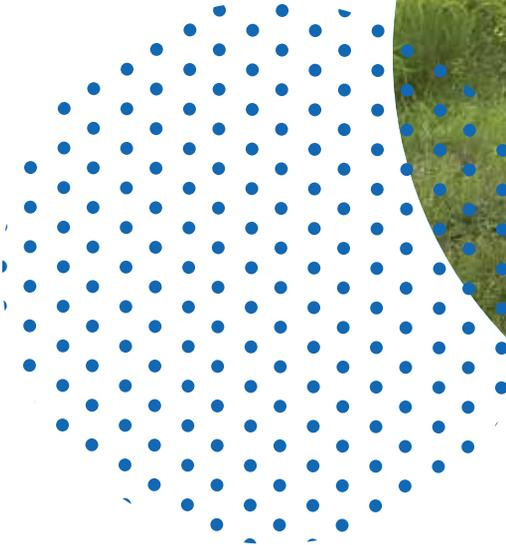
Village: **Nathu Chal**

Dist.: **Kapurthala**

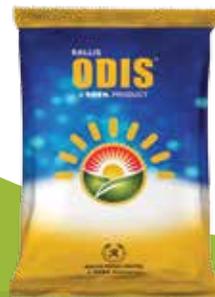
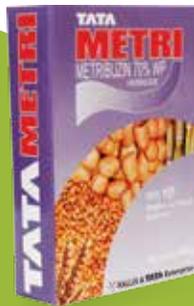
State: **Punjab**

Potato acreage: **30 acres**

*"Through Drishti geofencing, Rallis officials visited us one of the days to measure my field. I received regular messages on any pest and disease attacks in the field, at least 4-10 days prior so that we could spray the fungicide and protect our crops. I really liked their service. I recommend it to all my farmer friends. They should update themselves of this initiative of Rallis and enroll for it to get timely information about pest or fungal attacks, which will eventually increase their yields."*



SOME OF OUR PRODUCTS



# Accelerating Pace with Operational Excellence

Farmers are dependent on our products and solutions for their livelihood. It is our constant endeavour to provide them high-quality, environment-friendly products at the lowest-cost by investing in better technologies and process improvement measures. This also ring-fences us from competition.

## OUR MANUFACTURING CAPITAL

Location	Products	Key equipment used	Laurels Over the Years
<b>Ankleshwar, Gujarat</b>	Fungicides PEKK Insecticides SC, WP, WDG formulations	<ul style="list-style-type: none"> <li>Reactor (GLR, SS, MS)</li> <li>ANFs</li> <li>RVDs</li> <li>Chilling and Brine Plants</li> <li>Compressors</li> <li>Boilers</li> <li>Air Compressors</li> </ul>	<p><b>Ankleshwar</b></p> <ul style="list-style-type: none"> <li>State Level Safety Award in 2016 for the maximum number of Accident-Free days, by Gujarat Safety Council</li> <li>NSCI (National Safety Council - India) Safety Awards – 2016 Suraksha Puraskar and Certification of Appreciation for 2017 and 2018</li> <li>Green building IGBC Platinum certification in year 2018</li> </ul>
<b>Lote, Maharashtra</b>	Insecticides	<ul style="list-style-type: none"> <li>Nitrogen PSA Generators</li> <li>ATFE</li> </ul>	<p><b>Lote:</b></p> <ul style="list-style-type: none"> <li>NSC - Maharashtra Chapter Safety Award 'Certificate of Merit' for Zero Accident Frequency Rate Consecutively four 3-year periods (2011 to 2013; 2012 to 2014; 2013 to 2015; and 2014 to 2016)</li> </ul>
<b>Dahej, Gujarat</b>	Herbicides Intermediates	<ul style="list-style-type: none"> <li>RO</li> <li>Air Jet Mill</li> <li>Blenders</li> <li>Form Fill Seal (FFS) Machine</li> </ul>	<ul style="list-style-type: none"> <li>NSCI 2015 – Suraksha Puraskar Bronze Safety Award for implementing and achieving Occupational Safety and Health (OSH) Management System and procedures for the years 2012-2014</li> <li>NSCI Safety Award – Certificate of Appreciation of OSH for the years 2013-2015</li> </ul>
<b>Akola, Maharashtra</b>	Liquid Formulations EC (Insecticides, Fungicides, Herbicides), Capsule Suspension (CS), PGN, Nano-Micronutrients	<ul style="list-style-type: none"> <li>60 ACM (Air Classifier Mill)</li> <li>Sigma Mixer</li> <li>Extruders</li> <li>Fluid Bed Dryers</li> <li>Dynomill</li> <li>Auto Filling and Packing Machines</li> </ul>	<p><b>Dahej:</b></p> <ul style="list-style-type: none"> <li>Good House Keeping Award from Baroda Productivity Council-2015</li> <li>CSR Award from Government of Gujarat-2017</li> </ul> <p><b>Akola:</b></p> <ul style="list-style-type: none"> <li>NSCI Certification of Appreciation for Excellence in OSH for 2013-2015</li> <li>NSC - Maharashtra Chapter Safety Award 'Certificate of Merit' in Industrial Safety during 2013-2015 and 2017</li> </ul>

**NSCI:** National Safety Council of India, **OSH:** Occupational Safety Health, **PSA:** Pressure Swing Absorption, **MS:** Mild Steel, **SS:** Stainless Steel  
**GLR:** Glass Line Reactor, **RVD:** Rotary Vacuum Drier, **ANF:** Agitated Nutch Filler, **ATFE:** Agitated Thin Film Evaporator, **MEE:** Multi Effect Evaporator  
**RO:** Reverse Osmosis



## QUALITY EXCELLENCE

We have been a Product Quality (Q) Leader in the domestic market and hence could build most trusted brands over the ages. Over the last decade, we have witnessed drastic changes in customer needs and expectations, as they expect a stated level of confidence assurance on Process Quality (Q) at all stages of handling of products and its constituents.

All our quality assurance laboratories are attached to manufacturing units and Central Quality Assurance Laboratories are accredited for ISO 17025:2017. All our quality Control laboratories maintain high traceability in measurement of product quality by following Good Laboratory Practices and Good Manufacturing Practices to strengthen Product/Process Quality.

Our quality assurance laboratories are equipped with advanced analytical instruments like High Performance Liquid Chromatography-Mass Spectroscopy, High Performance Liquid Chromatography, Gas Chromatography, Particle Size Analyser, UV-Visible Spectrophotometer, Fourier-transform infrared spectroscopy and Micro Plasma Atomic Emission Spectroscopy to ensure that each product we manufacture meets the same high standards.

Our strengths include extensive knowledge of entire set of requirements; understanding of the market and the products, Insecticide and Legal Metrology Acts and other required regulations, domestic and overseas customer's requirements etc.

## OPERATIONAL EXCELLENCE

Operational excellence has helped us in integrating people & processes in a seamless manner resulting in good performance over the years both financially & non financially.

In order to build a sustained high performance culture, we have focused on building strong processes by adopting a Balanced Score Card approach and Enterprise Process Model (EPM).

All our factories are ISO-certified and laboratories are NABL accredited. Good Manufacturing Practices are adopted, in addition to timely audits and assessments to bring improvements.

Theory of Constraints (ToC) in supply chain is implemented for on time product availability to customers and reduction of sales losses. Daily Work Management (DWM) has enhanced small group activities at shop floor level with several small but important improvements. This practice has improved the process reliability and capability at factories to maintain optimal condition of the operations.

All these have resulted in high employee engagement, customer satisfaction and us winning many state and national level recognitions for Business Excellence, Environment Health and Safety front year on year.

## HEALTH AND SAFETY EXCELLENCE

We are a responsible care Company with strong impetus on employee safety being driven by the top management. It's our policy is to ensure that every employee should go back safely. We have implemented multiple initiatives to achieve this:

- **Behaviour safety:** Providing safety training to employees and Behavior Safety observation
- **Minimising hazards:** Ensuring all the processes are run by competent people with adequate knowledge and implementing a 14-element Process Safety Management model, which is followed across globe
- **Plant automation:** Focus on automating critical work areas and reducing the manual interventions
- **Identifying critical process safety:** Identifying and analysing critical processes based on potential hazards and risk where maximum incidents occur and implement necessary controls
- **Road safety:** Employee sensitisation, training and monitoring travel to minimise road incidents
- **Sensitisation:** Audio-visual safety institution gallery at the plant entrance



# Innovation - The Way Forward

Innovation is both intrinsic and instrumental to our sustained success. Our ability to develop safe, superior and sustainable products and solutions across the agricultural value chain makes us a preferred global brand. We also undertake collaborative projects with global agriculture research institutes, start-ups and companies to further our innovation charter.

We undertake research and development activities at Rallis Innovation Chemistry Hub (RICH); and, Metahelix, Bengaluru. These centres are dedicated to undertaking R&D towards creating customer-centric technology and innovation in agrochemicals to improve farm productivity.

## RALLIS INNOVATION CHEMISTRY HUB (RICH)

RICH focuses on developing new, off-patented solutions that can enhance farm yield and farmer income and enable expansion in contract manufacturing. It has a strong pipeline of ongoing projects to support new launches for the next 3-5 years. Scientific personnel at the centre comprises 14 PhDs and 38 science post-graduates.

### Key activities

- New solution development and introduction
- Improve product development process for existing products to bring down production cost
- Development of customised and dynamic Package of Practices using Rallis solutions to improve farm productivity
- Identify, develop, register and introduce new products in India and overseas markets
- Development of innovative and safer formulations
- Support contract manufacturing opportunities
- Product stewardship

### Innovation focus areas

- Process development for generic and off-patented products
- Analytical method development for new processes
- Impurities synthesis
- Patented crop protection molecules and intermediates for crop protection
- Cost-effective processes for synthesising molecules
- Novel combination molecules
- Development of novel and eco-friendly formulation
- Bio-pesticides
- Crop nutrition products

### Key developments FY 2018-19

- Filed one patent
- Developed two crop nutrition products and undertook all groundwork for its launch
- Reached advanced development stage for five new products

For more information please scan the QR Code below





## METAHELIX LIFE SCIENCES

Metahelix works in the area of agricultural biotechnology (genetic modification or marker-assisted selection) for improving crop traits. It develops hybrid seeds for crops (paddy, maize, cotton, millet and mustard) and vegetables (tomatoes, chillies, okra and gourd). It undertakes multi-stage product trialing right from the farmer's field in different conditions across various geographies. This ensures higher success rate of new launches.

### Innovation focus areas

- Hybrid seeds with higher yield
- Crop breeding and biotechnology for improving traits



### Key developments FY 2018-19

- Increased focus on strengthening Rabi portfolio through various strategies
- Introduced three new millet seeds
- Initiated breeding project for mustard
- Working on biotech programme for genetically-modified seeds of maize and cotton



Innovation Centres	Patents filed	Patents granted	R&D team
RICH and Metahelix	5	2	170

## METAHELIX: SEEDS PORTFOLIO



# Unlocking the People Potential

People are the most important stakeholders and resource for us. We have institutionalised our policies to provide our employees with the right growth opportunities and ensure their health and safety, engagement and well-being. While adding diversity to the organisation, we successfully nurtured the future leadership that will take forward our legacy.

## LEARNING AND DEVELOPMENT

At Rallis, we follow a blended approach to learning and development. 40% of our learning intervention is through the digital platform – either through virtual instructor-led training or eLearning. The balance 60% is through classroom training, on-the-job coaching and mentoring and Assessment Development Centre. While we have successfully developed and executed customised eLearning modules during the year, we are in process of developing more relating to our field of chemical manufacturing to strengthen our competitiveness.

### Developing and executing customised eLearning modules

#### eLearning Modules implemented

- e-Induction module for new joiners
- Distillation module
- Work permit system

#### New eLearning modules under development

- Exothermic and Endothermic reaction
- Filtration
- Safety devices
- Do's and Don'ts: material handling, storage, loading and unloading chemicals

### Functional interventions

~90% of our employees are covered under functional capability building training in the areas of:

- Unit operations and processes
- Troubleshooting in chemical plants
- Product training for sales and marketing team
- Managing risks in international trade
- Operational issues for the International Business Division

### Managerial/Behavioural Interventions

~30% junior-mid senior level managers covered under Managerial Development & Leadership Programme such as:

- TATA GeM
- Customer-Centricity
- Development Intervention
- Early career key talent
- Goal Journey and Leadership
- Assessment and Development Centre

**A different set of employees were provided need based open workshops**



### SUCCESSION PLANNING

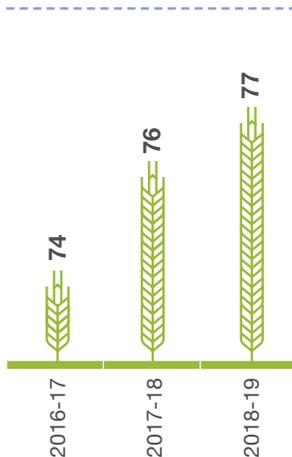
Our succession planning process focuses on mapping of critical positions by the human resources function in consultation with the Executive Committee (EC) and senior leaders and identifying successors to ensure unhindered growth. Factors like future roles and responsibilities, past performance, strengths, weakness and potential work level fit among others are considered for identifying successors. We promote movement of employees across different functions and from other group companies. The process is reviewed periodically by EC to assess the availability of successors for critical positions.

### EMPLOYEE APPRAISALS

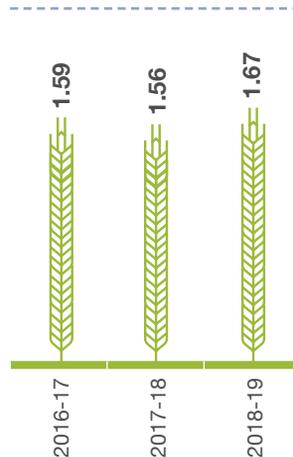
We ensure fair appraisal of employees to keep them motivated and engaged. Our Performance Management starts from goal cascading at the beginning of the year, defining of KRAs based on balanced score card and ends with annual performance assessment and feedback. We ensure reviewing of assigned projects mid-year to check the progress and take necessary course of action. We also encourage employees to take stretched targets and additional projects to enhance performance.

**Our engaged to disengaged employee ratio at 13:1 is amongst the highest globally, compared to Global Manufacturing Top Quartile range of 7:1 and the AON Best Employer Global Range of 12:1. From an internal benchmark perspective, Metahelix’s ratio is even higher at 15:1.**

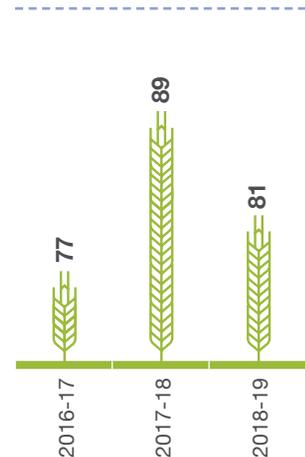
**INTERNAL CUSTOMER SATISFACTION SURVEY (%)**



**TURNOVER/EMPLOYEE (₹ CRORES)**



**TRAINING COVERAGE (%)**



# Being a Responsible Organisation

We remain committed to ensuring the development of various stakeholders, including communities and implementing steps for a better planet. Our business promotes agricultural sustainability, that requires an integrated approach which considers communities and environment. We enable this by touching upon multiple aspects of the society through our sustainability projects.

Driving social development





## EDUCATION

We consider education to be an important area and the genesis for a better future. Our focus is on improving the access and quality of education for economically weak children from primary to middle school. Over 70% of the schools that we engage with, have been equipped with digital boards with softwares in vernacular language. This addresses the challenge of low teacher count and ensures wider coverage.

Special emphasis has been laid on the subjects of Science, English and Computer Education. For science, we engaged with an expert to develop a 100-module experiment-based curriculum to make the course easier and interesting. For English, we collaborated with Leap Forward and operated on “train the trainer” model, with a key focus on women. To enable computer literacy, computer labs were set up in number of schools. We also arranged for professional career guidance and role model sessions to encourage further studies.

In FY 2018-19, over 8,600 students benefited from our educational initiatives, about 60% of whom belonged to the Affirmative Action group.

## SKILL DEVELOPMENT

We focus on enhancing the employability of youth with our RUBY (Rallis Ujjwal Bhavishya Yojana) initiative. The programme facilitates improving the quality of education, imparting soft skill training and providing exposure and informal education to students.

## FARMER EDUCATION

Apart from providing the products, we believe it is our duty to educate farmers on the best and safest way to use these products. During the year under review, we carried out a massive campaign through which we reached out to 15,000 farmers and 10,000 children across more than 300 villages in Nagpur to spread awareness on the safe use of pesticides and its storage. This involved participation of employees, crop advisors and associates. The campaign, carried out for mass awareness without any kind of marketing, has also been recognised with TVW award for our ‘You are Safe’ programme, an internal award among Tata group companies, for its uniqueness.

## MODEL TRIBAL VILLAGE

With our model village concept, we focus on undertaking holistic development of villages to maximise impact and coverage. Our activities involve providing basic amenities, education, health coverage and ensuring capacity building and economic empowerment. In FY 2018-19, we worked with 5 villages with the aim of converting them into model villages.

TVW: Tata Volunteering Week



₹ **3.86** crores  
CSR spending in  
FY 2018-19

**8,600**  
Students receiving  
educational  
support

**1,53,000**  
Villagers benefited from  
water management in  
47 villages

## Being a Responsible Organisation

Taking environment leadership



### EFFLUENT MANAGEMENT

We have installed treatment plants across all our plants. All effluents generated at plants are segregated into hazardous and non-hazardous categories and they are effectively treated, recycled and reused, wherever possible. In FY 2018-19, we reduced hazardous waste generation by 2.5% to 565.15 tonnes, 27% of which was recycled and reused.

### WATER CONSERVATION

We monitor our impact on water resources and ensure that our water recharge is higher than consumption in our operations. Across our plants, we practice recycling and reusing treated waste water in operations. Additionally, we have built several rainwater harvesting infrastructures through our Jal Dhan programme to recharge ground water.

### PRODUCT STEWARDSHIP

We leverage our R&D prowess to build a portfolio of eco-friendly and less toxic products. We practice mapping the products into red, yellow, blue and green categories

as per their impact on the safety & environment, with red being the most toxic and green the least. As on 31st March, 2019, 56% of our portfolio is blue, 24% is green, 20% is yellow and none is red.

### REDUCING CARBON FOOTPRINT

We have made a positive progress in our energy consumption and sourcing. In FY 2018-19, our absolute energy consumption reduced by 4.3% to 940.56 MWH units, of which 19% was sourced from renewable sources. We have undertaken initiatives to reduce energy intensity across all the properties. All our administration buildings are green designated; our Dahej plant is IGBC gold-rated; and the Ankleshwar plant is IGBC platinum-rated.

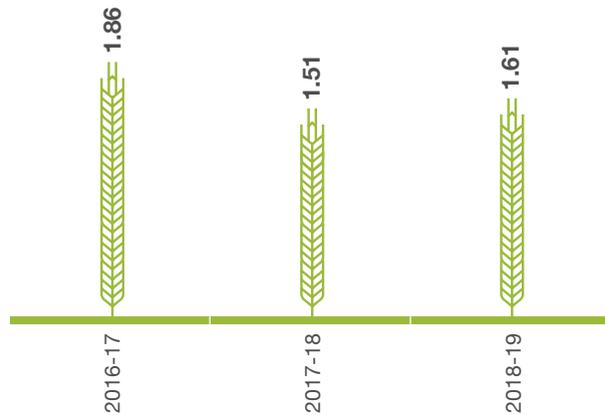
As a part of our greening initiatives in the last five years, we have planted over 80,000 saplings across the communities. We have also focused on optimising the supply chain and reducing logistics-related carbon emission. We have developed relations with local raw material suppliers, thereby reducing dependency on imports.



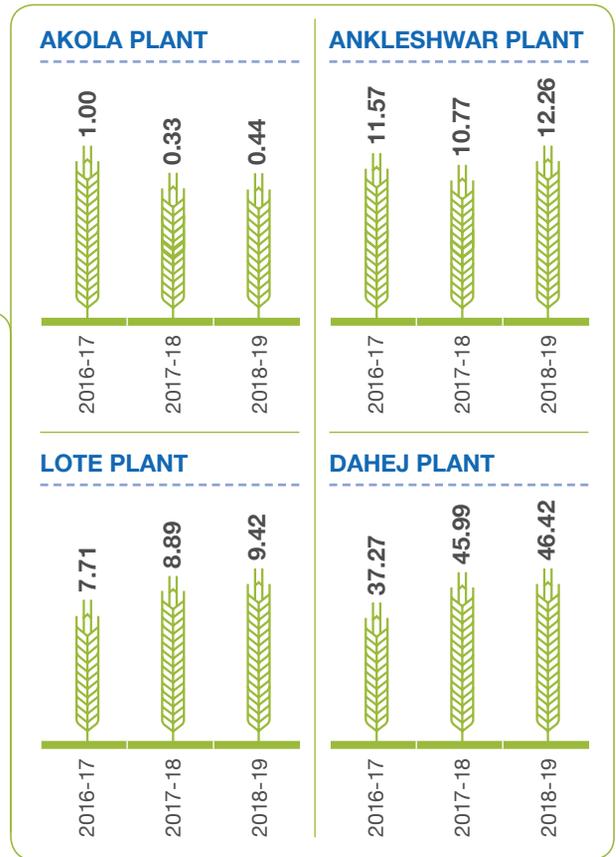
### RALLIS SUSTAINABILITY COMMITMENTS

- 50% energy from renewable sources by FY 2021-22
- 10% reduction in energy consumption by FY 2019-20 over FY 2013-14
- Planting 2,00,000 saplings on 100% survival basis by FY 2021-22
- Generate at least 50% thermal energy from bio mass in each unit by FY 2021-22

### EMISSION INTENSITY (TCO<sub>2</sub>Q/TONNE PRODUCED)

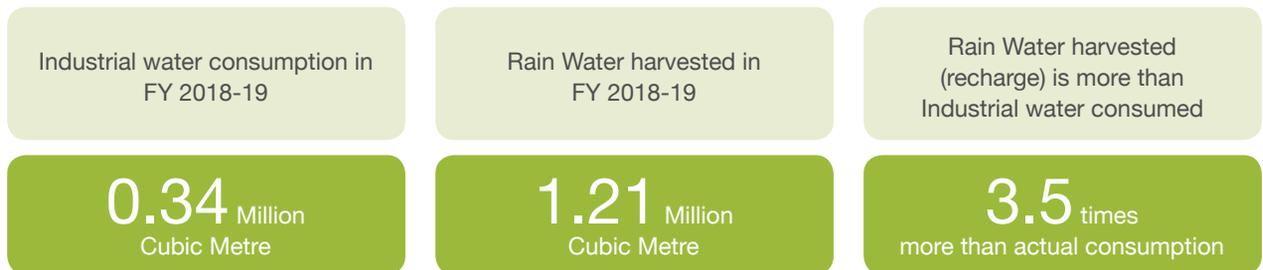


### SPECIFIC WATER CONSUMPTION (KL/MT PRODUCED)



### WATER CONSUMPTION

Million Cubic Liter water harvested than Industrial water consumed



For our operation water is one of the important natural resource under our sustainability initiative we work towards maximising the recycling of treated water and rain water recharge through Jal Dhan. In this direction we have recharged 3.5 times more water than actual consumption in FY 2018-19

## Senior Leadership

### Sanjiv Lal

Managing Director & CEO

### S. Nagarajan

Chief Operating Officer

### Ashish Mehta

Chief Financial Officer

### S. Mallikarjunappa

Vice President - Research & Development

### Ravindra R. Joshi

Vice President - Technology Transfer

### Sukhbir Singh Malik

Vice President - Domestic Sales

### Siddheswar Mallick

Vice President - Marketing & Crop Nutrition

### D. G. Shetty

Vice President-Planning, Logistics & Third-Party Management

### Subhra Jyoti Roy

Vice President - International Business

### N. K. Uppal

Vice President - Corporate Growth Projects

### Rajashekhar Khinnavar

Vice President - Manufacturing

### Alok Chandra

Vice President - Human Resources & Corporate Sustainability

### Coomie N. Kapadia

Head - Internal Audit

### COMPANY SECRETARY

Yashaswin Sheth

#### AUDITORS

B S R & Co. LLP  
Chartered Accountants

#### REGISTERED OFFICE

156/157, 15<sup>th</sup> Floor,  
Nariman Bhavan  
227 Nariman Point  
Mumbai - 400 021

**Tel. No.:** 91 22 6665 2700

**Fax No.:** 91 22 6665 2827

**E-mail address:**  
investor\_relations@rallis.co.in

**Website:** www.rallis.co.in

#### SHARE TRANSFER AGENTS

TSR Darashaw Limited  
6-10 Haji Moosa Patrawala  
Industrial Estate  
20 Dr. E. Moses Road,  
Mahalaxmi, Mumbai - 400 011.

**Tel. No.:** 91 22 6656 8484

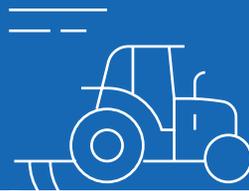
**Fax No.:** 91 22 6656 8494

**E-mail address:**  
csg-unit@tsrdarashaw.com

**Website:** www.tsrdarashaw.com



# Statutory Reports



## Board's Report

### TO THE MEMBERS OF RALLIS INDIA LIMITED

The Directors hereby present their Seventy First (71st) Annual Report on the business and operations of the Company and the financial statements for the year ended 31st March, 2019.

### FINANCIAL RESULTS

(₹ in crores)

Particulars	Standalone		Consolidated	
	2018-2019	2017-2018	2018-2019	2017-2018
Revenue from operations	1,671.50	1,515.94	1,983.96	1,808.46
Other Income	25.72	8.93	30.65	13.18
	<b>1,697.22</b>	<b>1,524.87</b>	<b>2,014.61</b>	<b>1,821.64</b>
Profit/ (Loss) before Finance cost, Depreciation and Tax	232.02	235.12	271.59	277.65
Finance Costs	(4.86)	(3.29)	(5.25)	(4.31)
Depreciation	(39.28)	(40.57)	(46.08)	(46.31)
Profit before exceptional items and tax	187.88	191.26	220.26	227.03
Exceptional items	-	-	-	-
Profit before Tax	187.88	191.26	220.26	227.03
Provision for Tax	(61.25)	(58.95)	(68.76)	(66.32)
Deferred Tax	2.35	9.18	3.28	6.31
<b>Profit for the year</b>	<b>128.98</b>	<b>141.49</b>	<b>154.78</b>	<b>167.02</b>
Profit for the year attributable to:				
- Owners of the Company	128.98	141.49	155.38	167.62
- Non-controlling interests	-	-	(0.60)	(0.60)
Other comprehensive income ('OCI')	(0.86)	(0.16)	(1.48)	(0.33)
Total comprehensive income	128.12	141.33	153.30	166.69
<b>Profit for the year</b>	<b>128.12</b>	<b>141.33</b>	<b>153.93</b>	<b>167.39</b>
Balance of Profit brought forward from previous year	801.01	747.56	812.84	733.33
	<b>929.13</b>	<b>888.89</b>	<b>966.77</b>	<b>900.72</b>
<b>Appropriations</b>				
Transfer from equity instruments through OCI	(1.41)	(1.97)	(1.41)	(1.97)
Others			0.06	
Dividend on Equity Shares	(48.62)	(72.93)	(48.62)	(72.93)
Dividend Distribution Tax	(9.99)	(14.95)	(9.99)	(14.95)
Transfer to Reserve for equity instruments through OCI	1.41	1.97	1.41	1.97
<b>Balance Profit carried forward to Balance Sheet</b>	<b>870.52</b>	<b>801.01</b>	<b>908.22</b>	<b>812.84</b>



## TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profits for FY 2018-19 in the profit and loss account.

## DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 2.50 per share (250%) on the Equity Shares of the Company (*previous year ₹ 2.50 per share*). If the dividend, as recommended above, is declared by the Members at the Annual General Meeting the total outflow towards dividend on Equity Shares for the year would be ₹ 58.61 crores (including dividend distribution tax) (*previous year ₹ 58.61 crores*).

## DIVIDEND DISTRIBUTION POLICY

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the top 500 listed entities, based on market capitalisation calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in the Annual Report and on the website of the Company.

Accordingly, the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which aims to ensure fairness, sustainability and consistency in distributing profits to the Members. During the year under review, the Company amended the Policy to provide a target range of total dividend pay-out. The Policy is attached as **Annexure A** to this report and is also available on the website of the Company under the "Investor Relations" section at the link <http://www.rallis.co.in/DDPolicy.htm>.



## SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was ₹ 19.45 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

## COMPANY PERFORMANCE

The Company's consolidated revenue from operations for Financial Year ('FY') 2018-19 was ₹ 1,983.96 crores compared to ₹ 1,808.46 crores in the previous year, an increase by 9.7% over the previous year. The Company's profit before exceptional items and tax on a consolidated basis was ₹ 220.26 crores during the year compared to ₹ 227.03 crores in the previous year, a decrease of 2.98% over the previous year. The Company earned a net profit of ₹ 154.78 crores, lower by 7.3%, as against a net profit of ₹ 167.02 crores in the previous year, on a consolidated basis.

The Company's standalone revenue from operations for FY 2018-19 was ₹ 1,671.50 crores, an increase of 10.3% over the previous year's revenue of ₹ 1,515.94 crores. Increase in cost and pressure on margin resulted in 8.8% lower net profit of ₹ 128.98 crores compared to ₹ 141.49 crores in the previous year.

## OPERATIONS

### 1. CROP PROTECTION

Indian Agriculture in FY 2018-19 started on an optimistic note, reflecting a forecast of normal

monsoon and commencing with good initial rainfall. Forecast of monsoon onset over Kerala for this year was very accurate, as both the forecasted and realised date of onset of monsoon over Kerala was 29th May, 2018. After a strong start, monsoon stopped advancing for 12 days till 3rd week of June which affected the initial sowings.

The season (June 2018 to September 2018) rainfall over the country as a whole was 91% of its Long Period Average (LPA). Out of the total 36 meteorological sub divisions, 23 sub divisions constituting 68% of the total area of the country received normal season rainfall, 1 sub division received excess rainfall and the balance 12 sub divisions received deficient rainfall. Monthly rainfall over the country as a whole was 95% of LPA in June, 94% of LPA in July, 92% of LPA in August and 76% of LPA in September.

The monsoon has been a mixed bag this year, swinging erratically from long dry patches to torrential rains, and on the whole it has not been well distributed. The monsoon withdrew from most parts of northwest India and adjoining central India by 1st October, and by 6th October the withdrawal was completed from major parts of India.

As per 2nd advance estimate released by the Department of Agriculture Cooperation and Farmers Welfare, India will have a food grain production of 281.37 Metric Tonne (MT) against 284.83 MT in the previous year (as per 4th advance estimate). Agriculture and allied sector's Gross Value Added (GVA) at constant FY 2011-12 price grew at a CAGR of 2.75% between FY 2012 to FY 2018.

The year also saw reduced crop pest pressure in many areas, impacting the insecticides segment to a great extent. Inventory levels of crop protection products in the industry remained high due to poor liquidation. Chilli acreage reduced due to Gemini virus infestation and poor output price. Pest incidence in major crop pest segments like Brown Plant Hopper (BPH) and Blast on Rice, caterpillar on Pulses and Soybean, Powdery and Downey mildew of Grapes were low during the active infestation period. Hence, consumption of many

important molecules came down. Pink bollworm infestation on Cotton had a major impact, affecting not only productivity, but also impacting cash flow in the market. Paddy and Cotton prices improved from the lows during the crop harvest.

The total storage in 91 important reservoirs in different parts of the country, on week ending 14th February, 2019 was 66.260 Billion Cubic Metre (BCM) (41% of the storage capacity at full reservoir level) against 63.957 BCM during the corresponding date of the previous year and 69.169 which is the average storage of the last 10 years.

Despite the irregular monsoon pattern and constrained acreages of few key crops in important geographies, the Company managed to grow in Herbicides portfolio. The Company registered a growth of 31% in herbicides segment with good performance in Tata Metri, Preet, Mark, Cylo and Panida Grande. The Company has also gained market share in cotton. Even in areas where the industry faced regulatory issues, the Company has managed to maintain its business due to acceptance of *Rallis Samrudh Krishi*<sup>®</sup> at both channel and farmer level. In Paddy, market share improved through focused approach, inspite of low pest pressure in segments like BPH and Paddy blast. New products introduced in the previous year have received good response from farmers and will be growth drivers in the next few years. During the year under review the Company introduced one new product, **Oliver**, for post emergence control of grasses, which causes significant losses to commercial crops. Oliver has strengthened the Company's herbicides portfolio.

The Company aims to bring meaningful contribution for farm productivity through higher yields, better quality produce at optimised costs leveraging **Rallis Samrudh Krishi**<sup>®</sup> (RSK). To this effect, the Company has been working on several crops such as paddy, pulses, grapes, chilli, etc. over last few years.

**International Business Division (IBD):** The preliminary view of global crop protection market is estimated to have increased by 5.0% to reach a total value of US\$ 56.50 billion during calendar year 2018 compared



to US\$ 54.21 billion during calendar year 2017. Overall consumption of Agrochemicals increased across the globe during 2018 mainly on account of good weather conditions in South East Asia, Australia, North America and Africa. An improved inventory level in Latin America particularly in Brazil has led to increase in sales.

Stringent environmental norms continue to impact production in China leading to raw material scarcity and significant price increase for both intermediates and active ingredients. Pressure to display improved profitability by listed companies in China has also impacted price escalation process.

Commodity prices recorded some improvement in the first six months. However, June onwards prices of major commodities experienced a drop. This is largely attributable to the ongoing US – China trade relations.

IBD has achieved a revenue growth of 36% over the previous year, growing to ₹ 650 crores, as against ₹ 479 crores during FY 2017-18. Significant growth is recorded in North America, Latin America particularly Brazil and Asia. During the year under review, the Company has gained 11 new registrations in strategic overseas markets. Partnership models with strategic customers that were adopted during the year helped the Company in its growth journey through leveraging each others' strengths. IBD continues its focus on developmental activities in key geographies in Latin America, South East Asia, Europe and African markets.

## 2. NON-PESTICIDE PORTFOLIO ('NPP')

NPP is an important focus area for the Company. It serves the emerging needs of the farming community through an end-to-end solutions based approach. This creates value for farmers and enables them to look at the Company as a solution provider for all their agriculture related needs. NPP sales during the year were 33% of the total revenue.

### Plant Growth Nutrients ('PGNs'):

PGNs consists of Biologicals, Bio-stimulants, Micronutrients and Water soluble fertilizers which

are gaining farmer level acceptance as part of Integrated Crop Management. During FY 2018-19, the Company registered 51% growth in its bio-stimulant, Tata Bahaar and 57% growth in its micronutrient, Surplus. As one of the branding initiatives, to reflect the image and value perception, the Company has in FY 2018-19 launched new packs of Tata Bahaar and Solubor, which are well appreciated by the customers. The Company will launch Aquafert brand Water soluble fertilizers business in FY 2019-20 to actively participate and service the growing needs of specialty fertilizers in farming.

### Seeds:

The Company performed as per the seeds revenue plans for the year and generated 3% higher Gross Contribution over the previous year. The Company has also supported growth of Metahelix through seed brands of Rallis all these years. The Company will henceforth focus on building and growing the Seeds portfolio through the Metahelix entity. There will be an uninterrupted supply of the Seeds products to the market and internally the Company will ensure a co-ordinated supply chain to make this happen. The Company exited from Rallis brand seeds promotion and sales without any exit cost.

### Agri Services:

Agri Services portfolio comprises the organic manure product GeoGreen, Grapes Samrudh Krishi ('Grapes SK') initiative and MoPu (More Pulses) programme.

During the year under review, GeoGreen sales increased by about 14% over the previous year with a significant reduction in quality related complaints and improvement in supply lead time. Production units and warehouses were properly aligned with targeted geographies. Overall a strong base is built for a substantial growth in future.

Grapes SK initiative continued its good performance with substantial increase in farmers seeking this service.

A few additional modules for water management and pest management were added to make it more valuable for the farmers.

MoPu initiative continued in Maharashtra as well as in Karnataka State for Pulses Productivity Improvement Program under Public Private Partnership Integrated Agricultural Development ('PPP IAD') initiative, supported by the Central Government.

During the year under review, 3 Blocks (Afzalpur, Bijapur and Bhalki) from 3 Districts (Gulbarga, Bijapur and Bidar) in Karnataka were covered under PPP IAD Project with Karnataka Government for Pulses Productivity improvement for Red Gram (Pigeon Pea) and Bengal Gram (Chick Pea) which are saviour crops for farmers apart from major crops in that area. Increase in productivity and quality helps farmers for additional income generation and fetching better prices for their produce.

Productivity of Pulses increased by 18% to 20% and savings in cost of the inputs, which is more than 25%, is a direct benefit to the farmers.

A Memorandum of Understanding was signed with Government of Maharashtra for SMART Project to support FPO's (Farmers Producers Organisations) in Vidarbha and Marathwada areas for productivity improvement through extensive field level guidance and value chain support. The Government is planning to provide warehouse facilities and other support for permanent structures at village levels to support large number of farmers.

## SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Annual Financial Statements of the subsidiaries and related detailed information will be kept at the registered

office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to Members seeking information at any time. They are also available on the website of the Company at <http://www.rallis.co.in/SFS.htm>.



The Consolidated Financial Statements reflect the operations of the following subsidiaries: Metahelix Life Sciences Limited, PT Metahelix Lifesciences Indonesia (subsidiary of Metahelix), Zero Waste Agro Organics Limited and Rallis Chemistry Exports Limited.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website at the weblink: [http://www.rallis.co.in/Material\\_SubsiadiariesPolicy.htm](http://www.rallis.co.in/Material_SubsiadiariesPolicy.htm).



During the year under review, no Company has become or ceased to be a subsidiary of the Company. The Company does not have any associate or joint venture companies. A report on the financial position of each of the subsidiary companies as per the Companies Act, 2013 ('the Act') is provided in Form **AOC-1** attached to the financial statements.

## PERFORMANCE OF SUBSIDIARIES

### (1) Metahelix Life Sciences Limited ('Metahelix')

The consolidated revenue of Metahelix for FY 2018-19 increased from ₹ 319.42 crores to ₹ 336.57 crores, an increase of 5.4% over the previous year. Profit for the year attributable to equity shareholders of Metahelix increased marginally from ₹ 23.57 crores to ₹ 23.86 crores.

Metahelix achieved a growth of 5.4% in revenues under difficult conditions. In Paddy, it has significantly improved its position with a value growth of 11%. There was a growth of 50% in Cotton sales volumes over the previous year.

In addition to strong business performance, Metahelix continued its focus on strengthening its structured brand building approach in the market to realise better prices in the market. Its price realisations have improved across crops.



The increased focus on collections resulted in year end receivables being below the last year level, despite a growth in revenues.

On the seed production front, it has strengthened its production and supply capabilities. Volume production increased in FY 2018-19 as against the previous year.

**(2) PT Metahelix Lifesciences Indonesia ('PT Metahelix')**

During the year under review, Metahelix has invested US\$ 1,83,750 for 1,83,750 Equity shares of US\$ 1 each with 65.77% shareholding in its Indonesian Joint Venture ('JV') Company PT Metahelix as per the commitment in the JV Agreement. The JV partner has also invested his share of US\$ 1,91,250 for 95,625 Equity Shares of US\$ 2 each with 34.23% shareholding. The total equity of PT Metahelix stands at US\$ 10,00,000 as on 31st March, 2019.

PT Metahelix continued to have difficulties in the Seed production operations during FY 2018-19 due to lower yield levels.

In the second year of launch of commercial activities in FY 2018-19, PT Metahelix achieved revenue from operations of ₹ 1.23 crores during FY 2018-19 as against ₹ 0.48 crore during FY 2017-18.

**(3) Zero Waste Agro Organics Ltd. ('ZWAOL')**

ZWAOL achieved revenues of ₹ 10.05 crores in FY 2018-19 compared to ₹ 9.98 crores in the previous year. ZWAOL's profit before tax was ₹ 2.34 crores for the year compared to a profit before tax of ₹ 2.54 crores in the previous year. The net profit for the year was ₹ 1.68 crores as against a net profit of ₹ 1.94 crores in the previous year.

During the year under review, ZWAOL continued to build on cost reduction initiatives undertaken in the previous year by modifying its business model. It also initiated the process of identifying most cost effective sites to reduce overall cost of the product. It has also put in place a new quality control system for better control.

ZWAOL continued with a third party quality audit at production and storage sites for an independent feedback and corrective actions which resulted

in a sharp reduction in quality complaints. For an effective logistics, an alignment was done for production units and storage locations to cater Zonal requirements and reduction of supply lead time observed as an outcome.

As a result of these actions, ZWAOL could record good margins with slight volume growth.

**(4) Rallis Chemistry Exports Limited ('RCEL')**

As RCEL had not commenced any commercial activities, it has, in March 2019, made an application under Section 248(2) of the Act read with the Companies (Removal of Name of Companies from the Register of Companies) Rules, 2016 for removal of its name from the Register of Companies. Approval of the Ministry of Corporate Affairs for the same is awaited.

**SCHEME OF AMALGAMATION**

**Amalgamation of Metahelix with the Company**

During the year under review, the Board of Directors of the Company approved the proposal for the merger of Metahelix, a wholly owned subsidiary of the Company, with the Company and their shareholders and creditors pursuant to Sections 230 to 232 of the Act and as per the terms and conditions mentioned in the Scheme of Amalgamation. The merger is subject to the necessary approvals/ sanctions from the jurisdictional National Company Law Tribunal(s) or such other competent authority and shareholders and creditors of Metahelix and the Company, as applicable.

**Amalgamation of ZWAOL with the Company**

The Board of Directors of the Company have approved the Scheme of Amalgamation ('Scheme') for merger of ZWAOL with the Company under Sections 230 to 232 of the Act and as per the terms and conditions mentioned in the Scheme, subject to receipt of all requisite statutory and regulatory approvals, including approval of the National Company Law Tribunal ('NCLT'). Petition for sanctioning the Scheme is pending for hearing before the NCLT.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, the Company has made an investment of ₹ 19.60 lakhs in Rallis Chemistry Exports Limited, wholly owned subsidiary of the Company, by way of equity shares.

The Company has not given any loans or corporate guarantee or provided any security during the year.

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

### FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from public was outstanding as on 31st March, 2019.

### RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

No material Related Party Transactions were entered during the financial year by the Company. Accordingly, the disclosure of Related Party Transactions, as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company and hence not provided.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are planned/repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Related Party Transactions entered into pursuant to omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

During the year under review, the Company has amended the policy on Related Party Transactions in line with the revised Listing Regulations and the same is uploaded on the Company's website at the link [http://www.rallis.co.in/Related\\_Party\\_Transactions\\_Policy.htm](http://www.rallis.co.in/Related_Party_Transactions_Policy.htm).



Further details on the transactions with related parties are provided in the accompanying financial statements.

### RISK MANAGEMENT

The Company has a comprehensive Risk Management framework that seeks to minimise adverse impact on business objectives and capitalise on opportunities. Our success as an organisation depends on the ability to identify such opportunities and leverage them while mitigating the risks that arise while conducting our business.

The Company has implemented a mechanism for risk management and formulated a Risk Management Policy. The said policy provides for creation of a Risk Register, identification of risks and formulating mitigation plans. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company has set up a Risk Management Committee which is chaired by Dr. C. V. Natraj, Independent Director, to monitor the risks and their mitigating actions as well as formulating strategies towards identifying new and emergent risks.

The major risks forming part of the Enterprise Risk Management process are linked to the audit universe and are also covered as part of the annual risk based audit plan.

### INTERNAL FINANCIAL CONTROLS

The Company's internal financial control systems comprising Corporate Governance Policies, roles, responsibilities and authorities, standard operating procedures and ERP are reviewed by the Management.

The Internal Controls over Financial Reporting are routinely tested and certified by Statutory as well as Internal Auditors to cover all offices, factories and key business areas. Two external firms were engaged to cover the internal audit reviews and the reviews were performed based on the risk-based internal audit plan approved by the Audit Committee. Significant audit observations and follow up actions thereon were reported to the Audit Committee.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. The ultimate objective being, a Zero Surprise, Risk controlled Organisation.



Further details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment and Cessation:

Mr. John Mulhall was appointed as a Director of the Company with effect from 1st April, 2018 in accordance with the approval of the Members obtained at the Annual General Meeting ('AGM') held on 2nd July, 2018.

At the meeting of the Board of Directors held on 3rd December, 2018, the Board accepted the request of Mr. V. Shankar, Managing Director & CEO, for an early retirement from the services of the Company with effect from 31st March, 2019 to pursue his interest in setting up of the Company's proposed 'Centre for Sustainable Agriculture and Farm Excellence' (C-SAFE), an initiative commemorating the 150 years of the Tata Group as a significant contribution to nation building. The Board of Directors placed on record their sincere appreciation for Mr. Shankar's contribution during his tenure as the Managing Director & CEO of the Company.

At the same meeting, in order to provide continuity of leadership to the Company, the Board, on the recommendation of the Nomination and Remuneration Committee ('NRC'), appointed Mr. R. Mukundan as the Managing Director & CEO of the Company for a period commencing from 3rd December, 2018 to 31st March, 2021 subject to the approval of Members.

At the meeting of the Board of Directors held on 9th February, 2019, the Board, on the recommendation of the NRC, appointed Mr. Sanjiv Lal as an Additional Director of the Company with effect from 1st April, 2019 in accordance with Article 116 of the Company's Articles of Association and Section 161(1) of the Act. He was also appointed as the Managing Director & CEO of the Company for a period of five years with effect from 1st April, 2019 to 31st March, 2024 subject to the approval of Members at the ensuing AGM. He holds office upto the date of the ensuing AGM and a Notice under Section 160(1) of the Act has been received from a Member signifying the intention to propose his appointment as Director.

Consequent to the appointment of Mr. Sanjiv Lal as Managing Director & CEO, Mr. R. Mukundan stepped down as the Managing Director & CEO effective close of business hours of 31st March, 2019. However, he continues as a Non-Executive Director on the Board of the Company and will continue to offer his support and guidance to the Company. Accordingly, approval of the Members is being sought at the ensuing AGM for his appointment as the Managing Director & CEO for the period commencing from 3rd December, 2018 to 31st March, 2019.

Pursuant to the provisions of the Act, the Members at the AGM of the Company held on 30th June, 2014 had appointed Dr. Punita Kumar-Sinha as Independent Director to hold office for five consecutive years for a term upto 29th June, 2019. Dr. Kumar-Sinha is eligible for re-appointment as an Independent Director for a second term.

Based on the recommendation of the Nomination NRC, her re-appointment for a second term commencing from 30th June, 2019 upto 25th March, 2024 is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Mr. P. R. Rastogi and Dr. Y. S. P. Thorat were appointed as Independent Directors at the AGM of the Company held on 30th June, 2014 to hold office for five consecutive years for a term upto 29th June, 2019. The Board of Directors placed on record their sincere appreciation for the contributions made by Mr. Rastogi and Dr. Thorat during their tenure as Independent Directors of the Company.

In accordance with the provisions of Section 152 of the Act and in terms of Article 112(2) of the Articles of Association of the Company, Mr. Bhaskar Bhat retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A resolution seeking Members' approval for his re-appointment forms part of the Notice.

### Independent Directors:

Dr. C. V. Natraj and Ms. Padmini Khare Kaicker, Independent Directors, hold office for a term of five years, or until completion of 75 years, whichever is earlier. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

Dr. Natraj and Ms. Kaicker have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of

the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management.

#### **Key Managerial Personnel ('KMP'):**

Mrs. P. S. Meherhomji resigned as the Company Secretary and Compliance Officer with effect from 28th February, 2019. The Board, on the recommendation of the NRC, appointed Mr. Yashaswin Sheth as the Company Secretary and Compliance Officer with effect from 1st March, 2019.

In terms of Section 203 of the Act, the following are the KMPs of the Company:

Mr. V. Shankar, Managing Director & CEO (upto 31st March, 2019)

Mr. R. Mukundan, Managing Director & CEO (w.e.f. 3rd December, 2018 upto 31st March, 2019)

Mr. Sanjiv Lal, Managing Director & CEO (w.e.f. 1st April, 2019)

Mr. Ashish Mehta, Chief Financial Officer

Mr. Yashaswin Sheth, Company Secretary

#### **Governance Guidelines:**

The Board of the Company has adopted Governance Guidelines on Board Effectiveness. The Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

#### **Procedure for Nomination and Appointment of Directors:**

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also

responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

#### **Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:**

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgement. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

#### **Annual Evaluation of Board Performance and Performance of its Committees and of Directors:**

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.



The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee meetings etc. The above criteria for evaluation was based on the Guidance Note issued by SEBI.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Directors and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

Significant highlights, learning and action points with respect to the evaluation were discussed by the Board.

### REMUNERATION POLICY

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and the Listing Regulations. The Remuneration Policy is attached as **Annexure B**, which forms part of this Report.

### BOARD AND COMMITTEE MEETINGS

A calendar of Board and Committee Meetings to be held during the year was circulated in advance to the Directors.

#### 1. Details of Board Meetings

During the year under review, 8 (eight) Board Meetings were held, details of which are provided in the Corporate Governance Report.

#### 2. Composition of Audit Committee

During the year under review, the Audit Committee comprised 4 (four) Members out of which 3 (three) were Independent Directors and 1 (one) was a Non-Executive Non-Independent Director. During the year, 6 (six) Audit Committee Meetings were held, details of which are provided in the Corporate Governance Report.

There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

#### 3. Composition of Corporate Social Responsibility (CSR) Committee

As on 31st March, 2019, the Committee comprised 3 (three) Members out of which 2 (two) were Independent Directors and 1 (one) was a Non-Executive Director. During the year under review, 2 (two) CSR Committee meetings were held, details of which are provided in the Corporate Governance Report. Mr. Sanjiv Lal, Managing Director & CEO, was inducted as a Member of the CSR Committee, effective 1st April, 2019.

### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-19.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent,

so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- (iii) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ('CSR') and Affirmative Action ('AA') is a very important part of the business journey of the Company. The Company has developed its own Sustainability Model focusing on CSR and AA initiatives. The leadership team at Rallis has been very supportive, sensitive and encourages the team to work for inclusive growth through its CSR initiatives.

The Company's CSR initiatives are driven by its CSR team, in support with key strategic partners having domain expertise. For achieving a greater and sustainable impact, CSR project implementation is done in partnership with concerned stakeholders.

The Company's CSR initiatives are woven around the Company's focus areas, which include Natural Resource Management ('NRM'), Education including Farmer safety awareness and Model Tribal Village under AA.

Employees are one of the key stakeholders and support the CSR and AA initiatives by active participation through volunteering. During the year under review, the Company was able to achieve more than 5,044 hours' volunteering through various events in which 319 employees actively participated.

In NRM, focus is on water conservation through rain water harvesting ('Jal Dhan'), recharging ground water and soil conservation. Under soil conservation, focus is on 'Greening', principally through afforestation and tree plantation drives. More than 80,000 trees have been planted and sustained by the Company in the last five years.

In Education, focus is on Science, English and Information Technology, along with support for infrastructure and capacity building. Educational interventions are branded as 'RUBY' (Rallis Ujjwal Bhavishya Yojana).

In 'You are Safe', focus is on educating farmers and students from rural schools on farmer safety. During the year under review, the Company spread the awareness among more than 23,000 farmers and more than 10,400 students from 2 districts of Maharashtra, which are spread across 16 Tehsils and 553 villages.

The Company, under its AA programme, focuses on converting a backward Tribal village into a Model Tribal village. This initiative is focused in tribal areas around Mumbai in Maharashtra.

The above projects are in accordance with Schedule VII of the Act. The Annual Report on CSR activities is attached as **Annexure C** which is forming part of this Report.

The Company has adopted a Corporate Social Responsibility ('CSR') Policy in compliance with the provisions of the Act and the same is available on the website of the Company at [http://www.rallis.co.in/CSR\\_Policy.htm](http://www.rallis.co.in/CSR_Policy.htm).



### Salient features of the CSR Policy:

The Company's CSR Policy ('Policy') provides guidelines which helps in designing, implementing and monitoring the CSR programmes across the Company.

Leveraging our presence pan India, the Policy lays emphasis on providing engagement opportunities through volunteering to employees, customers and partners. The Policy focuses on various sections and issues as under:

1. Natural Resource Management: This section focuses on two themes: (a) Jal Dhan (b) Rural development



2. Employability: With focus on: (a) Skill development: Tara – Women empowerment, and (b) RUBY – Educational initiatives
3. The Company will respond to disaster as and when required
4. Geography and target communities:
  - a. Due to its significant presence in Gujarat and Maharashtra currently the focus is on these two States.
  - b. The Company focuses on underprivileged schools, underprivileged and marginalised communities, socially and economically disadvantaged groups.
5. Implementation and Monitoring:
  - a. Will be done by the In-house CSR team with the help from experts as may be required.
  - b. Programmes will have clearly defined output, outcome and process indicators.
  - c. CSR Committee will receive quarterly progress report of all activities.

### **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace. This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at <http://www.rallis.co.in/POSH.htm>



As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment.

During the year under review, the Company received one complaint of alleged sexual harassment that was investigated and dealt with by taking appropriate action as per the provisions of the POSH Act. There are no pending complaints as on the end of the financial year.

### **VIGIL MECHANISM/ WHISTLEBLOWER POLICY**

Pursuant to Section 177(9) of the Act, a vigil mechanism has been established for Directors and employees to report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

The Company believes in the conduct of the affairs of its constituents by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in line with the Tata Code of Conduct ('TCoC'). The role of the employees in pointing out such violations of the TCoC cannot be undermined.

Further, the Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. During the year under review, the Company amended the Whistleblower Policy to provide a clause wherein all employees of the Company are eligible to report any instance of leak of Unpublished Price Sensitive Information.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

### **AUDIT AND AUDITORS**

#### **(1) Statutory Auditors:**

At the AGM of the Company held in 2017, pursuant to the provisions of the Act and the Rules made thereunder, B S R & Co. LLP, Chartered Accountants ('BSR') (Firm Registration No. 101248W/W-100022), were appointed as Statutory Auditors of the Company

from the conclusion of the 69th AGM held on 23rd June, 2017 till the conclusion of the 74th AGM to be held in the year 2022. BSR have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

The Audit Report of BSR on the Financial Statements of the Company for FY 2018-19 is a part of the Annual Report. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### (2) Cost Auditors:

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records.

In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) to conduct Cost Audits relating to Insecticides (Liquid, Solid and Technical Grade), Fertilizers, Chemicals (Plastics and Polymers) and Drugs and Pharmaceuticals of the Company for the year ending 31st March, 2020. The Company has received their written consent that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

Members are requested to consider the ratification of the remuneration payable to D. C. Dave & Co. as has been set out in the Notice of the 71st AGM of the Company.

#### (3) Internal Auditors:

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, Ernst & Young LLP and Mahajan & Aibara LLP were appointed by the Board of Directors to conduct internal audit reviews for the Company.

#### (4) Secretarial Auditors:

In terms of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Parikh & Associates, a firm of Company Secretaries in Practice, have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure D**. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in their Report.

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### ANNUAL RETURN

Pursuant to Sections 92 and 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is attached as **Annexure E**.

The extract of the Annual Return of the Company can also be accessed on the website of the Company at <http://www.rallis.co.in/MGT2019.htm>.



### SECRETARIAL STANDARDS OF ICSI

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached as **Annexure F**.



## **PARTICULARS OF EMPLOYEES AND REMUNERATION**

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure G**.

The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Members interested in obtaining the same may write to the Company Secretary at the registered office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

Mumbai, 25th April, 2019

## **MANAGEMENT DISCUSSION AND ANALYSIS, BUSINESS RESPONSIBILITY AND CORPORATE GOVERNANCE REPORT**

The Management Discussion and Analysis Report, the Business Responsibility Report and the Report on Corporate Governance, as required under the Listing Regulations, forms part of the Annual Report.

## **ACKNOWLEDGEMENTS**

The Directors acknowledge the dedicated service of the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, Government authorities, business partners and other stakeholders.

On behalf of the Board of Directors

**BHASKAR BHAT**  
Chairman

# Annexure A to the Board's Report

## DIVIDEND DISTRIBUTION POLICY

### 1. ABOUT THE COMPANY

Rallis India Limited (hereinafter referred to as "the Company" or "Rallis") is a Company incorporated under the Indian Companies Act, 1913. It has its Registered Office at Mumbai and is a Tata Enterprise, engaged in the business of providing crop care solutions and agri services to the farming community. It is a subsidiary of Tata Chemicals Limited and is listed on BSE Limited and The National Stock Exchange of India Limited.

### 2. OBJECTIVES OF THE POLICY

- 2.1 Securities and Exchange Board of India (hereinafter referred to as "SEBI") has, by its Notification dated 8th July, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations").
- 2.2 Regulation 43A of the Listing Regulations requires the Company to formulate a Dividend Distribution Policy which shall be disclosed in the Annual Report and on the website of the Company.
- 2.3 In view of the above, the Company has framed this Dividend Distribution Policy (hereinafter referred to as "the Policy") to determine the parameters on the basis of which the Company may or may not declare dividend.
- 2.4 The Policy seeks to balance the objectives of rewarding the shareholders through dividends and retaining capital to invest in the growth of the Company, while ensuring fairness, sustainability and consistency in distributing profits to the shareholders.

### 3. PAYMENT FREQUENCY

The dividend shall, subject to the parameters hereinafter described, be payable annually and shall be declared at the Annual General Meeting of the Company, based on the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board"). The Board may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which the interim dividend is sought to be declared. The Board may recommend special dividend in years of exceptional gains or on occasions of significance.

### 4. DECLARATION OF DIVIDEND

It is the intention of the Board of Directors, subject to applicable laws, to pay dividend on the Company's outstanding Equity shares. The Company does not have any class of Shares other than Equity Shares.

### 5. PARAMETERS FOR DISTRIBUTION OF DIVIDEND

- 5.1 Your Company has a track record of steady dividend declaration and payment over its history. The Board considers the yearly dividend based on the Net Profit After Tax (PAT) available for distribution. In addition, the Board reviews the capital expenditure needs, cash requirements for investments in capability enhancements and future non organic growth initiatives.
- 5.2 As in the past, subject to the provisions of the applicable law, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Based on the above, the Company will endeavour to maintain the steady level of dividend per share over the medium term.
- 5.3 **Circumstances under which the shareholders of the Company may or may not expect dividend:**  
The Shareholders may ordinarily expect dividend if the Company has made profits during the current year. Recommending dividend out of profits of previous financial years or out of retained earnings shall be at the discretion of the Board, subject to the compliance with the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time. The Board may not recommend a dividend if:
  - Proposed expansion plans require higher allocation of capital; or
  - Significantly higher working capital requirements adversely impact free cash flow; or
  - The Company undertakes any acquisitions or investments including in joint ventures, new product launches, etc., requiring significant capital outflow; or
  - In case of proposal for buyback of shares; or
  - In the event of inadequacy of profits.



If the Board proposes not to distribute profit, the grounds thereof and information on utilisation of undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

#### 5.4 Financial Parameters for declaring dividend:

The Board shall consider the following financial parameters while declaring dividend:

- the Company's Financial results of operations and earnings;
- working capital requirements for the operations and growth of the Company and its subsidiaries;
- quantum of profits and liquidity position;
- future fund requirements, including for brand building, business acquisitions, business expansion, modernization of existing business;
- level of debt;
- providing for unforeseen events and contingencies;
- any other financial factor as the Board may deem fit.

#### 5.5 Internal and External Factors for declaring dividend:

The Board may consider the following internal and external factors while declaring dividend:

##### **Internal Factors:**

- the level of dividends paid historically;
- contractual restrictions and financing agreement covenants;
- likelihood of crystallization of contingent liabilities, if any.

##### **External Factors:**

- general business conditions, risk and uncertainties;
- industry outlook and business cycles for underlying businesses;
- prevailing economic, competitive and regulatory environment;
- tax law and the Company's taxpayer status;
- capital market.

This is not intended to be an all-inclusive list, but rather a representative list of factors which may be considered while declaring dividend.

#### 5.6 Manner in which the retained earnings shall be utilised:

Retained earnings are the sum of the Company's profits after dividend payments, since the Company's inception. The retained earnings of the Company will be utilised in one or more of the following manner:

- for expansion and growth of business;
- for contributing towards the fixed as well as working capital needs of the Company;
- major repairs and maintenance, including replacement of old assets which have become obsolete;
- renovation/ modernization for improving working efficiency of plants and equipments and for capacity enhancements;
- to make the Company self dependent of finance from external sources;
- for redemption of loans and debentures (if any);
- for upgradation of technical knowhow;
- non organic growth initiatives, including acquisition of brands/ businesses;
- for issuing fully paid-up bonus shares to the Shareholders.

#### 5.7 Dividend Range:

As in the past, subject to the provisions of applicable laws, the Company's dividend payout will be determined based on availability of financial resources, investment requirements and also take into account optimal shareholder return. The Company would endeavour to target a total dividend payout ratio in the range of 30% to 50% of the Annual Standalone Profits after Tax (PAT) of the Company.

## 6. REVIEW OF POLICY

This Policy has been adopted by the Board of Directors of the Company and the Board may review and amend the Policy from time to time, pursuant to any change in law or otherwise.

## 7. DISCLOSURES

Rallis shall disclose the Dividend Distribution Policy in the Board's Report forming part of the Annual Report. This Policy shall also be disclosed on the website of the Company at [www.rallis.co.in](http://www.rallis.co.in). Any changes in the Policy, along with the rationale for the same, shall also be disclosed in the Annual Report and on the website of the Company.

On behalf of the Board of Directors

BHASKAR BHAT  
Chairman

## Annexure B to the Board's Report

### REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Rallis India Limited ("Company") is based on the commitment of fostering a culture of Leadership with Trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Regulation 19(4) read with Para A (1) of Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- "(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals."

Key principles governing this remuneration policy are as follows:

Remuneration for independent directors and non-independent non-executive directors

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain

and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

- Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board Committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

#### Remuneration for Managing Director ("MD")/ Executive Directors ("ED")/ KMP/ rest of the employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:



- o Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent).
- o Driven by the role played by the individual.
- o Reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay.
- o Consistent with recognized best practices; and
- o Aligned to any regulatory requirements.
- In terms of remuneration mix or composition:
  - o The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - o Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - o In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
  - o The Company provides retirement benefits as applicable.
  - o In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
  - o The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

#### **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

#### **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

On behalf of the Board of Directors

BHASKAR BHAT  
Chairman

Mumbai, 25th April, 2019

## Annexure C to the Board's Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>The Company is committed to improve quality of lives of people in the community it serves through long term stakeholder value creation, with special focus on empowerment of communities in rural India. Our CSR initiatives focus on Natural Resources Management (Water, Soil Health, Public Healthcare and Sanitation), Employability through skills building and education, and Farmer Safety. CSR activities of the Company are implemented by the in-house CSR team, through participatory approach involving beneficiaries, NGOs and other community partners. Interventions are aligned with Tata Group Focus Initiatives.</p> <p>The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the following weblink:  <a href="http://www.rallis.co.in/CSR_Policy.htm">http://www.rallis.co.in/CSR_Policy.htm</a></p> <p>The overview of CSR projects and programmes are available at the following weblink:  <a href="http://www.rallis.co.in/CSRProjects.htm">http://www.rallis.co.in/CSRProjects.htm</a></p>
2.	The Composition of the CSR Committee.	<ol style="list-style-type: none"> <li>1. Mr. John Mulhall (Chairman)</li> <li>2. Dr. Y. S. P. Thorat</li> <li>3. Mr. Prakash R. Rastogi</li> <li>4. Mr. Sanjiv Lal (appointed w.e.f. 1st April, 2019)</li> </ol>
3.	Average net profit of the Company for last three financial years.	₹ 192.35 crores
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 3.85 crores
5.	<p>Details of CSR spent for the financial year.</p> <p>(a) Total amount to be spent for the financial year:</p> <p>(b) Amount unspent, if any:</p> <p>(c) Manner in which the amount spent during the financial year is detailed below:</p>	<p>₹ 3.85 crores (The Company has spent ₹ 3.86 crores during financial year 2018-19)</p> <p>Nil</p> <p>The manner in which the amount is spent is annexed.</p>
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Mumbai  
25th April, 2019

Sanjiv Lal  
Managing Director & CEO

John Mulhall  
Chairman - CSR Committee



## ANNEXURE TO CSR REPORT (POINT 5 (C) OF THE CSR REPORT)

₹ in lakhs								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (a) Local area or other (b) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (a) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	Details of implementing agency if engaged
1	Jai Dhan (Watershed project, water harvesting and roof top harvesting)	1. Rural development 2. Ensuring Environment sustainability	Watershed program in Maharashtra. Villages covered from Latur, Akola, Raigad districts	128.5	216.34	216.34	Direct	-
2	RUBY Project Education (Career guidance Soft skill, IT, Science and English intervention, Educational support to underprivileged students, Road safety Programs)	1. Promoting Education, enhancing vocational skills	Various interventions for students from 1st to 12th std. at Mumbai, Lote and Akola in Maharashtra and Dahej and Ankleshwar in Gujarat and through volunteering across locations	50.00	57.21	57.21	Direct	-
3	TARA Project Skill Development	1. Enhancing vocational skills 2. Empowering women 3. Rural development	Imparting various skill trainings and motivating women and youths to be financial independent at Akola and Mumbai in Maharashtra	3.00	3.86	3.86	Direct	-
4	Greening Project Afforestation (Conserving soil and water, increasing ground water level, green cover)	Ensuring environment sustainability	Planting 5,000 new trees and maintaining previous trees planted	0.74	4.32	4.32	Direct	-
5	Rural Development, Healthcare and Sanitation	Healthcare and sanitation Rural development	Developing model village, focusing on non conventional energy projects like hydro power, solar and wind power, construction of toilets, health interventions, etc.	53.26	53.28	53.28	Direct, except Jawhar project	All India Institute of Local Self Governance
6	Farmer safety	Rural development	Holistic Farmer safety initiative which focuses on spreading awareness among farming community covering precautions to be taken during and after spraying, safe disposal of the container, health check-up of spray-men and free distribution of safety kits to farmers	130.00	31.85	31.85	Direct	-
7	Salary and admin cost	5% of total expenditure	<b>GRAND TOTAL</b>	19.23	19.23	19.23	-	-
				<b>384.73</b>	<b>386.09</b>	<b>386.09</b>		

# Annexure D to the Board's Report

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,  
The Members,  
Rallis India Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 generally 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 made available to us and maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contract (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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
  - (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; **(Not applicable to the Company during the audit period)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**



(vi) Other laws specifically applicable to the Company namely:

- 1) The Insecticides Act, 1968 and Rules, 1971
- 2) The Seeds Act, 1966 and Rules, 1968
- 3) The Fertilizers (Control) Order, 1985

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, 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.

Decisions at the Board Meetings were taken unanimously.

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 following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

The Board of Directors of the Company at its meeting held on 17th January, 2019, approved the scheme of merger by absorption of its Wholly Owned Subsidiary, Metahelix Life Sciences Limited with the Company, subject to receipt of all requisite statutory and regulatory approvals, including approval of the National Company Law Tribunal.

**For Parikh & Associates**  
Company Secretaries

**Jigyasa Ved**  
Partner

FCS No: 6488 CP No: 6018

Place: Mumbai

Date: 25th April, 2019

*This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

## 'Annexure A'

To,  
The Members,  
Rallis India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

**Jigyasa Ved**  
Partner

FCS No: 6488 CP No: 6018

Place: Mumbai  
Date: 25th April, 2019



# Annexure E to the Board's Report

## FORM NO. MGT.9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[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

CIN	L36992MH1948PLC014083
Registration Date	23rd August, 1948
Name of the Company	Rallis India Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered Office and contact details	156/157 15th Floor Nariman Bhavan 227 Nariman Point Mumbai - 400 021. Tel. No.: 91 22 6665 2700 Fax No.: 91 22 6665 2827 E-mail: investor_relations@rallis.co.in Website: www.rallis.co.in
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agents, if any	TSR DARASHAW LIMITED 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011. Tel. No.: 91 22 6656 8484 Fax No.: 91 22 6656 8494 E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.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.	Agri Inputs	3808	97.72

#### 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.	Tata Chemicals Limited Bombay House 24 Homi Mody Street Fort Mumbai - 400 001.	L24239MH1939PLC002893	Holding Company	50.06	2(46)
2.	Metahelix Life Sciences Limited Plot No. 3 KAIAD 4th Phase Bommasandra Industrial Estate Bengaluru - 560 099.	U73100KA2000PLC028246	Subsidiary Company	100	2(87)(ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
3.	PT Metahelix Lifesciences Indonesia* Jl. Batu Tulis Raya No. 17 PAV, Kel. Kebon, Kelapa, Kec. Gambir, Jakarta Pusat, Indonesia.	Not Applicable	Subsidiary Company	65.77	2(87)(ii)
4.	Zero Waste Agro Organics Limited Kapil Towers, First Floor, S. No. 40-1/B Near Sagam Bridge, Dr. Ambedkar Road, Pune - 411 001.	U01400PN2011PLC141307	Subsidiary Company	100	2(87)(ii)
5.	Rallis Chemistry Exports Limited# 156/157 15th Floor Nariman Bhavan, 227 Nariman Point, Mumbai - 400 021.	U74990MH2009PLC193869	Subsidiary Company	100	2(87)(ii)

\* Metahelix Life Sciences Limited is holding 65.77%

# Rallis Chemistry Exports Limited has made an application to the Registrar of Companies for removal of its name from the Register of Companies, for which approval is awaited

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters (Including Promoter Group)</b>									
<b>(1) Indian</b>									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	9,74,16,610	0	9,74,16,610	50.09	9,74,16,610	0	9,74,16,610	50.09	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1):</b>	<b>9,74,16,610</b>	<b>0</b>	<b>9,74,16,610</b>	<b>50.09</b>	<b>9,74,16,610</b>	<b>0</b>	<b>9,74,16,610</b>	<b>50.09</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A)= (A)(1)+(A)(2)</b>	<b>9,74,16,610</b>	<b>0</b>	<b>9,74,16,610</b>	<b>50.09</b>	<b>9,74,16,610</b>	<b>0</b>	<b>9,74,16,610</b>	<b>50.09</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	2,39,81,362	1,110	2,39,82,472	12.33	2,63,40,413	1,110	2,63,41,523	13.55	1.21
b) Banks / FI	2,25,599	24,600	2,50,199	0.13	3,00,267	24,600	3,24,867	0.17	0.04
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	8,01,150	8,01,150	0.41	0	8,01,150	8,01,150	0.41	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	1,00,66,834	0	1,00,66,834	5.18	1,09,12,523	0	1,09,12,523	5.61	0.43



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
g) FII's	157	0	157	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
<b>i) Others (specify)</b>									
i) Foreign Portfolio Investors (Corporate)	75,83,687	0	75,83,687	3.90	77,75,464	0	77,75,464	4.00	0.10
ii) Alternative Investment Funds	14,25,566	0	14,25,566	0.73	4,78,728	0	4,78,728	0.25	-0.49
<b>Sub-Total (B)(1):</b>	<b>4,32,83,205</b>	<b>8,26,860</b>	<b>4,41,10,065</b>	<b>22.68</b>	<b>4,58,07,395</b>	<b>8,26,860</b>	<b>4,66,34,255</b>	<b>23.98</b>	<b>1.29</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	71,83,469	21,000	72,04,469	3.70	68,08,917	21,000	68,29,917	3.51	-0.19
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,30,64,839	10,63,170	2,41,28,009	12.41	2,19,70,307	9,12,085	2,28,82,392	11.77	-0.64
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2,08,88,107	0	2,08,88,107	10.74	1,99,60,036	0	1,99,60,036	10.26	-0.48
<b>c) Others (specify)</b>									
i) Trusts	56,328	0	56,328	0.03	16,000	0	16,000	0.01	-0.02
ii) IEPF Suspense A/c	6,65,302	0	6,65,302	0.34	7,29,680	0	7,29,680	0.38	0.04
<b>Sub-Total (B)(2):</b>	<b>5,18,58,045</b>	<b>10,84,170</b>	<b>5,29,42,215</b>	<b>27.22</b>	<b>4,94,84,940</b>	<b>9,33,085</b>	<b>5,04,18,025</b>	<b>25.93</b>	<b>-1.29</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>9,51,41,250</b>	<b>19,11,030</b>	<b>9,70,52,280</b>	<b>49.91</b>	<b>9,52,92,335</b>	<b>17,59,945</b>	<b>9,70,52,280</b>	<b>49.91</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>19,25,57,860</b>	<b>19,11,030</b>	<b>19,44,68,890</b>	<b>100.00</b>	<b>19,27,08,945</b>	<b>17,59,945</b>	<b>19,44,68,890</b>	<b>100.00</b>	<b>0</b>

### (ii) Shareholding of Promoters (including Promoter Group)

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1.	Tata Chemicals Limited	9,73,41,610	50.06	0	9,73,41,610	50.06	0	0
2.	Ewart Investments Limited*	75,000	0.04	0	75,000	0.04	0	0
<b>Total</b>		<b>9,74,16,610</b>	<b>50.09</b>	<b>0</b>	<b>9,74,16,610</b>	<b>50.09</b>	<b>0</b>	<b>0</b>

\* Part of Promoter Group

**(iii) Change in Promoters' (Including Promoter Group) Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Tata Chemicals Limited</b>				
	At the beginning of the year	9,73,41,610	50.06	9,73,41,610	50.06
	At the end of the year	9,73,41,610	50.06	9,73,41,610	50.06
2.	<b>Ewart Investments Limited*</b>				
	At the beginning of the year	75,000	0.04	75,000	0.04
	At the end of the year	75,000	0.04	75,000	0.04

\* Part of Promoter Group

**Note :**

There is no change in Shareholding of the Promoter including Promoter Group

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

Sl.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Rakesh Jhunjhunwala</b>				
	At the beginning of the year	1,88,05,820	9.67	1,88,05,820	9.67
	Bought during the year	9,16,000	0.47	1,97,21,820	10.14
	Sold during the year	(17,41,000)	(0.89)	1,79,80,820	9.25
	At the end of the year	1,79,80,820	9.25	1,79,80,820	9.25
2.	<b>HDFC Life Insurance Company Limited (Formerly HDFC Standard Life Insurance Company Limited)</b>				
	At the beginning of the year	64,84,723	3.33	64,84,723	3.33
	Bought during the year	19,04,244	0.98	83,88,967	4.31
	Sold during the year	(9,43,050)	(0.48)	74,45,917	3.83
	At the end of the year	74,45,917	3.83	74,45,917	3.83
3.	<b>SBI Magnum Taxgain Scheme (various accounts)</b>				
	At the beginning of the year	25,00,000	1.29	25,00,000	1.29
	Bought during the year	31,44,397	1.61	56,44,397	2.90
	Sold during the year	0	0.00	56,44,397	2.90
	At the end of the year	56,44,397	2.90	56,44,397	2.90
4.	<b>Tata Mutual Fund (various accounts)</b>				
	At the beginning of the year	10,44,000	0.54	10,44,000	0.54
	Bought during the year	49,00,000	2.52	59,44,000	3.06
	Sold during the year	(4,13,500)	(0.22)	55,30,500	2.84
	At the end of the year	55,30,500	2.84	55,30,500	2.84
5.	<b>Franklin India Smaller Companies Fund</b>				
	At the beginning of the year	37,33,258	1.92	37,33,258	1.92
	Bought during the year	4,50,000	0.23	41,83,258	2.15
	Sold during the year	0	0.00	41,83,258	2.15
	At the end of the year	41,83,258	2.15	41,83,258	2.15
6.	<b>Sundaram Mutual Fund (various accounts)</b>				
	At the beginning of the year	27,92,498	1.44	27,92,498	1.44
	Bought during the year	1,87,457	0.09	29,79,955	1.53
	Sold during the year	0	0.00	29,79,955	1.53
	At the end of the year	29,79,955	1.53	29,79,955	1.53
7.	<b>ITPL - Invesco India (various accounts)</b>				
	At the beginning of the year	13,57,957	0.70	13,57,957	0.70
	Bought during the year	30,50,106	1.57	44,08,063	2.27
	Sold during the year	(15,28,178)	(0.79)	28,79,885	1.48
	At the end of the year	28,79,885	1.48	28,79,885	1.48



Sl.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	<b>Reliance Capital Trustee Company Limited-A/c Reliance Small Cap Fund</b>				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	25,52,528	1.31	25,52,528	1.31
	Sold during the year	0	0.00	25,52,528	1.31
	At the end of the year	25,52,528	1.31	25,52,528	1.31
9	<b>Ishares Core Emerging Markets Mauritius Company</b>				
	At the beginning of the year	14,11,897	0.73	14,11,897	0.73
	Bought during the year	4,19,235	0.21	18,31,132	0.94
	Sold during the year	(37,242)	(0.02)	17,93,890	0.92
	At the end of the year	17,93,890	0.92	17,93,890	0.92
10	<b>Steinberg India Emerging Opportunities Fund Limited</b>				
	At the beginning of the year	11,08,000	0.57	11,08,000	0.57
	Bought during the year	4,92,000	0.25	16,00,000	0.82
	Sold during the year	0	0.00	16,00,000	0.82
	At the end of the year	16,00,000	0.82	16,00,000	0.82
11	<b>Aditya Birla Sun Life Trustee Private Limited (various accounts)</b>				
	At the beginning of the year	22,55,715	1.16	22,55,715	1.16
	Bought during the year	84,000	0.04	23,39,715	1.20
	Sold during the year	(15,00,000)	(0.77)	8,39,715	0.43
	At the end of the year	8,39,715	0.43	8,39,715	0.43
12	<b>ICICI Prudential Life Insurance Company Limited</b>				
	At the beginning of the year	14,37,933	0.74	14,37,933	0.74
	Bought during the year	0	0.00	14,37,933	0.74
	Sold during the year	(9,31,589)	(0.48)	5,06,344	0.26
	At the end of the year	5,06,344	0.26	5,06,344	0.26
13	<b>ICICI Prudential (various accounts)</b>				
	At the beginning of the year	37,15,970	1.91	37,15,970	1.91
	Bought during the year	161	0.00	37,16,131	1.91
	Sold during the year	(33,33,521)	(1.71)	3,82,610	0.20
	At the end of the year	3,82,610	0.20	3,82,610	0.20
14	<b>HDFC Trustee Company Limited (various accounts)</b>				
	At the beginning of the year	54,38,673	2.80	54,38,673	2.80
	Bought during the year	20,99,973	1.08	75,38,646	3.88
	Sold during the year	(75,38,645)	(3.88)	1	0.00
	At the end of the year	1	0.00	1	0.00
15	<b>Avendus Enhanced Return Fund</b>				
	At the beginning of the year	14,25,566	0.73	14,25,566	0.73
	Bought during the year	3,13,251	0.16	17,38,817	0.89
	Sold during the year	(17,38,817)	(0.89)	0	0.00
	At the end of the year	0	0.00	0	0.00

**Note :**

1) The above information is based on the weekly beneficiary position.

2) The date wise increase/decrease in shareholding of the top 10 shareholders is available on the website of the Company at [www.rallis.co.in](http://www.rallis.co.in)

**(v) Shareholding of Directors and Key Managerial Personnel**

For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Dr. C. V. Natraj, Non-Executive, Independent Director</b>				
At the beginning of the year	4,831	0.002	4,831	0.002
At the end of the year	4,831	0.002	4,831	0.002

**Note :**

None of the Directors, other than Dr. C. V. Natraj, hold any shares in the Company.

For Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Mrs. Pouruchisti Meherhomji, Company Secretary*</b>				
At the beginning of the year	3,000	0.002	3,000	0.002
As on 28th February, 2019	3,000	0.002	3,000	0.002

\*Mrs. Pouruchisti Meherhomji resigned as the Company Secretary w.e.f. 28th February, 2019.

**Note :**

Mr. Ashish Mehta, Chief Financial Officer and Mr. Yashaswin Sheth, Company Secretary, do not hold any shares in the Company.

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0.15	15.00	-	15.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.04	0.11	-	0.15
<b>Total (i+ii+iii)</b>	<b>0.19</b>	<b>15.11</b>	<b>-</b>	<b>15.30</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	52.80	-	-	52.80
Reduction	-	(3.02)	-	(3.02)
<b>Net Change</b>	<b>52.80</b>	<b>(3.02)</b>	<b>-</b>	<b>49.78</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	52.96	12.00	-	64.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.03	0.09	-	0.12
<b>Total (i+ii+iii)</b>	<b>52.99</b>	<b>12.09</b>	<b>-</b>	<b>65.08</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Mr. V. Shankar Managing Director & CEO
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,36,42,563*
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	25,99,936
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0
2	Stock Options	0
3	Sweat Equity	0
4	Commission	
	- as % of profit	0
	- others, specify. (Performance based) (Refer Note 2)	1,25,00,000
5.	Others, please specify	-
	<b>Total</b>	<b>4,87,42,499</b>
	<b>Ceiling as per the Act</b>	<b>9,73,70,326</b>

\* Amount includes retiral benefits paid

#### Note:

- Mr. R. Mukundan who was Managing Director & CEO from 3rd December, 2018 to 31st March, 2019 has not drawn any remuneration from the Company.
- Commission is for FY 2018-19, which will be paid during FY 2019-20.

### B. Remuneration to other Directors

#### 1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. C. V. Natraj	Mrs. Padmini Khare Kaicker	Mr. Prakash R. Rastogi	Dr. Y. S. P. Thorat	Dr. Punita Kumar-Sinha	
1	Fee for attending Board/ Committee Meetings	3,40,000	3,00,000	4,60,000	3,80,000	2,20,000	17,00,000
2	Commission	25,00,000	28,00,000	28,00,000	30,00,000	20,00,000	1,31,00,000
3	Others, please specify	-	-	-	-	-	-
	<b>Total (B1)</b>	<b>28,40,000</b>	<b>31,00,000</b>	<b>32,60,000</b>	<b>33,80,000</b>	<b>22,20,000</b>	<b>1,48,00,000</b>

#### 2. Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Bhaskar Bhat	Mr. R. Mukundan	Mr. John Mulhall	
1	Fee for attending Board/ Committee Meetings	3,00,000	**	**	3,00,000
2	Commission	*	**	**	-
3	Others, please specify	-	-	-	-
	<b>Total (B2)</b>	<b>3,00,000</b>	<b>-</b>	<b>-</b>	<b>3,00,000</b>
	<b>Total Managerial Remuneration (B1) + (B2)</b>				<b>1,51,00,000</b>
	Total Sitting Fees				20,00,000
	Total Commission				1,31,00,000
	<b>Overall Ceiling as per the Act for payment of commission to Non-Executive Directors</b>				<b>1,94,74,065</b>

\* As per the internal guidelines, no payment is made towards commission to Mr. Bhaskar Bhat, Non-Executive Director of the Company, who is in full-time employment of other Tata Company.

\*\* Mr. R. Mukundan and Mr. John Mulhall are in whole-time employment of Tata Chemicals Limited, the holding company, and draw remuneration from it.

#### Note:

Commission is for FY 2018-19, which will be paid during FY 2019-20

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mrs. P. S. Meherhomji, Company Secretary*	Mr. Yashaswin Sheth, Company Secretary#	Mr. Ashish Mehta, Chief Financial Officer
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	54,44,763	3,43,292	65,26,223
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	5,65,614	-	7,97,828
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>60,10,377</b>	<b>3,43,292</b>	<b>73,24,051</b>

\* Ceased w.e.f. 28th February, 2019

# Appointed w.e.f. 1st March, 2019

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

On behalf of the Board of Directors

BHASKAR BHAT  
Chairman

Mumbai, 25th April, 2019



## Annexure F to the Board's Report

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

### (A) CONSERVATION OF ENERGY

#### (i) Steps Taken or Impact on Conservation of Energy:

The Company has continued its efforts to improve energy efficiency with more vigor and depth. Steps taken during the year to conserve energy include:

- Plant lighting 125 W HPMV lamps replaced by 39 W LED lamp
- Plant separation and vessel lighting 60W GLS lamps replaced by 15 W LED lamp
- Energy efficient street lamp fixture replacement from 125 W to 60 W LED
- Energy efficient High Bay fixture by 250 W HPMV to 90 W LED lamps
- Installation of Solar panels for Green Building
- Installation of energy efficient dry vacuum system
- Replacement of reciprocating compressors by screw compressors
- Replacement of Energy Efficient Motor

The Company's energy efficiency related efforts are acknowledged by the International Certification ISO-50001 on energy management for two of its Units i.e. Dahej and Ankleshwar. This is an exceptional achievement as far as chemical industries is concerned.

#### (ii) Steps taken by the Company for utilizing alternate sources of Energy:

As part of its long term sustainability plan, the Company has initiated various steps towards utilising alternate sources/renewable source of energy. Some of the key initiatives implemented by the Company are:

- Hot water generation by solar panel to start the process of production.
- Installation of solar power system for Admin Green Building at Ankleshwar.
- The Company has installed 4 MW solar power plant at its Unit in Dahej, Gujarat. The Unit got a rebate of 1,588 MWh/ annum in the financial year 2018-19 from the solar power plant.

- Expected reduction in carbon dioxide emission due to the 8 TPH Briquette fire boiler commissioned at Dahej SEZ Plant is approximately 9,456 MT on generation of 44,628 MT of steam, as compared to usage of furnace oil

#### (iii) Capital Investment on Energy Conservation Equipments:

Renewable energy and energy efficiency are seen as the "twin pillars" of a sustainable energy policy. The Company recognises that investment in energy conservation offers significant economic benefits in addition to climate change benefits. In the last few years, the Company has tried to improve energy efficiency significantly by investing in energy conservation equipment.

During the year, the Company has invested ₹ 2 crores as capital investment on energy conservation equipment, including among others, screw compressors for chilled water replacing reciprocating compressors, brine screw compressors, screw air compressor, solar street lights, high efficiency motor (IE3), installation of LED lighting, installation of solar power system for Admin Green Building, solar heaters etc.

### (B) TECHNOLOGY ABSORPTION

#### (i) Efforts made towards Technology Absorption:

- (a) A new type of formulation viz., ZC (mixed formulation of Capsule Suspension (CS) and Suspension Concentrate (SC) with two different active ingredients) is developed, where the skin irritant active ingredient is encapsulated in the formulation to reduce exposure to humans.
- (b) Processes developed to achieve high purity of two active ingredients.
- (c) Recommendations were obtained from State Agricultural University/Indian Council of Agricultural Research for three products on four crops for inclusion in the Package of Practices. This will help in participating in Government subsidy business.
- (d) The Innovation Turnover Index (revenues from products newly introduced in the last four years) was around 10%.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

- (a) Continuous troubleshooting support from R&D to Dahej manufacturing unit in the commercialisation batches of NPI-II during the year to support production of 12-14 MT per month.
- (b) Eleven products were registered in the international market. Sixteen registration dossiers were submitted in various international markets.
- (c) Ten products were registered in India for the domestic/export market. Label claim expansion approval was obtained on two products on four crops. Nineteen dossiers were submitted under various categories of new registration.
- (d) Dossier has been submitted to Central Insecticides Board and Registration Committee for leading products like Taqat on Wheat & Rice and Anant on Okra, Mango, Wheat, Mustard, Tomato, Brinjal, Tea, Potato & Citrus crops as label expansion.
- (e) Product commercialized during FY 2018-19: OLIVER- A systemic post-emergent herbicide formulated using Haloxyfop-methyl into 10.5% EC is very effective against all major grassy weeds in Soybean.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

- (a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.
- (b) **the year of import:** Not applicable
- (c) **whether the technology has been fully absorbed:** Not applicable
- (d) **if not fully absorbed, areas where absorption has not taken place, and the reason thereof:** Not applicable

**(iv) Expenditure on R & D:**

	(₹ in crores)	
	<b>2018-19</b>	<b>2017-18</b>
Capital expenditure	1.25	0.66
Revenue expenditure*	18.50	18.79
	19.75	19.45
Total R&D expenditure as a percentage of net sales (excluding excise duty)	1.18%	1.30%

\* included in the above is an amount of ₹ 0.19 crore (Previous Year ₹ 0.21 crore) paid to an external agency.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earned in terms of actual inflows during the year and Foreign Exchange outgo during the year in terms of actual outflows:

	(₹ in crores)	
	<b>2018-19</b>	<b>2017-18</b>
1. Foreign Exchange Earned	637.77	471.85
2. Outgo of Foreign Exchange	459.61	422.64

On behalf of the Board of Directors

BHASKAR BHAT  
Chairman

Mumbai, 25th April, 2019



## Annexure G to the Board's Report

[Pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### Disclosure of Managerial Remuneration

**A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2018-19 as well as the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary is as under:**

Name of Director	Ratio to median remuneration	% increase in remuneration over previous year
<b>Non-Executive Directors</b>		
Mr. Bhaskar Bhat <sup>@</sup>	-	-
Mr. Prakash R Rastogi	4.3:1	12.2
Dr. Y. S. P. Thorat	4.5:1	-13.4
Dr. C. V. Natraj	3.8:1	-6.7
Mrs. Padmini Khare Kaicker	4.1:1	-12.4
Dr. Punita Kumar-Sinha	3.0:1	1.8
<b>Executive Directors</b>		
Mr. V. Shankar, Managing Director & CEO <sup>#</sup>	46.6:1	(14.63)
<b>Key Managerial Personnel</b>		
Mr. Ashish Mehta, Chief Financial Officer	-	5.7
Mrs. Pouruchisti Meherhomji, Company Secretary*	-	**
Mr. Yashaswin Sheth, Company Secretary*	-	**

\* Part year

@ In line with the internal guidelines, no payment is made towards commission to Mr. Bhaskar Bhat, Non-Executive Director of the Company, since he is in full-time employment with other Tata company and hence not stated

# Excludes retiral benefits paid

\*\* Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence not stated

**Note:**

- Remuneration includes sitting fees and commission for Non-Executive Directors. Commission relates to the financial year ended 31st March, 2019, which will be paid during FY 2019-20.
- Mr. R. Mukundan and Mr. John Mulhall being in the whole-time employment of Tata Chemicals Limited, the holding company, draw remuneration from it and hence the above details are not applicable for them.

**B. Percentage increase in the median remuneration of employees in the FY 2018-19: 7.78%**

**C. Number of permanent employees on the rolls of the Company as on 31st March, 2019: 1,001**

**D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:**

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	10.68
Average increase in remuneration of managerial personnel	(14.63)#

# Excluding retiral benefits paid

**E. Affirmation:**

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

BHASKAR BHAT  
Chairman

Mumbai, 25th April, 2019

## Management Discussion and Analysis

### GLOBAL ECONOMY

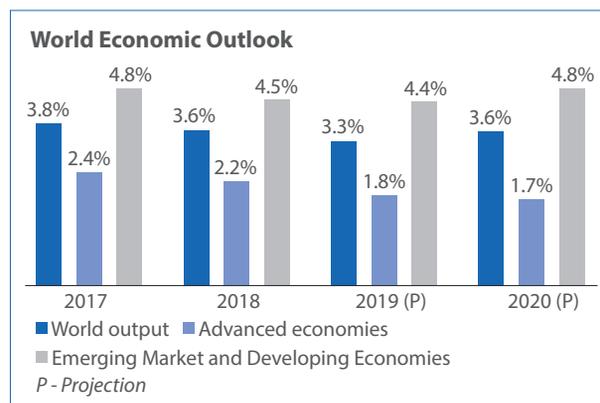
Global economic growth is estimated at 3.6% in 2018 compared to 3.8% in 2017. The year started off strongly driven by economic acceleration gained in 2017, however weaker performance in some countries, notably Europe and Asia impacted growth in the second half. Factors like weakening financial market sentiment, trade policy uncertainties, credit policy tightening and concerns over China's outlook weighed down momentum.

#### Outlook

Global growth is projected to decline to 3.3% in 2019, before picking up slightly to 3.6% in 2020. Growth in advanced economies is projected to slow from an estimated 2.2% in 2018 to 1.8% in 2019 and further to 1.7% in 2020, mostly due to downward revision in the Euro area and subsiding impact of US fiscal stimulus. Growth in the Euro area is estimated to moderate from 1.8% in 2018 to 1.3% in 2019 and 1.5% in 2020, while that in the US from 2.9% to 2.3% and 1.9% in the same period. Growth rates have been marked down for many economies. Germany is likely to be impacted by weak private consumption, industrial production and foreign demand, Italy by weak domestic demand and higher borrowing costs and France by negative impact of street protests and industrial action.

Growth in Emerging and Developing Asia is likely to dip from 6.4% in 2018 to 6.3% in both 2019 and 2020. Despite fiscal stimulus that partially offsets the impact of higher US tariffs, China's economy is expected to slow

down due to financial regulatory tightening and trade tensions with the US. However, India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening, as inflation pressure eases. (Source: International Monetary Fund World Economic Outlook, April 2019)



(Source: IMF World Economic Outlook, April 2019)

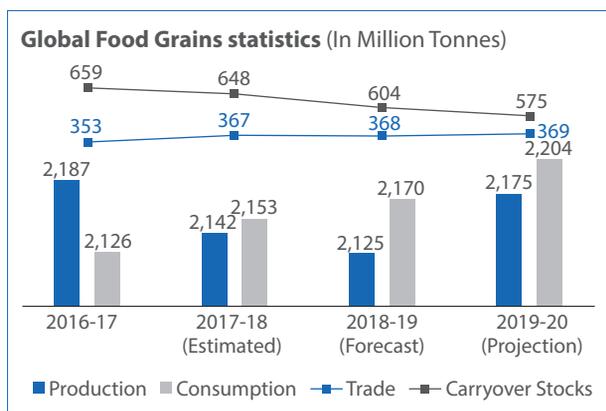
#### Impact of climatic conditions on global agriculture

The year 2018 became the fourth warmest on record since 1880, according to an independent analysis by NASA and the National Oceanic and Atmospheric Administration. Preliminary data indicated that 2018 global temperatures were 0.79° Celsius above the 20th century average. The warming was largely driven by increased emissions of carbon dioxide and other greenhouse gases into the atmosphere caused by human activities. National Centers for Environmental Information data indicated that 2018 was also



the 42nd consecutive year of above average global land and sea surface temperatures.

Unfavourable weather for crops in key growing regions adversely impacted crop production and yield. According to the Grain Market Report by the International Grains Council, global grains production is estimated to have fallen by 17 Million Tonnes ('MT') in Financial Year ('FY') 2018-19 to a three-year low of 2,125 MT. This decline was because a higher maize output had been outweighed by declines for other crops.



(Source: International Grains Council)

### INDIAN ECONOMY

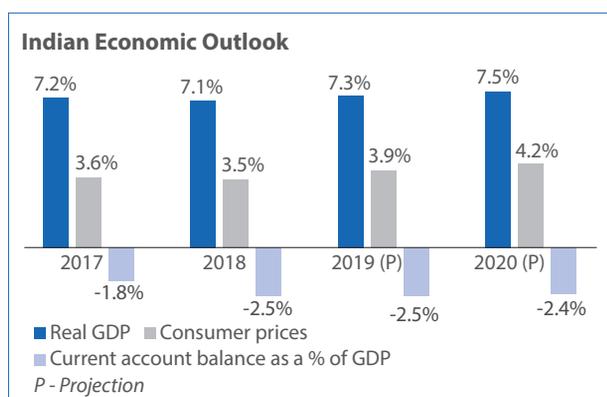
While the global economy is battling headwinds, India continues to be one of the fastest growing major economies in the world in FY 2018-19, driven by strong household

spending and corporate fundamentals. Despite external vulnerabilities in the form of high oil prices, trade tensions between major global trading partners and the US monetary tightening, the Indian economy remained resilient. The World Bank estimated the Indian economy to grow by 7.2% in FY 2018-19.

### Outlook

Globally, analysts and agencies have a consensus that Indian economy will continue to outperform amidst global gloom, albeit at a slower pace. As per the International Monetary Fund ('IMF'), the Indian economy is likely to accelerate moderately and grow by 7.3% in FY 2019-20 compared to its earlier projection of 7.5%. To support the growth momentum, the Reserve Bank of India is taking the necessary steps to maintain financial stability and to facilitate enabling conditions for sustainable and robust growth. It has already taken back-to-back rate cuts of 25 basis points, resulting in repo rate declining to 6%.

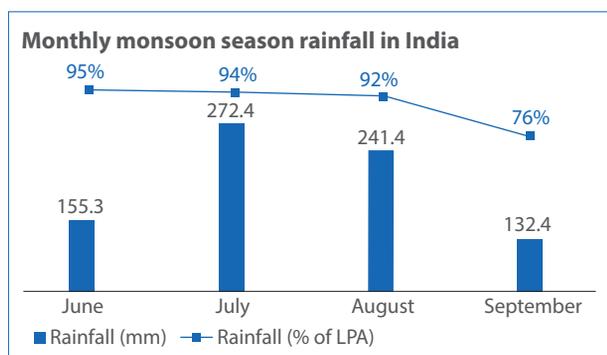
As per the Confederation of Indian Industry ('CII'), the positive outlook in India is supported by better demand conditions, settled GST implementation, capacity expansion from growing investments in infrastructure, continuing positive effects of reform policies and improved credit offtake. The industry body observed that despite 2018 being filled with external vulnerabilities arising out of rising oil prices, trade wars between major global trading partners and US monetary tightening, the Indian economy outshined. Various measures of the Government under "Make in India" and other similar initiatives have begun showing positive results.



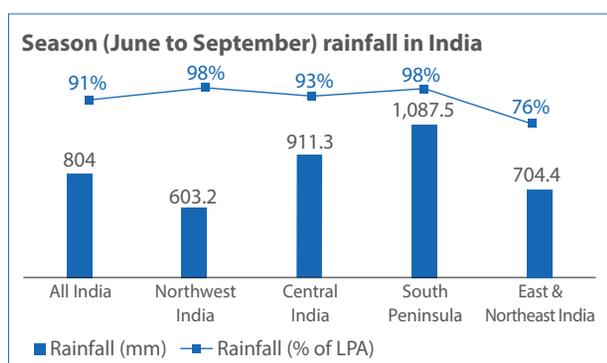
(Source: IMF World Economic Outlook, April 2019)

### Impact of Climatic Changes on Agricultural Production

As per the India Meteorological Department (IMD), 2018 was the sixth warmest year on record in India with patchy monsoon and average temperature being significantly above normal. The rainfall during the annual monsoon season was less than the original forecast at 91% of the long-term average. Nearly 50% of India's cultivable farm area is dependent on the monsoon, making it lifeline of the country's rural economy and agriculture sector. However, most major crops producing states witnessed normal monsoon rainfall, hence the production of food grains for FY 2018-19 is higher.



(Source: Indian Meteorological Department)



(Source: Indian Meteorological Department)

As per the 2nd Advance Estimates released by the Department of Agriculture, Cooperation and Farmers Welfare, the total food grains production in India is estimated to be 281.37 MT in FY 2018-19, despite deficit rains. This is higher than the 277.49 MT (as per 2nd advance estimate) harvested by India in FY 2017-18 crop year and the previous five years' average (FY 2013-14 to FY 2017-18) production of food grains by 15.63 MT.

Production of rice, the main cereal crop, in FY 2018-19 despite a dismal performance of the monsoon witnessed an output at 115.60 MT. This is on account of a substantial increase in production during the kharif season. However, the production of other cereals is set for a decline, mainly on account of deficit rainfall triggering drought conditions across many states.

### Food Grains Production in India

(In MT)

Crop	FY 2018-19	FY 2017-18	FY 2016-17
Cereals	257.35	253.54	251.98
Pulses	24.02	23.95	23.13
Food grains	281.37	277.49	275.11
Oilseeds (lakh tonnes)	315.02	298.82	312.76
Cotton (lakh bales of 180 kgs)	325.77	339.15	300.87

(Source: Second Advance Estimates by the Government)

However, increasing crop production has impacted prices and, in turn, affected farmers' income.

A number of measures and policies have been introduced by the Government. The pro-farmer policies will help the cultivators attain higher levels of agricultural produce and enable a structured income support for them. Agriculture's role in the process of economic growth in India is unprecedented. Agriculture, with its allied sectors, is the largest source of livelihood in India. Advancement in agriculture and allied sectors is positive for inclusive economic growth at the national level. India is the largest producer, consumer and importer of pulses in the world. As farmers find themselves in a more comfortable situation, the agriculture sector will gather further momentum.

### INDUSTRY OVERVIEW

Agriculture inputs play a decisive role in enhancing crop production. With arable land declining, production of crops can only be increased by using quality inputs through a scaled-up country-wide effort. Concerted efforts



are being taken to transform agriculture, improve farm productivity and farmer prosperity, achieve food security and environmental sustainability.

### Segments of Agriculture Inputs Industry



#### Seeds Industry

The global seed market continues to expand, as the demand for food will grow unabated in the backdrop of world population anticipated to reach 10 billion by 2050. One of the major trends, which has influenced the seed market worldwide, is the significant shift in farming practices. Farmers are increasingly buying commercially-produced enhanced seed varieties, as against using seeds from the last harvest due to advantages of higher yield, improved nutritional quality, reduced crop damage and better disease resistance.

India has a vibrant seed market with an estimated value of US\$ 2.5 billion (US\$ 1.5 billion hybrid seed and US\$ 1 billion Open Pollinated Variety). The industry has undergone significant restructuring due to implementation of progressive policies by the Government. Heightened support from the Centre and rapid advancements in seed technology, have strengthened the Indian seed industry in the areas of R&D, product development, supply chain management and quality assurance. Supporting regulatory mechanism can aid faster adoption of globally successful seed technology to address multiple challenges of farm productivity and catapult seed industry in India to a new orbit.

Growing food grain production, rate of replacement and increasing government investments in agriculture are augmenting the demand for seeds in India. This is compounded by rising disposable incomes, commercialisation of agriculture and growing awareness among farmers regarding the use of certified seeds.

Cotton holds the maximum share of revenue among row crops. The large-scale adoption of BT cotton seed in India has been the driving force behind the share of cotton increasing cultivation. Vegetables and maize also witness high hybridisation and seed replacement rates, and have a higher share.

FY 2018-19 has been a challenging year for the seeds sector. While the overall rainfall was near the long-term average, the issue was uneven distribution and timing. Poor rainfall during key cropping periods in both Kharif and Rabi seasons led to cropping pattern change and hence impacted demand.

Another challenge for the industry players was the tightening regulation on co-marketing of branded cotton seeds in certain states.

#### Irrigation industry

Irrigation is an area of major concern globally driven by depleting water levels and uneven rainfall due to climate change. With about 20% of global agricultural area irrigated, there is a growing demand for mechanised irrigation systems that can address farm water needs, while minimising consumption. Strong support from Governments globally, higher returns on investments compared to alternatives, water usage efficiency are further driving increasing adoption of such systems. As per a report by Transparency Market Research (TMR), the global mechanised irrigation systems market is expected to increase at a CAGR of 14.9% during 2016-2024 and that of micro irrigation systems market at a CAGR of 15.3% during 2017-23. Solutions like sprinkler and drip irrigation systems are likely to drive the segment. (Source: Globe Newswire)

In India too, where less than half of the net sown area is irrigated, the need for irrigation solutions is imminent. The Government in a bid to double farmers income has laid special focus on irrigation. Under its Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), the Government has made an outlay of ₹50,000 crores for a five-year period (FY 2015-16 to FY 2019-20). The scheme focuses on convergence of investments in irrigation at the field level, expanding irrigated cultivable area, improving on-farm water use efficiency, and enhancing the adoption of precision irrigation and other technologies (Per drop, More crop). (Source: Globe Newswire)

#### Plant Nutrient Industry

Fertilizers are important for maximising yields and improving fertility and have played a key role in the success of India's green revolution and subsequent self-reliance in food grain production. As per a report by Mordor Intelligence, the global fertilizer market is expected to expand at a CAGR of 3.8% during 2019-2024 to become a US\$ 188.1 billion industry. This growth is likely to be triggered by the need to increase crop production to meet the growing demand for food. (Source: Mordor Intelligence, Industry Report)

India has retained its position as the world's second largest consumer of fertilizers. The Indian fertilizer market was valued at ₹ 4,675 billion in 2017 and is projected to reach ₹ 9,987 billion by 2023, at a CAGR of around 13% during 2018-2023. (Source: IMARC Group)

The Bio-stimulants market in India is projected to witness a CAGR of 16.49% to reach a total market size of US\$ 181 million by 2023, increasing from US\$ 72 million in 2017 (Source: Business Wire). These are materials with an organic base which are used throughout the lifecycle of the crops, helping increase crop yield, bring in efficiencies in water consumption and overall, enhance crop quality.

Micro-nutrients are plant growth nutrients and they play a crucial role in balanced crop nutrition. Non-availability of micro-nutrients inhibits the critical functions of the crop, leading to abnormality, slow growth and reduced yield. The micro-nutrient market in India is currently pegged at ₹ 19 billion, and is expected to grow at 8%-9% CAGR, going ahead.

As per ICRA report, the industry continues to face legacy issues of subsidy budgeting resulting in large backlogs. Though Government initiatives of Special Banking arrangements are providing temporary relief in the form of subsidised interest costs, in the long term, the industry sales are likely to grow between 2%-4% annually. (Source: Economic Times)

### Crop Protection industry

Crop protection chemicals play a major role in increasing agriculture productivity. They help in minimising plant diseases, weeds, and other pests that damage agriculture crops, and thus increasing and maintaining year-on-year crop yield. Around 25% of the global crop output is lost due to attacks by pests, weeds and diseases. The global crop protection industry, which reached a value of US\$ 57.7 billion in 2017, is expected to reach US\$ 77.3 billion by 2023, exhibiting 5.3% CAGR during 2018-2023. (Source: Mena Fn, IMARC Group)

India is the 4th largest producer of agrochemicals, after the US, Japan and China. As per a Report published by Federation of Indian Chambers of Commerce and Industry ('FICCI') titled Indian Agrochemical Industry, July 2018, the industry is valued at US\$ 4.1 billion, and likely to grow at 8.3% CAGR to touch US\$ 8.1 billion by FY 2024-25. In India, better timing and spatial distribution of rainfall, higher pest incidence, and steps by the Government to improve farm income are expected to increase the application of agrochemicals. The industry faces several

challenges due to strict environmental regulations. Crop protection comprises of insecticides, fungicides, herbicides and bio-pesticides. India's pesticides consumption is currently one of the lowest in the world among other economies. Its per hectare consumption stands at 0.6 Kg, compared to US (5-7 Kg/ha) and Japan (11-12 Kg/ha). In India, paddy accounts for the maximum share of pesticide consumption at around 26%-28%, followed by cotton at 18%-20%.

India is the fifth largest exporter of pesticides, with most of the exports being off-patent products. Exports of pesticides are likely to grow at a CAGR of 8.6% and reach US\$ 4.2 billion by FY 2024-25. Low-cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, better price realisation globally and strong presence in generic pesticide manufacturing are the key factors driving growth in India. (Source: FICCI & CARE Ratings Report)

In FY 2018-19, the Indian crop protection chemical industry witnessed several challenges. Uneven distribution of rainfall and its skewness in certain regions led to a significant change in the pest load factor, impacting its consumption. In Rabi season, significant rainfall during beginning of cropping period led to a decline in pest infestation. The industry further faced the challenge of fluctuation in the prices of raw materials as supply got impacted due to operational issues in China led by environmental crackdown. In India, regulatory issues like label claim, co-marketing, and restriction and banning of products in Maharashtra, Punjab and Haryana impacted demand.

Despite this, the opportunities for the Indian market are increasing with China shutting down capacities and with agrochemicals valuing US\$ 2.9 billion going off-patent between 2017-2020. Moreover, educating farmers about the advantages of pesticides and its safe usage is projected to increase demand for pesticides in the country. Growth is expected to be largely driven by export demand, which is expected to grow by 15%-16% per annum. Tropical climatic conditions and high production of paddy, cotton, sugarcane and other cereals in India will drive consumption of insecticides. The Government is looking to double farmers' income by 2022 and working towards addressing their unmet needs across the agri-value chain augurs well for India's crop protection industry.

### COMPANY OVERVIEW

With a legacy of 168 years, Rallis has carved a niche for itself with its innovations and R&D capabilities, and is



today well established as a responsible player in the agriculture inputs industry.

From being just an pesticides player, the Company has widened its portfolio by diversifying across the agriculture value chain – ranging from plant protection chemicals to hybrid seeds, plant growth nutrients and soil conditioners. The Company has manufacturing facilities at four sites: Ankleshwar and Dahej in Gujarat; and Lote and Akola in Maharashtra. All these are modern facilities in terms of technical knowhow and practices. Its business is supported by the Rallis Innovation Chemistry Hub (RICH), which is focused on product development and process chemistry to bring the latest crop health products to the farmers.

The Company's operations are divided into domestic and international business. The domestic business focuses on enhancing farm productivity and farmer income across India. For this, the Company associates with farmers at each stage of the farming cycle by providing quality seeds, plant growth nutrients and agrochemicals, thus ensuring an integrated crop management system. It also engages in safety awareness campaigns "You are Safe" on usage of crop protection by farmers and channel partners. The Company also helps farmers improve their farming practices through various hand-held approaches.

On the international business front, the Company manufactures and markets technical-grade crop care and branded formulation either directly or through alliances. The Company also leverages its knowledge in process chemistry to undertake contract manufacturing activities in the areas of agro chemicals and polymers, for leading global companies. It is a preferred partner owing to its execution capabilities, low-cost advantage, customer relationship management and reliability in terms of quality and supply.

## AGRI SOLUTIONS

The Company is aligned with the Government's mission to provide food security and drive farm productivity, with the aim of empowering farmers and increasing their incomes. Over the years, with sustainability at the core of its operations, it has consciously looked beyond manufacturing to expand its offerings and deliver value to farmers including agronomic advice and knowledge of best practices to enable farmers enhance the yield and their net incomes.

The Company offers several solutions in its agri services portfolio which include successful initiatives of GeoGreen and MoPu (More Pulses). Under GeoGreen, the Company

facilitated its organic manure product to farmers and with proper knowledge of usage for enhancing soil health which found immense acceptance as they witnessed improved yield. Under the MoPu initiative, the Company works with several state agencies to provide training, package of practice and scientific information to enable farmer enhance pulses production. MoPu is now operational in the states of Madhya Pradesh and Maharashtra. **Rallis Samrudh Krishi**® (RSK) initiative, brings to the farmers the latest farm technology and practices, while focusing on nurturing safety and protecting the environment. It facilitates farmers increase the yield through better quality and lower costs, optimise their resources to increase farm productivity sustainably, thereby creating value for them. Through RSK and its digital interventions, the Company supported farmers by helping them take informed decisions on various aspects of crop management. Digitalisation facilitates the Company in generating real-time data and predictive analysis and enables constant improvements in Good Agricultural Practices (GAP).

### Key Enablers for a Digitally Enabled RSK:

The Company in line with its strategy of helping farmers enhance their prosperity using technology is leveraging the RSK platform. The intent of the initiative is to provide right application and information to internal (sales and marketing teams) and external customers (farmers, channel partners and vendors) to achieve wider reach and greater impact. Various digital initiatives executed under the program include:

**Drishhti:** One of the most critical needs of the farming community is the availability of predictive advisory services. Through its digital platform *Drishhti*, the Company aims at providing customised and predictive advisory services to the farmers from rain-fed areas. It supplies the farmers with reliable information on weather, soil condition, crop health, and pest attacks, among others. This enables them to take informed decisions and ensure higher productivity.

**Rallis Krishi Samadhan** is a mobile app launched to provide the farming community pre-harvest and post-harvest related information including package of practice, weather information, mandi information, complaint/query resolution, and personalised advisory through farm visits. The app allows farmers to gain direct access to the Company's helpline for resolution of their problems. The service is currently available in 11 regional languages which increases the reach.

**Sampark** is a mobile app for the frontline workforce aimed at ensuring better engagement with farmers, better visibility and insight gathering. The app improves the productivity of the Company's field-force by facilitating data collection and ensuring digital farmer engagement by crop advisors.

## BUSINESS OVERVIEW

FY 2018-19 was a challenging year for the Company. While the total income grew by 11%, margins were under pressure. The growth was largely driven by strong performance of the international business led by fructification in new registrations and retention of existing accounts due to strong customer relationship management which enhanced the overall sales.

In the domestic business, difficult weather conditions impacted crop shift pattern and pest load factor leading to subdued performance. The business was further impacted by surge in raw material prices, working capital management and debtor collections issues. To address these issues, the Company has devised a working capital management strategy with strong focus on domestic debtor management. The Company has also entered into strategic partnership with financing companies for channel partner financing. This will enable it to grow business and improve working capital position. The crop protection business of the Company was impacted by lower pest loads in both Kharif and Rabi season. Monsoon-proofing continues to be a key strategy for the Company to reduce influences of climatic conditions.

Though the Company's performance was impacted due to business and environmental conditions, it sees demand significantly increasing in the coming years. This will be more so in the international business where the Company is gaining new registrations and strengthening its geographic presence. To capitalise on this, the Company over the next 5-6 years has planned a total capex of ₹ 800 crores to expand formulation capacities, new active ingredients as well as adding intermediates capacity for backward integration. This will enable it to cater to the growing demand and reduce dependencies on imports. The Company's new products introduced in the previous years have witnessed good response. The focus will be on strengthening its marketing and distribution to grow volumes.

During the year, the Company has created a strong pipeline of products by leveraging its R&D and its technical alliances with other partners.

Besides, the Company took several key initiatives to strengthen its market position. It bolstered its distributor network across the key growth markets and also worked towards increasing the number of channel partners with the aim of getting closer to the farming community.

The Company's seeds business is one of the fastest growing segments with a significant room for expansion. However, with both the Company and its subsidiary, Metahelix Life Sciences Limited ('Metahelix'), having operational seeds business there were newly emerging regulatory challenges related to co-marketing and some overlap presenting scope for optimising. Focused on this objective, the Company's Board of Directors have taken the strategic decision of discontinuing its seeds business. Henceforth, the seeds operations shall be completely handled by Metahelix, whose strong portfolio and brand connect will benefit the Company to grow the seeds business with focused approach and optimal utilisation of resources. During the year under review, the Board has further accorded its approval for merger of Metahelix with the Company subject to necessary regulatory and statutory approvals.

Moving ahead, the Company remains poised to implement key initiatives across functions to enable itself to face market challenges and leverage the emerging opportunities. It remains focused on improving revenue growth and profitability, driven by high growth segments such as seeds and nutrients.

## REVIEW OF FINANCIAL PERFORMANCE

### Standalone performance for the year ended 31st March, 2019

#### Analysis of the Standalone Profit and loss statement

(₹ crores)

Particulars	FY 2018-19	FY 2017-18	% change
Revenue from operations (net)	1,672	1,516	10%
Other income	26	9	188%
Cost of materials consumed	1,016	885	15%
Power and fuel	62	53	17%
Freight, handling and packing	58	59	-1%
Employee benefits expenses	138	126	10%
Depreciation and amortisation expenses	39	41	-3%
Finance costs	5	3	48%
EBITDA	206	226	-9%
Profit after Tax	129	141	-9%



## Income

The total income of the Company increased 11% from ₹ 1,525 crores in FY 2017-18 to ₹ 1,697 crores in FY 2018-19. It comprises revenue from operations and other income.

Revenue from operations increased by 10% from ₹ 1,516 crores in FY 2017-18 to ₹ 1,672 crores in FY 2018-19. This growth has been primarily due to strong momentum achieved in the international business where the Company received new product registrations, enhanced business with existing clients and added new ones. Other income increased by 188% from ₹ 9 crores in FY 2017-18 to ₹ 26 crores in FY 2018-19. Other income includes ₹ 13 crores for export incentives which in the earlier period were reported under "Other Operating Revenue" in the Statement of Profit and Loss. This has no impact on reported Profit Before Tax ('PBT').

## Expenses

The Company's total expenses increased by 13% from ₹ 1,334 crores in FY 2017-18 to ₹ 1,509 crores in FY 2018-19. Major expense items of the Company comprise cost of materials consumed, purchase of stock-in-trade, power and fuel, freight, handling and packing, employee benefits expenses, depreciation and amortisation expenses and finance costs.

Cost of materials consumed increased by 15% from ₹ 885 crores in FY 2017-18 to ₹ 1,016 crores in FY 2018-19 owing to increase in major raw material prices like DMPAT/Triazinone/DEK/4Nox/ Pexi etc.

Power and fuel expenses increased by 17% from ₹ 53 crores in FY 2017-18 to ₹ 62 crores in FY 2018-19, largely due to increase in prices of utilities.

Freight, handling and packaging expenses decreased by 1% from ₹ 59 crores in FY 2017-18 to ₹ 58 crores in FY 2018-19. Hence, no major variance in freight, handling and packing expenses.

Employee benefit expenses increased by 10% from ₹ 126 crores in FY 2017-18 to ₹ 138 crores in FY 2018-19 owing to Director retiral benefits amounting to ₹ 7.2 crores, with balance increase coming from annual increment and new recruitment.

Depreciation and amortisation expenses decreased by 3% from ₹ 41 crores in FY 2017-18 to ₹ 39 crores in FY 2018-19.

Finance costs increased by 48% from ₹ 3 crores in FY 2017-18 to ₹ 5 crores. Domestic business witnessed slow collection resulting into working capital loan utilisation and resulted into higher finance cost.

## Profitability

The Company's profitability was under pressure during the year due to continuing increase in imported raw material cost as a result of closure of many units in China due to environmental issues. The price increase was not in sync with cost increase and this eroded margins. Further, one time donation to electoral fund of ₹ 5 crores and provision for Director's retiral benefits of ₹ 7.2 crores overall impacted the margins. EBITDA decreased by 9% from ₹ 226 crores in FY 2017-18 to ₹ 206 crores in FY 2018-19. EBITDA margins reduced by 258 basis points from 15% in FY 2017-18 to 12% in FY 2018-19. PAT decreased by 9% from ₹ 141 crores in FY 2017-18 to ₹ 129 crores in FY 2018-19. PAT margins decreased 162 basis points from 9% in FY 2017-18 to 8% in FY 2018-19.

## Analysis of the standalone Balance Sheet

### Non-current Assets

Particulars	(₹ crores)		
	31st March, 2019	31st March, 2018	% Change
Property, plant and equipment	349	343	2%
Capital work-in-progress	13	12	6%
Investment property	6	6	-1%
Other intangible assets	3	3	16%
Intangible assets under development	12	13	-6%
Financial assets			
(i) Investments	310	310	0%
(ii) Loans	5	4	26%
(iii) Other financial assets	-	1	-64%
Income-tax assets (net)	62	63	-1%
Other non-current assets	32	33	-3%
<b>Total non-current assets</b>	<b>790</b>	<b>785</b>	<b>1%</b>

Non-current assets of the Company increased by 1% from ₹ 785 crores as on 31st March, 2018 to ₹ 790 crores as on 31st March, 2019. The increase was owing to normal additions in property, plant and equipment.

**Working capital**

Particulars	(₹ crores)		
	FY 2018-19	FY 2017-18	% Change
<b>Current assets</b>			
Inventories	430	375	15%
Financial assets			
(i) Investments	59	80	-26%
(ii) Trade receivables	417	365	14%
(iii) Cash and cash equivalents	35	3	1179%
(iv) Bank balances other than (iii) above	3	3	-13%
(v) Other financial assets	5	6	-17%
Other current assets	117	105	12%
Assets classified as held for sale	-	13	-100%
<b>Total current assets</b>	<b>1,065</b>	<b>949</b>	<b>12%</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	53	-	-
(ii) Trade payables	360	369	-2%
(iii) Other financial liabilities	88	77	14%
- Provisions	15	14	12%
- Income tax liabilities (net)	4	2	53%
- Other current liabilities	14	20	-27%
<b>Total current liabilities</b>	<b>534</b>	<b>482</b>	<b>11%</b>
<b>Working capital</b>	<b>531</b>	<b>467</b>	<b>14%</b>

Working capital (net current assets) of the Company increased by 14% from ₹ 467 crores as on 31st March, 2018 to ₹ 531 crores as on 31st March, 2019. Despite the challenges, the Company has ably managed cash flows to ensure that working capital remained under control. The working capital cycle stood at 116 days and current ratio was at comfortable level 2.

The key elements of the current assets comprise investment, inventory, trade receivables, cash and cash equivalents and bank balances. Investments decreased 26% from ₹ 80 crores as on 31st March, 2018 to ₹ 59 crores as on 31st March, 2019.

Inventory increased 15% from ₹ 375 crores as on 31st March, 2018 to ₹ 430 crores as on 31st March, 2019. Inventory cycle increased from 90 days as on 31st March, 2018 to 94 days as on 31st March, 2019. The increase in inventory were largely on account of higher sales return than estimated in the domestic market. There was also a built up of some raw materials inventories to meet next season's demands.

Trade receivables increased by 14% from ₹ 365 crores as on 31st March, 2018 to ₹ 417 crores as on 31st March, 2019. Debtor turnover increased from 88 days as on 31st March, 2018 to 91 days as on 31st March, 2019 owing to pressure on collection in the domestic business.

The Company generated net cash flows of ₹ (4) crores as on 31st March, 2019 compared to ₹ (1) crore as on 31st March, 2018. Its net cash flows from operating activities as on 31st March, 2019 were ₹ 55 crores against ₹ (5) crores in previous year.

**Capital employed**

Particulars	(₹ crores)		
	FY 2018-19	FY 2017-18	% Change
<b>Equity</b>			
Equity share capital	19	19	-
Other equity	1,229	1,159	6%
<b>Total equity</b>	<b>1,248</b>	<b>1,179</b>	<b>6%</b>
<b>Liabilities</b>			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	18	-18%
(ii) Provisions	20	14	42%
(iii) Deferred tax liabilities (net)	38	41	-6%
<b>Total non-current liabilities</b>	<b>73</b>	<b>73</b>	<b>-</b>
<b>Total</b>	<b>1,321</b>	<b>1,252</b>	<b>6%</b>

Capital employed increased by 6% to ₹ 1,321 crores as on 31st March, 2019. The Company's return on capital employed remained at 15% as on 31st March, 2019 compared to 16% as on 31st March, 2018 owing to decrease in profits and increase in capital employed. Capital employed comprises net worth and non current liabilities.

Net worth of the Company increased by 6% from ₹ 1,179 crores as on 31st March, 2018 to ₹ 1,248 crores as on 31st March, 2019. It comprises equity share capital divided into 19,44,68,890 equity shares of ₹ 1 each and reserves and surplus of ₹ 1,229 crores. The Company's return on net worth as on 31st March, 2019 stood at 10% compared to 12% as on 31st March, 2018.

The Company's non-current liabilities were almost at similar levels at ₹ 73 crores as on 31st March, 2018 and as on 31st March, 2019. It includes non-current borrowings, provisions and deferred tax liabilities (net). Borrowings comprise ₹ 15 crores term loan from bank which was availed for solar power plant at Dahej.



The Company's debt:equity ratio as on 31st March, 2019 stood at 0.06 compared to 0.02 as on 31st March, 2018, indicating its low leverage.

### Consolidated performance for the year ended 31st March, 2019

#### Analysis of the consolidated Profit and loss statement

(₹ crores)

Particulars	FY 2018-19	FY 2017-18	% change
<b>Revenue from operations</b>			
Rallis India Ltd.			
-Consolidated	1,984	1,808	10%
Rallis India Ltd.			
-Standalone	1,672	1,516	10%
Metahelix Life Sciences Ltd.	336	319	5%
Zero Waste Agro Organics Ltd.	10	10	1%
Rallis Chemistry Exports Ltd.	-	-	-
PT. Metahelix Lifesciences Indonesia	1	0	155%
<b>EBITDA</b>			
Rallis India Ltd.			
-Consolidated	241	264	-9%
Rallis India Ltd. -Standalone	206	226	-9%
Metahelix Life Sciences Ltd.	31	37	-17%
Zero Waste Agro Organics Ltd.	1	2	-32%
Rallis Chemistry Exports Ltd.	-	-	-
PT. Metahelix Lifesciences Indonesia	-1	-1	-1%
<b>PAT</b>			
Rallis India Ltd.			
-Consolidated	155	167	-7%
Rallis India Ltd. -Standalone	129	141	-9%
Metahelix Life Sciences Ltd.	23	24	-5%
Zero Waste Agro Organics Ltd.	2	2	-13%
Rallis Chemistry Exports Ltd.	-	-	-
PT. Metahelix Lifesciences Indonesia	-1	-1	-1%

Total income increased by 11% from ₹ 1,822 crores in FY 2017-18 to ₹ 2,015 crores in FY 2018-19. EBITDA decreased by 9% from ₹ 264 crores in FY 2017-18 to ₹ 241 crores in FY 2018-19. Profit after tax decreased by 7% from ₹ 167 crores in FY 2017-18 to ₹ 155 crores in FY 2018-19.

#### Key Financial Ratios :

##### Standalone:

1. Interest coverage ratio was at 40 compared to 59 of previous year. Even after a drop the Company has a high interest coverage ratio which indicates stronger financial health and capability of meeting interest obligations.

2. Debt equity ratio was at 0.06 as compared to the previous year 0.02. However, the Company has a very low debt to equity ratio which indicates strong ability to repay its debt obligations.

3. Return on net worth decreased from 12% to 10% over the previous year due to decrease in profit after tax from ₹ 141 crores to ₹ 129 crores and increase in net worth due to increase in reserves and surplus by ₹ 70 crores.

##### Consolidated

1. Debt equity ratio was at 0.06 as compared to the previous year 0.02. However, the Company has a very low debt to equity ratio which indicates strong ability to repay its debt obligations.

2. Return on net worth decreased from 14% to 12% due to decrease in profit after tax from ₹ 167 crores to ₹ 155 crores and increase in net worth by ₹ 95 crores.

#### OPPORTUNITIES & OUTLOOK

India provides immense growth opportunities in the agrochemical sector owing to its low consumption. The country faces a certain urgency to increase the knowledge and awareness among farmers to enhance production and productivity of crops and improve the yield per hectare. There is also a need for better crop protection solutions to shield the crop and produce from pest attacks and increase farm productivity. Per hectare usage of pesticides is the lowest in India and farmers are gradually learning to use agrochemicals to improve productivity. Awareness on a sustainable seed system to ensure high-quality hybrid seeds is also a key imperative, demonstrating growth opportunity. The Company is ensuring a wide product portfolio, extensive geographical reach and improved internal processes and supply chains to leverage the growing opportunity landscape.

The Company remains focused on providing holistic agro-solutions aimed at improving farm productivity and yield effectively, rather than just selling products. It is constantly working towards fostering knowledge-based farming by leveraging its **Rallis Samruddh Krishi®** platform.

### Off-patent Opportunity

Pesticides valuing US\$ 2.9 billion are expected to go off-patent between 2017-2020, according to a FICCI report. This patent cliff will result in a decline in market share of patented products from 20%-22% to around 13%-15% by 2020. This will provide significant opportunities to Indian players with high proportion of exports as part of their total turnover. India's capability in low-cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, better price realisation globally and strong presence in generic pesticide manufacturing is supporting the country create a niche in the international marketplace. The Company is fully geared to explore these opportunities and is building the requisite capability and portfolio.

### Contract Manufacturing ('CM')

CM is another growth area. As China looks to shut down capacities to curb pollution, this shift in manufacturing base from China and Japan is opening opportunities for Indian players reputed for cost-competitive production. The Company has already identified growth opportunities in the field of CM and is building up capacities in a big way to boost its revenues.

### RISKS & CONCERNS

Risk management comprises all the organisational rules and actions for early identification of risks in the course of doing business and the management of such risks along with identification of opportunities.

The Company has constituted a Risk Management Committee of the Board. The Committee reviews the Company's performance against the identified risks, formulates strategies towards identifying new and emergent risks that may materially affect the Company's overall risk exposure and review the risk management policy and structure.

This robust Risk Management framework seeks to create transparency, minimise adverse impact on business objectives and enhance the Company's competitive advantage.

The Internal Audit Department is responsible to facilitate coordination with various heads of departments with respect to the process of identifying key risks associated with the business, manner of handling risks, adequacy of mitigating factors and recommending corrective action. The major risks forming part of the Enterprise Risk Management process are linked to the audit universe and are also covered as part of the annual risk based audit plan.

### RESEARCH & DEVELOPMENT

Being actively engaged in product and process development activities across various segments of its businesses, Research & Development is an integral part of the Company's operations. Bengaluru-based Rallis Innovation & Chemistry Hub ('RICH') is the Company's primary R&D center. RICH leverages its R&D capability to develop innovative solutions that assist various departments to work more efficiently towards common objectives. It is aggressively engaged in identifying potential areas for new product and process development and carrying out relevant activities to help the Company achieve its R&D goals. Besides, it also formulates and designs various modules and plans for the Farmer Connect programme, which is aimed towards offering package of practice for various crops to the farmers.

RICH undertakes activities under four key functions – Process Chemistry, Formulation Development, Product Development and Regulatory Affairs. Besides, it also designs and develops Package of Practice ('PoPs') for farmers, enabling them to improve their yield and net income. Apart from offering customised PoPs, the Company also creates awareness about safe handling of crop protection products and keeps them abreast on various integrated farm practices. Farmers have already reaped the benefits in terms of yield improvements. These efforts have shown good results in crops such as paddy, cotton, tomato, soybean, red gram, black gram, chilli and sugarcane.

RICH remains focused on environment-friendly chemistry so as to develop products and formulations which are safe to handle. There is emphasis on eco-friendly and sustainable formulations, without compromising on the efficacy.

RICH also develops modules and periodicals for internal teams to keep them updated on the key developments in the field of R&D. It is actively involved in supporting the sales & marketing and manufacturing teams during pre and post launch of its products. The Company encourages its Scientists to participate in various seminars and workshops to enhance their knowledge.

Rallis Innovation Turnover Index (ITI) is an indicator to understand the share of new products in the overall revenues. After witnessing a drop in the index for few years, a distinct improvement was visible in ITI during FY 2017-18, as it moved to 11% from 7% in the previous years. During FY 2018-19, the ITI moved to 10%. During the year under review, the Company received 15 registrations – 4 for the domestic market and 11 for the international market.



Going forward, the Company is fully geared to ramp up its product portfolio in a significant manner. It has formulated a long-term strategy of looking at products and solutions beyond 5-10 years, which will go a long way in improving the ITI. Along with augmenting its manufacturing efforts, these initiatives will enable the Company to explore emerging opportunities effectively.

## ENVIRONMENT, HEALTH & SAFETY

At Rallis India, safety, health and environment is a key to business success. The Company accords utmost priority to build a strong and fool-proof system to ensure that the safety standards and norms are adequately complied with. In fact, 'safety is a condition of employment, rather than being a choice' within the Company. Its leadership team is fully committed towards building an organisation where health and safety practices and standards are not only well defined, but also adhered to in the best possible manner. It continuously works towards creating new benchmarks which increasingly focus on production of environment-friendly formulations through safer chemistry and processes. This ensures safety for all the stakeholders who are handling these products on a regular basis. The Company has been re-certified for Responsible Care Logo by Indian Chemical Council ('ICC') for another period of three years starting 2019.

The Company's focus towards care and safety also reflects in its approach as it promotes behavioural safety, process safety and road safety as key focus areas among its workforce. At Rallis, a culture of safety is encouraged across hierarchies of the organisation to ensure there is no scope for any shortcuts and leniency. As a part of daily sensitisation on "safety", the Company has introduced the concept of a safety gallery through which all employees and workers must pass while entering and exiting the factory premises on daily basis. This invigorates higher sense of safety and better awareness. A set of road safety rules and guidelines have been put in place for employees who often travel on roads to perform their duties. Despite these very strong processes, there was an unfortunate incident of flash fire at the Ankleshwar unit during the year resulting in fatality of one employee. The Company has provided all support to family of deceased employee. The Company is also taking various measures to further strengthen its process safety to ensure safe and healthy environment at all its units.

Adoption of automation has helped the Company improve its safety standards across the value chain. It has achieved upto 70% automation across its various manufacturing processes, thus ensuring a higher degree of safety for its workforce. It is working towards increasing its automation level to 90% over the next few years.

Being an environmentally-responsible organisation, the Company has built facilities with the right processes and technologies to minimise the level of effluent discharge. In fact, the Company has gone a step ahead and moved forward on achieving its mission of Zero Liquid Discharge ('ZLD') for two of its manufacturing units, even while efforts are being undertaken to move the other two facilities towards ZLD as well.

Taking a step ahead in its environmental responsibility, the Company is investing in various energy conservation equipment to ensure all its buildings and structures are energy efficient. While all the admin buildings are IGBC (Indian Green Building Council certified) 'green building' certified, its Dahej plant has IGBC gold rating and Ankleshwar IGBC platinum rating.

The Company is currently generating 30% of its energy requirements from renewable sources. It is committed to take this higher to 50% over the next few years. As a part of green initiative, the Company has cumulatively planted over 80,000 saplings in the last five years with more than 90% survival.

### Farmers' safety

The Company is a Responsible Care Company. On one hand, the Company is focused on manufacturing environment friendly products in terms of crop protection, ensuring the safety of farmers who handle these chemicals. On the other hand, it has adopted measures to create awareness among farmers to minimise risks and other concerns while using these chemicals in farms. The Company regularly organises awareness workshops and campaigns to sensitise the farmer community. Various government agencies have also duly acknowledged these efforts. During FY 2018-19, under "You are Safe" campaign, the Company conducted safety awareness contact programs in 535 villages across 2 districts, covering 23,234 farmers and 10,494 students.

## HUMAN RESOURCES

The Company's Employee Engagement Score has improved from 75% (last survey in 2017) to 79% in recently conducted Employee Engagement Survey by AON. This signifies the trust and binding of employees towards the organisation. This has been possible as the Company continues to focus on building a robust HR system and employee-friendly HR policies for the holistic development of its human resource. Policies are designed to provide healthy work environment with freedom to work and express views coupled with growth opportunities within the organisation. The policies are well-documented and disseminated to instill the much-needed trust and transparency among

the employees. This also helps the Company in its talent acquisition and retention processes, thereby building a strong and dedicated workforce.

As a part of the Tata Group, the Company has well-designed and documented policies in place that prevent discrimination and harassment. There is a Whistleblower Policy as well as POSH Policy in place to discourage any wrong practices at the workplace.

The Company has adopted the Tata Code of Conduct to reinforce the core Tata values. The adoption of this Code renews the Company's commitment to values of excellence and leadership.

Learning and development and building of talent pool continue to be vital areas for ensuring availability of adequate and competent resource to meet the Company's growth plan. During the year under review, the Company has strengthened its talent pipeline to around 8% of its total workforce. Various platforms including Development Centre at Tata Management Training Centre ('TMTTC'), GeMS program for new managers at TMTTC, cross functional team, corporate projects, enriching the role, Job rotation, etc. have been provided as a part of growth plan for these employees. Besides this, the Company regularly conducts various programmes and workshops to train and upgrade its workforce. The RSK workshops impart the Sales & Marketing team with various modules of RSK programmes and equip them with latest techniques and concepts.

Moreover, in order to offer opportunities to the rural youth, the Company conducts a novel employment programme focused on agri-marketing - Tata Rallis Agri Input Training Scheme ('TRAITS'). As a part of continuous learning reinforcement, the Company has developed structured online digital platforms for employees to access self-learning and knowledge building resources. As on 31st March, 2019, the employee strength of the Company was 1,001 compared to 977 as on 31st March, 2018 (excluding trainees).

## BUSINESS EXCELLENCE

The Company has been constantly working towards strengthening its operational excellence. It pursues a culture of continuous improvement and excellence, thus achieving its set goals in an efficient and effective manner. The Company has consistently followed the journey of excellence under TBEM (Tata Business Excellence Model) with encouraging results, culminating in winning the prestigious JRDQV Award in 2011. The TBEM model assesses the Company on its processes and results parameters to identify its level of maturity of improvement.

At Rallis India, business excellence is not only about following the TBEM model, it is about building a continuous culture of excellence across the organisation. The Company has regularly moved up on the maturity and excellence scale. As per assessment conducted in 2018-19 the Company falls under Emerging Industry Leader category. It also denotes the level of processes that the organisation aims at for achieving the desired results.

The Company boosted its excellence journey through an intensive internal assessment - ROCK (Ralliites on Continuous Karma), encompassing all locations and functions. A group of excellence assessors have been developed within the Company, who do their assessment across functions and locations. Feedback on improvement is shared across departments and high scoring functions and locations are recognised. Over time, the Company has developed around 12 external and 40 internal assessors. Recently, the management decided to make the Company a part of its parent Company, Tata Chemical's integrated assessment process, which is carried out every two years.

In FY 2018-19, the Company implemented the data maturity assessment conducted by Tata Business Excellence Group. This is aimed at gaining feedback on how it is efficiently managing large data and information received from internal and external stakeholders and utilising that in the decision-making process.

Rallis India is reputed for its innovation capabilities. In the last 168 years of its existence, innovation has played a key role in the Company's evolution journey. It relentlessly attempts to accomplish innovation across its business model, products, processes and people. It participates in the Group forum 'Tata Innovista' each year. In 2018, it submitted 57 innovation entries, of which three were selected for the Global round.

In 2018, the Company's strategic innovation RSK won several external recognitions:

- IMC MQH (Making Quality Happen) Best Practices Competition in services category at the RBNQAT.
- Business model innovation by CII at the 6th National Excellence Practice Competition.
- Outstanding innovation in crop solution at PMFAI-SML AGCHEM award.

Backed by initiatives such as Drishti, the Company is geared up to move to the next level of excellence. Drishti is one such digital enabler of the RSK programme, as it empowers farmers with data and information and helps them take informed decisions.

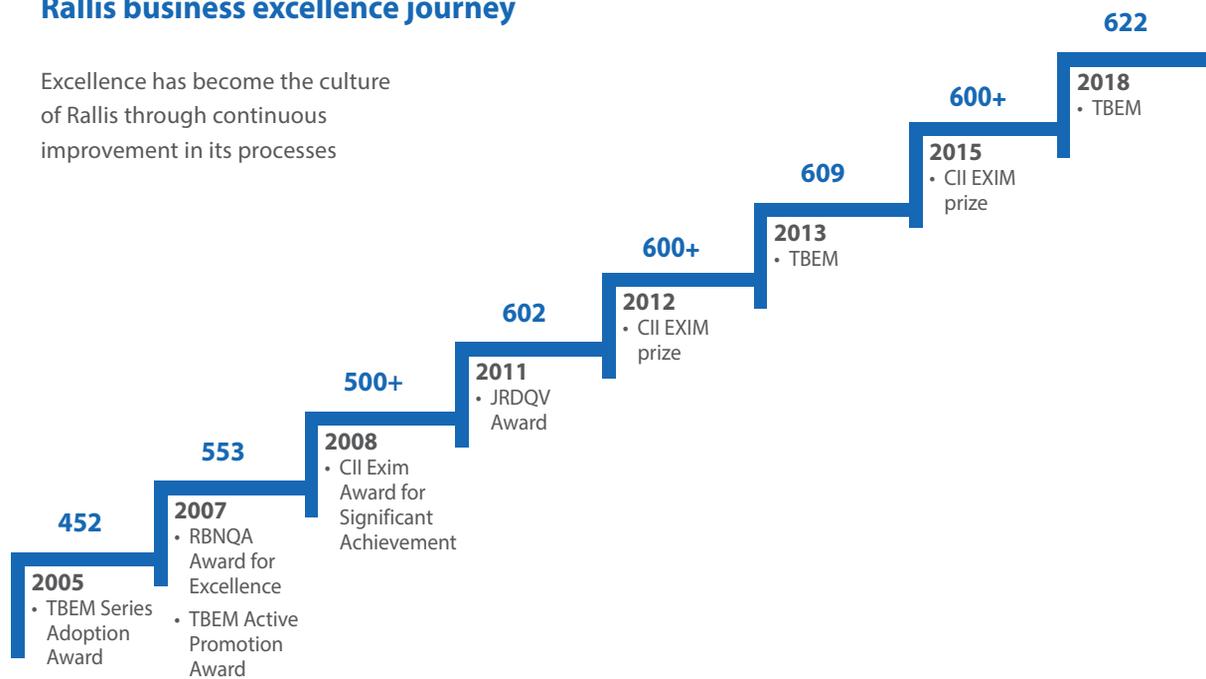


The Company has an online digital platform for employees to register their innovative ideas. Knowledge sharing is leveraged through Knowledge Management on the Company's intranet. To strengthen manufacturing, DWM (Daily Work Management), a visual management concept based on Statistical Quality Control was implemented in all areas of

importance, and significant results were achieved regarding process control. The Company trained more than 80% of its people in factories based on the DWM principles. Customer-oriented business strategies, operational efficiencies and their sustainability are aimed at helping the Company make significant progress on the path of excellence.

### Rallis business excellence journey

Excellence has become the culture of Rallis through continuous improvement in its processes



### CORPORATE SUSTAINABILITY AND AFFIRMATIVE ACTION ('AA')

The Company believes in pursuing a business strategy which derives strength from sustainability. The Company has developed its own Sustainability Model having clear focus on CSR and AA initiatives. For achieving a greater and sustainable impact, the projects are implemented in partnership with the concerned stakeholders. The Company's CSR activities are focused in the areas of natural resource management (NRM), education, model tribal village, greening and skill development.

The Company is also a part of the AA program whereby initiatives are centered towards inclusion of socially disadvantaged and marginalised sections of the society (Scheduled Castes and Scheduled Tribes). These interventions are channelised towards education, employment, employability, entrepreneurship and essential amenities.

#### Jal Dhan

With increasing population, the consumption of food grains is growing and so is the demand for water and other natural resources. Availability of water is gradually declining, such that it has already become a scarce commodity. It is imperative on the part of stakeholders to conserve and manage water and other natural resources in a more efficient manner.

Rallis' sustainability model promotes water management through its Jal Dhan and Jal Mitra programmes. A key focus is on water conservation and on improving its availability in villages facing severe water crisis. The Company adopts various water management tools and techniques to deal with specific water related issues.

The Jal Dhan project, operational in Gujarat and Maharashtra, has been a notable success. Commenced five years ago, at Lote in Maharashtra, the project has so far covered 47 villages

from 16 Tehsils and 8 districts. The interventions are aimed towards rejuvenating the existing water bodies and related infrastructure and creating newer water structures and check dams to improve water availability. Successive normal monsoons in the last few years have provided adequate support to the initiatives taken up by the Company.

The Jal Dhan project has gone on to recharge water bodies with 1,214 million litres of water, thus transforming the lives of more than 1,53,000 villagers, including over 43,000 people from AA community. Having succeeded in the very first year at Lote, the project invoked good response in drought prone areas of Beed, Marathwada and Vidarbha in Maharashtra.

The Government of Maharashtra also appreciated the interventions and expressed its willingness to lend support to these initiatives. In FY 2018-19, the Company has signed an MoU with the Government of Maharashtra to make 120 villages of Latur Taluka, water stress free in 5-8 years time.

As part of its NRM initiatives, the Company carries out various measures to conserve soil. The focus is on 'Greening', principally through afforestation and tree plantation drives. More than 80,000 saplings have been planted and sustained in the last five years.

#### **Tribal Model Village**

The Company, under its AA programme, works on transforming a backward Tribal Village into a Model Tribal village. This initiative is currently operational across five tribal villages in districts such as Thane, Raigarh and Palghar in Maharashtra. Most of these tribal villages are deprived of basic amenities, including access to water and sanitation, besides livelihood opportunities and government entitlements. Under the Model village concept, the Company follows a scientific approach and starts with need assessment involving a third party.

Based on the need assessment report, multiple interventions are planned and implemented in a time bound manner. The Company is associated with various Institutions, experts and NGOs such as TISS (Tata Institute of Social Sciences) and All India Institute of Local Self Governance to sustain the projects in the long run.

#### **RUBY (Education Initiative)**

The Company implements its CSR initiative for education through RUBY (Rallis Ujjwal Bhavishya Yojana). This is aimed at encouraging children to opt for formal education through various educational programmes. Its key emphasis is on improving the quality of education, teachers' training, support for infrastructure development in schools and providing educational aids to deprived students.

The Company has identified subjects like Science, English and e-Learning, where students from Government schools are selected. Mostly these are from Government schools that lack the required infrastructure and other modern learning tools. The initiative supports the conversion of these Government schools by providing them with smart boards and e-learning materials.

In 2019, the Company was engaged with 32 schools from Gujarat and Maharashtra.

The educational intervention by RUBY resulted in holistic development of students and improvement in passing percentage of students over the years. It has directly benefited more than 8,600 students, of which 4,700 belonged to the AA community.

#### **TARA - Women empowerment**

Having started with basic amenities such as water and sanitation, the Company gradually expanded its scope of CSR intervention under TARA. The key focus is on enhancing livelihood opportunities for tribal and under-privileged women. Various livelihood skills, such as tailoring and income generating courses, are imparted to women. During FY 2017-18, about 50 women were trained under this initiative. This year, the Company trained another 70 women.

### **INFORMATION AND COMMUNICATIONS TECHNOLOGY**

The Information and Communications Technology (ICT) function assumes significance as the Company pursues digital transformation. In order to derive optimal efficiency across various functions and processes, the Company has aggressively built up its ICT capabilities in the last few years.

The Company has strengthened its core ERP and BW systems further with more upgrades and enhancements.



It has developed several reports to support business decisions and implemented the geo-spatial analytics system – DRISHTI.

### **INTERNAL CONTROLS SYSTEMS AND ADEQUACY**

The Company possesses a suitable mechanism for internal controls. It follows a well-designed documentation system for policies and procedures covering all financial and operating functions. These controls have been developed and designed in a manner to properly maintain accounting records for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorised use or losses and compliance with regulations. The Company has digitalised all key process controls through the ERP systems to maximise automated control transactions. The auditor verifies IT-enabled controls as part of the review of functions and processes as part of the Internal Audit function.

The Company has an Audit Committee Charter which defines the scope of work, requirements, accountability, independence and reporting responsibilities of the Internal Audit Function. This is headed by 'Head – Internal Audit' who reports functionally to the Chairman of the Audit Committee and administratively to the Managing Director & CEO. The Head – Internal Audit also undertakes the responsibility of Internal Audit, Risk Management and Ethics Functions.

At the start of the fiscal year, the Audit Committee of the Board approves a risk-based internal audit plan, based on which the internal audit reviews are conducted. The Annual Audit Plan is aligned with the major risks identified by the businesses. The scope of audits comprises review and reporting on key process risks, adherence to operating

guidelines and statutory compliances. It also recommends improvements for monitoring and enhancing efficiency of operations and ensuring reliability of financial and operational information. The Audit Committee monitors and reviews significant internal audit observations, compliance with accounting standards, risk management and control systems and profitability.

The Company has engaged Chartered Accountancy firms M/s Ernst & Young (EY) and M/s Mahajan & Aibara (MA) for conducting internal audit reviews. They conduct opening meeting with the auditees, understand processes, roll-out the scope and terms of reference, identify control gaps and suggest remediation plans. EY and MA's engagement also included review of existing design, tests of Internal Controls over Financial Reporting controls (ICFR) for scope in audit areas and for other key processes/functions to support/enable the process of CEO-CFO certification and Director's certification under Section 134 of the Companies Act, 2013.

### **CAUTIONARY STATEMENTS**

*Statements in the Management Discussion and Analysis describing the Company's and its direct and indirect subsidiaries' objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among others, climatic conditions, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.*

# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. It is not a mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. As a good corporate citizen, the Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

The Company is committed to the Tata Code of Conduct ('TCoC'). TCoC articulates values and ideals that guide and govern the conduct of the Tata companies as well as its employees in all matters relating to business. This is further strengthened by the adoption of the TCoC for its employees, including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors including Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ('the Act'). The Company's Corporate Governance philosophy is also reinforced through adoption of the Code of Conduct for Prevention of Insider Trading, Code of Corporate Disclosure Practices and the Tata Business Excellence Model. The Company has also adopted the Guidelines on Board Effectiveness to fulfill its responsibilities towards its stakeholders.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of

sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable, with regard to Corporate Governance.

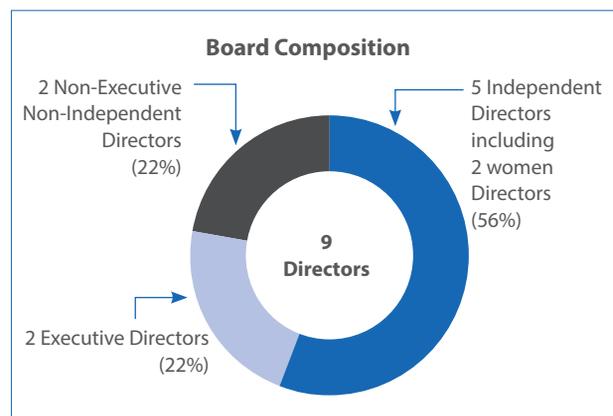
## 2. BOARD OF DIRECTORS

### Composition

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. Further, the Board of Directors of the Company is totally committed to the best practices for effective Corporate Governance.

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board composition is in conformity with the Act and the Listing Regulations.

As on 31st March, 2019, the composition of the Board of Directors is as under:



None of the Directors are related to each other.

The Company currently has a right mix of Directors on the Board who possess the requisite qualifications and experience in general corporate management, finance and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. Detailed profile of the Directors is available on the Company's website at <http://www.rallis.co.in/POBD.HTM>





None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of the Listing Regulations), across all public companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

None of the Directors hold office in more than 20 companies and in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 8 listed companies.

Further, none of the Independent Directors ('ID') served as ID in more than 7 listed companies. The Managing Directors did not serve as an Independent Director in any listed company.

#### Category and Attendance of Directors

The composition and categories of Directors as on 31st March, 2019 as also the number of Directorships/Chairpersonships and Committee positions held by them in other public limited companies and the names of the listed entities where they hold Directorship and the category of such Directorship are given below:

Sr. No.	Name of the Director	No. of Directorships in other public limited companies*		No. of committee positions in other public limited companies**		Directorship in other listed entities	
		Chairperson	Member	Chairperson	Member	Name of the Listed entity (including debt listed)	Category of Directorship
<b>Non-Independent, Non-Executive Directors</b>							
1.	Mr. Bhaskar Bhat (Chairman) DIN: 00148778	3	4	-	4	Titan Company Limited Tata Chemicals Limited Trent Limited Bosch Limited	MD NINED NINED ID
2.	Mr. John Mulhall DIN: 08101474	-	-	-	-	-	-
<b>Independent, Non-Executive Directors</b>							
3.	Mr. Prakash R. Rastogi DIN: 00110862	-	1	-	-	Ishita Drugs & Industries Limited	ID
4.	Dr. Y. S. P Thorat DIN: 00135258	-	3	-	1	Tata Chemicals Limited Britannia Industries Limited Bombay Burmah Trading Corporation Limited	ID ID ID
5.	Dr. Punita Kumar-Sinha DIN: 05229262	-	8	1	6	Sobha Limited Bharat Financial Inclusion Limited SREI Infrastructure Finance Limited JSW Steel Limited Infosys Limited	ID ID ID ID ID
6.	Dr. C. V. Natraj DIN: 07132764	-	1	-	1	-	-
7.	Ms. Padmini Khare Kaicker DIN: 00296388	-	4	3	1	Tata Chemicals Limited Tata Cleantech Capital Limited Kotak Mahindra Investments Limited	ID ID ID
<b>Non-Independent, Executive Directors (Managing Director &amp; CEO)</b>							
8.	Mr. V. Shankar@ DIN: 01385240	3	-	-	-	-	-
9.	Mr. R. Mukundan# DIN: 00778253	-	3	-	1	Tata Chemicals Limited	MD & CEO

MD & CEO – Managing Director & Chief Executive Officer; ID – Independent Director, NINED – Non-Independent, Non-Executive Director

\* Excludes Directorships/Chairpersonships in Associations, Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships.

\*\* Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions.

@ Mr. V. Shankar ceased to be the Managing Director & CEO with effect from 31st March, 2019.

# With effect from 3rd December, 2018, Mr. R. Mukundan, Non-Executive Director, was appointed as Managing Director & CEO of the Company. Further, consequent to the appointment of Mr. Sanjiv Lal (DIN: 08376952) as Managing Director & CEO effective 1st April, 2019, Mr. Mukundan stepped down as the Managing Director & CEO with effect from 31st March, 2019. However, he continues as a Non-Executive Director on the Board of the Company.

The Seventieth (70th) Annual General Meeting ('AGM') of the Company for the Financial Year ('FY') 2017-18 was held on 2nd July, 2018. All the Directors of the Company were present at the 70th AGM.

The Company held 8 Board Meetings during FY 2018-19 and the gap between two meetings did not exceed 120 days. The details of Meetings attended by the Directors during the year are given below:

Name of the Director	Attendance at the meetings held on								No. of meetings attended	Attendance (%)
	26th April, 2018	17th July, 2018	23rd October, 2018	3rd December, 2018	17th January, 2019	9th February, 2019	5th March, 2019	18th March, 2019		
Mr. Bhaskar Bhat	✓	✓	✓	✓	✓	✓	✓	✓	8	100
Mr. Prakash R. Rastogi	✓	✓	✓	✓	✓	LOA	✓	✓	7	87.5
Dr. Y. S. P. Thorat	✓	✓	✓	✓	✓	✓	LOA	✓	7	87.5
Dr. Punita Kumar-Sinha	✓	✓	✓	✓	✓	✓	✓	✓	8	100
Dr. C. V. Natraj	✓	✓	✓	✓	✓	✓	✓	✓	8	100
Ms. Padmini Khare Kaicker	✓	✓	✓	✓	✓	LOA	✓	✓	7	87.5
Mr. John Mulhall	✓	✓	✓	✓	✓	✓	✓	✓	8	100
Mr. R. Mukundan	✓	✓	✓	✓	✓	✓	✓	✓	8	100
Mr. V. Shankar	✓	✓	✓	✓	✓	✓	✓	✓	8	100

LOA – Leave of absence

#### Shareholding of Directors as on 31st March, 2019:

Dr. C. V. Natraj holds 4,831 (0.002%) Equity Shares of the Company. No other Director holds any shares in the Company. The Company has not issued any convertible instruments.

#### Board Procedure

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of the year. The agenda is circulated well in advance to the Board/Committee members along with comprehensive background information on the items in the agenda to enable the Board and Committees to arrive at appropriate decisions. The agenda and related information is circulated through a highly secure web based application, which can be accessed electronically. This has reduced paper consumption, thereby enhancing the sustainability efforts of the Company. Video conferencing facility is provided to facilitate Directors who are unable to attend the meeting in person.

At Board Meetings, the Managing Director & CEO appraises the Board on the overall performance of the Company. The Board also, *inter alia*, reviews the strategy, annual business plan and capital expenditure budgets, quarterly, half-yearly and annual financial results, compliance reports on all laws applicable to

the Company, EHS (Environment, Health and Safety) performance, people, process matters, minutes of Board Meetings of subsidiaries and minutes of meetings of Committees of the Board. In addition, the Board is kept informed of all major events, including information listed under Part A of Schedule II to the Listing Regulations. Based on the agenda, members of the senior leadership are invited to attend the Board Meetings, which brings in requisite accountability and provides developmental inputs.

#### Code of Conduct

The Company has adopted the Tata Code of Conduct for all its employees, including the Managing Director which is available on the website of the Company at <http://www.rallis.co.in/TCOC.htm>.



The Board has also adopted a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in Schedule IV to the Act which is available on the website of the Company at <http://www.rallis.co.in/COCNE.htm>.



All Board members and Senior Management Personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with the



applicable Code of Conduct. A declaration to this effect, signed by the Managing Director & CEO forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management or its subsidiaries and associates.

Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

#### Independent Directors

All Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. Formal letters of appointment have been issued to Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website at <http://www.rallis.co.in/TCAID.htm>.



The Board of Directors confirm that the Independent Directors fulfill the conditions specified in the Act and Listing Regulations and are independent of management.

#### Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 26th April, 2018 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company

management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors attended the meeting held on 26th April, 2018. Dr. C. V. Natraj chaired the meeting.

#### Familiarization Programme for Independent Directors

The Company has an orientation programme upon induction of new Directors, as well as other initiatives to update Directors on a continuous basis.

The Company also has an ongoing familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations and business model, nature of the industry and environment in which it operates, the regulatory environment applicable to it, the CSR projects undertaken by the Company and also the roles, rights and responsibilities of Independent Directors.

During the year under review, certain Directors including Independent Directors visited the Rallis Innovation & Chemistry Hub (RICH) at Bengaluru and met the leadership team there. Further, certain Directors also visited the Rallis Jal Dhan site located at Latur, Maharashtra as a part of CSR activity.

Details of familiarization programmes imparted to Independent Directors are available on the Company's website at <http://www.rallis.co.in/DFPID.htm>.



#### Appointment/Re-appointment of Directors

As required under Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2, particulars of the Directors seeking appointment/re-appointment are given in the Explanatory Statement to the Notice of the AGM.

#### Skills, Expertise and Competencies of the Board

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:



The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of business of the Company.

**Board and Director evaluation and criteria for evaluation**

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Evaluation of Board, Individual Directors and Committees include, *inter alia*, the following:

Board Evaluation	Evaluation of Individual Directors	Committee Evaluation
<ul style="list-style-type: none"> <li>Board Structure - qualifications, experience and competencies</li> <li>Board Diversity</li> <li>Meetings – regularity, frequency, agenda, discussion and recording of minutes</li> <li>Functions – strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest</li> <li>Independence of management from the Board, access of Board and management to each other</li> <li>Succession plan and professional development</li> </ul>	<ul style="list-style-type: none"> <li>Professional qualifications and experience</li> <li>Knowledge, skills and competencies</li> <li>Fulfillment of functions, ability to function as a team</li> <li>Attendance</li> <li>Commitment, contribution, integrity and independence</li> </ul> <p>In addition to the above, the Chairman of the Board Meetings is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality and ability to keep shareholders’ interests in mind.</p>	<ul style="list-style-type: none"> <li>Mandate and composition</li> <li>Effectiveness of the Committee</li> <li>Structure of the Committee</li> <li>Meetings – regularity, frequency, agenda, discussion and dissent, recording of minutes</li> <li>Independence of the Committee from the Board and contribution to decisions of the Board</li> </ul>

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board’s Report.



### 3. AUDIT COMMITTEE

#### Terms of reference

The Audit Committee functions in accordance with Section 177 of the Act, Regulation 18 of the Listing Regulations and its Charter adopted by the Board. During the year under review, the Audit Committee Charter was amended to align the role of the Committee with amendments to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015. The terms of reference of the Audit Committee, inter alia, includes:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discuss and review with the management the annual/ half yearly/ quarterly financial statements and the auditor's report thereon, before submission to the Board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgments made.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Review the utilization of loans and/or advances from/ investment by the Company in the subsidiary Companies, exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements, including the Tata Code of Conduct for the Company and its subsidiaries.
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, atleast once in a financial year and verify that the systems for Internal Controls are adequate and are operating effectively.
- Oversee financial reporting controls and process for subsidiary companies.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Act and any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has been given the powers prescribed under Regulation 18(2)(c) of the Listing Regulations.

### Meetings Held

During the year under review, 6 meetings of the Audit Committee were held on 26th April, 2018; 17th July, 2018; 28th August, 2018; 23rd October, 2018; 17th January, 2019 and 18th March, 2019.

### Composition and Attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate with Ms. Padmini Khare Kaicker, Chairperson, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of Meetings attended by the Members during the year are given below:

Name of the Member	Category	No. of meetings attended	Attendance (%)
Ms. Padmini Khare Kaicker, Chairperson	ID	6	100
Mr. Prakash R. Rastogi	ID	6	100
Dr. Y. S. P. Thorat (ceased w.e.f. 17th January, 2019)	ID	5	100
Dr. C. V. Natraj (appointed w.e.f. 17th January, 2019)	ID	1	100
Mr. John Mulhall (appointed w.e.f. 17th January, 2019)	NINED	1	100

*ID* – Independent Director; *NINED* – Non-Independent, Non-Executive Director

The gap between two Audit Committee Meetings did not exceed 120 days. Necessary quorum was present at the above Meetings.

During the year, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems, related party transactions, functioning of the Whistleblower mechanism and implementation of the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. The Chairperson of the Committee briefs the Board about the significant discussions at the Audit Committee

Meetings. The minutes of each Audit Committee Meeting are placed at the next meeting of the Board.

The meetings of the Audit Committee are usually attended by the Managing Director & CEO, the Chief Financial Officer, the Head of Internal Audit and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the Secretary to the Committee. Occasionally, the Audit Committee also meets without the presence of any Executives of the Company. The Chairperson periodically has one-on-one meetings with the Head of Internal Audit and the Statutory Auditors to discuss key concerns.

Ms. Padmini Khare Kaicker, Chairperson of the Audit Committee, was present at the AGM of the Company held on 2nd July, 2018.

## 4. NOMINATION AND REMUNERATION COMMITTEE

### Terms of reference

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.
- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the



- performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
  - Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
  - On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
  - Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
  - Review matters related to voluntary retirement and early separation schemes for the Company.
  - Provide guidelines for remuneration of Directors on material subsidiaries.
  - Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
  - Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
  - Oversee familiarisation programmes for Directors.
  - Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
  - Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
  - Perform other activities related to the charter as requested by the Board from time to time.

#### Meetings Held

During the year under review, 6 meetings of the NRC were held on 26th April, 2018; 21st August, 2018; 3rd December, 2018; 17th January, 2019; 5th February, 2019 and 18th March, 2019.

#### Composition and Attendance during the year

The NRC is constituted in accordance with the provisions of Regulation 19 of the Listing Regulations and the provisions of Section 178 (1) of the Act. The composition of the NRC and the details of Meetings attended by the Members during the year are given below:

Name of the Member	Category	No. of meetings attended	Attendance (%)
Dr. C. V. Natraj, Chairman	ID	6	100
Mr. Bhaskar Bhat	NINED	6	100
Mr. Prakash R. Rastogi	ID	6	100
Mr. R. Mukundan*	NINED	3	100

ID – Independent Director; NINED – Non-Independent, Non-Executive Director

\* Consequent to the appointment of Mr. R. Mukundan as Managing Director & CEO w.e.f. 3rd December, 2018, he ceased to be a member of NRC.

Dr. C. V. Natraj, Chairman of the NRC, was present at the AGM of the Company held on 2nd July, 2018.

#### Remuneration of Directors

The Company's Remuneration Policy is aligned with its philosophy for payment of remuneration to Directors, KMPs and all other employees, based on the commitment of fostering a culture of leadership with trust.

#### Details of remuneration for FY 2018-19

##### Managing Director & CEO:

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director & CEO. Annual increments are recommended by the NRC within the salary scale approved by the Members and are effective 1st April each year. The NRC recommends commission payable to the Managing Director & CEO out of the profits for the financial year within the overall ceilings stipulated in the Act. Specific amount payable as commission is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year and performance of the individual.

##### Mr. V. Shankar

The aggregate value of salary, perquisites, commission and retirement benefits paid to Mr. V. Shankar, Managing Director & CEO, during FY 2018-19 is ₹ 4,87,42,499 comprising:

Salary	: ₹ 79,68,000
Perquisites and allowances	: ₹ 1,44,85,432

Commission for : ₹ 1,25,00,000  
 FY 2018-19,  
 payable  
 during FY 2019-20

Retirement : ₹ 1,37,89,067  
 benefits paid

Period of Agreement : Upto 30th September, 2021.  
 However, Mr. V. Shankar  
 has ceased to be the  
 Managing Director & CEO  
 with effect from  
 31st March, 2019.

Notice period : The Agreement may be  
 terminated by either party  
 giving the other party  
 six months' notice or the  
 Company paying six months'  
 remuneration in lieu thereof.

#### Mr. R. Mukundan

Mr. R. Mukundan was appointed as Managing Director & CEO with effect from 3rd December, 2018 to 31st March, 2021. However, he has stepped down as Managing Director & CEO of the Company with effect from 31st March, 2019 consequent to the appointment of Mr. Sanjiv Lal as Managing Director & CEO. During his tenure as Managing Director & CEO, Mr. Mukundan has not drawn any remuneration.

Neither any severance fees was paid nor any stock options were granted to Mr. Shankar and Mr. Mukundan.

#### Non-Executive Directors:

The Company paid sitting fees of ₹20,000 per meeting to the Non-Executive Directors for attending meetings of the Board, Executive Committee of the Board, Audit Committee, NRC, Corporate Social Responsibility Committee and Risk Management Committee; and ₹ 10,000 per meeting for attending the meetings of the Stakeholders Relationship Committee. ₹ 20,000 was also paid as sitting fees to the Independent Directors who attended the Meeting of the Independent Directors.

In terms of the Members' approval obtained at the AGM of the Company held on 2nd July, 2018, commission is paid to Non-Executive Directors, as applicable, at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Act. The distribution of commission among the Non-Executive Directors is recommended by the NRC and approved by the Board. The commission is distributed on the basis of their attendance and

contribution at the Board and Committee Meetings and is paid after the Annual Financial Statements are adopted by the Members at the AGM. The Company also reimburses any expenses incurred by the Directors for attending meetings.

Details of commission and sitting fees paid to the Non Whole-time Directors are given below:

Name of Director	Sitting Fees paid during 2018-19 (₹)	Commission for FY 2017-18, paid during 2018-19 (₹)	Commission for FY 2018-19, payable during 2019-20 (₹)
Mr. Bhaskar Bhat	3,00,000	*	*
Mr. Prakash R. Rastogi	4,60,000	25,35,000	28,00,000
Dr. Y. S. P. Thorat	3,80,000	35,25,000	30,00,000
Dr. Punita Kumar-Sinha	2,20,000	19,70,000	20,00,000
Dr. C. V. Natraj	3,40,000	28,05,000	25,00,000
Ms. Padmini Khare Kaicker	3,00,000	32,60,000	28,00,000
Mr. John Mulhall	**	**	**
Mr. R. Mukundan	**	**	**
<b>Total</b>	<b>20,00,000</b>	<b>1,40,95,000</b>	<b>1,31,00,000</b>

\* In line with the internal guidelines, no payment is made towards commission to Mr. Bhaskar Bhat, Non-Executive Director of the Company, who is in full-time employment with other Tata company.

\*\*Mr. R. Mukundan and Mr. John Mulhall are in whole-time employment of Tata Chemicals Limited, the holding company, and draw remuneration from it.

#### Retirement Policy for Directors

As per the Company's policy, Managing and Executive Directors retire at the age of 65 years, Non-Independent Non-Executive Directors retire at the age of 70 years and the retirement age for Independent Directors is 75 years.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Terms of reference

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders.



During the year under review, the terms of reference of the SRC were amended to align the role of the Committee with amendments to the Listing Regulations. The terms of reference of the SRC includes:

- Review statutory compliance relating to all security holders.
- Consider and resolve the grievances of security holders of the Company, including complaints related to transfer/transmission of securities, non-receipt of annual report/declared dividends/notices/balance sheet, issue of new/duplicate certificates, general meetings etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Oversee compliances in respect of transfer of shares to the Investor Education and Protection Fund, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as applicable from time to time.
- Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Oversee and review all matters related to the transfer of securities of the Company.
- Approve issue of duplicate certificates of the Company.
- Review movements in shareholding and ownership structures of the Company.
- Ensure setting of proper controls, review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent and oversee performance of the Registrar and Share Transfer Agent.
- Recommend measures for overall improvement of the quality of investor services.

### Meetings Held

During the year under review, 2 meetings of the SRC were held on 17th July, 2018 and 17th January, 2019.

### Composition and Attendance during the year

The composition of the SRC and the details of the Meetings attended by the Members during the year are given below:

Name of the Member	Category	No. of meetings attended	Attendance (%)
Dr. Punita Kumar-Sinha, Chairperson	ID	2	100
Dr. Y. S. P.Thorat	ID	2	100
Mr. V. Shankar (ceased w.e.f. 17th January, 2019)	MD & CEO	2	100
Mr. R. Mukundan (appointed w.e.f. 17th January, 2019)	MD & CEO	N. A.	N. A.

MD & CEO – Managing Director & Chief Executive Officer;  
ID – Independent Director

**Note:** Mr. Sanjiv Lal, MD & CEO was appointed as a member of SRC in place of Mr. R. Mukundan w.e.f. 1st April, 2019.

Dr. Punita Kumar-Sinha, Chairperson of the SRC, was present at the AGM held on 2nd July, 2018.

### Name, designation and address of Compliance Officer

#### Mr. Yashaswin Sheth

Company Secretary  
Rallis India Limited  
2nd Floor Sharda Terraces  
Plot No. 65 Sector 11 CBD Belapur  
Navi Mumbai - 400 614  
Tel. No.: 91 22 6776 1700  
Fax No.: 91 22 6776 1775  
Email: investor\_relations@rallis.co.in

### Status of Investor Complaints

Status of Investor Complaints as on 31st March, 2019 as reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints pending as on 1st April, 2018	:	0
Received during the year	:	4
Resolved during the year	:	4
Pending as on 31st March, 2019	:	0

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Terms of reference

The terms of reference of the Corporate Social Responsibility ('CSR') Committee are as follows:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR Policy periodically.
- Oversee the Company's conduct with regard to its Corporate and societal obligations and its reputation as a responsible corporate citizen.
- Oversee activities impacting the quality of life of various stakeholders.
- Monitor the CSR Policy and expenditure of material subsidiaries.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at [http://www.rallis.co.in/CSR\\_Policy.htm](http://www.rallis.co.in/CSR_Policy.htm).

The Annual Report on CSR activities for the year 2018-19 forms a part of the Board's Report.



### Meetings Held

During the year under review, 2 meetings of the CSR Committee were held on 21st June, 2018 and 18th March, 2019.

### Composition and Attendance during the year

The CSR Committee of the Company is constituted in accordance with the provisions of Section 135 of the Act. The composition of the CSR Committee and the details of the Meetings attended by the Members during the year are given below:

Name of the Member	Category	No. of meetings attended	Attendance (%)
Mr. John Mulhall, Chairman (appointed w.e.f. 17th January, 2019)	NINED	1	100
Dr. Y. S. P. Thorat*	ID	2	100
Mr. P. R. Rastogi	ID	2	100
Mr. V. Shankar (ceased w.e.f. 17th January, 2019)	MD & CEO	1	100

MD & CEO – Managing Director & Chief Executive Officer; ID – Independent Director, NINED – Non-Independent, Non-Executive Director

\* Dr. Y. S. P. Thorat ceased to be the Chairman of CSR Committee w.e.f. 17th January, 2019. He was present at the AGM of the Company held on 2nd July, 2018.

**Note:** Mr. Sanjiv Lal, MD & CEO was appointed as a member of CSR Committee w.e.f. 1st April, 2019.

## 7. RISK MANAGEMENT COMMITTEE

Regulation 21 of the Listing Regulations mandates top 100 listed entities, determined on the basis of market capitalization as at the end of the immediate previous financial year, to constitute a Risk Management Committee ('RMC'). Although not mandatory for the Company for the year 2018-19, the Company has constituted a RMC of the Board.

### Terms of reference

During the year under review, the terms of reference of RMC were amended to align the role of the Committee with amendments to the Listing Regulations. The terms of reference of the RMC includes:

- Approve the Risk Management Policy and plan integration through training and awareness programmes.
- Approve the process for risk identification.
- Set up risk strategy policies, including agreeing on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks, including for cyber security.
- Monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces, including for cyber security, is acceptable and that there is an effective remediation of non-compliance on an on-going basis.



- To approve major decisions affecting the risk profile or exposure and give appropriate directions.
- To consider the effectiveness of decision making process in crisis and emergency situations.
- Balance risks and opportunities.
- Generally, assist the Board in the execution of its responsibility for the governance of risk.
- Attend to such other matters and functions as may be prescribed from time to time.

#### Meetings Held

During the year under review, 4 meetings of the RMC were held on 23rd April, 2018; 21st June, 2018; 11th December, 2018 and 18th March, 2019.

#### Composition and Attendance during the year

The composition of the RMC and the details of the Meetings attended by the Members during the year are given below:

Name of the Member	Category	No. of meetings attended	Attendance (%)
Dr. C. V. Natraj, Chairman (appointed w.e.f. from 17th January, 2019)	ID	1	100
Dr. Y. S. P Thorat*	ID	3	100
Mr. V. Shankar (ceased w.e.f. from 17th January, 2019)	MD & CEO	3	100
Ms. Padmini Khare Kaicker (appointed w.e.f. from 17th January, 2019)	ID	1	100
Mr. John Mulhall (appointed w.e.f. from 17th January, 2019)	NINED	1	100

MD & CEO – Managing Director & Chief Executive Officer;  
ID – Independent Director, NINED – Non-Independent, Non-Executive Director

\* Dr. Y. S. P. Thorat ceased to be the Chairman and Member of RMC w.e.f. 17th January, 2019. He was present at the AGM of the Company held on 2nd July, 2018.

**Note:** Mr. Sanjiv Lal, MD & CEO, was appointed as a member of the RMC w.e.f. 1st April, 2019.

The Chief Financial Officer and Head - Internal Audit are permanent invitees to the meeting of RMC. Business and Operation Heads are invited to the Meetings when required. The Company Secretary acts as the Secretary to the Committee.

The Company has a well-defined risk management framework in place. The risk management framework of the Company is given in detail in the Board's Report.

## 8. EXECUTIVE COMMITTEE OF THE BOARD

The Executive Committee of the Board (ECOB) is responsible for reviewing certain matters before presenting to the Board, items such as business and strategy review, long-term financial projections and cash flows, capital and revenue budgets, acquisitions, divestments and business restructuring proposals. The Committee is also responsible for advising the management on development of business plans and future strategies for the Company.

#### Meetings Held

During the year under review, 1 meeting of the ECOB was held on 25th April, 2018.

The composition of the ECOB and the details of the Meetings attended by the Members during the year are given below:

Name of the Member	No. of meetings attended
Mr. Bhaskar Bhat, Chairman	1
Mr. Prakash R. Rastogi	1
Mr. R. Mukundan	1
Dr. Punita Kumar-Sinha	1
Mr. V. Shankar	1

The Committee has been dissolved with effect from 17th January, 2019.

## 9. SUBSIDIARY COMPANIES

Regulation 16(1)(c) of the Listing Regulations defines a material subsidiary as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. During the year under review, the Company did not have any unlisted material subsidiary incorporated in India and was therefore, not required to have an Independent Director of the Company on the Board of such subsidiary, under Regulation 24 of the Listing Regulations. However, two Independent Directors of the Company, viz. Dr. Punita Kumar-Sinha and Dr. C. V. Natraj are appointed as Independent Directors on the Board of its subsidiary, Metahelix Life Sciences Limited.

The Company's Audit Committee reviews the consolidated financial statements of the Company as well as the financial statements of the subsidiaries,

including the investments made by the subsidiaries. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are periodically placed before the Board of Directors of the Company.

## 10. GENERAL BODY MEETINGS

Location, date and time of AGMs held during the last 3 years and special resolutions passed:

Day, Date and Time	Location	Special Resolutions
Monday, 2nd July, 2018 at 3.00 pm	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020.	There was no matter that required passing of Special Resolution.
Friday, 23rd June, 2017 at 3.00 pm		
Friday, 24th June, 2016 at 3.00 pm		

All resolutions moved at the last AGM were passed by the requisite majority of shareholders.

No Extra Ordinary General Meeting of the shareholders was held during the year. During the year under review, no resolution was put through by Postal Ballot. Further, no special resolution is being proposed to be passed through Postal Ballot.

## 11. DISCLOSURES

**Related Party Transactions:** During the year under review, there were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, their subsidiaries, the Directors, the KMP, the management or relatives or other designated persons, that may have a potential conflict with the interests of the Company at large. Declarations have been received from the Senior Management Personnel to this effect.

All related party transactions entered into during the year were on arms' length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and Listing Regulations. The Company has adopted a Related Party Transactions Policy which is in line with the amendments to the Act and the Listing Regulations and the same is displayed on the Company's website at: [http://www.rallis.co.in/Related\\_Party\\_TransactionsPolicy.htm](http://www.rallis.co.in/Related_Party_TransactionsPolicy.htm)



**Policy on Material Subsidiaries:** The Company has adopted a Policy on Material Subsidiaries and the same is displayed on the Company's website at the weblink: [http://www.rallis.co.in/Material\\_SubsubsidiariesPolicy.htm](http://www.rallis.co.in/Material_SubsubsidiariesPolicy.htm)



**Statutory Compliance, Penalties and Strictures:** The Company is in compliance with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to the capital markets. No penalty or strictures were imposed on the Company by these authorities during the last three years.

**CEO/CFO Certification:** The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the financial year ended 31st March, 2019.

**Whistleblower Policy and Vigil Mechanism:** The Company has adopted a Whistleblower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. During the year under review, the Company amended the Whistleblower Policy to provide a clause wherein all employees of the Company are eligible to report any instance of leak of Unpublished Price Sensitive Information. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy is available on the website of the company at <http://www.rallis.co.in/WBPolicy.htm>.



**Code of Conduct for Prevention of Insider Trading:** The Company has adopted the Tata Code of Conduct for Prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Code'). The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company.

Mr. Ashish Mehta, Chief Financial Officer ('CFO') is the Compliance Officer for ensuring compliance



with and for the effective implementation of the Regulations and the Code across the Company.

The Company has also adopted a Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ('UPSI') by the Company to enable the investor community to take informed investment decisions with regard to the Company's shares. The CFO has been designated as the Chief Investor Relations Officer to ensure timely, adequate, uniform and universal dissemination of information and disclosure of UPSI.

During the year under review, both the above Codes were amended to align them with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the revised Code, the Company has also adopted Policy on Enquiry in case of leak or suspected leak of UPSI and Policy for Determination of Legitimate Purposes. The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at <http://www.rallis.co.in/CCDC.htm>.



**Accounting treatment in preparation of Financial Statements:** The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

**Details of utilisation of funds:** The Company has not raised any funds through preferential allotment or qualified institutions placement.

**Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees:** In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees.

**Fees paid to Statutory Auditor:** A total fee of ₹ 1.13 crores was paid by the Company and its subsidiaries, on a consolidated basis, for all services to B S R & Co. LLP, Statutory Auditors and all entities in the network firm/network entity of which they are part.

**Prevention, prohibition and redressal of sexual harassment at workplace:** Status of complaints in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 for the FY 2018-19 is as follows:

Number of complaints filed during the financial year	: 1
Number of complaints disposed of during the financial year	: 1
Number of complaints pending as on end of the financial year	: 0

**Compliance with mandatory and non-mandatory requirements of Listing Regulations:** The Company has complied with all mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46 (2) relating to dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations is as under:

- The Non-Executive Chairman maintains a separate office for which the Company is not required to reimburse expenses.
- Half yearly financial performance of the Company is sent to all shareholders.
- The financial statements of the Company are with unmodified audit opinion.
- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- The Internal Auditor reports to the Audit Committee.

## 12. MEANS OF COMMUNICATION

- The quarterly and the half yearly results published in the format prescribed by the Listing Regulations read with the Circular issued thereunder are approved and taken on record by the Board of Directors of the Company within one month of the close of the relevant quarter/half year. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed viz., NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Limited (NSE) and BSE Online Portal of BSE Limited (BSE). The results are also published within 48 hours in Hindu

Business Line (in English) and Mumbai Lakshadweep (in Marathi) and also displayed on the Company's website www.rallis.co.in.

- ii) The Company publishes the audited annual results within the stipulated period of sixty days from the close of the financial year as required by the Listing Regulations. The annual audited results are also uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively, published in the newspapers and displayed on the Company's website.
- iii) The Company periodically meets or has conference calls with institutional investors and analysts. Official news releases and presentations made to institutional investors and analysts are uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively and posted on the Company's website.
- iv) Comprehensive information about the Company, its business and operations and press releases can be viewed on the Company's website. The "Investor Relations" section on the website gives information relating to financial results, annual reports, shareholding pattern and presentations made to analysts and at the AGM. Information about unclaimed dividends and details of Equity Shares required to be transferred to the IEPF Demat account are also available in this section.  
  
Members also have the facility of raising their queries/complaints through the Shareholder Query Form available under "Investor Information" in the "Investor Relations" section of the website.
- v) The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with NSE through NEAPS and with BSE through BSE Online Portal. The Shareholding Pattern is also displayed on the Company's website under the "Investor Relations" section.
- vi) Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Online Portal. They are also displayed on the Company's website under the "Investor Relations" section.
- vii) The Company sends an annual reminder to shareholders who have not claimed their dividends. Reminder letters are also sent to those shareholder whose Unclaimed Dividend/Share are liable to be

transferred to the IEPF accounts. Circulars are also sent periodically to shareholders urging them to opt for the electronic mode for receiving dividends.

- viii) The Company has uploaded the names of the members and the details of the unclaimed dividend by the members on its website. The members can log in and find out whether their dividend for any of the years is outstanding.
- ix) Letters and Reminders to Shareholders
  - Updation of PAN and Bank details:  
  
Pursuant to circular issued by SEBI on 20th April, 2018, the Company had sent letters and reminders to shareholders holding shares in physical form for updation of PAN and Bank account details with the Company/its RTA.
  - Dematerialisation of shares:  
  
The Securities and Exchange Board of India also issued Circulars during the year thereby mandating transfer of securities only in electronic form effective 1st April, 2019.  
  
Pursuant thereto, the Company sent letters and reminders to those shareholders holding shares in physical form advising them to dematerialise their holding.
- x) Management Discussion and Analysis Report forms a part of the Annual Report.

### 13. GENERAL SHAREHOLDER INFORMATION

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L36992MH1948PLC014083.

#### Annual General Meeting date, time and venue:

Friday, 28th June, 2019 at 3.00 pm at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020.

**Financial Calendar** : April to March

**Date of book closure** : 21st June, 2019 to 28th June, 2019 (both days inclusive)

**Dividend payment date** : on or after 2nd July, 2019



### Listing on Stock Exchanges

: The Company's Equity Shares are listed on the following Stock Exchanges:

BSE  
Phiroze Jeejeebhoy Towers  
Dalal Street Mumbai - 400 051  
NSE  
Exchange Plaza, Plot No. C/1,  
G Block, Bandra-Kurla Complex  
Bandra (E) Mumbai - 400 001

The Company has paid the listing fees to these Stock Exchanges for the FY 2018-19 and FY 2019-20.

Stock Code on BSE : 500355  
Stock Code on NSE : RALLIS EQ  
Demat International : INE613A01020  
Security Identification  
Number (ISIN) in NSDL  
and CDSL for Equity Shares

### Market Information:

Market price data: High/low, number, value of shares traded and numbers of trades during each month of FY 2018-19:

Month	BSE					NSE				
	High (₹)	Low (₹)	No. of Shares Traded	Value of Shares Traded (₹ Lakhs)	No. of Trades	High (₹)	Low (₹)	No. of Shares Traded	Value of Shares Traded (₹ Lakhs)	No. of Trades
April 2018	248.70	218.35	5,23,554	1,219.95	11,259	248.70	218.00	56,66,910	13,220.74	1,14,049
May 2018	226.50	201.40	5,11,777	1,097.21	7,370	226.50	201.75	41,75,988	8,933.24	68,740
June 2018	217.65	181.00	6,13,074	1,233.30	7,522	217.70	186.50	48,08,042	9,709.02	65,161
July 2018	202.65	182.75	5,89,847	1,124.67	11,754	202.85	183.00	66,10,431	12,572.73	1,09,458
August 2018	214.40	189.45	6,25,674	1,267.39	10,367	214.50	189.20	57,17,120	11,575.22	83,000
September 2018	210.70	176.45	3,67,887	727.18	9,169	210.85	176.50	31,21,404	6,149.65	58,960
October 2018	199.00	165.50	2,95,706	529.71	8,079	194.50	165.05	39,28,103	6,989.16	73,846
November 2018	176.40	160.10	4,24,714	712.93	9,096	176.95	159.80	42,83,117	7,163.15	76,317
December 2018	182.20	159.55	8,40,511	1,485.13	12,350	182.35	162.30	1,11,15,124	19,016.30	1,28,915
January 2019	182.00	157.10	11,57,497	1,952.23	16,565	182.00	156.80	77,42,402	12,952.02	1,19,891
February 2019	164.10	148.00	5,45,770	858.69	7,793	164.80	147.60	43,27,362	6,694.01	47,908
March 2019	167.35	146.50	12,04,674	1,948.60	9,559	167.70	145.70	49,47,745	7,955.89	65,865

The market share price data in comparison to broad-based indices like BSE Sensex and Nifty in FY 2018-19 are given below:

Month	Rallis closing price at BSE	BSE Sensex	Rallis closing price at NSE	NIFTY
April 2018	230.72	34,145.68	230.68	10,472.93
May 2018	213.10	35,079.56	213.12	10,664.45
June 2018	200.10	35,405.14	200.11	10,742.97
July 2018	188.70	36,406.38	188.69	10,991.16
August 2018	200.00	38,061.53	200.10	11,498.44
September 2018	195.57	37,397.50	195.73	11,297.06
October 2018	178.90	34,518.84	178.86	10,383.81
November 2018	167.83	35,298.95	167.66	10,621.79
December 2018	172.27	35,868.71	172.03	10,778.44
January 2019	168.26	36,053.00	168.10	10,809.46
February 2019	154.39	36,138.34	154.40	10,833.84
March 2019	160.67	37,634.96	160.54	11,317.24

#### Registrars and Share Transfer Agents:

Members may correspond with the Company's Registrars and Share Transfer Agents, TSR Darashaw Limited (TSRDL), quoting their folio numbers/ DP ID and Client ID at the following addresses:

##### TSR DARASHAW LIMITED

6-10 Haji Moosa Patrawala Industrial Estate,  
20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.  
Tel. No.: 91 22 6656 8484 | Fax No.: 91 22 6656 8494  
E-mail: csg-unit@tsrdarashaw.com  
Website: www.tsrdarashaw.com  
Business Hours: 10.00 a.m. to 3.30 p.m. (Monday to Friday)

#### Branches of TSRDL:

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following Branch Offices/ agencies of TSRDL:

TSR Darashaw Limited,  
503, Barton Centre, (5th Floor),  
84, Mahatma Gandhi Road,  
Bengaluru - 560 001.  
Tel.: 91 80 2532 0321 | Fax: 91 80 2558 0019  
Email: tsrdlbg@tsrdarashaw.com

TSR Darashaw Limited,  
Tata Centre, 1st Floor,  
43, J. L. Nehru Road,  
Kolkata - 700 071.  
Tel.: 91 33 2288 3087 | Fax: 91 33 2288 3062  
Email: tsrdlcal@tsrdarashaw.com

TSR Darashaw Limited,  
2/42, Ansari Road,  
1st Floor, Daryaganj, Sant Vihar,  
New Delhi - 110 002.  
Tel.: 91 11 2327 1805 | Fax: 91 11 2327 1802  
Email: tsrdldel@tsrdarashaw.com

TSR Darashaw Limited,  
"E" Road, Northern Town, Bistupur,  
Jamshedpur - 831 001.  
Tel.: 91 657 242 6616 | Fax: 91 657 242 6937  
Email: tsrdljsr@tsrdarashaw.com

#### Agent of TSRDL:

Shah Consultancy Services Limited,  
3, Sumatinath Complex, 2nd Dhal,  
Pritam Nagar, Ellisbridge,  
Ahmedabad - 380 006.  
Telefax: 91 79 2657 6038  
Email: shahconsultancy8154@gmail.com

#### Share Transfer System:

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.

Effective 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

#### Secretarial Audit and other certificates:

- Parikh & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for FY 2018-19. Their Audit Report confirms that the



Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made thereunder, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

- Pursuant to Regulation 40 (9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- In accordance with the SEBI Circular dated 8th February, 2019, the Company has obtained an Annual Secretarial Compliance Report from Ms. Jigyasa N. Ved of M/s. Parikh & Associates, Practicing Company Secretary confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March, 2019.
- Ms. Jigyasa N. Ved of M/s. Parikh & Associates, Practicing Company Secretary has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

#### Distribution of shareholding as on 31st March, 2019:

Holding of Nominal Value: ₹ 1

Sr. No.	Range	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1	1 to 500	62,47,260	62,47,260	3.21	56,932	88.18
2	501 to 1000	30,34,416	30,34,416	1.56	3,839	5.95
3	1001 to 2000	27,48,341	27,48,341	1.41	1,825	2.83
4	2001 to 3000	17,69,899	17,69,899	0.91	676	1.05
5	3001 to 4000	10,06,480	10,06,480	0.52	277	0.43
6	4001 to 5000	11,21,944	11,21,944	0.58	239	0.37
7	5001 to 10000	29,59,458	29,59,458	1.52	407	0.63
8	Greater than 10000	17,55,81,092	17,55,81,092	90.29	364	0.56
	<b>Total</b>	<b>19,44,68,890</b>	<b>19,44,68,890</b>	<b>100.00</b>	<b>64,559</b>	<b>100.00</b>

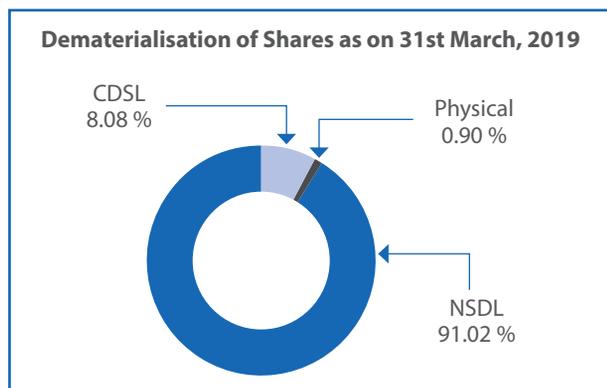
#### Shareholding pattern as on 31st March, 2019:

Sr. No.	Category of Shareholders	Total Holding	Percentage
1	Tata Companies	9,74,16,610	50.09
2	Government/Other Public Financial Institutions and Insurance Companies	1,17,14,783	6.02
3	Foreign Institutional Investors and Foreign Companies	77,75,464	4.00
4	Mutual Funds and Nationalized Banks	2,63,75,583	13.56
5	Alternative Investment Funds	4,78,728	0.25
6	Foreign Banks and Other Banks	2,89,697	0.15
7	Other Bodies Corporate and Trusts	68,45,917	3.52
8	Non Resident Individuals	20,13,732	1.04
9	Individuals	4,08,28,696	20.99
10	IEPF Suspense Account	7,29,680	0.38
	<b>Total</b>	<b>19,44,68,890</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity:**

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories, viz. NSDL and CDSL.

Percentage of shares held in physical and dematerialised form as on 31st March, 2019:



The Company's shares are regularly traded on BSE and NSE.

**Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company does not have any outstanding ADRs/ GDRs/ Warrants or any convertible instruments.

**Commodity price risk or foreign exchange risk and hedging activities:**

**Commodity price risk and hedging activities:** The Company purchases a variety of commodities related to raw materials and finished products and the associated commodity price risks is managed through commercial negotiation with customers and suppliers. The Company does not have any exposure hedged through Commodity derivatives.

**Foreign exchange risk and hedging activities:** During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts. The details of foreign currency exposure are disclosed in Note No. 38 to the Standalone Financial Statements.

**Credit Rating:**

CRISIL has given the credit rating of CRISIL AA+/ STABLE for long term and CRISIL A1+ for short term financial instruments of the Company.

**Plant locations:**

- (i) GIDC Estate, Plot No. 3301, Ankleshwar - 393 002, Dist. Bharuch, Gujarat.
- (ii) GIDC Estate, Plot No. 2808, Ankleshwar - 393 002, Dist. Bharuch, Gujarat.
- (iii) GIDC Estate, Plot No. 3000, Ankleshwar - 393 002, Dist. Bharuch, Gujarat.
- (iv) C 5/6, MIDC Industrial Area, Phase III, Shivani, Akola - 444 104, Maharashtra.
- (v) Plot No.D-26, Lote Parashuram, MIDC, Near Hotel Vakratunda, Taluka Khed, Dist. Ratnagiri - 415 722, Maharashtra.
- (vi) Plot Nos. Z/110 and Z/112, Dahej SEZ Part - II, P.O. Lakhigam, Taluka Vagra, Dist. Bharuch 392 130, Gujarat.
- (vii) Plot No. C44, Port Road, Dahej, Dist. Bharuch - 392 130, Gujarat.

**Investor correspondence address:**

Rallis India Limited  
 Secretarial Department  
 2nd Floor Sharda Terraces  
 Plot No. 65 Sector No. 11  
 CBD Belapur  
 Navi Mumbai - 400 614

OR

TSR Darashaw Limited  
 Unit: Rallis India Limited  
 6-10 Haji Moosa Patrawala Industrial Estate,  
 20 Dr. E. Moses Road,  
 Mahalaxmi,  
 Mumbai - 400 011.



To,  
The Members of Rallis India Limited

## Declaration by the Managing Director & CEO

I, Sanjiv Lal, Managing Director & CEO of Rallis India Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2019.

Sanjiv Lal  
Managing Director & CEO

Mumbai, 25th April, 2019

---

## Practising Company Secretaries' Certificate on Corporate Governance

### TO THE MEMBERS OF RALLIS INDIA LIMITED

We have examined the compliance of the conditions of Corporate Governance by Rallis India Limited ('the Company') for the year ended on 31st March, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Practising Company Secretaries

**Jigyasa N. Ved**  
FCS: 6488 CP: 6018

Mumbai, 25th April, 2019

# Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## INTRODUCTION

The Company believes that sustainable business is founded on good Corporate Governance (business principles), with a triple bottom line focus i.e. economic, environmental and social performance creating value for all stakeholders, driven by robust business processes and continued growth. The Company focuses on efficient deployment of resources, including people, processes and materials, for the production of safe and eco-efficient products, with a view to creating value for all its stakeholders. This ensures that we embed balance in our engagement with all stakeholders, keeping the community at the core of whatever we do.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:**  
L36992MH1948PLC014083
2. **Name of the Company:** Rallis India Limited
3. **Registered address:** 156/157 15th Floor Nariman Bhavan 227 Nariman Point Mumbai - 400 021
4. **Website:** www.rallis.co.in
5. **E-mail id:** investor\_relations@rallis.co.in
6. **Financial Year reported:** 2018-19
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**  
Agri-Inputs; National Industrial Classification (NIC) Code: 3808
8. **Three key products/services that the Company manufactures/provides (as in balance sheet):**  
The Company principally manufactures "agri inputs", comprising crop protection products, plant growth nutrients, organic compost and seeds and provides agri-solutions under its **Rallis Samrudh Krishi®** (RSK) initiative.
9. **Total number of locations where business activity is undertaken by the Company:**
  - (a) **Number of International Locations (5 major):** Nil
  - (b) **Number of national locations:** The Company's manufacturing operations are situated at four locations, viz. Ankleshwar and Dahej in Gujarat and Lote and Akola in Maharashtra.

10. **Markets served by the Company:** The markets for the Company's products are across India. Globally, it serves markets in Asia, Latin America and Africa, with some sales in Europe.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (₹):** 19.45 crores
2. **Total Turnover (Revenue from operations) (₹):** 1,671.50 crores (standalone)
3. **Total profit after taxes (₹):** 128.98 crores (standalone)
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** ₹ 3.86 crores, which is more than 2% of the average net profit of the Company for the last three financial years.
5. **List of activities in which expenditure in 4 above has been incurred:**
  - (a) Water Harvesting (Jal Dhan)
  - (b) Farmer Safety "You are Safe" campaign
  - (c) Model Village development (Rural Development, Health and Sanitation)
  - (d) Education (RUBY) programme
  - (e) Environment (Greening)
  - (f) Skill development (TARA) initiative

**Tata Group Affirmative Action (AA) Policy:** The Company works towards inclusion of socially disadvantaged and marginalised sections of society (Scheduled Castes and Scheduled Tribes). The AA interventions focus on Education, Employment, Employability, Entrepreneurship and Essential Enablers.

## SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies?**  
Yes, the Company has 4 subsidiaries as on 31st March, 2019, of which 3 are direct subsidiaries and 1 is an indirect subsidiary (i.e. subsidiary of the Company's subsidiary).
2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company (ies).**



Of the 3 Indian subsidiaries of the Company, Metahelix Life Sciences Limited (Metahelix) has its own CSR activities in its area of operations. Operations of another Indian subsidiary are not at a scale that can support CSR activities, whereas the third Indian subsidiary has applied to the Registrar of Companies for removal of its name from the Register of Companies. The indirect subsidiary (i.e. subsidiary of Metahelix) is a foreign subsidiary.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [<30%, 30-60%, > 60%]**

Yes, a few of our distributors continued their participation in Jal Dhan initiatives in Maharashtra. They participate and help in identifying the location, interaction with the community people, monitoring the progress of the project and provide their valuable feedback to further strengthen the project (less than 30%).

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR:**

**(a) Details of Director/Directors responsible for implementation of the BR policy/policies:**

1. **DIN Number:** 08376952
2. **Name:** Mr. Sanjiv Lal
3. **Designation:** Managing Director & CEO

**(b) Details of the BR head:**

1. **Name:** Mr. Alok Chandra
2. **Designation:** Vice President - Human Resources & Corporate Sustainability
3. **Telephone Number:** 91 22 6776 1674
4. **E-mail id:** alok.chandra@rallis.co.in

**2. Principle-wise (as per NVGs) BR Policy/policies:**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

<b>P1</b>	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
<b>P2</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
<b>P3</b>	Businesses should promote the well-being of all employees.
<b>P4</b>	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
<b>P5</b>	Businesses should respect and promote human rights.
<b>P6</b>	Businesses should respect, protect and make efforts to restore the environment.
<b>P7</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
<b>P8</b>	Businesses should support inclusive growth and equitable development.
<b>P9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of compliance (Reply in Y/N):**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and intent of the Tata Code of Conduct (TCoC) and all applicable national laws are captured in the policies articulated by the Company. In addition, they reflect the purpose and intent of the United Nations Global Compact, International Standards such as Responsible Care Logo, ISO 14001 and OHSAS 18001/ ISO 45001.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board of Director?	Yes, Signed by Managing Director & CEO								
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	The Tata Code of Conduct is available at: <a href="http://www.rallis.co.in/TCoC.htm">http://www.rallis.co.in/TCoC.htm</a> Rallis Environment Health & Safety Policy is available at: <a href="http://www.rallis.co.in/EHS_Policy.htm">http://www.rallis.co.in/EHS_Policy.htm</a> Rallis Quality Policy is available at: <a href="http://www.rallis.co.in/QualityPolicy.htm">http://www.rallis.co.in/QualityPolicy.htm</a> Rallis CSR Policy is available at: <a href="http://www.rallis.co.in/CSR_Policy.htm">http://www.rallis.co.in/CSR_Policy.htm</a> Rallis Whistleblower Policy is available at: <a href="http://www.rallis.co.in/WBPolicy.htm">http://www.rallis.co.in/WBPolicy.htm</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all internal stakeholders. The TCoC and other policies are communicated to suppliers, vendors, dealers and channel partners based on their relevance to these external stakeholders.								
8	Does the Company have in-house structure to implement the policy/policies?	The Company has established in-house structures to implement these policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Whistleblower Policy provides a mechanism to employees to report any concerns or grievances pertaining to any potential or actual violation of the TCoC, which covers all aspects of BR. An investor grievance mechanism is in place to respond to investor grievances. The Customer Complaints mechanism records the grievances of customers on product and service quality and other issues of interest to them. The supplier, vendor, dealer and channel partner forums and ongoing communication captures their concerns and grievances. The continual community engagement, needs assessments, impact assessments serve as means for communities to represent their concerns and grievances.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the TCoC and other policies are reviewed through Internal Audit function using external competent agencies/ Ethics Counsellor. External assessment of Tata Business Excellence Model (TBEM) covers the review of implementation of all the Company policies. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of different certification processes, including ISO-9001, ISO-14001 and OHSAS-18001/ISO 45001. In addition to this, there are audits from statutory authorities, customers and experts from Tata Group.								



(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles.	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The Company does not have financial or manpower resources available for the task.									
4	It is planned to be done within next 6 months.									
5	It is planned to be done within the next 1 year.									
6	Any other reason (please specify).									

**3. Governance related to BR:**

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year:**

3-6 Months

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, the Company publishes BR on an annual basis and forms part of the Annual Report. This BR Report is also uploaded on the Company's website at the web link: <http://www.rallis.co.in/BRR19.htm>

imbibed in all aspects of the business and its dealing with various stakeholders. Training and awareness on TCoC is provided to all employees and other stakeholders are also made aware of the same from time to time.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

A total of 3 stakeholder complaints were received in the Financial Year ('FY') 2018-19. All of them have been satisfactorily resolved during the year.

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Yes, the Policy covers not only the Company but also its Associates. The TCoC (available on <http://www.rallis.co.in/TCoC.htm>) serves as the ethical roadmap for all Tata companies. All suppliers, partners and joint ventures are expected to adopt TCoC or a joint code of conduct incorporating all elements of the TCoC. TCoC is

Stakeholder wise concerns received during FY 2018-19		
Anonymous	1	
Contract Employee	0	
Employee	2	
Non-Employee	0	
Vendor	0	
Concern Analysis		
Status	In FY 2018-19, we received and addressed 3 concerns	In FY 2017-18 we received and addressed all 3 concerns. No TCoC violation was detected.
Open	NIL	NIL

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- i) **OLIVER:** A systemic post-emergent herbicide formulated using Haloxyfop-methyl into 10.5% EC is very effective against all major grassy weeds in Soybean.
- ii) **Retention of water by soil:** A new solution developed in the form of hydrogel to support water retention in the field which will be useful in agriculture, reducing drought stress in plants, making better use of irrigation water and fertiliser.
- iii) Collaboration with Public Private Partnership for Integrated Agriculture Development (PPP-IAD), Government of Karnataka under Pulses Productivity Improvement Programme and Value Chain, to study on Red gram and Bengal gram for 3 years (2018-19 to 2020-21) at Gulbarga, Bidar and Bijapur which help to promote key products to farmers.
- iv) Supported RSK through Executive Partners and Drishti for pest prediction.

**Customer centric initiatives - Rallis Hi-Tech Farm:**

The Company's Hi-Tech Farm in Karnataka is established to meet the following objectives:

- Demonstrate technical superiority, knowledge and competence as a technology leader and expert.
- Adopt latest technologies such as farm automation and aerial application-UAV-Drone, drip irrigation, etc.
- Optimized Package of Practices (PoPs), IPM and agronomy practices.
- Use of digital interventions.
- On high value and complex crops -
  - a) Demonstrated paddy PoP with one Metahelix hybrid on 1 acre with > 50% higher yield.
  - b) Demonstrated banana PoP with tissue culture banana on 1 acre for maximising the yield.
  - c) Demonstrated maize PoP with popular hybrid on 1 acre with >10% higher yield in the summer.

Drone for Plant protection application: Collaborative project with Group Technology and Innovation Office ('GTIO') is in progress on variety of crops to manage major pests.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**(a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?**

The Company has taken up energy conservation programmes involving our own team and experts from outside. After successful implementation of recommendations, every manufacturing unit has registered savings in terms of KWh and utility specific consumptions.

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

One initiative of the Company, "SRI" (System for Rice Intensification), to educate farmers has not only improved the productivity of rice, but has also potentially saved almost 50% water in rice production.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

As a Responsible Care Company, sourcing is covered under distribution code, which addresses efforts towards sustainable sourcing. The Company has initiated efforts in reducing the carbon footprint in sourcing and supply chain. Few examples are:

- Export of Key products are shifted to jumbo bags compared to earlier practice of exporting in drums. This has increased volume per consignment and optimum utilisation of container space. Sourcing team is working on developing alternate vendors for import substitutes to reduce import dependency on a particular country. Till date success is achieved to reduce import dependence thus by lead time and carbon footprint for more than 50% imported items.



- Outbound logistics is also concentrating more on consolidation of supplies by maximum transport space utilisation and thus reducing number of trips and logistics cost.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company has a vendor development programme, which encourages local contractors and service providers and offers them opportunities. Additionally, the Company has also promoted skills and livelihood development in the neighbouring community through various training and community development programmes. Under Tata Affirmative Action ('AA') programme, the Company provides support to people from socially backward community background, including from the Scheduled Castes and Tribes.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

One of the focus areas under the Company's Corporate Sustainability Model is "Waste reduction and reuse". One of the long term plans is to make all units, zero liquid discharge units. In this direction, substantial work has been done in all the units, by adoption of newer technologies and processes. The Ankleshwar Unit has achieved 100% recycling of treated water on consistent basis. In this year, Dahej unit also built capacity to recycle treated water.

**Principle 3 - Businesses should promote the well-being of all employees.**

1. **Please indicate the total number of employees:** 1,001 as on 31st March, 2019.
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 1,965 as on 31st March, 2019.
3. **Please indicate the number of permanent women employees:** 33 as on 31st March, 2019.
4. **Please indicate the number of permanent employees with disabilities:** None as on 31st March, 2019.

5. **Do you have an employee association that is recognised by management:** Yes, Rasayanki Kamdar Sangh, Ankleshwar.

6. **What percentage of your permanent employees are members of this recognised employee association:** 6.8%. Union employees are 65 out of 1,001 employees as on 31st March, 2019.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

- (i) Child labour/forced labour/involuntary labour: No complaints as on 31st March, 2019.
- (ii) Sexual harassment: One complaint received, investigated and appropriate action taken during the financial year. No complaint pending as on 31st March, 2019.
- (iii) Discriminatory employment: No complaints as on 31st March, 2019.

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

100% employees were covered for various safety trainings as on 31st March, 2019.

**Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

1. **Has the Company mapped its internal and external stakeholders?**

Yes, the Company has mapped its stakeholders as part of its stakeholder engagement process.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

While developing our CSR strategy, the Company has ensured that all communities benefit from its CSR activities, with special focus on groups that are

socially and economically marginalised, including rural unemployed youth, women, scheduled castes and tribes. We focus on Affirmative Action ('AA') initiatives, with 25% of total CSR budget allocated to AA action, with emphasis on Employability through Skill development and Education. Based on need assessment in the AA community, it was felt that basic needs like potable water, water for irrigation, electricity, sanitation, farmer safety etc. requires immediate attention. Hence, we will focus on **Essential amenity**, in addition to **Employability** and **Education**.

#### **Principle 5 - Businesses should respect and promote human rights.**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company follows the principles of the International Declaration of Human Rights. Its policies support, respect and protect the human rights of its direct as well as indirect employees. The TCoC, adopted by the Company, which covers our Associates, addresses these aspects. All suppliers, partners and joint ventures are expected to adhere to these principles covered under the TCoC.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

None pertaining to human rights violation.

#### **Principle 6 - Businesses should respect, protect and make efforts to restore the environment.**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company's EHS Policy focuses on preventing/minimising adverse environmental impacts, so far as is reasonably practicable, through continual improvements in environment management systems, processes, practices and effective environment management and mitigation strategies, responding sensitively to the environmental concerns of the communities and taking necessary measures for implementing product stewardship practices. While the EHS Policy is applicable to the Company and its employees, the Company is committed to enhance awareness on environment sustainability, focusing on the "3R", i.e. Reduce, Reuse and Recycle amongst its employees, associates and

supply chain partners through effective engagement, communication, consultation and training.

**2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.**

Yes, the Company has adopted Tata Group's Climate Change Policy to guide Organisational efforts towards mitigating and adapting to climate change. The Company is aligning itself with India's commitment to combating Climate Change, i.e. Intended Nationally Determined Contributions (INDC) and Tata Group climate change initiatives. In this direction, the Company has a long term plan to achieve the following:

- 50% energy from renewable sources by the year 2021-22.
- 10% reduction in energy consumption by the year 2019-20. Base year 2013-14.
- Planting two lakh saplings on 100% survival basis by the year 2021-22.
- At least 50% thermal energy from bio mass in each Unit by the year 2021-22.

The Tata Group's Climate Change Policy is available at: [http://www.rallis.co.in/Climate\\_Change\\_Policy.htm](http://www.rallis.co.in/Climate_Change_Policy.htm)

**3. Does the Company identify and assess potential environmental risks? Y/N**

The Company makes all efforts to identify environmental aspects and manage its impact. Further, it also strives to continually improve its environmental performance, driven by its Environment Health & Safety Policy. All our manufacturing plants are certified to ISO 14001 Environmental Management Systems ('EMS') standard. 2 of our manufacturing Units at Gujarat (Ankleshwar and Dahej) are certified for ISO-50001. As part of EMS implementation, potential environmental risks are identified and appropriate mitigation strategies to reduce the risks are in place.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The Company has not registered any projects under Clean Development Mechanism.



5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page, etc.**

Yes, under its long term sustainability plans, the Company has initiated a number of green initiatives, including setting up solar power generation, moving to biomass fuelled boilers, etc. For more information, visit <http://www.rallis.co.in/Greening.htm>

Sunshine (Solar) Plant at Dahej is part of our long term sustainability plan of "50% power generation using renewable source of energy". The Companies has set up a 4.4 MWp Solar Power Plant at Dahej that established connectivity with the national grid on 24th December, 2015.

Entire power generated from the solar plant is meant for captive consumption at Ankleshwar and Dahej Units. Based on the climatic simulation data, "Sunshine" is expected to generate around 7.5 million units per annum. The solar plant is a humble contribution to the commitment of the Government of India towards scale up plan of 1,00,000 MW of Grid Connected Solar Power by the year 2022.

6. **Are the emissions/ waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. All manufacturing plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal as per their Regulatory Consents/ Authorisations.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

As on 31st March, 2019, there is no pending show cause or legal notice received from CPCB or SPCB, to the best of the Company's knowledge and understanding. There is no show cause/legal notice pending resolution by CPCB/SPCB.

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1. **Is the Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

Yes. The Company is part of:

- i. CropLife India
- ii. Crop Care Federation of India
- iii. Pesticides Manufacturers & Formulators Association of India
- iv. Confederation of Indian Industry (CII)
- v. Federation of Indian Chambers of Commerce & Industry (FICCI)
- vi. Indian Chemical Council (ICC)
- vii. Bombay Chambers of Commerce and Industry (BCCI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**

Yes, we do from time to time take up issues through the Associations on matters of public interest.

**If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

The Company has participated in industry body consultations in the following areas:

- Policy formulation for environment protection
- Responsible Care guidelines
- Policy formulation for pesticide industry

Tata Code of Conduct is the guide that the Company uses for advocacy.

**Principle 8 - Businesses should support inclusive growth and equitable development.**

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

As per the Company's Sustainability Model, we have taken Employability embedded with Education as the major focus area. Under Employability, the Company has 2 programmes, namely Tata Rallis Agri Input Training Scheme (TRAITS) and Fixed Term Trainees (FTT) to have a visible impact on society. These intervention nurtures and equips youth and gives them an opportunity in the Company and elsewhere, with skill sets that are in demand across Organisations.

The Company implements Education interventions under its RUBY (Rallis Ujjwal Bhavishya Yojana) initiative, where focus is on improving the quality of education and capacity building by imparting training, live demonstration, experimentation and informal education to students, with a view to enhancing basic education, continuity with an ultimate objective to enhance employability.

Under CSR initiatives, various educational activities have been taken up across locations, focusing on holistic development of students and providing educational aids to deprived students. The Company is also engaged in developing 4 Government aided schools into Model Schools.

During FY 2018-19, we have covered 32 schools under our Education projects, benefiting over 8,600 students, of which 4,700 were from among background deserving Affirmative Action.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

The Company is committed to improve quality of lives of people in the community it serves through long term stakeholder value creation, with special focus on empowerment of communities in rural India. CSR activities in the Company are implemented by the in-house CSR team, through participatory approach involving beneficiaries, involving NGOs, experts or through Tata Group Focus Initiatives. Volunteering by the employees is focused on and this is engrained into the team at the Company.

**3. Have you done any impact assessment of your initiative?**

Yes, the Company has done impact assessment for its 3 Tribal Model villages, 2 at Jawahar (Palghar District) namely Kalampada, Kirmire and 1 at Raigad district namely Kelcha Mal through external competent agency, Institute of Social Transformation, Pune.

**4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

The Company has spent ₹ 3.86 crores, which is more than 2% of the average net profit of the Company for the last three financial years. Our key CSR projects are focused on the following:

- i. Natural Resource Management (Rain Water harvesting and conservation)
- ii. Education
- iii. Model Tribal Village
- iv. Greening
- v. Skill
- vi. Farmer Safety

Under the Tata Group Affirmative Action (AA) Policy, the Company works towards inclusion of socially disadvantaged and marginalised sections of society (Scheduled Castes and Scheduled Tribes). The AA interventions focus on Education, Employment, Employability, Entrepreneurship and Essential Amenities.

Under Natural Resource Management projects, the main thrust is to combat the impact of climate change in rain-fed areas, through activities relating to rainwater harvesting, soil conservation, desilting, deepening and water resources conservation, which would include both cultivated and uncultivated lands. This intervention was started in Lote (Konkan Region of Maharashtra), where an Integrated Watershed Project was designed, focusing on harvesting rain water to make villagers water sufficient, motivate small farmers to opt for second crop from available water and focus on overall development of villagers. Water conservation work focuses on desilting, deepening and repairing existing structures and creating new structures like check dams. The Company has scaled-up its water conservation project in Marathwada region of Maharashtra. The geographical coverage of Jal Dhan during the FY 2018-19 is in 47 villages, 16 tehsils and 8 districts of Maharashtra.

Through Jal Dhan project more than 1,53,000 people have been benefited across Maharashtra, out of which 43,000 belongs to Affirmative community. The positive impact was seen by way of increase in ground water levels, increased water availability, sparing time and efforts of women spent in fetching water, enabling farmers to go for second crop, thus increasing incomes and improving livelihoods.

Along with water conservation, the Company has also focused on afforestation, to increase ground water level and soil conservation. In the last 5 years, the Company has planted more than 80,000 trees with 90% survival rate.



Under Model tribal village initiative, in the year 2018-19, the Company has worked in 5 villages to convert them into model villages. Tribal model village concept focuses on basic amenities, capacity building, education, economic empowerment, health and entitlements. Under health intervention, the Company conducts health camp in the villages every quarter and has identified 2 persons per village and trained them as Aarogya Doots, who supports the health intervention programme.

Going forward, these projects will be further intensified by covering additional areas in Maharashtra, Gujarat and other States.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. Most of our programmes are participatory in nature and focuses on institution development and capacity building. For example, Jal Dhan Project under Integrated Resource Management Project, in which we have constructed rain water harvesting structures and planted tree saplings, has enabled the community by providing sustainable water solutions for irrigation and producing hydro power for street lighting. By involving community based institutions in construction of water harvesting structures, the community members have developed a sense of ownership as they are involved in planning and implementation of the Projects.

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Product and packaging related customer complaints are listed below. All complaints are resolved and addressed, none are pending for resolution.

Complaint Type	Domestic	International	Total	% Resolution
External	51	7	58	100
Internal	5	-	5	100
<b>Total</b>	<b>56</b>	<b>7</b>	<b>63</b>	<b>100</b>

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

The Company displays what is required as per regulatory requirements. We comply with the requirements of the Insecticides Act, 1968; Insecticide Rules, 1971; Fertiliser (Control) Order 1985; Seeds Act, 1966; Seeds Rules, 1968; Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 on respective product labels.

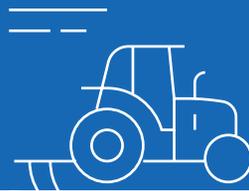
**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

In the last five years, no case has been filed against the Company, and there is no pending case as on end of the financial year, regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

**4. Did the Company carry out any consumer survey/ consumer satisfaction trends?**

The Company carries out Farmer and Channel partners' satisfaction survey once every 2 years. The last survey was concluded in FY 2016-17. Next Survey is scheduled in June 2019. In FY 2018-19, the Company employed Net Promoter Score Survey, as a tool to collect customer feedback. More than 18,000 farmers were contacted across 18 key states and feedback was sought on products and services.

# Financial Statements





# Independent Auditors' Report To the Members of Rallis India Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Rallis India Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit and other comprehensive income, 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 (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibility 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and 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 opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition

The Key Audit Matter	How the matter was addressed in our audit
<p>Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts, incentives (scheme allowances) and estimated sales returns. As disclosed in Note 3.14 to the standalone financial statements, revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.</p> <p><b>Sales return estimation</b></p> <p>As disclosed in Note 3.14 to the standalone financial statements, revenue is recognised net of sales returns.</p> <p>Estimation of sales returns involves significant judgement and estimates due to its dependency on various internal and external factors.</p> <p>Estimation of sales return amount together with the level of judgement involved makes its accounting treatment a significant matter for our audit.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> <li>- Understanding the process followed by the management for the purpose of identifying and determining the amount of provision of sales returns and accrual for rebates and schemes;</li> <li>- Checking of completeness and accuracy of the data used by the management for the purpose of calculation of the provision for sales returns and checking of its arithmetical accuracy;</li> <li>- Comparison between the estimate of the provision for sales returns created in the past with subsequent actual sales returns and analysis of the nature of any deviations to corroborate the effectiveness of the management estimation process;</li> <li>- Considering the appropriateness of the Company's accounting policies regarding revenue recognition as they relate to accounting for rebates, discounts and scheme allowances;</li> <li>- Testing the Company's process and controls over the calculation of rebates, discounts and scheme allowance;</li> </ul>

The Key Audit Matter	How the matter was addressed in our audit
<p><b>Accrual for rebates and schemes</b></p> <p>Revenue is recognised net of rebates, discounts, incentives (scheme allowances) and estimated sales returns owed to the customers based on the arrangement with customers.</p> <p>The recognition and measurement of rebates, discounts and schemes allowances, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers.</p> <p>The value of rebates, discounts and schemes allowances together with the level of judgement involved make its accounting treatment a significant matter for our audit.</p>	<ul style="list-style-type: none"> <li>- Selecting a samples of revenue transactions and scheme circular to re-check that rebates, discounts and scheme allowance were calculated in accordance with the eligibility criteria mentioned in the scheme circular;</li> <li>- Selecting a sample of claims submitted by customers along with claim form and verifying it with the accrual made in the books of account; and</li> <li>- Considering the assumptions and judgements used by the Company in calculating rebates, discounts and schemes allowances, including the level of expected claims, by reviewing historical trends of claims.</li> </ul>

### Investment in subsidiaries

The Key Audit Matter	How the matter was addressed in our audit
<p>The carrying amount of the investments in subsidiaries held at cost less impairment represents 16% of the Company's total assets.</p> <p><b>Recoverability of investments in subsidiaries undertaking</b></p> <p>We do not consider the valuation of these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgment, except for the investment valuations based on projected cash flows which involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows. Further due to their materiality in the context of total assets of the Company, this is considered to be significant to our overall audit strategy and planning.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Comparing the carrying amount of investments with the relevant subsidiary balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making;</li> <li>- For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a suitable multiple of the subsidiaries earnings or discounted cash flow analysis;</li> <li>- Testing the assumptions and understanding the cash flows based on our knowledge of the Company and the markets in which the subsidiaries operate; and</li> <li>- Considering the adequacy of disclosures in the standalone financial statements relating to the valuation of investments in subsidiaries.</li> </ul>

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' 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 in the 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 Management and Board of Directors is responsible for the matters stated in Section 134 (5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

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 give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

- (A) As required by Section 143 (3) of the Act, we report that:
- 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;
  - 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;
  - the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;
  - in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
  - on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - with respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements;



- ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
  - iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director 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.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

*Partner*

Membership No: 105149

Mumbai  
25 April 2019

## Annexure A to the Independent Auditors' Report – 31 March, 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and

the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and we are informed that no material discrepancies were noticed on such verification and the same have been dealt with in books of accounts.

- (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 (other than leasehold land) as disclosed in Note 4 and Note 5 to the standalone financial statements, are held in the name of the Company and in respect of leasehold lands, we have verified the lease agreements duly registered with the appropriate authorities as disclosed in Note 4 and Note 5 to the standalone financial statements, except the following:

Land / Building	No of cases	Leasehold / Freehold	Gross block (₹ in lakhs)	Net block (₹ in lakhs)	Remarks
Building	12	Freehold	2.83	0.82	The agreements were not available for verification.
Building	2	Freehold	57.35	24.68	The Company has filed a declaration suit with regards to the title and is awaiting a decree. The certificate for shares held in the Cooperative Housing Society have been verified.
Land	1	Freehold	226.04	226.04	The said land is in the name of Rallis Hybrid Seeds Limited, an erstwhile company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court(s)
Land	1	Leasehold	1	-	The agreement was not available for verification.
Land	1	Leasehold	1,623.05	1,451.28	The plot has been allotted and is in the possession of the Company. The lease deeds has not yet been executed by lessors.

- (ii) The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted



any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made.

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per 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 the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-tax, Duty of customs, Provident fund, Employees' State Insurance, Goods and Services tax, Cess and other material statutory dues have been regularly

deposited during the year with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Profession tax have generally been regularly deposited during the year with the appropriate authorities, though there have been slight delays in few cases. As explained to us, the Company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Income-tax, Duty of customs, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable. Also, refer note 40 (c) to the standalone financial statements.

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Duty of customs, Duty of excise, Sales tax, Service tax, Value added tax and Goods and Services tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, *except as stated below*:

(₹ in lakhs)

Name of Act	Nature of Dues	Amount Demanded	Amount not Deposited Under Dispute	Period to which amount relates	Forum where dispute is pending
Sales Tax and Value Added Tax	Tax, Penalty and Interest	606.53	519.66	2000-01, 2001-02, 2005-06 to 2010-11, 2012-13 to 2014-15	Joint Commissioner (Appeals)
		246.43	237.85	1990-91, 2000-01, 2001-02, 2006-07 to 2010-11, 2013-14	Additional Commissioner
		513.23	263.51	1983-84, 1992-93, 1994-95, 1996-97 to 2001-02, 2003-04 to 2004-05, 2006-07 to 2013-14, 2014-15	Deputy Commissioner

(₹ in lakhs)

Name of Act	Nature of Dues	Amount Demanded	Amount not Deposited Under Dispute	Period to which amount relates	Forum where dispute is pending
		95.46	58.89	1993-94, 1998-99, 1999-00, 2001-02, 2003-04, 2004-05, 2007-08 to 2009-10, 2014-15	Assistant Commissioner
		180.42	118.14	1992-93, 1995-96 to 1999-2000, 2001-02, 2003-04, 2009-10, 2011-12, 2012-13, 2015-16	Tribunal
		74.42	30.92	1990-91, 1996-97, 1997-98, 2001-02, 2002-03, 2012-13	Commercial Tax Officer
The Central Excise Act, 1944	Tax, Penalty and Interest	62.80	62.80	1999-2001	Joint Commissioner (Appeals)
		87.83	62.69	1999-00, 2001-02, 2011-14, 2014-15, 2016-17, 2017-18	Deputy Commissioner
		665.31	519.55	1986-87, 1996-97 to 2000-01, 2001-02, 2002-2004, 2016-17	Tribunal
The Finance Act, 1994	Tax, Penalty and Interest	6.74	6.74	2006-08, 2010-11	Assistant Commissioner
		138.39	138.39	2007-13 to 2010-2014, 2014-16, 2016-17	Superintendent of Excise and Customs
		10.23	10.23	2005-06 to 2009-10	Joint Commissioner
		42.35	21.18	2009-10	Tribunal
Customs Act, 1962	Tax	144.10	144.10	1999-00	Tribunal
Income Tax Act, 1961	Income Tax	46.91	46.91	2016-17	Commissioner of Income Tax (Appeal)

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

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys

by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given



to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- (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 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 and the Nidhi Rules, 2014 are not applicable to it. 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 details of such transactions have

been disclosed in the standalone financial statements as required by applicable Ind AS.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (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.

Mumbai  
25 April 2019

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No : 101248W/W-100022

**Aniruddha Godbole**  
Partner  
Membership No: 105149

## Annexure B to the Independent Auditors' Report – 31 March, 2019

**Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Rallis India Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone 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 auditors' 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 system with reference to standalone financial statements.

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Mumbai  
25 April 2019

#### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No : 101248W/W-100022

**Aniruddha Godbole**  
*Partner*  
Membership No: 105149

# Standalone Balance Sheet

as at 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

	Notes	As at 31 March, 2019	As at 31 March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	4	34,930.38	34,275.35
b) Capital work-in-progress	4	1,278.49	1,206.45
c) Investment property	5	549.86	557.97
d) Other intangible assets	6	293.38	252.98
e) Intangible assets under development	6	1,184.50	1,261.55
f) Financial assets			
i) Investments	7	30,949.85	30,955.04
ii) Loans	8	484.51	385.27
iii) Other financial assets	9	21.42	58.65
g) Income-tax assets (Net)	10	6,166.11	6,250.30
h) Other non-current assets	14	3,158.52	3,260.35
<b>Total non-current assets</b>		<b>79,017.02</b>	<b>78,463.91</b>
<b>Current assets</b>			
a) Inventories	11	42,978.32	37,485.94
b) Financial assets			
i) Investments	7	5,949.34	8,014.43
ii) Trade receivables	12	41,697.36	36,532.91
iii) Cash and cash equivalents	13.1	3,490.93	272.57
iv) Bank balances other than (iii) above	13.2	257.39	296.59
v) Other financial assets	9	458.10	551.14
c) Other current assets	14	11,669.64	10,463.20
		<b>106,501.08</b>	<b>93,616.78</b>
Assets classified as held for sale	15	-	1,264.90
<b>Total current assets</b>		<b>106,501.08</b>	<b>94,881.68</b>
<b>Total assets</b>		<b>185,518.10</b>	<b>173,345.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	16	1,944.71	1,944.71
b) Other equity	17	122,891.02	115,939.97
<b>Total equity</b>		<b>124,835.73</b>	<b>117,884.68</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
Borrowings	18	1,466.50	1,790.56
b) Provisions	23	2,028.49	1,431.68
c) Deferred tax liabilities (Net)	20	3,816.21	4,052.59
<b>Total non-current liabilities</b>		<b>7,311.20</b>	<b>7,274.83</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	5,295.86	14.59
ii) Trade payables	21		
-total outstanding dues of micro enterprises and small enterprises		275.59	481.21
-total outstanding dues of creditors other than micro enterprises and small enterprises		35,681.23	36,384.16
iii) Other financial liabilities	22	8,789.10	7,737.02
b) Other current liabilities	24	1,429.44	1,959.39
c) Provisions	23	1,549.02	1,380.52
d) Income-tax liabilities (Net)	10	350.93	229.19
<b>Total current liabilities</b>		<b>53,371.17</b>	<b>48,186.08</b>
<b>Total liabilities</b>		<b>60,682.37</b>	<b>55,460.91</b>
<b>Total equity and liabilities</b>		<b>185,518.10</b>	<b>173,345.59</b>
<b>See accompanying notes to the standalone financial statements</b>	1 to 51		

As per our report of even date attached

## For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

## ANIRUDDHA GODBOLE

Partner

Membership No. 105149

Mumbai, 25 April, 2019

## PRAKASH R. RASTOGI

(DIN: 00110862)

## R. MUKUNDAN

(DIN: 00778253)

## PUNITA KUMAR-SINHA

(DIN: 05229262)

## C.V. NATRAJ

(DIN: 07132764)

## PADMINI KHARE KAICKER

(DIN: 00296388)

## JOHN MULHALL

(DIN: 08101474)

Directors

## For and on behalf of the Board of Directors of Rallis India Limited

## BHASKAR BHAT

(DIN: 00148778)

Chairman

## SANJIV LAL

(DIN: 08376952)

Managing Director & CEO

## ASHISH MEHTA

(M. No. 53039)

Chief Financial Officer

## YASHASWIN SHETH

(M. No. A15388)

Company Secretary

Mumbai, 25 April, 2019



# Standalone Statement of Profit and Loss

for the year ended 31 March, 2019

All amounts are in ₹ lakhs except for earning per equity share information

	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
I Revenue from operations	25	167,150.38	151,593.74
II Other income	26	2,571.99	893.39
<b>III Total Income (I+II)</b>		<b>169,722.37</b>	<b>152,487.13</b>
<b>IV Expenses</b>			
Cost of materials consumed	27	93,955.70	70,405.75
Purchases of stock-in-trade	28	14,894.57	23,601.33
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(7,237.86)	(7,306.27)
Excise duty on sale of goods		-	1,751.64
Employee benefits expense	30	13,846.64	12,565.34
Finance costs	31	486.34	329.47
Depreciation and amortisation expense	32	3,928.12	4,057.39
Other expenses	33	31,060.71	27,956.73
<b>Total expenses (IV)</b>		<b>150,934.22</b>	<b>133,361.38</b>
<b>V Profit before tax (III-IV)</b>		<b>18,788.15</b>	<b>19,125.75</b>
<b>VI Tax expense</b>			
(1) Current tax	10	6,125.68	5,895.11
(2) Deferred tax	10	(235.36)	(917.95)
Total tax expense (VI)		<b>5,890.32</b>	<b>4,977.16</b>
<b>VII Profit for the year (V-VI)</b>		12,897.83	14,148.59
<b>VIII Other comprehensive income</b>			
Item that will not be reclassified to profit or loss:			
a) Remeasurement of the employee defined benefit plans		81.19	247.28
b) Equity instruments through other comprehensive income		(141.41)	(196.96)
c) Income tax relating to items that will not be reclassified to profit or loss		(25.50)	(66.17)
<b>Total other comprehensive income (net of taxes)</b>		<b>(85.72)</b>	<b>(15.85)</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>12,812.11</b>	<b>14,132.74</b>
<b>Earnings per equity share (of ₹ 1 each)</b>	34		
(1) Basic (In ₹)		6.63	7.28
(2) Diluted (In ₹)		6.63	7.28
<b>See accompanying notes to the standalone financial statements</b>	1 to 51		

As per our report of even date attached

## For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

## ANIRUDDHA GODBOLE

Partner

Membership No. 105149

Mumbai, 25 April, 2019

## PRAKASH R. RASTOGI

(DIN: 00110862)

## R. MUKUNDAN

(DIN: 00778253)

## PUNITA KUMAR-SINHA

(DIN: 05229262)

## C.V. NATRAJ

(DIN: 07132764)

## PADMINI KHARE KAICKER

(DIN: 00296388)

## JOHN MULHALL

(DIN: 08101474)

Directors

## For and on behalf of the Board of Directors of Rallis India Limited

## BHASKAR BHAT

(DIN: 00148778)

Chairman

## SANJIV LAL

(DIN: 08376952)

Managing Director & CEO

## ASHISH MEHTA

(M. No. 53039)

Chief Financial Officer

## YASHASWIN SHETH

(M. No. A15388)

Company Secretary

Mumbai, 25 April, 2019

## Standalone Statement of Changes in Equity

for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### A. Equity share capital

<b>Balance as at 1 April, 2017</b>	1,944.71
Changes in Equity Share Capital during the year	-
<b>Balance as at 31 March, 2018</b>	1,944.71
Changes in Equity Share Capital during the year	-
<b>Balance as at 31 March, 2019</b>	<b>1,944.71</b>

### B. Other equity

Particulars	Other equity						Total other equity
	Reserves & Surplus					Other Comprehensive Income	
	Securities premium reserve	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Equity instrument through OCI	
<b>As at 1 April, 2017</b>	8,793.88	74,755.94	1,243.10	8,151.77	17,649.93	0.39	110,595.01
Profit for the year	-	14,148.59	-	-	-	-	14,148.59
Other Comprehensive Income (Net of taxes)	-	181.11	-	-	-	(196.96)	(15.85)
Total Comprehensive Income	-	14,329.70	-	-	-	(196.96)	14,132.74
Transfer to / (from) retained earnings	-	(196.96)	-	-	-	196.96	-
Payment of dividends	-	(7,292.58)	-	-	-	-	(7,292.58)
Payment of dividend distribution tax	-	(1,495.20)	-	-	-	-	(1,495.20)
<b>At 31 March, 2018</b>	<b>8,793.88</b>	<b>80,100.90</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>0.39</b>	<b>115,939.97</b>
Profit for the year	-	12,897.83	-	-	-	-	12,897.83
Other Comprehensive Income (Net of taxes)	-	55.69	-	-	-	(141.41)	(85.72)
Total Comprehensive Income	-	12,953.52	-	-	-	(141.41)	12,812.11
Transfer to / (from) retained earnings	-	(141.22)	-	-	-	141.22	-
Payment of dividends	-	(4,861.72)	-	-	-	-	(4,861.72)
Payment of dividend distribution tax	-	(999.34)	-	-	-	-	(999.34)
<b>At 31 March, 2019</b>	<b>8,793.88</b>	<b>87,052.14</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>0.20</b>	<b>122,891.02</b>

As per our report of even date attached

#### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

#### ANIRUDDHA GODBOLE

Partner

Membership No. 105149

Mumbai, 25 April, 2019

#### PRAKASH R. RASTOGI

(DIN: 00110862)

#### R. MUKUNDAN

(DIN: 00778253)

#### PUNITA KUMAR-SINHA

(DIN: 05229262)

#### C.V. NATRAJ

(DIN: 07132764)

#### PADMINI KHARE KAICKER

(DIN: 00296388)

#### JOHN MULHALL

(DIN: 08101474)

Directors

#### For and on behalf of the Board of Directors of Rallis India Limited

#### BHASKAR BHAT

(DIN: 00148778)

Chairman

#### SANJIV LAL

(DIN: 08376952)

Managing Director & CEO

#### ASHISH MEHTA

(M. No. 53039)

Chief Financial Officer

#### YASHASWIN SHETH

(M. No. A15388)

Company Secretary

Mumbai, 25 April, 2019



## Standalone Statement of Cash Flows

for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	18,788.15	19,125.75
Adjustments for :		
Finance costs	486.34	329.47
Depreciation and amortisation expense	3,928.12	4,057.39
Interest income	(104.03)	(54.50)
Dividend income	(283.63)	(464.17)
Credit balances written back	(358.50)	(230.29)
Allowance for doubtful debts (net)	47.49	147.37
Allowance for doubtful advances	31.98	2.57
Investment write off	24.60	-
Impairment of Intangible assets and intangible assets under development	138.52	-
Bad debts	212.44	-
Provision for indirect tax matters	10.00	33.50
Provision/(reversal) for Directors pension liability	722.92	-
Provision/(reversal) for supplemental pay	(41.52)	(110.97)
Provision/(reversal) for gratuity	107.77	83.57
Provision for compensated absences	21.83	111.86
Net unrealised foreign exchange (gain) / loss	(416.96)	209.18
(Gain)/loss on disposal of property, plant and equipment	59.43	(12.51)
<b>Operating profit before working capital changes</b>	<b>23,374.95</b>	<b>23,228.22</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade receivables	(5,810.26)	(13,783.98)
(Increase)/decrease in inventories	(5,492.38)	(13,037.07)
(Increase)/decrease other financial assets	(168.69)	(120.72)
(Increase)/decrease other assets	(986.27)	(4,649.84)
Increase/(decrease) trade payables	252.79	13,780.89
Increase/(decrease) in other financial liabilities	780.26	663.48
Increase/(decrease) in other liabilities	(529.95)	(693.08)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>11,420.45</b>	<b>5,387.90</b>
Income taxes paid (Net of refunds)	(5,920.77)	(5,888.81)
<b>NET CASH FLOWS GENERATED / (USED IN) FROM OPERATING ACTIVITIES (A)</b>	<b>5,499.68</b>	<b>(500.91)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	103.02	49.22
Dividend received	283.63	464.17
Purchase of current investments	(11,781.27)	(10,700.97)
Payment for purchase of investment in equity shares	(19.60)	(337.64)
Proceeds from sale of investments from equity shares	-	1,314.64
Proceeds from sale of current investments	13,846.36	23,643.90
Payments for purchase of property , plant and equipment (including adjustments on account of capital work-in-progress, capital creditors and capital advances)	(3,259.00)	(4,733.24)
Payments for intangible assets	(177.20)	(194.35)
Proceeds from disposal of property , plant and equipment	32.88	25.63
Investments in bank deposits	74.33	(1.86)
<b>NET CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>(896.85)</b>	<b>9,529.50</b>

## Standalone Statement of Cash Flows

for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of long-term borrowings (including current maturities)	(308.49)	(29.01)
Proceeds from short-term borrowings	10,700.00	-
Repayment of short-term borrowings	(9,000.00)	-
Repayment of finance lease obligations	(7.78)	(9.73)
Dividend paid on equity shares (including dividend distribution tax)	(5,853.45)	(8,766.66)
Interest paid	(488.41)	(327.21)
Bank balances in dividend account	(7.61)	(21.12)
<b>NET CASH FLOWS (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(4,965.74)</b>	<b>(9,153.73)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b>	<b>(362.91)</b>	<b>(125.14)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
Cash in hand	2.15	2.55
Balances with banks in current account and deposit account	270.42	390.39
Bank overdrafts and cash credit facility (secured)*	(14.59)	(9.82)
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 13.1</b>	<b>257.98</b>	<b>383.12</b>
<b>Net Cash and cash equivalents as per Cash flow statement</b>	<b>(104.93)</b>	<b>257.98</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Cash in hand	2.74	2.15
Balances with banks in current account and deposit account	3,488.19	270.42
Bank overdrafts and cash credit facility (secured)*	(3,595.86)	(14.59)
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 13.1</b>	<b>(104.93)</b>	<b>257.98</b>
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Opening balances</b>		
Long-term borrowings (including current maturities)	2,106.82	2,145.56
Short-term borrowings (excluding bank overdrafts and cash credit facility)	-	-
<b>Movements</b>		
Long-term borrowings (including current maturities)	(316.27)	(38.74)
Short-term borrowings (excluding bank overdrafts and cash credit facility)	1,700.00	-
<b>Closing balances</b>		
Long-term borrowings (including current maturities)	1,790.55	2,106.82
Short-term borrowings (excluding bank overdrafts and cash credit facility)	1,700.00	-

\* Bank overdrafts and cash credit facility are part of cash management system of the Company. Hence, considered as part of cash and cash equivalents.

See accompanying notes to the standalone financial statements

1 to 51

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**ANIRUDDHA GODBOLE**

Partner

Membership No. 105149

Mumbai, 25 April, 2019

**PRAKASH R. RASTOGI**

(DIN: 00110862)

**R. MUKUNDAN**

(DIN: 00778253)

**PUNITA KUMAR-SINHA**

(DIN: 05229262)

**C.V. NATRAJ**

(DIN: 07132764)

**PADMINI KHARE KAICKER**

(DIN: 00296388)

**JOHN MULHALL**

(DIN: 08101474)

Directors

**For and on behalf of the Board of Directors of Rallis India Limited**

**BHASKAR BHAT**

(DIN: 00148778)

**SANJIV LAL**

(DIN: 08376952)

**ASHISH MEHTA**

(M. No. 53039)

**YASHASWIN SHETH**

(M. No. A15388)

Chairman

Managing Director & CEO

Chief Financial Officer

Company Secretary

Mumbai, 25 April, 2019



## Notes to the standalone financial statements for the year ended 31 March, 2019

### 1. Corporate Information

Rallis India Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange. It has been engaged primarily in the business of manufacture and marketing of Agri Inputs. The Company has its manufacturing facilities in India and sells both in India and across the globe. The Company's registered office is at 156/157, 15th Floor, Nariman Bhavan, 227 Nariman Point, Mumbai 400 021.

Tata Chemicals Limited ("Tata Chemicals") owns 50.06% of the Company's equity share capital as at 31 March 2019.

The financial statements for the year ended 31 March, 2019 were approved by the Board of Directors and authorised for issue on 25 April, 2019.

### 2. Recent accounting pronouncement

#### Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

#### IND AS 116-Leases:

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Company is required to adopt Ind AS 116, Leases from 1 April, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

- the total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straight-line basis whilst the lease liability reduces by the principal amount of repayments;

- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Company at various stages of their terms; and

- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's standalone financial statements:

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

## Notes to the standalone financial statements for the year ended 31 March, 2019

- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre payable financial assets.

- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

Impact on adoption of above changes in standards is not material.

### 3. Significant accounting policies

#### 3.1 Statement of compliance

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies

Act, 2013, (the 'Act') and other relevant provisions of the Act.

#### 3.2 Basis of preparation and measurement

The Standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



## Notes to the standalone financial statements for the year ended 31 March, 2019

### 3.3 Functional and presentation currency

The Standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest ₹ lakhs, unless otherwise indicated.

### 3.4 Foreign currency translation

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Standalone Statement of Profit and Loss.

### 3.5 Property plant and equipment (PPE)

#### (a) Recognition and measurement

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The

carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in Standalone financial statements.

#### (b) Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM"). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets reflect the periods

## Notes to the standalone financial statements for the year ended 31 March, 2019

over which these assets are expected to be used, which are as follows:

Type/Category of Asset	Useful Lives (in years) – as per Companies Act, 2013	Useful Lives (in years) – as estimated by the Company
Buildings including factory buildings	3-60	5-60
General Plant and Machinery	8	3-35
Electrical Installations and Equipments	10	2-32
Furniture and Fixtures	10	3-10
Office Equipments	5	2-10
Vehicles	8	8
Computer and Data Processing Units	3-6	1-10
Laboratory Equipments	10	1-19
Leasehold improvements	NA	shorter of lease period or above estimated useful life

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(c) *Gain or Loss on Disposal*

Any gain or loss on disposal of property, plant and equipment is recognised in the Standalone Statement of Profit and Loss.

**3.6 Investment Property**(a) *Recognition and Measurement*

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for undetermined future use is also recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an investment property comprises its

purchase price and any directly attributable expenditure. After initial recognition, the Company carries the investment property at the cost less accumulated depreciation and accumulated impairment, if any.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

(b) *Depreciation*

After initial recognition, the Company measures all of its investment property in accordance with Ind AS 16 – Property, Plant and Equipment requirements for cost model. The depreciable amount of an item of investment property is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The depreciation charge for each period is recognised in the Standalone Statement of Profit and Loss.

The estimated useful lives for the current and comparative periods are as follows:

Type/Category of Asset	Useful Lives (in years) – as per Companies Act, 2013	Useful Lives (in years) – as estimated by the Company
Buildings including factory buildings	60	60



## Notes to the standalone financial statements for the year ended 31 March, 2019

### (c) Fair Value

Fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of investment property is disclosed in the Note 5.

### (d) Gain or Loss on Disposal

Any gain or loss on disposal of an Investment Property is recognised in the Standalone Statement of Profit and Loss.

### 3.7 Other intangible assets

Other intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Type/Category of Asset	Useful Lives (in years) – as estimated by the Company
Product registrations	4
Licenses and commercial rights	4
Computer software	1-10

The estimated useful life is reviewed annually by the management.

### 3.8 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

### 3.9 Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions

of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### 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 in order to collect contractual cash flows and the contractual terms of the financial asset 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 (FVTOCI)

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 that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

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

#### Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial

**Notes to the standalone financial statements for the year ended 31 March, 2019**

recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

*Financial liabilities*

Financial liabilities are measured at amortised cost using the effective interest method.

*Equity instruments*

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in financial statements 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.

**3.10 Investments in subsidiaries**

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

**3.11 Derivative financial instruments**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

**3.12 Impairment***Financial assets (other than at fair value)*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial

Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

*PPE and intangibles assets*

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Standalone Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.13 Inventories**

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**3.14 Revenue recognition**

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.



## Notes to the standalone financial statements for the year ended 31 March, 2019

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the Standalone Statement of profit and loss is not restated. Impact on adoption of Ind AS 115 is not material.

### 3.14.1 Rendering of services

Income recognition for services takes place as and when the services are performed in accordance with IND AS 115

### 3.14.2 Interest Income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

### 3.14.3 Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

### 3.14.4 Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

### 3.14.5 Royalty on trademark license arrangements:

Royalty income is recognised on an accrual basis (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Such arrangements are based on sales made by the licensee and are recognised by reference to the compensation terms under the underlying arrangement.

### 3.15 Research and development expenses

Research expenditure is charged to the Standalone Statement of Profit and Loss. Development costs of products are also charged to the Standalone Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

### 3.16 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

#### (i) Operating Lease:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to

## Notes to the standalone financial statements for the year ended 31 March, 2019

increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) *Finance Lease:*

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

**3.17 Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

**3.18 Employee benefit expenses**

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences, supplemental pay and director pension liability.

**3.18.1 Post-employment benefit plans***Defined Contribution plans*

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. 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*

The Company operates various defined benefit plans-gratuity fund, supplemental pay and director pension liability.

The Company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Rallis India Limited Provident Fund. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency as at the year end.

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.



## Notes to the standalone financial statements for the year ended 31 March, 2019

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 Standalone Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### 3.18.2 Short term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

### 3.19 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended

use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

### 3.20 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director & CEO of the Company.

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 / liabilities".

### 3.21 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Standalone Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### *Current tax*

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

*Deferred tax*

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**3.22 Accounting of Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where

the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

**3.23 Dividend to Equity shareholders**

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

**3.24 Earnings per share (EPS)**

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

**3 A. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ



## Notes to the standalone financial statements for the year ended 31 March, 2019

from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### (i) *Critical Judgements*

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### **Discount rate used to determine the carrying amount of the Company's employee defined benefit obligation**

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

#### **Contingences and commitments**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

### (ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **Useful lives of property, plant and equipment**

As described in Note 3.5, the Company reviews the estimated useful lives and residual values of property,

plant and equipment at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

#### **Allowances for doubtful debts**

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

#### **Allowances for inventories**

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

#### **Liability for sales return**

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate 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 Company to be reliable estimate of future sales returns.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**4: Property, plant and equipment and capital work-in-progress**

	As at 31 March, 2019	As at 31 March, 2018
<b>Carrying amounts of:</b>		
Leasehold land	1,959.52	728.36
Leasehold improvements	116.86	119.10
Buildings	11,328.92	11,774.49
Plant and equipment	21,168.03	21,283.73
Furniture and fixtures	206.19	230.23
Vehicles	11.52	6.11
Office equipments	115.87	103.55
Equipment under finance lease	23.47	29.78
	<b>34,930.38</b>	<b>34,275.35</b>
Capital work-in-progress	1,278.49	1,206.45
	<b>36,208.87</b>	<b>35,481.80</b>

Description	Gross block				Accumulated depreciation					Carrying amount	
	Balance as at 1 April 2018	Additions	Deductions / Reclassification	Reclassification from assets held for sale	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Deductions / Reclassification	Reclassification from assets held for sale	Balance as at 31 March 2019	Balance as at 31 March 2019
Leasehold land	<b>884.71</b>	-	-	<b>1,391.04</b>	<b>2,275.75</b>	156.35	33.74	-	126.14	<b>316.23</b>	<b>1,959.52</b>
	<i>1,729.98</i>	-	<i>845.27</i>	-	<i>884.71</i>	<i>214.00</i>	<i>17.41</i>	<i>75.06</i>	-	<i>156.35</i>	<i>728.36</i>
Leasehold improvements	<b>165.11</b>	-	-	-	<b>165.11</b>	46.01	2.24	-	-	<b>48.25</b>	<b>116.86</b>
	<i>165.11</i>	-	-	-	<i>165.11</i>	<i>43.77</i>	<i>2.24</i>	-	-	<i>46.01</i>	<i>119.10</i>
Buildings	<b>13,486.35</b>	<b>197.53</b>	<b>2.91</b>	-	<b>13,680.97</b>	<b>1,711.86</b>	<b>643.10</b>	<b>2.91</b>	-	<b>2,352.05</b>	<b>11,328.92</b>
	<i>12,875.46</i>	<i>621.11</i>	<i>10.22</i>	-	<i>13,486.35</i>	<i>1,090.87</i>	<i>627.15</i>	<i>6.16</i>	-	<i>1,711.86</i>	<i>11,774.49</i>
Plant and equipment	<b>29,545.21</b>	<b>3,014.80</b>	<b>805.14</b>	-	<b>31,754.87</b>	<b>8,261.48</b>	<b>3,038.87</b>	<b>713.51</b>	-	<b>10,586.84</b>	<b>21,168.03</b>
	<i>25,457.50</i>	<i>4,120.36</i>	<i>32.65</i>	-	<i>29,545.21</i>	<i>5,400.46</i>	<i>2,884.91</i>	<i>23.89</i>	-	<i>8,261.48</i>	<i>21,283.73</i>
Furniture and fixtures	<b>454.57</b>	<b>47.98</b>	<b>4.13</b>	-	<b>498.42</b>	224.34	72.02	4.13	-	<b>292.23</b>	<b>206.19</b>
	<i>380.16</i>	<i>74.41</i>	-	-	<i>454.57</i>	<i>151.43</i>	<i>72.91</i>	-	-	<i>224.34</i>	<i>230.23</i>
Vehicles	<b>17.20</b>	<b>9.70</b>	<b>12.56</b>	-	<b>14.34</b>	11.09	4.29	12.56	-	<b>2.82</b>	<b>11.52</b>
	<i>21.97</i>	-	<i>4.77</i>	-	<i>17.20</i>	<i>9.64</i>	<i>5.76</i>	<i>4.31</i>	-	<i>11.09</i>	<i>6.11</i>
Office equipments	<b>259.55</b>	<b>57.33</b>	<b>16.06</b>	-	<b>300.82</b>	156.00	44.34	15.39	-	<b>184.95</b>	<b>115.87</b>
	<i>215.11</i>	<i>63.08</i>	<i>18.64</i>	-	<i>259.55</i>	<i>128.25</i>	<i>46.04</i>	<i>18.29</i>	-	<i>156.00</i>	<i>103.55</i>
Equipment under finance lease	<b>36.97</b>	-	<b>0.23</b>	-	<b>36.74</b>	7.19	6.08	-	-	<b>13.27</b>	<b>23.47</b>
	<i>38.11</i>	-	<i>1.14</i>	-	<i>36.97</i>	<i>1.06</i>	<i>6.13</i>	-	-	<i>7.19</i>	<i>29.78</i>
<b>Total</b>	<b>44,849.67</b>	<b>3,327.34</b>	<b>841.03</b>	<b>1,391.04</b>	<b>48,727.02</b>	<b>10,574.32</b>	<b>3,844.68</b>	<b>748.50</b>	<b>126.14</b>	<b>13,796.64</b>	<b>34,930.38</b>
	<i>40,883.40</i>	<i>4,878.96</i>	<i>912.69</i>	-	<i>44,849.67</i>	<i>7,039.48</i>	<i>3,662.55</i>	<i>127.71</i>	-	<i>10,574.32</i>	<i>34,275.35</i>

**footnotes:**

1. Cost of buildings includes cost of 30 shares (31 March, 2018 - 30 shares) of ₹ 50 each fully paid in respect of ownership flats in 3 (31 March, 2018 - 3 flats) Co-operative Societies.
2. Buildings include assets carried at ₹ 0.82 lakhs (31 March, 2018 ₹ 0.88 lakhs) where the conveyance in favor of the Company has not been completed.
3. Plant and equipment includes general plant and machinery, electrical installations and equipments, laboratory equipments and computers and data processing units. In addition, the Company's obligations under finance leases are secured by the lessor's title to the leased assets.
4. Leasehold land include assets carried at ₹ 1,451.28 lakhs (as at 31 March, 2018 ₹ 209.56 lakhs) for which the Company is in process of obtaining an extension for the fulfillment of pre-conditions of lease upon expiry of timeline.
5. The Company has not capitalised any borrowing cost during the current year (31 March, 2018 - Nil).
6. The Company has not recognised any impairment loss during the current year (31 March, 2018 - Nil).
7. The figures in italics are for the previous year.



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 5: Investment property

	As at 31 March, 2019	As at 31 March, 2018
<b>Carrying amounts of:</b>		
Freehold land	244.91	244.91
Buildings	304.95	313.06
<b>Total</b>	<b>549.86</b>	<b>557.97</b>

Description	Gross block			Accumulated depreciation				Carrying amount	
	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 31 March 2019
Freehold land	<b>244.91</b>	-	-	<b>244.91</b>	-	-	-	-	<b>244.91</b>
	<i>244.91</i>	-	-	<i>244.91</i>	-	-	-	-	<i>244.91</i>
Buildings	<b>337.19</b>	-	-	<b>337.19</b>	<b>24.13</b>	<b>8.11</b>	-	<b>32.24</b>	<b>304.95</b>
	<i>337.19</i>	-	-	<i>337.19</i>	<i>16.03</i>	<i>8.10</i>	-	<i>24.13</i>	<i>313.06</i>
<b>Total</b>	<b>582.10</b>	-	-	<b>582.10</b>	<b>24.13</b>	<b>8.11</b>	-	<b>32.24</b>	<b>549.86</b>
	<i>582.10</i>	-	-	<i>582.10</i>	<i>16.03</i>	<i>8.10</i>	-	<i>24.13</i>	<i>557.97</i>

#### footnotes:

- Buildings includes 10 flats (31 March, 2018 - 10 flats) which are classified as Investment property by the Company in accordance with IND AS-40 "Investment Property".
- Cost of buildings includes cost of 35 shares (31 March, 2018 - 35 shares) of ₹ 50 each fully paid and cost of 7 shares (31 March, 2018 - 7 shares) of ₹ 100 each fully paid in respect of ownership flats in 7 (31 March, 2018 - 7 flats) Co-operative Societies.
- The Company has not capitalised any borrowing cost during the current year (31 March, 2018 - Nil).
- The Company has not recognised any impairment loss during the current year (31 March, 2018 - Nil).
- Total fair value of Investment Property is ₹ 31,356.16 lakhs (31 March, 2018 ₹ 31,356.16 lakhs).
- The figures in italics are for the previous year.

#### Fair Value Hierarchy

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.

#### Description of Valuation Technique used:

The Company obtains Independent Valuations of its investment property as per requirement of Ind AS 40. The fair value of the investment property have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**6: Other intangible assets**

	As at 31 March, 2019	As at 31 March, 2018
<b>Carrying amounts of:</b>		
Product registrations	234.43	188.68
Licences and commercial rights	-	-
Computer software	58.95	64.30
	<b>293.38</b>	<b>252.98</b>
Intangible assets under development	1,184.50	1,261.55
	<b>1,477.88</b>	<b>1,514.53</b>

Description	Gross block				Accumulated depreciation				Carrying amount
	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 31 March 2019
Product registrations	<b>928.56</b>	<b>143.44</b>	<b>55.36</b>	<b>1,016.64</b>	<b>739.88</b>	<b>63.41</b>	<b>21.08</b>	<b>782.21</b>	<b>234.43</b>
	<i>902.74</i>	<i>25.82</i>	<i>-</i>	<i>928.56</i>	<i>604.05</i>	<i>135.83</i>	<i>-</i>	<i>739.88</i>	<i>188.68</i>
Licences and commercial rights	<b>609.70</b>	<i>-</i>	<i>-</i>	<b>609.70</b>	<b>609.70</b>	<i>-</i>	<i>-</i>	<b>609.70</b>	<i>-</i>
	<i>609.70</i>	<i>-</i>	<i>-</i>	<i>609.70</i>	<i>373.68</i>	<i>236.02</i>	<i>-</i>	<i>609.70</i>	<i>-</i>
Computer software	<b>117.02</b>	<b>6.57</b>	<i>-</i>	<b>123.59</b>	<b>52.72</b>	<b>11.92</b>	<i>-</i>	<b>64.64</b>	<b>58.95</b>
	<i>96.27</i>	<i>20.75</i>	<i>-</i>	<i>117.02</i>	<i>37.83</i>	<i>14.89</i>	<i>-</i>	<i>52.72</i>	<i>64.30</i>
<b>Total</b>	<b>1,655.28</b>	<b>150.01</b>	<b>55.36</b>	<b>1,749.93</b>	<b>1,402.30</b>	<b>75.33</b>	<b>21.08</b>	<b>1,456.55</b>	<b>293.38</b>
	<i>1,608.71</i>	<i>46.57</i>	<i>-</i>	<i>1,655.28</i>	<i>1,015.56</i>	<i>386.74</i>	<i>-</i>	<i>1,402.30</i>	<i>252.98</i>

**footnotes:**

- The Company has not capitalised any borrowing cost during the current year (31 March, 2018 - Nil).
- The Company has recognised impairment loss during the current year ₹ 34.28 lakhs (31 March, 2018 - Nil).
- The figures in italics are for the previous year.

**7: Investments**

	Nominal value (in ₹)	No. of shares	As at 31 March, 2019	No. of shares	As at 31 March, 2018
<b>Non-current</b>					
<b>Quoted equity instruments (all fully paid)</b>					
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>					
Spartek Ceramics India Ltd.	10	7,226	-	7,226	-
Nagarjuna Finance Ltd.	10	400	-	400	-
Pharmaceuticals Products of India Limited	10	10,000	-	10,000	-
Balasure Alloys Ltd.	5	504	0.12	504	0.24
J.K. Cement Ltd.	10	44	0.38	44	0.45
<b>Total aggregate quoted investments</b>		A	<b>0.50</b>	A	<b>0.69</b>
<b>Unquoted equity instruments (all fully paid)</b>					
<b>a) Investment in subsidiaries at cost</b>					
Zero Waste Agro Organics Ltd. (refer note (i) below)	10	73,645	6,134.39	73,645	6,134.39
Rallis Chemistry Exports Ltd. (refer note (iii) below)	10	-	-	50,000	5.00
Metahelix Life Sciences Ltd. (refer note (ii) below)	10	107,502	24,436.62	107,502	24,436.62
		B	<b>30,571.01</b>	B	<b>30,576.01</b>



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

	Nominal value (in ₹)	No. of shares	As at 31 March, 2019	No. of shares	As at 31 March, 2018
<b>b) Investments carried at fair value through other comprehensive income (FVTOCI)</b>					
Gk Chemicals and Fertilizers Limited (formerly known as Aich Aar Chemicals Pvt. Ltd.)	10	124,002	-	124,002	-
Biotech Consortium India Ltd.	10	50,000	5.00	50,000	5.00
Indian Potash Ltd.	10	54,000	0.90	54,000	0.90
Bharuch Enviro Infrastructure Ltd.	10	36,750	3.68	36,750	3.68
Narmada Clean Tech Ltd. (formerly known as Bharuch Eco-Aqua Infrastructure Ltd.)	10	300,364	30.04	300,364	30.04
Cuddalore SIPCOT Industries Common Utilities Ltd.#	100	113	-	113	-
Patancheru Enviro-Tech Ltd.	10	10,822	1.08	10,822	1.08
Impetis Biosciences Ltd	10	568,414	337.64	568,414	337.64
Amba Trading & Manufacturing Company Private Ltd.	10	130,000	-	130,000	-
Associated Inds. (Assam) Ltd.#	10	30,000	-	30,000	-
Uniscans & Sonics Ltd.#	10	96	-	96	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. \$ 2 each)		2,100,000	-	2,100,000	-
		C	<b>378.34</b>	C	378.34
<b>Total aggregate unquoted investments</b>		<b>(B+C)</b>	<b>30,949.35</b>	<b>(B+C)</b>	30,954.35
<b>Total non-current investments</b>		<b>(A+B+C)</b>	<b>30,949.85</b>	<b>(A+B+C)</b>	<b>30,955.04</b>

### footnote:

# Amount is less than ₹ 0.01 lakh.

### Note:

- During the year ended 31 March, 2018, the Board of Directors of the Company had approved the Scheme of Amalgamation ("Scheme") under the provisions of Section 234 read with Sections 230 to 232 of the Companies Act, 2013 for the merger of Zero Waste Agro Organics Limited, a wholly owned subsidiary of the Company, with the Company, subject to necessary statutory and regulatory approvals, including the National Company Law Tribunal ("NCLT").
- During the year ended 31 March, 2019, the Board of Directors of the Company have approved the Scheme of Amalgamation ("Scheme") under the provisions of Section 234 read with Sections 230 to 232 of the Companies Act, 2013 for the merger of Metahelix Life Sciences Ltd, a wholly owned subsidiary of the Company, with the Company, subject to necessary statutory and regulatory approvals, including the National Company Law Tribunal ("NCLT").
- During the year ended 31 March, 2019, Rallis Chemistry Exports Ltd. has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts.

Current	Units	As at 31 March, 2019	Units	As at 31 March, 2018
<b>Investment in mutual funds - unquoted</b>				
<b>Investments carried at fair value through profit and loss (FVTPL)</b>				
Tata Money Market Fund - Regular Plan - Daily Dividend	-	-	2,35,343.25	2,357.00
Tata Liquid Fund - Regular Plan - Daily Dividend	-	-	1,24,115.25	1,383.29
HDFC Liquid Fund - Regular Plan - Dividend - Daily Reinvestment	2,87,436.95	2,931.34	15,293.05	155.96
HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	-	-	45,916.65	488.39
Kotak Liquid - Regular Plan - Daily Dividend	1,23,854.16	1,515.08	-	-
ICICI Prudential Liquid Fund - Daily Dividend	10,08,305.48	1,010.19	-	-
Birla Sunlife Cash Plus - Daily Dividend - Regular Plan - Reinvestment	-	-	20,94,852.09	2,100.55
SBI Liquid Fund - Regular Plan - Daily Dividend	49,112.33	492.72	1,52,428.55	1,529.24

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

Current	Units	As at 31 March, 2019	Units	As at 31 March, 2018
<b>Total current investments</b>	D	<b>5,949.34</b>	D	<b>8,014.43</b>
<b>Aggregate book value of quoted investments</b>		0.50		0.69
<b>Aggregate market value of quoted investments</b>		0.50		0.69
<b>Aggregate carrying value of unquoted investments</b>	(B+C+D)	<b>36,898.69</b>	(B+C+D)	<b>38,968.78</b>
<b>Aggregate amount of impairment in value of investments</b>		-		-

**8: Loans\*****(Unsecured, considered good)**

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current</b>		
Security deposits	484.51	385.27
<b>Total</b>	<b>484.51</b>	<b>385.27</b>

\* There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

**9: Other financial assets (at amortised cost)\*****(Unsecured)**

	As at 31 March, 2019	As at 31 March, 2018
<b>(i) Non-current</b>		
In other deposit accounts - original maturity more than 12 months	19.24	46.76
Interest accrued on fixed deposits with bank	2.18	11.89
<b>Total</b>	<b>21.42</b>	<b>58.65</b>
<b>(ii) Current</b>		
a) Advances/deposits considered doubtful of recovery (refer note 1)	3,946.60	3,933.25
Less: Provision for doubtful loans and advances	(3,946.60)	(3,933.25)
b) Interest accrued on fixed deposits with bank	14.90	4.18
c) Derivative assets		
Forward exchange contracts for hedging	79.32	171.02
d) Others	363.88	375.94
<b>Total</b>	<b>458.10</b>	<b>551.14</b>

\* There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

**Note 1:**

Includes a sum of ₹ Nil (as at 31 March, 2018 ₹ 18.61 lakhs) being amount due from Rallis Chemistry Exports Ltd., a wholly owned subsidiary. The maximum amount outstanding during the year was ₹ 18.61 lakhs (as at 31 March, 2018 ₹ 18.61 lakhs).



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 10: Income Taxes

	As at 31 March, 2019	As at 31 March, 2018
<b>10.1: Income-tax assets and liabilities</b>		
<b>Income-tax assets (Net)</b>		
Advance income tax (Net of provisions for tax ₹ 20,956.73 lakhs (31 March, 2018 ₹ 19,813.94 lakhs))	6,166.11	6,250.30
	<b>6,166.11</b>	<b>6,250.30</b>
<b>Income-tax liabilities (Net)</b>		
Provision for current tax (Net of advance tax ₹ 29,726.85 lakhs (31 March, 2018 ₹ 29,548.75 lakhs))	350.93	229.19
	<b>350.93</b>	<b>229.19</b>
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>10.2: Income tax recognised in profit or loss</b>		
<b>Current tax:</b>		
Current income tax charge	6,135.95	6,035.71
Adjustments in respect of current income tax of prior years	(10.27)	(140.60)
<b>Total (A)</b>	<b>6,125.68</b>	<b>5,895.11</b>
<b>Deferred tax:</b>		
In respect of current year	(235.36)	(917.95)
<b>Total (B)</b>	<b>(235.36)</b>	<b>(917.95)</b>
<b>Income tax expense recognised in the Statement of Profit and Loss (A+B)</b>	<b>5,890.32</b>	<b>4,977.16</b>
<b>Income tax recognised in Other Comprehensive Income</b>		
Income tax expenses on remeasurements of employee defined benefit plans	26.52	78.05
Deferred tax expense on remeasurements of employee defined benefit plans	(1.02)	(11.88)
<b>Total tax expense recognised in Other Comprehensive Income</b>	<b>25.50</b>	<b>66.17</b>

#### Reconciliation of the tax expense and the accounting profit for the year is as follows:-

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit before tax	<b>18,788.15</b>	<b>19,125.75</b>
Income tax expense calculated @34.944% (PY @ 34.608%)	6,565.33	6,619.04
Effect of income that is exempt from taxation	(99.11)	(160.64)
Effect of expenses that are not deductible in determining taxable profit	145.53	145.06
Effect of concessions (research & developments and others allowances)	(814.05)	(851.62)
Effect of lower tax rates for the long term capital gain	87.40	(743.45)
Others	15.49	109.37
	<b>5,900.59</b>	<b>5,117.76</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(10.27)	(140.60)
Income tax expense recognised in the Standalone Statement of Profit and Loss	<b>5,890.32</b>	<b>4,977.16</b>

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**Income tax expense recognised in Other Comprehensive Income**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Remeasurement of employee defined benefit liability/(asset)		
Before tax amount	81.19	247.28
Tax (expense) benefit	(25.50)	(66.17)
Net of tax	55.69	181.11
Fair value of equity instruments through other comprehensive income	(141.41)	(196.96)
Tax (expense) benefit	-	-
Net of tax	(141.41)	(196.96)
Total other comprehensive income (net of taxes)	<b>(85.72)</b>	<b>(15.85)</b>

**11: Inventories (at lower of cost and net realisable value)**

	As at 31 March, 2019	As at 31 March, 2018
a. Raw materials (Including goods-in-transit of ₹ 2,294.84 lakhs; (31 March, 2018 ₹ 3,753.27 lakhs)	14,687.55	15,906.01
b. Work-in-progress (including intermediate goods)	1,171.10	1,004.05
c. Finished goods	21,244.33	14,693.21
d. Stock in trade (in respect of goods acquired for trading)	4,809.00	4,959.12
e. Stores and spares	300.12	223.11
f. Packing materials	766.22	700.44
<b>Total</b>	<b>42,978.32</b>	<b>37,485.94</b>

**footnote:**

- (i) The cost of inventories recognised as an expense during the year was ₹ 1,02,282.21 lakhs (31 March, 2018 ₹ 87,603.11 lakhs).
- (ii) The cost of inventories recognised as an expense includes ₹ 224.72 lakhs (31 March, 2018 ₹ 591.17 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 263.17 lakhs (31 March, 2018 ₹ 309.44 lakhs) in respect of reversal of such write-downs.
- (iii) The mode of valuation of inventories has been stated in note 3.13.
- (iv) Bank overdrafts, cash credit facility and short-term loan from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 12 and 19).

**12: Trade receivables**

	As at 31 March, 2019	As at 31 March, 2018
<b>Current</b>		
Secured, considered good	558.88	565.32
Unsecured, considered good	41,138.48	35,967.59
Significant increase in credit risk	-	-
Credit impaired	603.32	555.83
Loss allowance	(603.32)	(555.83)
<b>Total</b>	<b>41,697.36</b>	<b>36,532.91</b>

**footnotes:**

- (i) The credit period ranges from 15 days to 180 days.
- (ii) Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. Of the trade receivable balance as at 31 March, 2019 ₹ 9,284.47 lakhs is due from one customer (as at 31 March, 2018 ₹ 6,126.72 lakhs is due from one customer). The credit risk in respect of these customers is mitigated by export credit guarantee. There are no other customer who represent more than 5% of the total balance of trade receivable.



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

- (iii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (iv) Movement in the expected credit loss allowance

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at the beginning of the year</b>	555.83	408.46
Less: amount collected and hence reversal of provision	-	11.83
Less: balances written off during the year	212.44	-
Add: provision made during the year	259.93	159.20
<b>Balance at the end of the year</b>	<b>603.32</b>	<b>555.83</b>

- (v) Bank overdrafts, cash credit facility and short-term loan from bank are secured by first pari passu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 19).

### 13: Cash and bank balances

	As at 31 March, 2019	As at 31 March, 2018
<b>13.1: Cash and cash equivalents</b>		
a. Balances with banks in current accounts	3,488.19	265.52
b. Cash on hand	2.74	2.15
c. Term deposits with original maturity of less than 3 months	-	4.90
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>3,490.93</b>	<b>272.57</b>
Bank overdrafts and cash credit facility (secured)	(3,595.86)	(14.59)
<b>Total cash and cash equivalents as per Standalone Statement of Cash Flows</b>	<b>(104.93)</b>	<b>257.98</b>
<b>13.2: Other bank balances</b>		
a. In other deposit accounts - original maturity more than 3 months and less than 12 months	39.61	4.65
b. In earmarked accounts:		
i. Balances held for unpaid / unclaimed dividend accounts	174.94	167.33
ii. Bank deposits as margin money against bank guarantees - original maturity more than 3 months and less than 12 months	42.84	124.61
<b>Total other bank balances</b>	<b>257.39</b>	<b>296.59</b>

### 14: Other assets

(Unsecured, considered good)

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current</b>		
Capital advances	177.00	58.66
Deposit with public bodies	99.51	97.01
Claims receivable from public bodies	550.03	665.46
Prepaid lease rental	2,146.59	2,233.12
Prepaid expenses	185.39	206.10
<b>Total</b>	<b>3,158.52</b>	<b>3,260.35</b>

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

	As at 31 March, 2019	As at 31 March, 2018
<b>Current</b>		
Statutory dues receivable from government authorities		
Goods and Services Tax receivable	5,679.68	5,783.72
Custom duty	42.85	14.40
Export benefit receivable	1,362.04	1,062.32
Inventory recoverable	3,225.93	2,556.12
Advances recoverable		
Advances to suppliers	623.02	329.24
Advances to employees	106.06	115.86
Others	413.65	370.36
Prepaid lease rental	89.74	89.74
Prepaid expenses	126.67	141.44
<b>Total</b>	<b>11,669.64</b>	<b>10,463.20</b>

**15: Assets classified as held for sale**

	As at 31 March, 2019	As at 31 March, 2018
Leasehold land	-	1,264.90
<b>Total</b>	<b>-</b>	<b>1,264.90</b>

**footnote:**

During the year, the management has decided to utilise the said land for construction of a new factory, which is supported by appropriate approvals by the Board of Directors of the Company. The Company has commenced construction work during the year with prior approval from GIDC and has also filed an application with GIDC in to seek extension of the lease for the said land. Accordingly, the said leasehold land is now no longer treated as an asset held for sale and has been reclassified to "property, plant and equipment" during the year (refer note 4).

**16: Share capital**

	As at 31 March, 2019	As at 31 March, 2018
<b>Authorised share capital :</b>		
500,000,000 (31 March, 2018 500,000,000) equity shares of ₹ 1 each with voting rights	5,000.00	5,000.00
150,000,000 (31 March, 2018 150,000,000) preference shares of ₹ 10 each	15,000.00	15,000.00
<b>Issued, subscribed and paid up capital comprises:</b>		
<b>Issued shares</b>		
194,470,890 (31 March, 2018 194,470,890) equity shares of ₹ 1 each	1,944.71	1,944.71
<b>Subscribed and fully paid up</b>		
194,468,890 (31 March, 2018 194,468,890) equity shares of ₹ 1 each	1,944.69	1,944.69
<b>Forfeited shares</b>		
2,000 (31 March, 2018 2,000) equity shares of ₹ 1 each	0.02	0.02
	<b>1,944.71</b>	<b>1,944.71</b>



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### footnotes:

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

#### Fully paid equity shares

	Number of shares	Amount of share capital
Balance at 31 March, 2018	19,44,68,890	1,944.69
Movements during the year	-	-
<b>Balance at 31 March, 2019</b>	<b>19,44,68,890</b>	<b>1,944.69</b>

b. The Company has issued one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### c. Details of shares held by the Holding Company

	Number of fully paid equity shares	Amount of share capital
Tata Chemicals Limited		
As at 31 March, 2018	9,73,41,610	973.42
<b>As at 31 March, 2019</b>	<b>9,73,41,610</b>	<b>973.42</b>

#### d. Details of shares held by each shareholder holding more than 5% shares in the Company:

	Number of fully paid equity shares	% holding of equity shares
Tata Chemicals Limited		
As at 31 March, 2018	9,73,41,610	50.06%
<b>As at 31 March, 2019</b>	<b>9,73,41,610</b>	<b>50.06%</b>
Rakesh Jhunjhunwala		
As at 31 March, 2018	1,88,05,820	9.67%
<b>As at 31 March, 2019</b>	<b>1,79,80,820</b>	<b>9.25%</b>

e. As per records of the Company as at 31 March, 2019, no calls remain unpaid by the directors and officers of the Company.

## 17: Other equity

	As at 31 March, 2019	As at 31 March, 2018
General reserve	17,649.93	17,649.93
Securities premium	8,793.88	8,793.88
Retained earnings	87,052.14	80,100.90
Capital redemption reserve	8,151.77	8,151.77
Capital reserve	1,243.10	1,243.10
Reserve for equity instruments through Other Comprehensive Income	0.20	0.39
	<b>1,22,891.02</b>	<b>1,15,939.97</b>

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**17.1: General reserve**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	17,649.93	17,649.93
<b>Balance at the end of year</b>	<b>17,649.93</b>	<b>17,649.93</b>

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**17.2: Securities premium**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	8,793.88	8,793.88
<b>Balance at the end of year</b>	<b>8,793.88</b>	<b>8,793.88</b>

Amount received on issue of shares in excess of the par value has been classified as security share premium.

**17.3: Retained earnings**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	80,100.90	74,755.94
Other Comprehensive Income arising from remeasurement of employee defined benefit obligation (Net of taxes)	55.69	181.11
Profit for the year	12,897.83	14,148.59
Transfer from equity instruments through Other Comprehensive Income	(141.22)	(196.96)
Payment of dividend on equity shares- Final	(4,861.72)	(7,292.58)
Payment of dividend distribution tax on equity shares-Final	(999.34)	(1,495.20)
<b>Balance at the end of year</b>	<b>87,052.14</b>	<b>80,100.90</b>

**17.4: Capital redemption reserve**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	8,151.77	8,151.77
<b>Balance at the end of year</b>	<b>8,151.77</b>	<b>8,151.77</b>

Capital redemption reserve is created out of profits on redemption of capital.

**17.5: Capital reserve**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	1,243.10	1,243.10
<b>Balance at the end of year</b>	<b>1,243.10</b>	<b>1,243.10</b>

Capital reserve includes profit on amalgamation of entities.



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 17.6: Reserve for equity instruments through Other Comprehensive Income

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	0.39	0.39
Additions during the year	(141.41)	(196.96)
Transfer to retained earnings	141.22	196.96
<b>Balance at the end of year</b>	<b>0.20</b>	<b>0.39</b>

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in Other Comprehensive Income is transferred to retained earnings on disposal of the investment.

### 18: Non-current borrowings

	As at 31 March, 2019	As at 31 March, 2018
<b>Secured - at amortised cost</b>		
Finance lease obligation (refer note (iii))	11.72	20.34
<b>Unsecured - at amortised cost</b>		
Term loan from bank (refer note (ii))	900.00	1,200.00
Sales tax deferral under a state government scheme (refer note(i))	554.78	570.22
<b>Total</b>	<b>1,466.50</b>	<b>1,790.56</b>

#### Summary of borrowing arrangements

##### (i) Sales tax deferral scheme:

The loan is repayable in annual installments which ranges from a maximum of ₹ 113.11 lakhs to a minimum of ₹ 14.73 lakhs over the period stretching from 1 April, 2019 to 31 March, 2027. The amount outstanding is free of interest.

The balance outstanding as at 31 March, 2019 is ₹ 569.51 lakhs (as at 31 March, 2018 ₹ 578.00 lakhs) of which ₹ 14.73 lakhs (as at 31 March, 2018 ₹ 7.78 lakhs) has been grouped under note 22- other current financial liabilities, which are payable in next 12 months

##### (ii) The terms of repayment of term loan is stated below

As at 31 March, 2019

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Unsecured term loan from bank	1,200.00	The loan is repayable in 20 equal quarterly installments. The repayment begins after a moratorium period of 24 months. The first repayment of ₹ 75.00 lakhs falls due in May 2018 and the last installment in Feb 2023.	8.35% to 8.85%

As at 31 March, 2018

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Unsecured term loan from bank	1,500.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium period of 24 months. The first repayment of ₹ 75.00 lakhs falls due in May 2018.	8.35%

The balance outstanding as at 31 March, 2019 is ₹ 1,200 lakhs (as at 31 March, 2018 ₹ 1,500 lakhs) of which ₹ 300 lakhs (as at 31 March, 2018 ₹ 300 lakhs) has been grouped under note 22- other current financial liabilities, which are payable in next 12 months.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**(iii) Finance lease obligation:**

Secured by the assets leased. The borrowing is fixed interest rate debt (8.85%) with repayment periods not exceeding 4 years.

The balance outstanding as at 31 March, 2019 is ₹ 21.04 lakhs (as at 31 March, 2018 ₹ 28.82 lakhs) of which ₹ 9.32 lakhs (as at 31 March, 2018 ₹ 8.48 lakhs) has been grouped under note 22- other current financial liabilities, which are payable in next 12 months.

**19: Current borrowings**

	As at 31 March, 2019	As at 31 March, 2018
<b>Secured</b>		
Loans repayable on demand from banks		
Bank overdrafts and cash credit facility (refer note (i) and (ii))	3,595.86	14.59
Short-term loan from bank (refer note (iii))	1,700.00	-
<b>Total</b>	<b>5,295.86</b>	<b>14.59</b>

**footnotes:**

- (i) These bank overdrafts and cash credit facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).
- (ii) The weighted average effective interest rate on the bank loans is 8.57% p.a. (for 31 March, 2018 8.56% p.a.).
- (iii) The terms of repayment of short-term loan is stated below

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured short-term loan from bank is secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12)	1,700.00	The loan is repayable in 30 days from the date of availment	8.35%

**20: Deferred tax balances**

The following is the analysis of deferred tax liabilities/(assets) presented in the Balance sheet

	As at 31 March, 2019	As at 31 March, 2018
Deferred tax liabilities	5,518.82	5,813.70
Deferred tax assets	(1,702.61)	(1,761.11)
<b>Total</b>	<b>3,816.21</b>	<b>4,052.59</b>

2018-19 -Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of OCI	Closing balance
Allowance for doubtful debts and advances	(726.57)	(21.26)	-	(747.83)
Defined benefit obligation	(291.09)	(6.61)	(1.02)	(298.72)
Tax adjustment on account of indexation of land	(190.11)	87.42	-	(102.69)
Long-term capital loss on sale of equity instrument	(553.36)	-	-	(553.36)
Difference between WDV as per books and income tax	5,785.86	(294.91)	-	5,490.95
Others	27.86	-	-	27.86
<b>Total</b>	<b>4,052.59</b>	<b>(235.36)</b>	<b>(1.02)</b>	<b>3,816.21</b>



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

2017-18 -Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of OCI	Closing balance
Allowance for doubtful debts and advances	(659.85)	(66.72)	-	(726.57)
Defined benefit obligation	(220.55)	(58.66)	(11.88)	(291.09)
Tax adjustment on account of indexation of land	-	(190.11)	-	(190.11)
Long-term capital loss on sale of equity instrument	-	(553.36)	-	(553.36)
Difference between WDV as per books and income tax	5,835.22	(49.36)	-	5,785.86
Others	27.60	0.26	-	27.86
<b>Total</b>	<b>4,982.42</b>	<b>(917.95)</b>	<b>(11.88)</b>	<b>4,052.59</b>

### 21: Trade payables

	As at 31 March, 2019	As at 31 March, 2018
<b>Trade payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 47)	275.59	481.21
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	30,945.53	31,696.09
Other payables	4,735.70	4,688.07
<b>Total</b>	<b>35,956.82</b>	<b>36,865.37</b>

### 22: Other financial liabilities

	As at 31 March, 2019	As at 31 March, 2018
<b>Current</b>		
(a) Current maturity of long-term borrowings (refer note 18)		
Term loan from bank	300.00	300.00
Others	14.73	7.78
Finance lease obligation	9.32	8.48
(b) Interest accrued but not due on non-current borrowings	12.32	14.39
(c) Unclaimed dividends (refer footnote)	175.26	167.65
(d) Others		
Creditors for capital purchases	481.42	222.93
Customer deposits	1,459.79	1,404.64
Amounts due to customers	6,336.26	5,611.15
<b>Total</b>	<b>8,789.10</b>	<b>7,737.02</b>

**footnote:**

All amounts required to be transferred to the Investor Education and Protection Fund by the Company have been transferred within the time prescribed for the same, except in cases of disputes relating to the ownership of the underlying shares that have remained unresolved amounting to ₹ 0.25 lakhs (as at 31 March, 2018 ₹ 0.19 lakhs).

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**23: Provisions**

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current</b>		
Supplemental pay (refer note 2)	1,364.89	1,431.68
Directors pension liability (refer note 2)	663.60	-
<b>Total</b>	<b>2,028.49</b>	<b>1,431.68</b>
<b>Current</b>		
Supplemental pay (refer note 2)	220.93	195.66
Directors pension liability (refer note 2)	59.32	-
Gratuity (refer note 2)	176.59	124.51
Compensated absences (refer note 2)	854.86	833.03
Provisions for indirect taxes (refer note 1)	237.32	227.32
<b>Total</b>	<b>1,549.02</b>	<b>1,380.52</b>

**Note 1: Provision held in respect of indirect tax matters in dispute**

On an evaluation of each of its disputed claims, the Company holds an overall provision for contingency in respect of certain indirect tax matters in dispute which, as at the year-end, aggregates ₹ 237.32 lakhs ( as at 31 March, 2018 ₹ 227.32 lakhs). The movement during the year is as under:

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Opening Balance as at 1 April</b>	<b>227.32</b>	<b>193.82</b>
Additional provisions made during the year	10.00	33.50
<b>Total</b>	<b>237.32</b>	<b>227.32</b>
Payments made adjusted against above sum	-	-
<b>Closing Balance as at 31 March</b>	<b>237.32</b>	<b>227.32</b>

**Note 2:**

The provision for employee benefits includes gratuity, supplemental pay on retirement, director pension liability and compensated absences. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year due to retirement and resignation of employees. For other disclosures, refer note 37.

**24: Other current liabilities**

	As at 31 March, 2019	As at 31 March, 2018
Provident fund and other employee deductions	187.13	166.26
Goods and Services Tax payable	47.31	314.11
Other taxes (other than income tax payable)	61.43	90.66
Tax deducted at source	221.97	123.62
Advance received from customers	712.25	1,067.44
Payable to employees	66.35	64.30
Other liabilities	133.00	133.00
<b>Total</b>	<b>1,429.44</b>	<b>1,959.39</b>



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 25: Revenue from operations

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of products	1,66,436.64	1,50,076.03
Sale of services	55.35	53.24
Other operating income	658.39	1,464.47
<b>Total</b>	<b>1,67,150.38</b>	<b>1,51,593.74</b>

### 26: Other income

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>a) Interest income</b>		
Interest Income on bank deposits carried at amortised cost	39.65	13.43
Interest income on security deposits carried at amortised cost	64.38	41.07
Interest income on income tax refund received	33.97	13.60
<b>b) Dividend income</b>		
Dividend on current investment in mutual fund carried at FVTPL	281.27	462.54
Dividend from equity instruments measured at FVTOCI	2.36	1.63
<b>c) Other non-operating income</b>		
Insurance claim	81.47	20.01
Rental income	119.97	123.66
Export benefits	1,278.08	-
Miscellaneous income	670.84	178.75
<b>d) Other gains and losses</b>		
Net gain on foreign currency transactions and translation	-	26.19
Profit on disposal of property, plant and equipment (Net)	-	12.51
<b>Total</b>	<b>2,571.99</b>	<b>893.39</b>

### 27: Cost of materials consumed

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Inventories at the beginning of the year	15,906.01	7,915.72
Add: Purchases	86,615.14	72,390.87
	<b>1,02,521.15</b>	80,306.59
Less: Inventories at end of year	14,687.55	15,906.01
Cost of raw materials and components consumed	<b>87,833.60</b>	64,400.58
Packing materials consumed	6,122.10	6,005.17
<b>Total</b>	<b>93,955.70</b>	<b>70,405.75</b>

### 28: Purchases of stock-in-trade

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Agri Inputs	14,894.57	23,601.33
<b>Total</b>	<b>14,894.57</b>	<b>23,601.33</b>

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**29: Changes in inventories of finished goods, stock-in-trade and work in-progress**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening stock		
Finished goods - own manufactured	14,693.21	10,008.58
Stock-in-trade	4,959.12	2,473.44
Work in-progress (including intermediate goods)	1,004.05	3,353.22
	<b>20,656.38</b>	<b>15,835.24</b>
Closing stock		
Finished goods - own manufactured	21,244.33	14,693.21
Stock-in-trade	4,809.00	4,959.12
Work in-progress (including intermediate goods)	1,171.10	1,004.05
	<b>27,224.43</b>	<b>20,656.38</b>
Changes in excise duty on inventory of finished goods	-	(1,582.83)
Movement in inventory recoverable	(669.81)	(902.30)
<b>Net (Increase)/decrease</b>	<b>(7237.86)</b>	<b>(7306.27)</b>

**30: Employee benefits expense\***

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries, wages and bonus	12,227.87	10,892.16
Wages and salaries	9,831.12	8,747.05
Allowances	2,254.28	1,949.59
Compensated absences	142.47	195.52
Contribution to provident and other funds (refer note 37)	661.23	612.14
Staff welfare expenses	957.54	1,061.04
<b>Total</b>	<b>13,846.64</b>	<b>12,565.34</b>

\* This is net of recoveries of ₹ 82.37 lakhs (31 March, 2018 ₹ 13.06 lakhs) in respect of employees working in other group companies.

**31: Finance costs**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest on long-term loan from bank	116.04	129.39
Interest on bank overdrafts, cash credit facility and short-term loan from bank	368.07	197.27
Finance charges paid under finance leases	2.23	2.81
<b>Total</b>	<b>486.34</b>	<b>329.47</b>

**32: Depreciation and amortisation expense**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Depreciation of property, plant and equipment (refer note 4)	3,844.68	3,662.55
Depreciation of investment property (refer note 5)	8.11	8.10
Amortisation of intangible assets (refer note 6)	75.33	386.74
<b>Total</b>	<b>3,928.12</b>	<b>4,057.39</b>



### Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

#### 33: Other expenses

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Freight, handling and packing	5,803.11	5,868.60
Travelling and conveyance	1,196.16	1,101.24
Power and fuel	6,182.64	5,305.05
Brand equity contribution	229.08	206.00
Repairs and maintenance		
Plant and equipment	967.26	779.66
Property	225.63	175.70
Others	443.99	439.70
Stores and spares consumed	627.71	527.88
Rates and taxes	540.70	599.67
Commission	100.49	90.40
Insurance charges	274.06	296.68
Rent (refer note 36)	1,839.44	1,770.45
Bank charges	279.33	226.85
Director fees and commission	276.00	461.77
Bad debts	212.44	-
Allowance for doubtful debts (Net)	47.49	147.37
Allowance for doubtful advances	31.98	2.57
Impairment of Intangible assets and intangible assets under development	138.52	-
Investment written off (refer note 7)	24.60	-
Loss on sale of property, plant and equipment (Net)	59.43	-
Selling expenses	3,152.39	3,097.92
Legal and professional fees	1,240.23	943.93
Net loss on foreign currency transactions and translation	605.74	-
Other expenses (refer note 43, 48 and 49)	6,562.29	5,915.29
<b>Total</b>	<b>31,060.71</b>	<b>27,956.73</b>

#### 34: Earnings per share

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit for the year	12,897.83	14,148.59
Weighted average number of equity shares	19,44,68,890	19,44,68,890
Basic /diluted earnings per share	6.63	7.28

#### 35: Segment information

##### Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resources allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Company.

The Company has determined its business segment as "Agri -Inputs" comprising of Pesticides, Plant Growth Nutrients, Organic Compost and Seeds .The other segment includes "Polymer" and other non reportable elements.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**Segment revenue and results**

The following is an analysis of the Company's revenue and results from operations by reportable segment.

Segment	Segment revenue		Segment results	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Agri Inputs	1,63,335.98	1,48,051.14	16,920.49	18,444.04
Others	3,814.40	3,542.60	924.17	706.18
<b>Total</b>	<b>1,67,150.38</b>	<b>1,51,593.74</b>	<b>17,844.66</b>	<b>19,150.22</b>
Other income			2,571.99	893.39
Central administration cost, director fees and commission			(1,142.16)	(588.39)
Finance costs			(486.34)	(329.47)
<b>Profit before tax</b>			<b>18,788.15</b>	<b>19,125.75</b>

Notes:

- (i) Segment revenue consist of sales of products including excise duty in previous year.
- (ii) Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (31 March, 2018 ₹ Nil). The accounting policies of the reportable segments are the same as described in note 3.20.
- (iii) Segment profit represents the profit before tax earned by each segment without allocation of central administration cost and director fees and commission, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**Segment assets and liabilities**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Segment assets</b>		
Agri Inputs	1,38,877.23	1,23,148.23
Others	1,891.83	2,034.09
<b>Total segment assets</b>	<b>1,40,769.06</b>	<b>1,25,182.32</b>
Assets classified as held for sale	-	1,264.90
Unallocated	44,749.04	46,898.37
<b>Total assets</b>	<b>1,85,518.10</b>	<b>1,73,345.59</b>

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Segment liabilities</b>		
Agri Inputs	46,766.27	47,073.93
Others	166.22	174.41
<b>Total segment liabilities</b>	<b>46,932.49</b>	<b>47,248.34</b>
Unallocated	13,749.88	8,212.57
<b>Total liabilities</b>	<b>60,682.37</b>	<b>55,460.91</b>

**Details of capital expenditure incurred**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Agri Inputs	3,464.51	4,910.66
Others	12.84	14.87
Unallocated	-	-
<b>Total</b>	<b>3,477.35</b>	<b>4,925.53</b>



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### For the purpose of monitoring segment performance and allocation resources between segments:

- All assets are allocated to reportable segments other than investments, other financial assets, non current tax assets, fixed deposits and interest accrued thereon.
- All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, interest accrued on loans, provision for supplemental pay, Director pension liability, unpaid dividend, current and deferred tax liabilities.

### Geographical information

The Company operates in two principal geographical areas - India and outside India

The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets\* by location of assets are detailed below:

Particulars	Revenue from external customers		Non-current assets*	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
India	1,02,097.55	1,03,801.70	47,561.24	47,064.95
Asia (Other than India)	37,345.04	33,633.38	-	-
North America	12,777.89	5,272.17	-	-
South America	10,764.80	4,470.47	-	-
Africa	3,043.88	3,014.28	-	-
Europe	35.21	482.48	-	-
Australia	1,086.01	919.26	-	-
	<b>1,67,150.38</b>	<b>1,51,593.74</b>	<b>47,561.24</b>	<b>47,064.95</b>

\* Non-current assets exclude those relating to financial assets.

### Information about major customers

One customer contributed to the Company's revenue in year 2018-19 more than 10% (₹ 22,149.40 Lakhs) and no single customer contributed 10% or more to the Company's revenue in year 2017-18.

## 36: Lease arrangements

### Operating lease arrangements

#### Company as Lessee

The Company has procured motor vehicles and computer network under non-cancellable operating leases. Lease rent charged to the Standalone Statement of Profit and Loss during the year is ₹ 840.87 lakhs (31 March, 2018 ₹ 762.04 lakhs) net of amount recovered from employees ₹ 5.69 lakhs (31 March, 2018 ₹ 5.11 lakhs). Disclosures in respect of non-cancellable leases are given below:

#### Amounts recognised as an expense (refer note 33)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Minimum lease payments	840.87	762.04
<b>Total</b>	<b>840.87</b>	<b>762.04</b>

#### Non-cancellable operating lease commitments

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Not later than 1 year	664.12	639.50
Later than 1 year and not later than 5 years	824.00	690.42
Later than 5 years	-	-
<b>Total</b>	<b>1,488.12</b>	<b>1,329.92</b>

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**Finance lease arrangements****Company as Lessee**

The Company has finance lease for office equipments. The Company's obligation under finance lease are secured by lessors title to the leased assets. Future minimum lease payment under finance lease with the present value of the net minimum lease payments are as follows:-

Particulars	Future value of minimum lease payments		Present value of minimum lease payments	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Not Later than one year	9.78	9.78	9.32	9.35
Later than one year and not later than five years	14.00	23.79	11.72	19.47
Later than five years	-	-	-	-
	<b>23.78</b>	<b>33.57</b>	<b>21.04</b>	<b>28.82</b>
Less: interest element of minimum lease payment	(2.74)	(4.75)	-	-
<b>Present value of minimum lease payments</b>	<b>21.04</b>	<b>28.82</b>	<b>21.04</b>	<b>28.82</b>

**37: Employee benefit plans****Defined contribution plans****Contribution to provident fund and ESIC**

The Company makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to government authorities (PF commissioner) at factories.

Amount recognised as expense and included in the Note 30 - in the head "Contribution to Provident and other funds" for 31 March, 2019 ₹ 294.46 lakhs ( for 31 March, 2018 ₹ 256.62 lakhs).

**Defined benefit plans**

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), a supplemental pay scheme (a life long pension) and Director pension liability. The gratuity scheme covers substantially all regular employees, Director pension liability covers retired Managing Director and supplemental pay plan covers certain former executives. In the case of the gratuity scheme, the Company contributes funds to Gratuity Trust, which is irrevocable, director pension liability and supplemental pay scheme are not funded. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method.

The Company makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company in case of certain locations. The Company is liable for contributions and any deficiency compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

These plans typically expose the Company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.

### Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purpose of actuarial valuation were as follows.

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Discount rates	7.69% p.a.	7.78% p.a.
Expected rate of salary increase	8.00% p.a.	8.00% p.a.
Average longevity at retirement age for current beneficiaries of the plan (years)*	8.49 Years	8.61 Years
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	12 Years	13 Years

\* Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Amount recognised in the Standalone Statement of Profit and Loss in respect of these defined benefit plans are as follows

Particulars	Gratuity		Supplemental pay	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2018	For the year ended 31 March, 2018
Service cost:				
Current service cost	239.49	262.20	-	-
Net interest expense	9.03	16.20	118.63	126.72
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>248.52</b>	<b>278.40</b>	<b>118.63</b>	<b>126.72</b>
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	69.33	94.81	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	(6.20)	(6.67)	(2.40)	-
Actuarial (gain)/loss arising from changes in financial assumptions	17.94	(94.25)	(39.17)	(48.85)
Actuarial (gain)/loss arising from experience adjustments	(152.70)	(154.07)	32.01	(38.25)
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>(71.63)</b>	<b>(160.18)</b>	<b>(9.56)</b>	<b>(87.10)</b>
<b>Total</b>	<b>176.89</b>	<b>118.22</b>	<b>109.07</b>	<b>39.62</b>

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Standalone Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Present value of funded defined benefit obligations	2,685.31	2,584.50	1,585.82	1,627.34
Fair value of plan assets	2,516.93	2,468.49	-	-
<b>Funded Status [Deficit/(Surplus)]</b>	<b>168.38</b>	<b>116.01</b>	<b>1,585.82</b>	<b>1,627.34</b>
Additional provision created	8.21	8.50	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>176.59</b>	<b>124.51</b>	<b>1,585.82</b>	<b>1,627.34</b>

Movements in the present value of the defined benefit obligation are as follows

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Opening defined benefit obligation	2,584.50	2,498.20	1,627.34	1,738.31
Current service cost	239.49	262.20	-	-
Interest cost	201.07	182.12	118.63	126.72
Liability Transferred In/ Acquisitions	5.16	-	-	-
<b>Remeasurement (gain)/loss:</b>				
Actuarial (gain)/loss arising from changes in demographic assumptions	(6.20)	(6.67)	(2.40)	-
Actuarial (gain)/loss arising from changes in financial assumptions	17.94	(94.25)	(39.17)	(48.85)
Actuarial (gain)/loss arising from experience adjustments	(152.70)	(154.07)	32.01	(38.25)
Benefits paid	(203.95)	(103.03)	(150.59)	(150.59)
<b>Closing defined benefit obligation</b>	<b>2,685.31</b>	<b>2,584.50</b>	<b>1,585.82</b>	<b>1,627.34</b>

Movements in the fair value of the plan assets are as follows

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Opening fair value of the plan assets	2,468.49	2,276.14	-	-
Interest income	192.05	165.94	-	-
<b>Remeasurement gain/(loss):</b>				
Return on plan assets (excluding amounts included in net interest expense)	(69.33)	(94.81)	-	-
Assets Transferred In/Acquisitions	5.16	-	-	-
Contributions from the employer	124.51	224.25	-	-
Benefits paid	(203.95)	(103.03)	-	-
<b>Closing fair value of plan assets</b>	<b>2,516.93</b>	<b>2,468.49</b>	<b>-</b>	<b>-</b>

The plan assets are managed by the Gratuity Trust formed by the Company. The management of funds is entrusted with the Life Insurance Corporation of India ("LIC").



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### Directors pension liability

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening defined benefit obligation	-	-
Current service cost	722.92	-
<b>Closing defined benefit obligation</b>	<b>722.92</b>	-

The fair value of the plan assets at the end of the reporting period for each category, are as follow:

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Cash and cash equivalents	4.47	8.65	-	-
<b>Equity investments categorised by industry type:</b>				
Consumer industry	-	-	-	-
Manufacturing industry	-	1.86	-	-
Energy and utilities	-	-	-	-
Financial institutions	-	0.71	-	-
Health and care	-	-	-	-
IT and telecom	-	0.14	-	-
<b>Subtotal</b>	<b>-</b>	<b>2.71</b>	<b>-</b>	<b>-</b>
<b>Debt investments categorised by issuers credit rating:</b>				
Sovereign	-	667.08	-	-
AAA	-	1,330.95	-	-
AA+ and below	-	70.41	-	-
<b>Subtotal</b>	<b>-</b>	<b>2,068.44</b>	<b>-</b>	<b>-</b>
Others - LIC managed fund	2,512.46	388.69	-	-
<b>Total</b>	<b>2,516.93</b>	<b>2,468.49</b>	<b>-</b>	<b>-</b>

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. If the discounting rate is 100 basis point higher (lower), the defined benefit obligation would decrease by ₹ 332.96 lakhs (increase by ₹ 392.43 lakhs) (as at 31 March, 2018: decrease by ₹ 299.58 lakhs (increase by ₹ 342.70 lakhs)).
2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 217.41 lakhs (decrease by ₹ 184.25 lakhs) (as at 31 March, 2018: increase by ₹ 224.91 lakhs (decrease by ₹ 200.03 lakhs)).
3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 37.43 lakhs (decrease by ₹ 37.91 lakhs) (as at 31 March, 2018: increase by ₹ 38.40 lakhs (decrease by ₹ 38.90 lakhs)).

The sensitivity analysis presented above may not representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to make a contribution of ₹ 176.59 lakhs (as at 31 March, 2018 ₹ 124.50 lakhs) to the defined benefit plans during the next financial year.

The defined benefit obligations shall mature after year ended 31 March, 2019 as follows:

Particulars	Defined benefit obligation
<b>As at 31 March</b>	
2020	480.85
2021	359.61
2022	448.86
2023	469.65
2024	463.99
Thereafter	2,302.16

The Company operates Provident Fund Scheme and the contributions are made to recognised fund. The Company is required to offer a defined benefit interest rate guarantee on provident fund balances of employees. The interest rate guarantee is payable to the employees for the year when the exempted fund declares a return on provident fund investments which is less than the rate declared by the Regional Provident Fund Commissioner (RPFC) on the provident fund corpus for their own subscribers. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as on March 31, 2019 and March 31, 2018.

Amount recognised as expense and included in the Note 30 - in the head "Contribution to Provident and other funds" for 31 March, 2019 ₹ 233.18 lakhs ( for 31 March, 2018 ₹ 213.29 lakhs).

The details of provident fund and plan asset position are given below:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Plan assets as period end	8,142.68	7,112.52
Present value of funded obligation	7,771.78	6,764.91
<b>Amount recognised in the Balance Sheet</b>	-	-

Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Guaranteed rate of return	8.55%	8.65%
Discount rate for remaining term to maturity of investments	7.69%	7.78%
Expected rate of return on investments	7.78%	7.99%

As at 31 March, 2019, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 8,142.68 lakhs and ₹ 7,771.78 lakhs respectively. In accordance with an assets and liability study, there is no deficiency as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

**Compensatory absences**

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of ₹ 142.47 lakhs (31 March, 2018 ₹ 195.52 lakhs) has been recognised in the Standalone Statement of profit and loss on account of provision for long-term employment benefit



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 38: Financial instruments

#### Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 18,19 and 22 offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

#### Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March, 2019	As at 31 March, 2018
Debt (i)	7,086.41	2,121.41
Cash and bank balances	(3,748.32)	(569.16)
<b>Net debt</b>	<b>3,338.09</b>	<b>1,552.25</b>
<b>Total equity</b>	<b>1,24,835.73</b>	<b>1,17,884.68</b>
Net debt to equity ratio	2.67%	1.32%

(i) Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings (excluding financial guarantee contracts), as described in notes 18,19 and 22.

#### Fair value hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### As at 31 March, 2019

Particulars	Carrying amount				Fair value measurement using			
	Total	FVTPL	FVTOCI	Amortised cost	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>								
Cash and cash equivalents	3,490.93	-	-	3,490.93	-	-	-	-
Other bank balances	257.39	-	-	257.39	-	-	-	-
Non-current investments (excluding investment in subsidiaries)	378.84	-	378.84	-	378.84	0.50	-	378.34
Current investments	5,949.34	5,949.34	-	-	5,949.34	-	5,949.34	-
Loans	484.51	-	-	484.51	484.51	-	-	484.51
Other non current financial assets	21.42	-	-	21.42	21.42	-	-	21.42
Trade receivables	41,697.36	-	-	41,697.36	-	-	-	-
Other current financial assets	458.10	79.32	-	378.78	79.32	-	79.32	-
<b>Financial liabilities</b>								
Non-current borrowings (excluding current portion)	1,466.50	-	-	1,466.50	1,466.50	-	-	1,466.50
Current borrowings	5,295.86	-	-	5,295.86	-	-	-	-
Trade payables	35,956.82	-	-	35,956.82	-	-	-	-
Other current financial liabilities	8,789.10	-	-	8,789.10	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**As at 31 March, 2018**

Particulars	Carrying amount				Fair value measurement using			
	Total	FVTPL	FVTOCI	Amortised cost	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>								
Cash and cash equivalents	272.57	-	-	272.57	-	-	-	-
Other bank balances	296.59	-	-	296.59	-	-	-	-
Non-current investments (excluding investment in subsidiaries)	379.03	-	379.03	-	379.03	0.69	-	378.34
Current investments	8,014.43	8,014.43	-	-	8,014.43	-	8,014.43	-
Loans	385.27	-	-	385.27	385.27	-	-	385.27
Other non current financial assets	58.65	-	-	58.65	58.65	-	-	58.65
Trade receivables	36,532.91	-	-	36,532.91	-	-	-	-
Other current financial assets	551.14	171.02	-	380.12	171.02	-	171.02	-
<b>Financial liabilities</b>								
Non-current borrowings (excluding current portion)	1,790.56	-	-	1,790.56	1,790.56	-	-	1,790.56
Current borrowings	14.59	-	-	14.59	-	-	-	-
Trade payables	36,865.37	-	-	36,865.37	-	-	-	-
Other current financial liabilities	7,737.02	-	-	7,737.02	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

**Measurement of fair values****Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used

**Financial instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Current investments -in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors	Not applicable	Not applicable
Non-current investments (excluding investment in subsidiaries)	Discounted cash flows: The valuation model considers the present value of expected cash flows discounted using appropriate discounting rates.	Not applicable	Not applicable



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3):

Particulars	As at	As at
	31 March, 2019	31 March, 2018
<b>Opening balance</b>	378.34	40.70
Remeasurement recognised in OCI	-	-
Purchases	-	337.64
Sales	-	-
<b>Closing balance</b>	<b>378.34</b>	<b>378.34</b>

### Financial risk management objectives

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

### Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk including:

Forward foreign exchange contracts to hedge the exchange rate risk arising on imports and exports.

### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (Foreign currency)		Assets (Foreign currency)	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
In US Dollars (USD)	217.49	201.64	278.71	205.73
In Australian Dollars (AUD)	0.01	0.01	-	18.11
In Euro (EUR)	-	-	0.44	0.59
In Japanese Yen (JPY)	679.00	4,939.75	-	-
In Great Britain Pound (GBP)	0.02	0.03	-	-
In SWISS Franc (CHF)	-	-	0.02	-

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Liabilities (INR)		Assets (INR)	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
In US Dollars (USD)	15,040.82	13,141.86	19,274.02	13,408.36
In Australian Dollars (AUD)	0.33	0.34	-	906.06
In Euro (EUR)	-	-	34.06	47.47
In Japanese Yen (JPY)	423.81	3,038.19	-	-
In Great Britain Pound (GBP)	2.10	2.54	-	-
In SWISS Franc (CHF)	-	-	1.09	-

**Foreign currency sensitivity analysis**

The Company is mainly exposed to the currency : USD, EUR, JPY and GBP.

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

**Impact on profit / (loss) and total equity**

Particulars	USD impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	211.66	13.32
Decrease in exchange rate by 5%	(211.66)	(13.32)

Particulars	AUD impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	(0.02)	45.29
Decrease in exchange rate by 5%	0.02	(45.29)

Particulars	EUR impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	1.70	2.37
Decrease in exchange rate by 5%	(1.70)	(2.37)

Particulars	JPY impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	(21.19)	(151.91)
Decrease in exchange rate by 5%	21.19	151.91



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

Particulars	GBP impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	(0.11)	(0.13)
Decrease in exchange rate by 5%	0.11	0.13

Particulars	SWISS Franc (CHF) impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	0.05	-
Decrease in exchange rate by 5%	(0.05)	-

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and one year. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

### Derivative instruments:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	As at 31 March, 2019			As at 31 March, 2018		
	Number of contracts	₹ lakhs	Foreign currency in lakhs	Number of contracts	₹ lakhs	Foreign currency in lakhs
Receivables	6	3,550.22	USD 51.34	1	411.32	USD 6.31
Payable	1	423.81	JPY 679.00	4	2,997.14	JPY 4,873.00

Note: USD= US Dollar; JPY = Japanese Yen

The line item in the Balance Sheet that includes the above hedging instruments are "other financial assets and other financial liabilities.

### Equity risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 7 "Other investments". The Company's equity investments majorly comprises of strategic investments rather than trading purposes.

### Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument that will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's non-current debt obligation with floating interest rates. The Company's policy is generally to undertake non-current borrowing using facilities that carry floating interest rate. Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

At the end of reporting period, the Company had the following variable interest rate borrowings and fixed interest rate financial assets:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non-current variable interest rate borrowings	1,221.04	1,528.82
Current variable interest rate borrowings	5,295.86	14.59
Fixed interest rate financial assets	101.69	180.92

**Cash flow sensitivity analysis for variable rate instrument****Non-current variable interest rate borrowings**

If the interest rate is 100 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 23.86 lakhs (increased by ₹ 23.86 lakhs) (as at 31 March, 2018: decreased by ₹ 37.42 lakhs (increased by ₹ 37.42 lakhs)).

**Current variable interest rate borrowings**

If the interest rate is 100 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 1.16 lakhs (increased by ₹ 1.16 lakhs) (as at 31 March, 2018: decreased by ₹ Nil (increased by ₹ Nil)).

**Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own trading records to evaluate the credit worthiness of its customers. The Company's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 12- Trade receivable).

The credit risk on investment in mutual funds and derivative financial instruments is limited because the counter parties are reputed banks or funds sponsored by reputed bank.

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non-current liabilities are disclosed in note no. 18.

**Liquidity risk table**

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

Particulars	Less than 1 year	1-5 years	More than 5 year	Total	Carrying amount
<b>As at 31 March, 2019</b>					
Borrowings including future interest payable	5,722.59	1,388.32	196.34	7,307.25	7,086.41
Trade payables	35,956.82	-	-	35,956.82	35,956.82
Other financial liabilities	8,465.05	-	-	8,465.05	8,465.05
	<b>50,144.46</b>	<b>1,388.32</b>	<b>196.34</b>	<b>51,729.12</b>	<b>51,508.28</b>
<b>As at 31 March, 2018</b>					
Borrowings including future interest payable	444.28	1,607.49	382.12	2,433.89	2,121.41
Trade payables	36,865.37	-	-	36,865.37	36,865.37
Other financial liabilities	7,420.76	-	-	7,420.76	7,420.76
	<b>44,730.41</b>	<b>1,607.49</b>	<b>382.12</b>	<b>46,720.02</b>	<b>46,407.54</b>



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 39: Related party transactions

Details of transactions between the Company and other related party are disclosed below.

#### 1. Holding Company

Name of holding	Country	Holding	
		As at 31 March, 2019	As at 31 March, 2018
Tata Chemicals Ltd.	India	50.06%	50.06%

#### 2. List of Subsidiaries

Name of subsidiaries	Country	Holding	
		As at 31 March, 2019	As at 31 March, 2018
<b>Direct</b>			
Rallis Chemistry Exports Ltd.*	India	-	100.00%
Metahelix Life Science Ltd.	India	100.00%	100.00%
Zero Waste Agro Organics Ltd.	India	100.00%	100.00%
<b>Indirect</b>			
PT. Metahelix Lifesciences Indonesia	Indonesia	65.77%	65.77%

\* During the year ended 31 March, 2019, Rallis Chemistry Exports Ltd. has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts, however it is continued to be subsidiary of the Company till the time removal of its name from the Register of Companies.

#### 3. Other related parties

- Rallis India Limited Provident Fund
- Rallis India Limited Management Staff Gratuity Fund
- Rallis India Limited Senior Assistants Super Annuation Scheme
- Rallis Executive Staff Super Annuation Fund
- Rallis India Limited Non-Management Staff Gratuity Fund

#### 4. Key Management Personnel

- Mr. V. Shankar, Managing Director and CEO (upto 31 March, 2019)
- Mr. R. Mukundan, Managing Director and CEO (w.e.f. 3 December, 2018 till 31 March, 2019)

#### 5. Promoter Group

- Tata Sons Private Limited

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**6. List of subsidiaries of Tata Sons Private Limited**

Tata Africa Services (Nigeria) Ltd  
 Infiniti Retail Ltd.  
 Tata AIG General Insurance Co. Ltd.  
 Tata Consultancy Services Ltd.  
 Ecofirst Services Ltd.  
 Advinus Therapeutics Ltd.  
 TC Travels & Services Ltd.  
 Tata Teleservices Ltd.  
 Tata Chemicals Society for Rural Development  
 Tata Africa Services (Nigeria) Ltd.  
 Tata Capital Financial Services Ltd.  
 TASEC Limited  
 Tata Strategic Management Group (Division of Tata Industries Limited)  
 Impetis Biosciences Ltd.  
 Ewart Investments Ltd.

**7. Trading transactions**

During the year, Company entered into following trading transactions with related parties:

Particulars	Sales of goods		Purchases of goods	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Holding Company</b>				
Tata Chemicals Ltd.	-	8.08	1,120.57	636.99
<b>Subsidiary of Tata Sons Private Ltd.</b>				
Tata Africa Services (Nigeria) Ltd	-	478.29	-	-
Infiniti Retail Ltd.			5.33	-
<b>Subsidiaries of the Company</b>				
Metahelix Life Science Ltd.	164.12	320.95	2,309.31	2,386.35
Zero Waste Agro Organics Ltd	-	-	1,045.66	1,028.08

Sale of goods to related parties were made at the Company's usual list prices, less average discounts. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationship between the parties.



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 8. Service transactions

Particulars	Services rendered		Services received	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Holding Company</b>				
Tata Chemicals Ltd.	49.26	-	0.35	0.89
<b>Investor of Holding Company</b>				
Tata Sons Private Ltd.	-	-	270.10	229.71
<b>Subsidiaries of the Company</b>				
Metahelix Life Science Ltd.	108.16	74.53	-	-
Zero Waste Agro Organics Ltd.	99.87	98.56	105.37	138.48
<b>Subsidiaries of Tata Sons Private Ltd.</b>				
Tata AIG General Insurance Co. Ltd.	-	-	17.84	19.22
Tata Consultancy Services Ltd.	-	-	96.76	314.56
Ecofirst Services Ltd.	-	-	4.30	4.93
Advinus Therapeutics Ltd.*	-	6.93	-	20.58
TC Travels & Services Ltd.	-	-	-	0.12
Tata Teleservices Ltd.	-	-	11.23	14.06
Tata Africa Services (Nigeria) Ltd.	-	-	-	0.26
Tata Capital Financial Services Ltd.	-	-	-	1.58
TASEC Limited	-	-	11.33	-
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	89.54	-

\* Advinus Therapeutics Ltd cease to be related party from 5 October, 2017.

Services were received at market price and any discount to reflect the relationship between the parties.

### 9. Investment transactions

Particulars	Investment made		Investment sold	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Impetis Biosciences Ltd.(w.e.f. 5 October, 2017)	-	337.63	-	-
Advinus Therapeutics Ltd.	-	-	-	1,828.60
Rallis Chemistry Exports Ltd.	19.60	-	-	-

### 10. Other -Dividend payments

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Holding Company</b>		
Tata Chemicals Ltd.	2,433.54	3,650.31
<b>Subsidiaries of Tata Sons Private Ltd.</b>		
Ewart Investments Ltd.	1.88	2.81

### 11. Contributions to employee benefit trusts

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Other Related Parties</b>		
Contributions to employee benefit trusts	1,093.94	781.13

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**The following balances were outstanding at the end of the reporting period:-**

Particulars	Amounts owed by related parties		Amounts owed to related parties	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
<b>Holding Company</b>				
Tata Chemicals Ltd.	49.26	-	70.60	17.79
<b>Subsidiaries of the Company</b>				
Metahelix Life Science Ltd.	106.78	122.27	101.87	94.78
Zero Waste Agro Organics Ltd.	-	-	160.57	256.73
<b>Subsidiaries of Tata Sons Private Limited</b>				
Tata AIG General Insurance Co. Ltd.	0.70	0.44	-	-
Tata Consultancy Services Ltd.	-	-	-	6.67
Tata Teleservices (Maharashtra) Ltd.	-	-	0.02	0.24
Tata Consulting Engineers Ltd.	11.79	-	-	-
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	59.24	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year except as below. No expense has been recognised in the current or prior years for bad & doubtful debts in respect of the amounts owed by related parties.

It does not include balances which were provided in earlier years (refer note 9).

The Company had issued a corporate guarantee to debenture trustee in respect of issuance of debentures of ₹ 27,000.00 lakhs by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total subscription of debentures issued by Advinus. The guarantee had been released during the previous year on 5 October, 2017. The Company's maximum exposure in this respect is ₹ Nil as at 31 March, 2019 (as at 31 March, 2018: ₹ Nil).

**12. Compensation of key management personnel**

The remuneration of key management personnel during the year was as follows:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Short term benefits	366.31	389.36
Post-Employment benefits (PF + Superannuation)	21.51	20.09

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. It is exclusive of gratuity and compensated absence.

**40: Contingent liabilities**

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Company in respect of these cases have been summarised below.



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### a. Tax contingencies

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of tax	As at 31 March, 2019	As at 31 March, 2018
Sales tax	1,311.47	1,370.75
Excise duty	515.35	525.70
Customs duty	144.10	144.10
Income tax	6,542.32	6,299.72
Service tax	61.01	60.26

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

### b. Amount in respect of other claims

Nature of claim	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Matters relating to employee benefits	94.26	103.11
Others (claims related to contractual disputes)	55.07	65.53

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

- (i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
- (ii) the proceedings are in early stages;
- (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
- (iv) there are significant factual issues to be resolved; and/or
- (v) there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

- c. "The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant and has been provided in the books of account. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**41: Commitments**

- (i) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 1,454.11 lakhs as at 31 March, 2019 (as at 31 March, 2018: ₹ 483.46 lakhs) and Other intangible assets is ₹ 6.41 lakhs as at 31 March, 2019 (as at 31 March, 2018: ₹ 89.05 lakhs) against which advances paid aggregate ₹ 84.07 lakhs as at 31 March, 2019 (as at 31 March, 2018: ₹ 53.50 lakhs).
- (ii) For lease commitments refer note no 36.

**42: Research and development expenditure**

The Company has incurred the following expenses on research and development activity:

Particulars (Refer footnote)	For the year ended 31 March, 2019	For the year ended 31 March, 2018
On property, plant and equipment	124.54	65.78
On items which have been expensed during the year		
- Materials	127.55	138.36
- Employee benefits expense	910.32	964.70
- Professional fees	43.64	55.75
- Consumables	24.38	27.54
- Finance costs	0.57	1.05
- Travelling expenses	53.52	70.65
- Rent	40.60	38.28
- Depreciation and amortisation expense	236.48	350.59
- Others	393.94	211.38
Expenses - External agency	19.38	20.85
<b>Total</b>	<b>1,974.92</b>	<b>1,944.93</b>

During the year, the Company has also incurred ₹ 4.60 lakhs (31 March, 2018 ₹ 43.58) towards capital research and development expenditure which is included under capital work-in-progress. The total amount included in capital work-in-progress as at 31 March 2019 is ₹ 1,278.49 lakhs (as at 31 March, 2018 ₹ 1,206.45 lakhs).

**footnote:**

The above figures include the amounts based on separate accounts for the Research and Developments ("R&D") Centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (consonance with the DSIR guidelines for in-house R & D Centre will be evaluated at the time of filing the return with DSIR).

**43: Other expenses include Auditors' Remuneration as under:**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) To statutory auditors		
For audit	42.80	40.00
For limited review of quarterly results	15.00	15.00
For taxation matters	6.00	5.00
For other services	21.65	5.52
Reimbursement of expenses	4.05	1.68

Recoverable taxes which is being claimed for set-off as input credit has not been included in the expenditure above.



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 44: Disclosure pursuant to Section 186 of the Companies Act, 2013

#### (a) Details of investment made:

Entity	Financial year	Opening		Purchase of Investment		Sale of Investment		Closing	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Advinus Therapeutics Ltd.	Year ended 31 March, 2018	18,286,000	1,828.60	-	-	18,286,000	1,828.60	-	-
Impetis Biosciences Ltd.	Year ended 31 March, 2018	-	-	568,414	337.64	-	-	568,414	337.64
Rallis Chemistry Exports Ltd.*	Year ended 31 March, 2019	50,000	5.00	196,000	19.60	-	-	-	-

\* During the year ended 31 March, 2019, the Company has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts.

#### (b) Details of guarantee given:

Entity	Financial year	Opening	Guarantee given	Guarantee revoked	Closing
Advinus Therapeutics Ltd.	Year ended 31 March, 2018	4,560.30	-	4,560.30	-

### 45: Disclosure as per Regulation 53 (F) of SEBI (Listing Obligation and Disclosure Requirements) Regulations

Name of party	Relationship	Amount outstanding as at 31 March, 2019	Amount outstanding as at 31 March, 2018	Maximum balance outstanding during the year 31 March, 2019	Maximum balance outstanding during the year 31 March, 2018
Metahelix Life Science Ltd.	Wholly Owned Subsidiary Company	101.87	94.78	1,642.86	1,491.50
Zero Waste Agro Organics Ltd.	Wholly Owned Subsidiary Company	160.57	256.73	255.12	256.73

### 46: Disclosure under Ind AS 115 - Revenue from contracts with customers

The Company is engaged into manufacturing of agri inputs. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

#### Disaggregation of revenue from contracts with customers

Particulars	2018-19			2017-18		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
<b>1) Revenue from contracts with customers:</b>						
<b>Sale of products (Transferred at point in time)</b>						
<b>Manufacturing</b>						
India	81,729.38	-	81,729.38	81,240.62	-	81,240.62
Asia (Other than India)	37,239.44	-	37,239.44	33,570.02	-	33,570.02
North America	8,963.49	3,814.40	12,777.89	1,776.09	3,496.08	5,272.17
South America	10,764.80	-	10,764.80	4,470.47	-	4,470.47
Africa	2,248.01	-	2,248.01	2,882.77	-	2,882.77
Europe	35.21	-	35.21	482.48	-	482.48
Australia	1,086.01	-	1,086.01	919.26	-	919.26
<b>Total (A)</b>	<b>142,066.34</b>	<b>3,814.40</b>	<b>145,880.74</b>	<b>125,341.71</b>	<b>3,496.08</b>	<b>128,837.79</b>

**Notes to the standalone financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

Particulars	2018-19			2017-18		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
<b>Trading</b>						
India	19,654.43	-	19,654.43	21,043.37	-	21,043.37
Asia (Other than India)	105.60	-	105.60	63.36	-	63.36
Africa	795.87	-	795.87	131.51	-	131.51
<b>Total (B)</b>	<b>20,555.90</b>	<b>-</b>	<b>20,555.90</b>	<b>21,238.24</b>	<b>-</b>	<b>21,238.24</b>
<b>Total (A) + (B)</b>	<b>162,622.24</b>	<b>3,814.40</b>	<b>166,436.64</b>	<b>146,579.95</b>	<b>3,496.08</b>	<b>150,076.03</b>
<b>2) Sale of services</b>	55.35	-	55.35	53.24	-	53.24
<b>3) Other operating revenue</b>						
Sale of scrap	299.89	-	299.89	269.30	-	269.30
Export benefits*	-	-	-	883.71	-	883.71
Liabilities written back	358.50	-	358.50	230.29	-	230.29
Royalty Income	-	-	-	81.17	-	81.17
	<b>658.39</b>	<b>-</b>	<b>658.39</b>	<b>1,464.47</b>	<b>-</b>	<b>1,464.47</b>
<b>Total Revenue</b>	<b>163,335.98</b>	<b>3,814.40</b>	<b>167,150.38</b>	<b>148,097.66</b>	<b>3,496.08</b>	<b>151,593.74</b>

\* Consequent to clarifications published by the Institute of Chartered Accountants of India (ICAI), the amount of export incentive has been recognised as "Other Income" with effect from July 2018. In earlier periods these amounts were reported under "Other Operating Revenue" in the Statement of Profit and Loss.

**Major segment**

Particulars	2018-19			2017-18		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Crop Protection*	1,48,147.70	-	1,48,147.70	1,33,384.26	-	1,33,384.26
Crop Nutrition	8,285.72	-	8,285.72	7,821.40	-	7,821.40
Polymer	-	3,814.40	3,814.40	-	3,496.08	3,496.08
Others	6,188.82	-	6,188.82	5,374.29	-	5,374.29
<b>Total</b>	<b>1,62,622.24</b>	<b>3,814.40</b>	<b>1,66,436.64</b>	<b>1,46,579.95</b>	<b>3,496.08</b>	<b>1,50,076.03</b>

\* Crop Protection includes Fungicide, Herbicides and Insecticides.

**Sales by performance obligations**

Particulars	2018-19			2017-18		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Upon shipment	61,238.44	3,814.40	65,052.84	44,295.96	3,496.08	47,792.04
Upon delivery	1,01,383.80	-	1,01,383.80	1,02,283.99	-	1,02,283.99
<b>Total</b>	<b>1,62,622.24</b>	<b>3,814.40</b>	<b>1,66,436.64</b>	<b>1,46,579.95</b>	<b>3,496.08</b>	<b>1,50,076.03</b>



## Notes to the standalone financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### Reconciliation of revenue from contract with customer

Particulars	2018-19	2017-18
Revenue from contract with customer as per the contract price	1,98,989.65	1,85,097.41
<b>Adjustments made to contract price on account of :-</b>		
a) Discounts / Rebates / Incentives	1,965.66	1,908.70
b) Sales Returns /Credits / Reversals	30,587.35	31,361.04
c) Excise duty invoiced	-	1,751.64
<b>Revenue from contract with customer</b>	<b>1,66,436.64</b>	<b>1,50,076.03</b>
Sale of services	55.35	53.24
Other operating revenue	658.39	1,464.47
<b>Revenue from operations</b>	<b>1,67,150.38</b>	<b>1,51,593.74</b>

### 47: Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year*	275.59	481.21
(ii) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	-	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

\* out of above, amount overdue is ₹ Nil (31 March, 2018 ₹ Nil)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**48:** The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 384.70 lakhs (31 March, 2018 ₹ 388.00 lakhs). Amount spent during the year on CSR activities (included in Note 30 and Note 33 of the Statement of Profit and Loss) as under

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Amount spent for the year</b>		
Employee benefits expense	19.23	19.10
Other expenses (for healthcare, education, women empowerment, skill development, disaster relief, etc.)	366.86	381.85
	<b>386.09</b>	<b>400.95</b>
In cash	386.09	400.95
Yet to be paid in cash	-	-
	<b>386.09</b>	<b>400.95</b>

**49:** The Company made a contribution to an electoral trust of ₹ 500 lakhs (31 March, 2018 ₹ Nil) which is included in other expenses.

#### 50: Subsequent event

The Board of Directors at its meeting held on 25 April, 2019 has recommended a dividend of ₹ 2.50 per equity share (31 March, 2018 ₹ 2.50 per equity share), subject to shareholders approval at annual general meeting.

**51:** The MCA wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.

As per our report of even date attached

#### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

#### ANIRUDDHA GODBOLE

Partner

Membership No. 105149

Mumbai, 25 April, 2019

#### PRAKASH R. RASTOGI

(DIN: 00110862)

#### R. MUKUNDAN

(DIN: 00778253)

#### PUNITA KUMAR-SINHA

(DIN: 05229262)

#### C.V. NATRAJ

(DIN: 07132764)

#### PADMINI KHARE KAICKER

(DIN: 00296388)

#### JOHN MULHALL

(DIN: 08101474)

Directors

#### For and on behalf of the Board of Directors of Rallis India Limited

#### BHASKAR BHAT

(DIN: 00148778)

Chairman

#### SANJIV LAL

(DIN: 08376952)

Managing Director & CEO

#### ASHISH MEHTA

(M. No. 53039)

Chief Financial Officer

#### YASHASWIN SHETH

(M. No. A15388)

Company Secretary

Mumbai, 25 April, 2019



# Independent Auditors' Report To the Members of Rallis India Limited

## Report on the audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Rallis India Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a 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 of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit

and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibility 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, and we have fulfilled our other ethical responsibilities in accordance with provisions of the Act. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition

The Key Audit Matter	How the matter was addressed in our audit
<p>Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts, incentives (scheme allowances) and estimated sales returns. As disclosed in Note 3.16 to the consolidated financial statements, revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.</p> <p><b>Sales return estimation</b></p> <p>As disclosed in Note 3.16 to the consolidated financial statements, revenue is recognised net of sales returns. Estimation of sales returns involves significant judgement and estimates due to its dependency on various internal and external factors.</p> <p>Estimation of sales return amount together with the level of judgement involved makes its accounting treatment a significant matter for our audit.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> <li>- Understanding the process followed by the management for the purpose of identifying and determining the amount of provision of sales returns and accrual for rebates and schemes;</li> <li>- Checking of completeness and accuracy of the data used by the management for the purpose of calculation of the provision for sales returns and checking of its arithmetical accuracy;</li> <li>- Comparison between the estimate of the provision for sales returns created in the past with subsequent actual sales returns and analysis of the nature of any deviations to corroborate the effectiveness of the management estimation process;</li> <li>- Considering the appropriateness of the Group's accounting policies regarding revenue recognition as they relate to accounting for rebates, discounts and scheme allowances;</li> <li>- Testing the Group's process and controls over the calculation of rebates, discounts and scheme allowance;</li> </ul>

The Key Audit Matter	How the matter was addressed in our audit
<p><b>Accrual for rebates and schemes</b></p> <p>Revenue is recognised net of rebates, discounts, incentives (scheme allowances) and estimated sales returns owed to the customers based on the arrangement with customers.</p> <p>The recognition and measurement of rebates, discounts and schemes allowances, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers.</p> <p>The value of rebates, discounts and schemes allowances together with the level of judgement involved make its accounting treatment a significant matter for our audit.</p>	<ul style="list-style-type: none"> <li>- Selecting a samples of revenue transactions and scheme circular to re-check that rebates, discounts and scheme allowance were calculated in accordance with the eligibility criteria mentioned in the scheme circular;</li> <li>- Selecting a sample of claims submitted by customers along with claim form and verifying it with the accrual made in the books of account; and</li> <li>- Considering the assumptions and judgements used by the Group in calculating rebates, discounts and schemes allowances, including the level of expected claims, by reviewing historical trends of claims.</li> </ul>

#### Impairment testing of other intangible assets and intangible assets under development

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group's intangible assets comprised goodwill and product registrations.</p> <p>The carrying amount of the intangible assets and intangible assets under development represents 2.18% of the Group's total assets.</p> <p><b>Impairment testing of goodwill</b></p> <p>As required by Ind AS - 36 'Impairment of Assets', the Group annually tests the amount of goodwill for impairment where indicators of impairment exist using a discounted cash flow model to estimate the recoverable value. This impairment test is significant to our audit because the assessment process is complex and judgement is based on assumptions such as expected growth rate, expected profitability and future market or economic conditions.</p> <p><b>Other intangible assets and intangible assets under development</b></p> <p>The Group applies for product registrations in different countries to sell its products. The Group capitalises costs incurred to apply for product registrations.</p> <p>The value of intangible assets was identified as a key audit matter as the Group's annual impairment assessment contains significant judgments involving forecasting and discounting future cash flows. It also involves likelihood of obtaining product registration.</p> <p>The impairment assessment is based on each product registrations value in use.</p> <p>Due to significance and magnitude of the costs capitalised this was considered a key audit matter.</p>	<p>Our audit procedures in respect of impairment testing of goodwill included the following:</p> <ul style="list-style-type: none"> <li>- Review the appropriateness of management's basis to identify relevant CGUs for which Goodwill is being tested;</li> <li>- Testing the mathematical accuracy of the discounted cash flow model and evaluation of the assumptions and methodologies used by the Group;</li> <li>- In respect of forecasts, we: <ul style="list-style-type: none"> <li>• Assessed the subsidiaries current year actual results in comparison with prior year forecasts to assess forecast accuracy;</li> <li>• Assessed the Group's assumptions for growth rate in the impairment model in comparison to economic and industry forecast; and</li> <li>• Assessed the discount rates through comparing the cost of capital for the Group with comparable business.</li> </ul> </li> <li>- We assessed the adequacy of the Group's disclosures of those assumptions used for impairment testing of goodwill.</li> </ul> <p>Our audit procedures in respect of impairment testing of intangible assets (including those under development) included the following:</p> <ul style="list-style-type: none"> <li>- Inquired with management about its intention and probability to obtain product registrations in the respective geographies;</li> <li>- Compared management's assessment with the past trend product registrations awarded; and</li> <li>- Testing the mathematical accuracy of the discounted cash flow model and evaluation of the assumptions and methodologies used by the Group.</li> </ul>



### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work done / audit report of other auditors, 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.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Management and Board of Directors of the

companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group (Holding Company and subsidiaries) 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 is responsible for overseeing the financial reporting process of each company.

### Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 (Holding Company and subsidiaries) 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 financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for direction, supervision and performance of the audit of the financial information of such entities.

For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- a) We have not audited the financial statements of Rallis Chemistry Exports Limited, Zero Waste Agro-Organics Limited and PT Metahelix Life Sciences Indonesia whose financial statement reflect total assets of ₹ 2,362.11 lakhs as at 31 March 2019, total revenue of ₹ 1,244.62 lakhs and net cash flows amounting to ₹ 3.65 lakhs for the year ended on that date, as considered in the consolidated financial statements. These standalone financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b) One subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited this conversion adjustment made by the Holding Company's management. Our opinion in so far as it related to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.



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.

#### Report on Other Legal and Regulatory Requirements

(A) As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and other financial information of such subsidiaries, as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes 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 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 and the consolidated statement of cash flows 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary

companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41 to the consolidated financial statements;
- ii. the Holding Company and its subsidiary companies did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies 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.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

*Partner*

Membership No: 105149

Mumbai  
25 April, 2019

## Annexure A to the Independent Auditors' Report – 31 March, 2019

**Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### Opinion

In conjunction with our audit of the consolidated financial statements of Rallis India Limited ("the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India (the Holding Company and its subsidiary companies incorporated in India together referred to as the "Group"), as of that date.

In our opinion, the Holding Company and such subsidiary companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 relevant subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.



### **Meaning of Internal Financial Controls with reference to consolidated 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 reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Mumbai  
25 April, 2019

### **Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matters**

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiary companies incorporated in India, is based solely on the report of the auditors of the subsidiary companies incorporated in India.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No : 101248W/W-100022

**Aniruddha Godbole**  
*Partner*  
Membership No: 105149

# Consolidated Balance Sheet

as at 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

	Notes	As at 31 March, 2019	As at 31 March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	4	36,976.98	36,403.41
b) Capital work-in-progress	4	1,287.69	1,234.39
c) Investment property	5	549.86	557.97
d) Goodwill	6.1	19,582.31	19,582.31
e) Other intangible assets	6.2	968.35	822.77
f) Intangible assets under development	6.2	3,782.88	3,497.49
<b>Financial assets</b>			
i) Investments	7	378.84	379.03
ii) Loans	8	674.09	645.41
iii) Other financial assets	9	42.17	58.65
h) Income-tax assets (Net)	10	7,519.64	7,209.21
i) Deferred tax assets (Net)	23	2,171.70	2,078.14
j) Other non-current assets	14	3,178.52	3,283.06
<b>Total non-current assets</b>		<b>77,113.03</b>	<b>75,751.84</b>
<b>Current assets</b>			
a) Inventories	11	67,355.35	57,218.28
<b>Financial assets</b>			
i) Investments	7	10,548.14	9,180.69
ii) Loans	8	93.33	111.61
iii) Trade receivables	12	44,906.94	39,967.30
iv) Cash and cash equivalents	13.1	4,184.99	2,892.61
v) Bank balances other than (iv) above	13.2	389.81	446.58
vi) Other financial assets	9	460.54	561.71
c) Other current assets	14	13,380.80	12,463.65
		1,41,319.90	1,22,842.43
Assets classified as held for sale	15	-	1,264.90
<b>Total current assets</b>		<b>1,41,319.90</b>	<b>1,24,107.33</b>
<b>Total assets</b>		<b>2,18,432.93</b>	<b>1,99,859.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	16	1,944.71	1,944.71
b) Other equity	17	1,26,648.01	1,17,112.65
<b>Equity attributable to owners of the Company</b>		<b>1,28,592.72</b>	<b>1,19,057.36</b>
Non-controlling interest	18	184.18	110.63
<b>Total equity</b>		<b>1,28,776.90</b>	<b>1,19,167.99</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
a) Borrowings	19	1,580.16	1,987.78
b) Other financial liabilities	21	640.50	606.56
c) Provisions	22	2,188.88	1,588.55
d) Deferred tax liabilities (Net)	23	3,816.21	4,052.61
e) Other non-current liabilities	25	9.81	11.32
<b>Total non-current liabilities</b>		<b>8,235.56</b>	<b>8,246.82</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	20	5,295.86	14.59
ii) Trade payables	24	-	-
-total outstanding dues of micro enterprises and small enterprises		288.82	481.44
-total outstanding dues of creditors other than micro enterprises and small enterprises		53,192.78	52,127.30
iii) Other financial liabilities	21	10,679.62	9,010.32
b) Other current liabilities	25	9,911.25	9,030.19
c) Provisions	22	1,624.99	1,451.53
d) Income-tax liabilities (Net)	10	427.15	328.99
<b>Total current liabilities</b>		<b>81,420.47</b>	<b>72,444.36</b>
<b>Total liabilities</b>		<b>89,656.03</b>	<b>80,691.18</b>
<b>Total equity and liabilities</b>		<b>2,18,432.93</b>	<b>1,99,859.17</b>
See accompanying notes to the consolidated financial statements	1 to 51		

As per our report of even date attached

## For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

## ANIRUDDHA GODBOLE

Partner

Membership No. 105149

Mumbai, 25 April, 2019

## PRAKASH R. RASTOGI

(DIN: 00110862)

## R. MUKUNDAN

(DIN: 00778253)

## PUNITA KUMAR-SINHA

(DIN: 05229262)

## C.V. NATRAJ

(DIN: 07132764)

## PADMINI KHARE KAICKER

(DIN: 00296388)

## JOHN MULHALL

(DIN: 08101474)

Directors

## For and on behalf of the Board of Directors of Rallis India Limited

## BHASKAR BHAT

(DIN: 00148778)

## SANJIV LAL

(DIN: 08376952)

## ASHISH MEHTA

(M. No. 53039)

## YASHASWIN SHETH

(M. No. A15388)

Chairman

Managing Director & CEO

Chief Financial Officer

Company Secretary

Mumbai, 25 April, 2019



# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2019

All amounts are in ₹ lakhs except for earning per equity share information

	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
I Revenue from operations	26	1,98,395.89	1,80,846.33
II Other income	27	3,065.26	1,317.50
<b>III Total Income (I+II)</b>		<b>2,01,461.15</b>	<b>1,82,163.83</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	28	1,19,529.09	90,177.47
Purchases of stock-in-trade	29	11,642.09	20,178.15
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(14,018.10)	(10,118.61)
Excise duty on sale of goods		-	1,751.64
Employee benefits expense	31	18,063.56	16,489.93
Finance costs	32	524.74	430.53
Depreciation and amortisation expense	33	4,607.81	4,631.08
Other expenses	34	39,085.53	35,921.38
<b>Total expenses (IV)</b>		<b>1,79,434.71</b>	<b>1,59,461.57</b>
<b>V Profit before tax (III-IV)</b>		<b>22,026.44</b>	<b>22,702.26</b>
<b>VI Tax expense</b>	10		
(1) Current tax		6,875.99	6,631.68
(2) Deferred tax		(327.94)	(631.11)
Total tax expense (VI)		<b>6,548.05</b>	<b>6,000.57</b>
<b>VII Profit for the year (V-VI)</b>		<b>15,478.39</b>	<b>16,701.69</b>
<b>VIII OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss :</b>			
a) Remeasurements of the employee defined benefit plans		20.74	241.34
b) Equity instruments through other comprehensive income		(141.41)	(196.96)
c) Income tax relating to item that will not be reclassified to profit or loss		(24.65)	(66.36)
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of a foreign operation		(2.69)	(10.53)
<b>Total other comprehensive income (net of taxes)</b>		<b>(148.01)</b>	<b>(32.51)</b>
<b>IX Total comprehensive income for the year</b>		<b>15,330.38</b>	<b>16,669.18</b>
<b>X Profit for the year attributable to:</b>			
Owners of the Company		15,538.45	16,761.22
Non-controlling interests		(60.06)	(59.53)
		<b>15,478.39</b>	<b>16,701.69</b>
<b>XI Other comprehensive income attributable to:</b>			
Owners of the Company		(148.01)	(32.51)
Non-controlling interests		-	-
		<b>(148.01)</b>	<b>(32.51)</b>
<b>XII Total comprehensive income attributable to:</b>			
Owners of the Company		15,390.44	16,728.71
Non-controlling interests		(60.06)	(59.53)
		<b>15,330.38</b>	<b>16,669.18</b>
<b>Earnings per equity share (of ₹ 1 each)</b>	35		
(1) Basic (In ₹)		7.99	8.62
(2) Diluted (In ₹)		7.99	8.62
<b>See accompanying notes to the consolidated financial statements</b>	1 to 51		

As per our report of even date attached

## For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

## ANIRUDDHA GODBOLE

Partner

Membership No. 105149

Mumbai, 25 April, 2019

## PRAKASH R. RASTOGI

(DIN: 00110862)

## R. MUKUNDAN

(DIN: 00778253)

## PUNITA KUMAR-SINHA

(DIN: 05229262)

## C.V. NATRAJ

(DIN: 07132764)

## PADMINI KHARE KAICKER

(DIN: 00296388)

## JOHN MULHALL

(DIN: 08101474)

Directors

## For and on behalf of the Board of Directors of Rallis India Limited

## BHASKAR BHAT

(DIN: 00148778)

## SANJIV LAL

(DIN: 08376952)

## ASHISH MEHTA

(M. No. 53039)

## YASHASWIN SHETH

(M. No. A15388)

Chairman

Managing Director & CEO

Chief Financial Officer

Company Secretary

Mumbai, 25 April, 2019

# Consolidated Statement of changes in equity

for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

## A. Equity share capital

<b>Balance as at 1 April, 2017</b>	1,944.71
Changes in Equity Share Capital during 2017-2018	-
<b>Balance as at 31 March, 2018</b>	<b>1,944.71</b>
Changes in Equity Share Capital during 2018-2019	-
<b>Balance as at 31 March, 2019</b>	<b>1,944.71</b>

## B. Other equity

	Attributable to the owners of the company								Non-controlling interests	Total
	Securities premium reserve	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Equity instrument through OCI	Foreign currency translation reserve	Total		
<b>Balance as at 1 April, 2017</b>	8,793.88	73,332.65	1,243.10	8,151.77	17,649.93	0.39	-	1,09,171.72	43.06	1,11,159.49
Profit for the year	-	16,761.22	-	-	-	-	-	16,761.22	(59.53)	16,701.69
Other comprehensive income (Net of taxes)	-	174.98	-	-	-	(196.96)	(10.53)	(32.51)	-	(32.51)
<b>Total comprehensive income</b>	-	16,936.20	-	-	-	(196.96)	(10.53)	16,728.71	(59.53)	16,669.18
Transfer to / (from) retained earnings	-	(196.96)	-	-	-	196.96	-	-	-	-
Payment of dividends	-	(7,292.58)	-	-	-	-	-	(7,292.58)	-	(7,292.58)
Payment of dividend distribution tax	-	(1,495.20)	-	-	-	-	-	(1,495.20)	-	(1,495.20)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	127.10	127.10
<b>Balance as at 31 March, 2018</b>	<b>8,793.88</b>	<b>81,284.11</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>0.39</b>	<b>(10.53)</b>	<b>1,17,112.65</b>	<b>110.63</b>	<b>1,19,167.99</b>
Profit for the year	-	15,538.45	-	-	-	-	-	15,538.45	(60.06)	15,478.39
Other comprehensive income (Net of taxes)	-	(3.91)	-	-	-	(141.41)	(2.69)	(148.01)	-	(148.01)
<b>Total comprehensive income</b>	-	15,534.54	-	-	-	(141.41)	(2.69)	15,390.44	(60.06)	15,330.38
Transfer to / (from) retained earnings	-	(141.22)	-	-	-	141.22	-	-	-	-
Payment of dividends	-	(4,861.72)	-	-	-	-	-	(4,861.72)	-	(4,861.72)
Payment of dividend distribution tax	-	(999.34)	-	-	-	-	-	(999.34)	-	(999.34)
Others	-	5.98	-	-	-	-	-	5.98	-	5.98
Movement in non-controlling interests	-	-	-	-	-	-	-	-	133.61	133.61
<b>Balance as at 31 March, 2019</b>	<b>8,793.88</b>	<b>90,822.35</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>0.20</b>	<b>(13.22)</b>	<b>1,26,648.01</b>	<b>184.18</b>	<b>1,28,776.90</b>

As per our report of even date attached

### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

### ANIRUDDHA GODBOLE

Partner

Membership No. 105149

Mumbai, 25 April, 2019

### PRAKASH R. RASTOGI

(DIN: 00110862)

### R. MUKUNDAN

(DIN: 00778253)

### PUNITA KUMAR-SINHA

(DIN: 05229262)

### C.V. NATRAJ

(DIN: 07132764)

### PADMINI KHARE KAICKER

(DIN: 00296388)

### JOHN MULHALL

(DIN: 08101474)

Directors

### For and on behalf of the Board of Directors of Rallis India Limited

### BHASKAR BHAT

(DIN: 00148778)

Chairman

### SANJIV LAL

(DIN: 08376952)

Managing Director & CEO

### ASHISH MEHTA

(M. No. 53039)

Chief Financial Officer

### YASHASWIN SHETH

(M. No. A15388)

Company Secretary

Mumbai, 25 April, 2019



# Consolidated Statement of Cash Flows

for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	22,026.44	22,702.26
Adjustments for :		
Finance costs	524.74	430.53
Depreciation and amortisation expense	4,607.81	4,631.08
Interest income	(288.93)	(206.69)
Dividend Income	(283.63)	(464.17)
Gain on redemption of current investments	(66.97)	-
Net gain on financial assets designated at fair value through profit and loss	(17.39)	-
Credit balances written back	(390.17)	(230.29)
Allowance for doubtful debts(Net)	291.53	186.12
Allowance for doubtful advances	31.98	2.57
Investment write off	24.60	-
Impairment of Intangible assets and intangible assets under development	308.48	-
Bad debts	242.25	-
Provision for indirect tax matters	10.00	33.50
Provision/(reversal) for directors pension liability	722.92	-
Provision/(reversal) for supplemental pay	(41.52)	(110.97)
Provision/(reversal) for gratuity	32.76	79.63
Provision for compensated absences	43.03	118.20
Net unrealised foreign exchange (gain) / loss	(421.41)	217.35
Loss/(Gain) on disposal of property, plant and equipment	59.67	(6.35)
<b>Operating profit before working capital changes</b>	<b>27,416.19</b>	<b>27,382.77</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in Trade and other receivables	(5,859.30)	(13,466.64)
(Increase)/decrease in Inventories	(10,137.07)	(17,780.72)
(Increase)/decrease in Loans	(10.40)	45.91
(Increase)/decrease other financial assets	(63.43)	(162.50)
(Increase)/decrease other assets	(694.27)	(5,793.89)
Increase/(decrease) trade payables	2,071.32	19,448.76
Increase/(decrease) in other financial liabilities	1,493.38	721.49
<b>Increase/(decrease) in other liabilities</b>	<b>879.55</b>	<b>493.21</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>15,095.97</b>	<b>10,888.39</b>
Income taxes paid (Net of refunds)	(7,090.28)	(6,749.86)
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>8,005.69</b>	<b>4,138.53</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	296.80	190.84
Dividend received	283.63	464.17
Payments for property , plant and equipment (including Adjustments on account of capital work-in-progress, capital creditors and capital advances) "	(3,378.92)	(4,833.90)
Payments for intangible assets	(1,274.88)	(938.71)
Proceeds from disposal of property , plant and equipment	33.16	34.47
Payment for purchase of investment in equity shares	(19.60)	(337.64)
Proceeds from sale of investments from equity share	-	1,314.64
Purchase of current investments	(15,179.03)	(10,772.34)
Proceeds from sale of current investments	13,895.94	23,643.90
Proceeds from issue of shares to minority shareholder	133.61	127.10
Investments in bank deposits	64.38	(12.69)
<b>NET CASH FLOWS (USED IN)/GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>(5,144.91)</b>	<b>8,879.84</b>

## Consolidated Statement of Cash Flows

for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of long-term borrowings (including current maturities)	(453.22)	(188.18)
Proceeds from short-term borrowings	10,700.00	-
Repayment of finance lease obligations	(7.78)	(9.73)
Repayment of short-term borrowings	(9,000.00)	(1,000.00)
Dividend paid on equity shares (including dividend distribution tax)	(5,853.45)	(8,766.66)
Interest paid	(527.60)	(428.60)
Bank balances in dividend account	(7.61)	(21.12)
<b>NET CASH FLOWS (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(5,149.66)</b>	<b>(10,414.29)</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b>	<b>(2,288.89)</b>	<b>2,604.08</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
Cash in hand	3.92	5.59
Balances with banks in current account and deposit account	2,888.69	517.20
Bank overdrafts and cash credit facility (secured)*	(14.59)	(248.85)
	<b>2,878.02</b>	<b>273.94</b>
<b>Net cash and cash equivalents as per Cash flow statement</b>	<b>589.13</b>	<b>2,878.02</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Cash in hand	4.83	3.92
Balances with banks in current account and deposit account	4,180.16	2,888.69
Bank overdrafts and cash credit facility (secured)*	(3,595.86)	(14.59)
	<b>589.13</b>	<b>2,878.02</b>
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 13.1</b>		
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Opening balances</b>		
Long-term borrowings (including current maturities)	2,424.17	2,622.08
Short-term borrowings (excluding bank overdrafts and cash credit facility)	-	-
<b>Movements</b>		
Long-term borrowings (including current maturities)	(468.79)	(197.91)
Short-term borrowings (excluding bank overdrafts and cash credit facility)	1,700.00	-
<b>Closing balances</b>		
Long-term borrowings (including current maturities)	1,955.38	2,424.17
Short-term borrowings (excluding bank overdrafts and cash credit facility)	1,700.00	-

\* Bank overdrafts and cash credit facility are part of cash management system of the Group. Hence, considered as part of cash and cash equivalents.

See accompanying notes to the consolidated financial statements

1 to 51

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**ANIRUDDHA GODBOLE**

Partner

Membership No. 105149

Mumbai, 25 April, 2019

**PRAKASH R. RASTOGI**  
(DIN: 00110862)

**R. MUKUNDAN**  
(DIN: 00778253)

**PUNITA KUMAR-SINHA**  
(DIN: 05229262)

**C.V. NATRAJ**  
(DIN: 07132764)

**PADMINI KHARE KAICKER**  
(DIN: 00296388)

**JOHN MULHALL**  
(DIN: 08101474)

Directors

**For and on behalf of the Board of Directors of Rallis India Limited**

**BHASKAR BHAT** Chairman  
(DIN: 00148778)

**SANJIV LAL** Managing Director & CEO  
(DIN: 08376952)

**ASHISH MEHTA** Chief Financial Officer  
(M. No. 53039)

**YASHASWIN SHETH** Company Secretary  
(M. No. A15388)

Mumbai, 25 April, 2019



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

### 1. Corporate Information

Rallis India Limited (the "Holding Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange. Its parent and ultimate holding Group is Tata Chemicals Limited. The principal activity of the Group and its subsidiaries (hereinafter referred to as the "Group") is manufacture and marketing of Agri Inputs.

The Company's registered office is at 156/157, 15th Floor, Nariman Bhavan, 227 Nariman Point, Mumbai - 400 021.

The financial statements for the year ended 31 March, 2019 were approved by the Board of Directors and authorised for issue on 25 April, 2019.

### 2. Recent accounting pronouncement

#### Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2019:

#### IND AS 116-Leases :

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

- the total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straight-line basis whilst the lease liability reduces by the principal amount of repayments;

- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Group at various stages of their terms; and

- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Group's consolidated financial statements:

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

## Notes to the Consolidated financial statements for the year ended 31 March, 2019

- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre payable financial assets.

- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

Impact on adoption of above changes in standards is not material.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Statement of compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies

(Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

#### 3.2 Basis of preparation and measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

### 3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of companies, controlled directly or indirectly by the Holding Company which are included in the consolidated financial statements are as under:

Name	Relationship	Country of Incorporation	Ownership Interest	
			31 March, 2019	31 March, 2018
Rallis Chemistry Exports Limited	Subsidiary	India	100%	100%
Zero Waste Agro-Organics Limited	Subsidiary	India	100%	100%
Metahelix Life Sciences Limited	Subsidiary	India	100%	100%
PT Metahelix Life Sciences Indonesia	Subsidiary	Indonesia	65.77%	65.77%

### 3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and

the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

## Notes to the Consolidated financial statements for the year ended 31 March, 2019

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

### 3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 3.6 Foreign and presentation currency

The Consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest ₹ lakhs, unless otherwise indicated.

### 3.7 Foreign currency translation

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Consolidated Statement of profit and loss.

### 3.8 Property plant and equipment (PPE)

#### a) Recognition and measurement

On adoption of Ind AS, the Group retained the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in Consolidated financial statements.

#### (b) Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives,

## Notes to the Consolidated financial statements for the year ended 31 March, 2019

using the straight- line method (“SLM”). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Type/Category of Asset	Useful Lives (in years) – as per Companies Act, 2013	Useful Lives (in years) – as estimated by the Group
<b>Rallis India Limited and other subsidiaries</b>		
Buildings including factory buildings	3-60	5-60
General Plant and Machinery	10-20	3-35
Electrical Installations and Equipments	10-20	2-32
Furniture and Fixtures	10	3-10
Office Equipments	5	2-10
Vehicles	10	8
Computer and Data Processing Units	3-6	1-10
Laboratory Equipments	10-20	1-19
Leasehold improvements	NA	shorter of lease period or estimated useful life
<b>Metahelix Life Sciences Limited</b>		
Factory building	30-60	25
Seed processing machine	10-20	15
Laboratory Equipments	10-20	10

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(c) *Gain or Loss on disposal*

Any gain or loss on disposal of an property, plant and equipment is recognized in the Consolidated Statement of profit and loss.

**3.9 Investment Property**(a) *Recognition and Measurement*

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an investment property comprises its purchase price and any directly attributable expenditure. After initial recognition, the Group carries the investment property at the cost less accumulated depreciation and accumulated impairment, if any.

The residual value and the useful life of an asset is reviewed at least at each financial year end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

(b) *Depreciation*

After initial recognition, the Group measures all of its investment property in accordance with Ind AS 16 – Property, Plant and Equipment requirements for cost model. The depreciable amount of an item of investment property is allocated on a systematic basis over its useful life. The Group provides depreciation on the straight line method. The Group believes that straight line method reflects the pattern in which the asset’s future economic benefits are expected to be consumed by the Group. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The depreciation charge for each period is generally recognised in the Consolidated Statement of profit and loss.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

The residual value and the useful life of an asset is reviewed at least at each financial year end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparative periods are as follows:

Type/Category of Asset	Useful Lives (in years) – as per Companies Act, 2013	Useful Lives (in years) – as estimated by the Group
<b>Rallis India Limited</b>		
Buildings	60	60

### (c) Fair Value

Fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of investment property is disclosed in the Note 5.

### (d) Gain or Loss on Disposal

Any gain or loss on disposal of an Investment Property is recognised in the Consolidated Statement of Profit and Loss.

### 3.10 Other intangible assets

Other intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

The Group amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Type/Category of Asset	Useful Lives (in years) – as estimated by the Group
<b>Rallis India Limited</b>	
Product registrations	4
Licenses and commercial rights	4
Computer software	1-10
<b>Metahelix Life Sciences Limited</b>	
Licenses and commercial rights	3
Computer software	1

The estimated useful life is reviewed annually by the management.

### 3.11 Capital work-in-progress and other intangible assets under development

Capital work-in-progress/other intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

### 3.12 Non-derivative financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business

## Notes to the Consolidated financial statements for the year ended 31 March, 2019

whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset 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 (FVTOCI)**

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 that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

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

#### **Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

#### **Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

#### **Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are measured at the proceeds received net off direct issue cost.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in consolidated financial statements 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.

#### **3.13 Derivative financial instruments**

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

#### **3.14 Impairment**

##### **Financial assets (other than at fair value)**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### **PPE and other intangibles assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated Statement of profit and loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

### 3.15 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 3.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

#### 3.16.1 Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Group has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Group has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the Consolidated Statement of profit and loss is not restated.

Impact on adoption of above changes in standards is not material.

#### 3.16.2 Rendering of services

Income recognition for services takes place as and when the services are performed in accordance with IND AS 115.

#### 3.16.3 Interest Income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

#### 3.16.4 Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

#### 3.16.5 Insurance claims

Insurance claims are accounted for on the basis of claims admitted to the extent that there is no uncertainty in receiving the claims.

#### 3.16.6 Government Grants

Government grants and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

## Notes to the Consolidated financial statements for the year ended 31 March, 2019

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

### 3.16.7 Royalty on trademark license arrangements:

Royalty income is recognised on an accrual basis (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Such arrangements are based on sales made by the licensee and are recognised by reference to the compensation terms under the underlying arrangement.

### 3.17 Research and development expenses

Research expenditure is charged to the Consolidated Statement of profit and loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

### 3.18 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

#### (i) Operating Lease:

Operating lease payments are recognized as an expense in the Consolidated Statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit

of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

#### (ii) Finance Lease:

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

### 3.19 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment, the investment that will be disposed off is classified as held for sale when the criteria described above are met.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

### 3.20 Employee benefit expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences, supplemental pay and director pension liability.

#### 3.20.1.1 Post-employment benefit plans

##### Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. 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 operates various defined benefit plans-gratuity fund, supplemental pay and director pension liability.

The Group also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Rallis India Limited Provident Fund. The rules of the Group's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Group. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency as at the year end.

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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 Consolidated Statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### 3.20.2 Short term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on avilment of encashment of such accrued benefit or where the avilment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

#### 3.21 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Consolidated Statement of profit and loss within Finance costs of the period in which they are incurred.

**3.22 Segment reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Managing Director & CEO of the Holding Company.

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 / liabilities".

**3.23 Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Consolidated Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax**

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**3.24 Accounting of Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

### 3.25 Dividend to Equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### 3.26 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Group by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

## 3A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Consolidated financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the consolidated financial statements and the reported amounts of the revenues and expenses for the presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### I Critical Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Discount rate used to determine the carrying amount of the Group's employee defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

### Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

### II Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### Useful lives of property, plant and equipment

As described in Note 3, the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

**Allowances for doubtful debts**

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

**Allowances for inventories**

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the consolidated financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the consolidated financial statements.

**Liability for sales return**

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Group had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Group's liability towards sales

return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate 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.

**Goodwill impairment**

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 4: Property, plant and equipment and capital work-in-progress

	As at 31 March, 2019	As at 31 March, 2018
<b>Carrying amount of:</b>		
Freehold land	187.01	187.01
Leasehold Land	1,959.52	728.36
Leasehold improvements	116.86	119.10
Buildings	12,079.55	12,556.50
Plant and equipment	22,231.90	22,405.88
Furniture and fixtures	224.22	247.33
Vehicles	11.52	6.11
Office equipments	142.93	123.34
Equipment under finance lease	23.47	29.78
	<b>36,976.98</b>	<b>36,403.41</b>
Capital work-in-progress	1,287.69	1,234.39
	<b>38,264.67</b>	<b>37,637.80</b>

Description	Gross block				Accumulated depreciation				Carrying amount		
	Balance as at 1 April, 2018	Additions	Deductions / Reclassification	Reclassification from assets held for sale	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Additions	Deductions / Reclassification	Reclassification from assets held for sale	Balance as at 31 March, 2019	Balance as at 31 March, 2019
Freehold land	187.01	-	-	-	187.01	-	-	-	-	-	187.01
	187.01	-	-	-	187.01	-	-	-	-	-	187.01
Leasehold Land	884.71	-	-	1,391.04	2,275.75	156.35	33.74	-	126.14	316.23	1,959.52
	1,729.98	-	845.27	-	884.71	214.00	17.41	75.06	-	156.35	728.36
Leasehold improvements	165.11	-	-	-	165.11	46.01	2.24	-	-	48.25	116.86
	165.11	-	-	-	165.11	43.77	2.24	-	-	46.01	119.10
Buildings	14,407.46	217.19	3.58	-	14,621.07	1,850.96	694.13	3.57	-	2,541.52	12,079.55
	13,788.03	629.65	10.22	-	14,407.46	1,182.48	674.64	6.16	-	1,850.96	12,556.50
Plant and equipment	31,025.92	3,115.49	833.96	-	33,307.45	8,620.04	3,197.03	741.52	-	11,075.55	22,231.90
	26,950.22	4,207.27	131.57	-	31,025.92	5,663.25	3,045.72	88.93	-	8,620.04	22,405.88
Furniture and fixtures	481.27	51.69	5.07	-	527.89	233.94	74.81	5.08	-	303.67	224.22
	400.06	81.21	-	-	481.27	159.22	74.72	-	-	233.94	247.33
Vehicles	17.09	9.70	12.56	-	14.23	10.98	4.29	12.56	-	2.71	11.52
	21.86	-	4.77	-	17.09	9.64	5.76	4.42	-	10.98	6.11
Office equipments	307.09	72.00	19.02	-	360.07	183.75	51.95	18.56	-	217.14	142.93
	256.19	69.54	18.64	-	307.09	145.92	56.13	18.30	-	183.75	123.34
Equipment under finance lease	36.97	-	0.23	-	36.74	7.19	6.08	-	-	13.27	23.47
	38.11	-	1.14	-	36.97	1.06	6.13	-	-	7.19	29.78
Total	47,512.63	3,466.07	874.42	1,391.04	51,495.32	11,109.22	4,064.27	781.29	126.14	14,518.34	36,976.98
	43,536.57	4,987.67	1,011.61	-	47,512.63	7,419.34	3,882.75	192.87	-	11,109.22	36,403.41

#### footnotes:

- Cost of buildings includes cost of 30 shares (31 March, 2018 - 30 shares) of ₹ 50 each fully paid in respect of ownership flats in 3 (31 March, 2018- 3) Co-operative Societies.
- Buildings include assets carried at ₹ 0.82 lakhs (31 March, 2018 ₹ 0.88 lakhs) where the conveyance in favor of the Group has not been completed.
- Plant and equipment includes plant and machinery, electrical installations and equipments, laboratory equipments and computers and data processing units. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

- Leasehold land include assets carried at ₹ 1,451.28 lakhs (as at 31 March, 2018 ₹ 209.56 lakhs) for which the Group is in process of obtaining an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.
- Plant and equipment includes a unit having carrying cost of ₹ 706.71 lakhs (31 March, 2018 ₹ 756.46 lakhs) and land and building with a carrying cost of ₹ 804.75 lakhs (31 March, 2018 ₹ 834.66 lakhs) are subject to first charge to secure two of the Group's bank loans and other corporate body.
- Plant and Equipments includes ₹ 2.75 lakhs (31st March, 2018 ₹ 4.12 lakhs) given under operating lease.
- The Group has not capitalised any borrowing cost during the year (31 March, 2018 Nil).
- The Group has not recognised any impairment loss during the year (31 March, 2018 Nil).
- The figures in italics are for the previous year.

**5: Investment property**

	As at 31 March, 2019	As at 31 March, 2018
<b>Carrying amount of:</b>		
Freehold land	244.91	244.91
Buildings	304.95	313.06
<b>Total</b>	<b>549.86</b>	<b>557.97</b>

Description	Gross block				Accumulated depreciation				Carrying amount
	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 31 March 2019
Freehold land	<b>244.91</b>	-	-	<b>244.91</b>	-	-	-	-	<b>244.91</b>
	<i>244.91</i>	-	-	<i>244.91</i>	-	-	-	-	<i>244.91</i>
Buildings	<b>337.19</b>	-	-	<b>337.19</b>	<b>24.13</b>	<b>8.11</b>	-	<b>32.24</b>	<b>304.95</b>
	<i>337.19</i>	-	-	<i>337.19</i>	<i>16.03</i>	<i>8.10</i>	-	<i>24.13</i>	<i>313.06</i>
<b>Total</b>	<b>582.10</b>	-	-	<b>582.10</b>	<b>24.13</b>	<b>8.11</b>	-	<b>32.24</b>	<b>549.86</b>
	<i>582.10</i>	-	-	<i>582.10</i>	<i>16.03</i>	<i>8.10</i>	-	<i>24.13</i>	<i>557.97</i>

**footnotes:**

- Buildings includes 10 flats (31 March, 2018 - 10 flats) which are reclassified as Investment Property by the Group in accordance with IND AS-40 "Investment Property".
- Cost of buildings includes cost of 35 shares (31 March, 2018 - 35 shares) of ₹ 50 each fully paid and cost of 7 shares (31 March, 2018- 7 shares) of ₹ 100 each fully paid in respect of ownership flats in 7 (31 March, 2018- 7) Co-operative Societies.
- The Group has not capitalised any borrowing cost during the current year (31 March, 2018 - Nil).
- Total fair value of Investment Property is ₹ 31,356.16 lakhs (31 March, 2018 ₹ 31,356.16 lakhs).
- The Group has not recognised any impairment loss during the year (31 March, 2018 Nil).
- The figures in italics are for the previous year.

**Fair Value Hierarchy**

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### Description of Valuation Technique used:

The Group obtains Independent Valuations of its investment property as per requirement of Ind AS 40. The fair value of the investment property have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

## 6: Intangible assets

	As at 31 March, 2019	As at 31 March, 2018
<b>6.1 Carrying amounts of:</b>		
Goodwill	19,582.31	19,582.31
	<b>19,582.31</b>	<b>19,582.31</b>

Goodwill includes amount of ₹ 16,522.26 lakhs (31 March, 2018 ₹ 16,522.26 lakhs) allocated to the business of Metahelix Life Sciences Ltd. The estimated value-in-use of this "CGU" is based on the future cash flows using a 5.00 % annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 13.13 % (31 March, 2018 13.70%).

Goodwill of ₹ 3,060.05 lakhs (31 March, 2018 ₹ 3,060.05 lakhs) has been allocated to Zero Waste Agro Organics Ltd. The estimated value-in-use of this "CGU" is based on the future cash flows using a 5.00 % annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 13.13 % (31 March, 2018 13.70%).

"An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

	As at 31 March, 2019	As at 31 March, 2018
<b>6.2 Carrying amount of:</b>		
<b>Other intangible assets</b>		
Product registrations	234.43	188.68
Licences and commercial rights		-
Computer software	73.87	79.87
Technical knowhow	660.05	554.22
	<b>968.35</b>	<b>822.77</b>
Intangible assets under development	3,782.88	3,497.49
	<b>4,751.23</b>	<b>4,320.26</b>

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**6.2: Other intangible assets**

Description	Gross block			Accumulated depreciation			Carrying amount		
	Balance as at 1 April, 2018	Additions	Deductions	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Additions	Deductions	Balance as at 31 March, 2019	Balance as at 31 March, 2019
Product registrations	<b>928.55</b>	<b>143.44</b>	<b>55.36</b>	<b>1,016.63</b>	<b>739.87</b>	<b>63.41</b>	<b>21.08</b>	<b>782.20</b>	<b>234.43</b>
	<i>902.73</i>	<i>25.82</i>	-	<i>928.55</i>	<i>604.04</i>	<i>135.83</i>	-	<i>739.87</i>	<i>188.68</i>
Licences and commercial rights	<b>609.70</b>	-	-	<b>609.70</b>	<b>609.70</b>	-	-	<b>609.70</b>	-
	<i>609.70</i>	-	-	<i>609.70</i>	<i>373.68</i>	<i>236.02</i>	-	<i>609.70</i>	-
Computer software	<b>191.81</b>	<b>18.72</b>	-	<b>210.53</b>	<b>111.94</b>	<b>24.72</b>	-	<b>136.66</b>	<b>73.87</b>
	<i>158.66</i>	<i>33.15</i>	-	<i>191.81</i>	<i>93.01</i>	<i>18.93</i>	-	<i>111.94</i>	<i>79.87</i>
Technical knowhow	<b>1,532.96</b>	<b>553.13</b>	-	<b>2,086.09</b>	<b>978.74</b>	<b>447.30</b>	-	<b>1,426.04</b>	<b>660.05</b>
	<i>1,134.31</i>	<i>398.65</i>	-	<i>1,532.96</i>	<i>629.29</i>	<i>349.45</i>	-	<i>978.74</i>	<i>554.22</i>
<b>Total</b>	<b>3,263.02</b>	<b>715.29</b>	<b>55.36</b>	<b>3,922.95</b>	<b>2,440.25</b>	<b>535.43</b>	<b>21.08</b>	<b>2,954.60</b>	<b>968.35</b>
	<i>2,805.40</i>	<i>457.62</i>	-	<i>3,263.02</i>	<i>1,700.02</i>	<i>740.23</i>	-	<i>2,440.25</i>	<i>822.77</i>

**footnote:**

- The Group has not capitalised any borrowing cost during the year (31 March, 2018 Nil).
- The Group has recognised impairment loss during the current year ₹ 34.28 lakhs (31 March, 2018 Nil).
- The Group has internally developed Seed development technology for producing hybrid seeds. The Carrying amount of Seed development technology of ₹ 660.05 lakhs (₹ 554.22 lakhs as at 31st March, 2018) will be fully amortized in next 3 years.
- The figures in italics are for the previous year.

**7: Investments**

	Nominal value (in ₹)	No. of shares	As at 31 March, 2019	No. of shares	As at 31 March, 2018
<b>Non-current</b>					
<b>Quoted equity instruments (all fully paid)</b>					
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>					
Spartek Ceramics India Ltd.	10	7,226	-	7,226	-
Nagarjuna Finance Ltd.	10	400	-	400	-
Pharmaceuticals Products of India Limited	10	10,000	-	10,000	-
Balasure Alloys Ltd.	5	504	0.12	504	0.24
J.K.Cement Ltd.	10	44	0.38	44	0.45
<b>Total aggregate quoted equity investments</b>		A	<b>0.50</b>	A	<b>0.69</b>
<b>Unquoted equity instruments</b>					
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>					
Gk Chemicals and Fertilizers Limited (formerly known as Aich Aar Chemicals Pvt. Ltd.)	10	1,24,002	-	1,24,002	-
Biotech Consortium India Ltd.	10	50,000	5.00	50,000	5.00
Indian Potash Ltd.	10	54,000	0.90	54,000	0.90
Bharuch Enviro Infrastructure Ltd.	10	36,750	3.68	36,750	3.68
Narmada Clean Tech Ltd. (formerly known as Bharuch Eco-Aqua Infrastructure Ltd.)	10	3,00,364	30.04	3,00,364	30.04
Cuddalore SIPCOT Industries Common Utilities Ltd.#	100	113	-	113	-
Patancheru Enviro-Tech Ltd.	10	10,822	1.08	10,822	1.08



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

	Nominal value (in ₹)	No. of shares	As at 31 March, 2019	No. of shares	As at 31 March, 2018
Impetis Biosciences Ltd	10	5,68,414	337.64	5,68,414	337.64
Amba Trading & Manufacturing Company Private Ltd.	10	1,30,000	-	1,30,000	-
Associated Inds. (Assam) Ltd.#	10	30,000	-	30,000	-
Uniscans & Sonics Ltd.#	10	96	-	96	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. \$ 2 each)		21,00,000	-	21,00,000	-
<b>Total aggregate unquoted investments</b>		<b>B</b>	<b>378.34</b>	<b>B</b>	<b>378.34</b>
<b>Total non-current investments</b>		<b>(A+B)</b>	<b>378.84</b>	<b>(A+B)</b>	<b>379.03</b>

### footnote:

# Amount is less than ₹ 0.01 lakhs.

	Units	As at 31 March, 2019	Units	As at 31 March, 2018
<b>Current</b>				
<b>Investment in mutual funds - unquoted</b>				
<b>Investments carried at fair value through profit and loss (FVTPL)</b>				
Tata Money Market Fund - Regular Plan - Daily Dividend	-	-	2,35,343.25	2,357.00
Tata Liquid Fund - Regular Plan - Daily Dividend	-	-	1,24,115.25	1,383.29
HDFC Liquid Fund - Regular Plan - Dividend - Daily Reinvestment	2,87,436.95	2,931.34	15,293.05	155.96
HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	-	-	45,916.65	488.39
Birla Sunlife Cash Plus - Daily Dividend - Regular Plan - Reinvestment	-	-	20,94,852.09	2,100.55
Kotak Liquid - Regular Plan - Daily Dividend	1,23,854.16	1,515.08	-	-
ICICI Prudential Liquid Fund - Daily Dividend	10,08,305.48	1,010.19	-	-
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	49,112.33	492.72	1,52,428.55	1,529.24
HDFC Cash Management - Savings Plan Growth	39,172.48	1,521.68	32,400.82	1,166.26
Kotak Liquid Direct plan growth	81,312.16	3,077.13	-	-
<b>Total current investments</b>	<b>C</b>	<b>10,548.14</b>	<b>C</b>	<b>9,180.69</b>
<b>Aggregate book value of quoted investments</b>		0.50		0.69
<b>Aggregate Market value of quoted investments</b>		0.50		0.69
<b>Aggregate carrying value of unquoted investments</b>	<b>(B+C)</b>	<b>10,926.48</b>	<b>(B+C)</b>	<b>9,559.03</b>
<b>Aggregate amount of impairment in value of investments</b>		-		-

## 8: Loans\*

(Unsecured, considered good)

	As at 31 March, 2019	As at 31 March, 2018
<b>(i) Non-current</b>		
Security deposits	674.09	645.41
<b>Total</b>	<b>674.09</b>	<b>645.41</b>
<b>(ii) Current</b>		
Security deposits	93.33	111.61
	<b>93.33</b>	<b>111.61</b>

\* There is no amount due from director, other officer of the Group or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**9: Other financial assets (at amortised cost)\*  
(Unsecured)**

	As at 31 March, 2019	As at 31 March, 2018
<b>(i) Non-current</b>		
a) In other deposit accounts - original maturity more than 12 months	39.99	46.76
b) Interest accrued on fixed deposits with bank	2.18	11.89
<b>Total</b>	<b>42.17</b>	<b>58.65</b>
<b>(ii) Current</b>		
a) Advances/Deposits considered doubtful of recovery		
Doubtful	3,946.60	3,933.25
Less: Provision for doubtful loans and advances	(3,946.60)	(3,933.25)
b) Interest accrued on fixed deposit with bank	16.59	14.75
c) Derivative assets Forward exchange contracts for hedging	79.32	171.02
d) Others	364.63	375.94
<b>Total</b>	<b>460.54</b>	<b>561.71</b>

\* There is no amount due from director, other officer of the Group or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

**10: Income Taxes**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>10.1: Income-tax assets and liabilities</b>		
<b>Income-tax assets</b>		
Advance income tax (Net of provisions)	7,519.64	7,209.21
	<b>7,519.64</b>	<b>7,209.21</b>
<b>Income-tax liabilities</b>		
Provision for current tax (Net of advance tax)	427.15	328.99
	<b>427.15</b>	<b>328.99</b>

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>10.2: Income tax recognised in profit or loss</b>		
<b>Current income tax:</b>		
Current income tax charge	6,886.26	6,772.28
Adjustments in respect of current income tax of prior years	(10.27)	(140.60)
<b>Total (A)</b>	<b>6,875.99</b>	<b>6,631.68</b>
<b>Deferred tax:</b>		
In respect of current year	(327.94)	(631.11)
<b>Total (B)</b>	<b>(327.94)</b>	<b>(631.11)</b>
<b>Income tax expense recognised in the Consolidated Statement of profit and loss (A+B)</b>	<b>6,548.05</b>	<b>6,000.57</b>
<b>Income Tax recognised in Other Comprehensive Income</b>		
Income tax expense on remeasurements of employee defined benefit plans	(26.67)	(78.23)
Deferred tax expense on remeasurements of employee defined benefit plans	2.02	11.87
<b>Total tax expense recognised in Other Comprehensive Income</b>	<b>24.65</b>	<b>66.36</b>



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### Reconciliation of the tax expense and the accounting profit for the year is as follows:-

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Profit before tax</b>	<b>22,026.44</b>	<b>22,702.26</b>
Income tax expense calculated @34.944% (PY @ 34.608%)	7,685.94	7,856.45
Effect of income that is exempt from taxation	(99.11)	(160.64)
Effect of expenses that are not deductible in determining taxable profit	162.53	156.27
Effect of expenses that are deductible in determining taxable profit	(81.74)	(88.05)
Effect of concessions (research & developments and others allowances)	(1,247.02)	(1,240.41)
Effect of lower tax rates for the long term capital gain	87.39	(743.45)
Others	94.80	421.79
	6,602.79	6,201.96
Adjustments recognised in the current year in relation to the current tax of prior years	(0.15)	(140.60)
Adjustments for changes in estimates of deferred tax assets	(54.59)	(60.79)
<b>Income tax expense recognised in Consolidated Statement of profit and loss</b>	<b>6,548.05</b>	<b>6,000.57</b>

### Income tax expense recognised in Other Comprehensive Income

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Remeasurement of employee defined benefit liability/(asset) before tax amount	20.74	241.34
Tax (expense) benefit	(24.65)	(66.36)
Net of tax	(3.91)	174.98
Fair value of equity instruments through other comprehensive income	(141.41)	(196.96)
Tax (expense) benefit	-	-
Net of tax	(141.41)	(196.96)
Exchange differences in translating the financial statements of a foreign operation	(2.69)	(10.53)
Tax (expense) benefit	-	-
Net of tax	(2.69)	(10.53)
Total other comprehensive income (net of taxes)	<b>(148.01)</b>	<b>(32.51)</b>

## 11: Inventories (lower of cost and net realisable value)

	As at 31 March, 2019	As at 31 March, 2018
a) Raw materials (including goods-in-transit)	18,516.26	21,991.83
b) Work-in-progress (including intermediate goods)	2,677.67	1,129.96
c) Finished goods	39,601.98	27,731.85
d) Stock-in-trade (in respect of goods acquired for trading)	4,649.47	4,755.30
e) Stores and spares	300.12	223.11
f) Packing materials	1,609.85	1,386.23
<b>Total</b>	<b>67,355.35</b>	<b>57,218.28</b>

### footnote:

- The cost of inventories recognised as an expense during the year was ₹ 117,859.18 lakhs (31 March, 2018 ₹ 110,106.68 lakhs)
- The cost of inventories recognised as an expense includes ₹ 567.57 lakhs (31 March, 2018 ₹ 839.80 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 263.17 lakhs (31 March, 2018 ₹ 309.44 lakhs) in respect of reversal of such write-downs.
- The mode of valuation of inventories has been stated in note 3.15
- Bank overdrafts, cash credit and short-term loan from bank facility are secured by first pari passu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 12 and 20).

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**12: Trade receivables**

	As at 31 March, 2019	As at 31 March, 2018
Current		
Secured, considered good	986.65	1,076.48
Unsecured, considered good	43,920.29	38,890.82
Credit impaired	1,848.30	1,556.77
Loss allowance	(1,848.30)	(1,556.77)
<b>Total</b>	<b>44,906.94</b>	<b>39,967.30</b>

**footnotes:**

- (i) The average credit period ranges from 15 days to 180 days.
- (ii) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. Of the trade receivable balance as at 31 March, 2019 ₹ 9,284.47 lakhs is due from one customer (31 March, 2018 ₹ 6,126.72 lakhs is due from one customer). The credit risk in respect of these customers is mitigated by export credit guarantee. There are no other customers who represent more than 5% of the total balance of trade receivable.
- (iii) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (iv) Movement in the expected credit loss allowance

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at the beginning of the year</b>	1,556.77	1,370.65
Less: reversal of provision due to write off	-	302.11
Less: balances written off during the year	242.25	-
Add: provision made during the year	533.78	488.23
<b>Balance at the end of the year</b>	<b>1,848.30</b>	<b>1,556.77</b>

- (v) Bank overdrafts, cash credit facility and short-term loans from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 20).

**13: Cash and bank balances**

	As at 31 March, 2019	As at 31 March, 2018
<b>13.1: Cash and cash equivalents</b>		
a. Balances with banks in current accounts	4,180.06	996.38
b. Cash on hand	4.83	3.92
c. Term deposits with original maturity of less than 3 months	0.10	1,892.31
<b>Total Cash and cash equivalents as per Balance Sheet</b>	<b>4,184.99</b>	<b>2,892.61</b>
Bank overdrafts and cash credit facility (secured)	(3,595.86)	(14.59)
<b>Cash and cash equivalents as per Consolidated Statement of cash flows</b>	<b>589.13</b>	<b>2,878.02</b>
<b>13.2: Other bank balances</b>		
a. In other deposit accounts - original maturity more than 3 months and less than 12 months	172.03	154.64
b. In earmarked accounts:		
i. Balances held for unpaid / unclaimed dividend accounts	174.94	167.33
ii. Bank deposits as margin money against bank guarantees - original maturity more than 3 months and less than 12 months	42.84	124.61
<b>Total other bank balances</b>	<b>389.81</b>	<b>446.58</b>



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 14: Other assets

(Unsecured, considered good)

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current</b>		
Capital advances	177.00	58.66
Deposit with public bodies	119.51	116.21
Claims receivable from public bodies	550.03	665.46
Prepaid lease rental	2,146.59	2,233.12
Prepaid expenses	185.39	209.61
<b>Total</b>	<b>3,178.52</b>	<b>3,283.06</b>
<b>Current</b>		
Statutory dues receivable from government authorities		
Goods and Services Tax receivable	5,876.65	5,968.53
Custom duty	42.85	14.40
Export benefit receivable	1,504.75	1,062.32
Inventory recoverable	3,225.93	2,662.53
Advances recoverable		
Advances to suppliers	1,591.21	1,717.71
Advances to employees	204.80	224.16
Others	648.93	527.45
Prepaid lease rental	89.74	89.74
Prepaid expenses	195.94	196.81
<b>Total</b>	<b>13,380.80</b>	<b>12,463.65</b>

### 15: Assets classified as held for sale

	As at 31 March, 2019	As at 31 March, 2018
Leasehold land	-	1,264.90
<b>Total</b>	<b>-</b>	<b>1,264.90</b>

**footnote:**

During the year, the management has decided to utilise the said land for construction of a new factory, which is supported by appropriate approvals by the Board of Directors of the Holding Company. The Holding Company has commenced construction work during the year with prior approval from GIDC and has also filed an application with GIDC in to seek extension of the lease for the said land. Accordingly, the said leasehold land is now no longer treated as an asset held for sale and has been reclassified to "property, plant and equipment" during the year (refer note 4).

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**16: Share capital**

	As at 31 March, 2019	As at 31 March, 2018
<b>Authorised share capital :</b>		
500,000,000 ( 31 March, 2018 500,000,000 ) equity shares of ₹ 1 each with voting rights	5,000.00	5,000.00
150,000,000 ( 31 March, 2018 150,000,000 ) preference shares of ₹ 10 each	15,000.00	15,000.00
<b>Issued, subscribed and paid up capital comprises:</b>		
<b>Issued shares</b>		
194,470,890 ( 31 March, 2018 194,470,890 ) equity shares of ₹ 1 each	1,944.71	1,944.71
<b>Subscribed and fully paid up</b>		
194,468,890 ( 31 March, 2018 194,468,890 ) equity shares of ₹ 1 each	1,944.69	1,944.69
<b>Forfeited shares</b>		
2,000 ( 31 March, 2018 2,000 ) equity shares of ₹ 1 each	0.02	0.02
	<b>1,944.71</b>	<b>1,944.71</b>

**footnotes:**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

**Fully paid equity shares**

	Number of shares	Amount of share capital
Balance at 31 March, 2018	19,44,68,890	1,944.69
Movements during the year	-	-
<b>Balance at 31 March, 2019</b>	<b>19,44,68,890</b>	<b>1,944.69</b>

b. The Company has issued one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c. Details of shares held by the Holding Company**

Out of total equity shares issued by the Company, shares held by its Holding Company are as below:

	Number of fully paid equity shares	Amount of share capital
Tata Chemicals Limited		
As at 31 March, 2018	9,73,41,610	973.42
<b>As at 31 March, 2019</b>	<b>9,73,41,610</b>	<b>973.42</b>

**d. Details of shares held by each shareholder holding more than 5% shares in the Company:**

	Number of fully paid equity shares	% holding of equity shares
Tata Chemicals Limited		
As at 31 March, 2018	9,73,41,610	50.06%
<b>As at 31 March, 2019</b>	<b>9,73,41,610</b>	<b>50.06%</b>
Rakesh Jhunjhunwala		
As at 31 March, 2018	1,88,05,820	9.67%
<b>As at 31 March, 2019</b>	<b>1,79,80,820</b>	<b>9.25%</b>

e. As per records of the Company as at 31 March, 2019, no calls remain unpaid by the directors and officers of the Company.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 17: Other equity

	As at 31 March, 2019	As at 31 March, 2018
General reserve	17,649.93	17,649.93
Securities premium reserve	8,793.88	8,793.88
Retained earnings	90,822.35	81,284.11
Foreign currency translation reserve on consolidation	(13.22)	(10.53)
Capital redemption reserve	8,151.77	8,151.77
Capital reserve	1,243.10	1,243.10
Reserve for equity instruments through Other Comprehensive Income	0.20	0.39
	<b>1,26,648.01</b>	<b>1,17,112.65</b>

#### 17.1: General reserve

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	17,649.93	17,649.93
<b>Balance at the end of year</b>	<b>17,649.93</b>	<b>17,649.93</b>

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### 17.2: Securities premium reserve

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	8,793.88	8,793.88
<b>Balance at the end of year</b>	<b>8,793.88</b>	<b>8,793.88</b>

Amount received on issue of shares in excess of the par value has been classified as security share premium.

#### 17.3: Retained earnings

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	81,284.11	73,332.65
<b>Movements</b>		
Others	5.98	
Other comprehensive income (Net of taxes)	(3.91)	174.98
Profit attributable to the owners of the Company	15,538.45	16,761.22
Transfer from equity instruments through Other Comprehensive Income	(141.22)	(196.96)
Payment of dividend on equity shares - Final	(4,861.72)	(7,292.58)
Payment of distribution tax on equity shares	(999.34)	(1,495.20)
<b>Balance at the end of year</b>	<b>90,822.35</b>	<b>81,284.11</b>

#### 17.4: Capital redemption reserve

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	8,151.77	8,151.77
<b>Balance at the end of year</b>	<b>8,151.77</b>	<b>8,151.77</b>

Capital redemption reserve is created out of profits on redemption of capital.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**17.5: Capital reserve**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	1,243.10	1,243.10
<b>Balance at the end of year</b>	<b>1,243.10</b>	<b>1,243.10</b>

Capital reserve includes profit on amalgamation of entities.

**17.6: Reserve for equity instruments through Other Comprehensive Income**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	0.39	0.39
Additions during the year	(141.41)	(196.96)
Transfer to retained earnings	141.22	196.96
<b>Balance at the end of year</b>	<b>0.20</b>	<b>0.39</b>

The group has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. Balance in Other Comprehensive Income is transferred to retained earnings on disposal of the investment.

**17.7: Foreign currency translation reserve on consolidation**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	(10.53)	-
<b>Movements</b>		
Additions during year	(2.69)	(10.53)
Transfer during year	-	-
<b>Balance at the end of year</b>	<b>(13.22)</b>	<b>(10.53)</b>

These comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries.

**18: Non-controlling interest**

	As at 31 March, 2019	As at 31 March, 2018
<b>Balance at beginning of year</b>	<b>110.63</b>	<b>43.06</b>
<b>Movements</b>		
Additional investment	133.61	127.10
Share of loss for the year	(60.06)	(59.53)
<b>Balance at the end of year</b>	<b>184.18</b>	<b>110.63</b>

**footnotes:**

- a) In the current year, both the partners have made additional investment in PT Metahelix Lifesciences Indonesia as per relevant terms of agreement.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 19: Non-current borrowings

	As at 31 March, 2019	As at 31 March, 2018
<b>Secured - at amortised cost</b>		
Secured loan from banks (refer note (ii) )	50.00	100.00
Secured loan from other corporate bodies (refer note (ii))	47.01	72.24
Finance lease obligation (refer note (iii) )	11.72	20.34
<b>Unsecured - at amortised cost</b>		
Term loan from bank (refer note(ii))	900.00	1,200.00
Loan from the Council of Scientific and Industrial Research (refer note(ii))	16.65	24.98
Sales tax deferral under a state government scheme (refer note(i))	554.78	570.22
<b>Total</b>	<b>1,580.16</b>	<b>1,987.78</b>

#### Summary of borrowing arrangements

##### (i) Sales tax deferral scheme:

The loan is repayable in annual installments which ranges from a maximum of ₹ 113.11 lakhs to a minimum of ₹ 14.73 lakhs over the period stretching from 1 April, 2019 to 31 March, 2027. The amount outstanding is free of interest.

The balance outstanding as at 31 March, 2019 is ₹ 569.51 lakhs (31 March, 2018 ₹ 578.00 lakhs) of which ₹ 14.73 lakhs (31 March, 2018 ₹ 7.78 lakhs) has been grouped under note 21 other current financial liabilities which are payable in next 12 months.

##### (ii) The terms of repayment of term loans and other loans are stated below

#### As at 31 March, 2019

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
<b>Secured loan from banks</b> Owed by Metahelix Life Sciences Limited	100.00	Term loan from ICICI Bank - is secured by hypothecation of movable assets, both present and future including its movable plant and equipment, machinery spares, tools and accessories and other movables, both present and future All piece and parcel of the Immoveable Agricultural property situated at Kokkanda Village, Mulugu Mandal, Medak District. The balance outstanding as at 31st March, 2019 is ₹ 100 lakhs which is repayable in 8 equated quarterly installments of ₹ 12.50 lakhs each (of which ₹ 50.00 lakhs has been classified under note 21 other current financial liabilities).	7.50%
<b>Secured loan from other corporate bodies</b> Owed by Metahelix Life Sciences Limited	72.23	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. The Balance outstanding as at 31st March, 2019 is ₹ 72.23 lakhs (of which ₹ 25.22 lakhs has been classified under note 21 other current financial liabilities) which is repayable along with interest in 8 equal half yearly installments from December 2015 (Rice) and June, 2017 - (Maize).	2.00%
<b>Unsecured term loan from bank</b> Owed by Rallis India Limited	1,200.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lakhs falls due in May 2018. The balance outstanding as at 31 March, 2019 is ₹ 1,200 lakhs of which ₹ 300 lakhs has been grouped under note 21 Other current financial liabilities, which are payable in next 12 months.	8.35% to 8.85%
<b>Loan from the Council of Scientific and Industrial Research</b> Owed by Metahelix Life Sciences Limited	24.98	Term loan from Council of Scientific and Industrial Research: The balance payable as on 31 March, 2019 is ₹ 24.98 lakhs (of which ₹ 8.33 lakhs has been classified under note 21 Other current financial liabilities). The same is repayable along with interest in 6 annual installments.	3.00%

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**As at 31 March, 2018**

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
<b>Secured loan from banks</b> Owed by Metahelix Life Sciences Limited	61.17	Term loan from Kotak Mahindra Bank - First and exclusive charge on plant and equipment of Unit 4 of the cob drying unit purchased out of the Bank's term loan. The balance outstanding as at 31 March, 2018 is ₹ 61.17 lakhs (of which ₹ 61.17 lakhs has been grouped under note 21 other current financial liabilities) which is repayable in balance 18 monthly installments.	10.50%
	150.00	Term loan from ICICI Bank - is secured by hypothecation of movable assets, both present and future including its movable plant and equipment, machinery spares, tools and accessories and other movables, both present and future all piece and parcel of the immovable agricultural property situated at Kokkanda village, Mulugu Mandal, Medak District. The balance outstanding as at March 31, 2018 is ₹ 150.00 lakhs (of which ₹ 50.00 lakhs has been classified under note 21 other current financial liabilities) repayable in balance 12 equated quarterly installments of ₹ 12.50 lakhs each.	7.50%
<b>Secured loan from other corporate bodies</b> Owed by Metahelix Life Sciences Limited	97.46	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. Term loan is repayable along with interest in 10 equal half yearly installments from December 2015 (Rice) and June, 2017 - (Maize). The balance payable as on 31 March, 2018 is ₹ 97.46 lakhs (of which ₹ 25.22 lakhs has been classified under note 21 Other current financial liabilities)	2.00%
<b>Unsecured term loan from bank</b> Owed by Rallis India Limited	1,500.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lakhs falls due in May 2018. The balance outstanding as at 31 March, 2018 is ₹ 1,500 lakhs of which ₹ 300 lakhs has been grouped under note 21 Other current financial liabilities, which are payable in next 12 months.	8.35%
<b>Loan from the Council of Scientific and Industrial Research</b> Owed by Metahelix Life Sciences Limited	33.31	Term loan from Council of Scientific and Industrial Research: The balance payable as on 31 March, 2018 is ₹ 33.31 lakhs (of which ₹ 8.33 lakhs has been classified under note 21 Other current financial liabilities). The same is repayable along with interest in 7 annual installments.	3.00%

**(iii) Long term maturities of finance lease obligation:**

Secured by the assets leased. The borrowing is fixed interest rate debt (8.85%) with repayment periods not exceeding 4 years.

The balance outstanding as at 31 March, 2019 is ₹ 21.04 lakhs (31 March, 2018 ₹ 28.82 lakhs) of which ₹ 9.32 lakhs (31 March, 2018 ₹ 8.48 lakhs) has been grouped under note 21 other current financial liabilities, which are payable in next 12 months.

**20: Current borrowings**

	As at 31 March, 2019	As at 31 March, 2018
<b>Current interest-bearing loans and borrowings</b>		
<b>Secured</b>		
Loans repayable on demand from banks		
Bank overdrafts and cash credit facility (refer footnote (i) and (ii))	3,595.86	14.59
Short-term loan from bank (refer note (iii))	1,700.00	-
<b>Total</b>	<b>5,295.86</b>	<b>14.59</b>

**footnotes:**

- (i) Bank overdrafts and cash credit facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).
- (ii) The weighted average effective interest rate on the bank loans is 8.57% p.a. (for 31 March, 2018 8.56% p.a.).



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### (iii) The terms of repayment of short-term loan is stated below

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured short-term loan from bank is secured by first pari passu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).	1,700.00	The loan is repayable in 30 days from the date of availment.	8.35%

## 21: Other financial liabilities

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current</b>		
Security deposits	640.50	606.56
<b>Total</b>	<b>640.50</b>	<b>606.56</b>
<b>Current</b>		
(a) Current maturity of long-term borrowings (refer note 19)		
Term loan from bank - secured	50.00	111.17
Secured - others	25.22	25.22
Term loan from bank- unsecured	300.00	300.00
Finance lease obligation	9.32	8.48
Unsecured - others	23.06	16.11
(b) Interest accrued but not due on non-current and current borrowings	19.83	22.69
(c) Unclaimed dividends (refer footnote)	175.26	167.65
(d) Others		
Creditors for capital purchases	507.60	249.11
Customer deposits	1,458.97	1,405.81
Amounts due to customers	8,110.36	6,704.08
<b>Total</b>	<b>10,679.62</b>	<b>9,010.32</b>

### footnote:

All amounts required to be transferred to the Investor Education and Protection Fund by the Group have been transferred within the time prescribed for the same, except in cases of disputes relating to the ownership of the underlying shares that have remained unresolved amounting to ₹ 0.25 lakhs (31 March, 2018 ₹ 0.19 lakhs).

## 22: Provisions

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current</b>		
(a) Supplemental pay (refer note c below)	1,364.89	1,431.68
(b) Gratuity (refer note c below)	-	12.72
(c) Compensated absences (refer note c below)	160.39	144.15
(d) Directors pension liability (refer note c below)	663.60	-
<b>Total</b>	<b>2,188.88</b>	<b>1,588.55</b>
<b>Current</b>		
(a) Supplemental pay	220.93	195.66
(b) Directors pension liability (refer note c below)	59.32	-
(c) Gratuity (refer note c below)	176.59	124.51
(d) Compensated absences (refer note c below)	880.83	854.04
(e) Other Provisions (refer note a and b below)	287.32	277.32
<b>Total</b>	<b>1,624.99</b>	<b>1,451.53</b>

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**Note : (a) Provision held in respect of indirect tax matters in dispute**

On an evaluation of each of its disputed claims, the Group holds an overall provision for contingency in respect of certain indirect tax matters in dispute which, as at the year-end, aggregates ₹ 237.32 lakhs (31 March, 2018 ₹ 227.32 lakhs). The movement during the year is as under:

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Opening Balance as at 1 April</b>	<b>227.32</b>	<b>193.82</b>
Additional provisions made during the year	10.00	33.50
<b>Total</b>	<b>237.32</b>	<b>227.32</b>
Payments made adjusted against above sum	-	-
<b>Closing Balance as at 31 March</b>	<b>237.32</b>	<b>227.32</b>

**(b) Provision for contingencies for claims in business operation :**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Opening Balance as at 1 April</b>	<b>50.00</b>	<b>50.00</b>
Additional provisions made during the year	-	-
<b>Total</b>	<b>50.00</b>	<b>50.00</b>
Payments made adjusted against above sum	-	-
<b>Closing Balance as at 31 March</b>	<b>50.00</b>	<b>50.00</b>

Due to the numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The Group regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, may change its estimates significantly. However, no estimate of the range of any such change can be made at this time.

(c) The provision for employee benefits includes gratuity, supplemental pay on retirement, director pension liability and compensated absences. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year due to retirement and resignation of employees. For other disclosures, refer note 38.

**23: Deferred tax balances**

The following is the analysis of deferred taxes presented in Balance sheet

	As at 31 March, 2019	As at 31 March, 2018
<b>Reconciliation of deferred tax</b>		
(a) Deferred tax assets	2,171.70	2,078.14
(b) Deferred tax liabilities	-	-
<b>Deferred tax assets (Net) (a-b)</b>	<b>2,171.70</b>	<b>2,078.14</b>
(a) Deferred tax liabilities	5,518.82	5,813.63
(b) Deferred tax assets	1,702.61	1,761.02
<b>Deferred tax liabilities (Net) (a-b)</b>	<b>3,816.21</b>	<b>4,052.61</b>



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

2018-19 -Deferred tax assets and liabilities in relation to:	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets (Net)</b>				
Provision for doubtful debts and advances	349.76	85.28	-	435.03
Defined benefit obligation	62.16	2.70	-	64.86
On unused tax losses	771.66	(562.38)	-	209.28
Difference between WDV as per books and income tax	(190.17)	(8.51)	-	(198.68)
On intangible assets	(975.00)	(163.63)	-	(1,138.63)
Unused tax credit	2,059.73	740.10	-	2,799.83
	<b>2,078.14</b>	<b>93.56</b>	-	<b>2,171.70</b>
<b>Deferred tax liabilities (Net) (a-b)</b>				
Provision for doubtful debts and advances	(726.57)	(21.26)	-	(747.83)
Defined benefit obligation	(291.09)	(6.61)	(2.02)	(299.72)
Tax adjustment on account of indexation of freehold land	(190.11)	87.42	-	(102.69)
Long term capital loss on sale of equity instrument	(553.35)	-	-	(553.35)
Difference between WDV as per books and income tax	5,785.86	(294.93)	-	5,490.93
Others	27.86	1.00	-	28.86
	<b>4,052.61</b>	<b>(234.38)</b>	<b>(2.02)</b>	<b>3,816.21</b>
<b>2017-18</b>				
<b>-Deferred tax assets and liabilities in relation to:</b>				
<b>Deferred tax assets (Net)</b>				
Provision for doubtful debts and advances	333.01	16.75	-	349.76
Defined benefit obligation	54.97	7.19	-	62.16
On unused tax losses	1,667.97	(896.31)	-	771.66
Difference between WDV as per books and income tax	(180.82)	(9.35)	-	(190.17)
On intangible assets	(833.36)	(141.64)	-	(975.00)
Unused tax credit	1,323.21	736.52	-	2,059.73
	<b>2,364.98</b>	<b>(286.83)</b>	-	<b>2,078.14</b>
<b>Deferred tax liabilities (Net) (a-b)</b>				
Provision for doubtful debts and advances	(659.85)	(66.72)	-	(726.57)
Defined benefit obligation	(220.55)	(58.66)	(11.88)	(291.09)
Tax adjustment on account of indexation of freehold land	-	(190.11)	-	(190.11)
Long term capital loss on sale of equity instrument	-	(553.35)	-	(553.35)
Difference between WDV as per books and income tax	5,835.22	(49.36)	-	5,785.86
Others	27.60	0.26	-	27.86
	<b>4,982.42</b>	<b>(917.94)</b>	<b>(11.88)</b>	<b>4,052.61</b>

**footnote:**

There are no material deferred tax expense on unrecognised tax losses.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**24: Trade payables**

	As at 31 March, 2019	As at 31 March, 2018
(i) Total outstanding dues of micro enterprises and small enterprises	288.82	481.44
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	48,410.73	47,387.20
(iii) Other payables	4,781.80	4,740.10
<b>Total</b>	<b>53,481.60</b>	<b>52,608.74</b>

**25: Other liabilities**

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current</b>		
Deferred revenue	9.81	11.32
<b>Total</b>	<b>9.81</b>	<b>11.32</b>
Provident fund and other employee deductions	217.38	194.71
Goods and Services Tax payable	59.03	316.25
Tax deducted at source	284.51	185.76
Other taxes (other than income tax payable)	62.49	91.94
Advance received from customers	8,340.94	7,585.56
Payable to employees	812.37	521.46
Other liabilities	134.53	134.51
<b>Total</b>	<b>9,911.25</b>	<b>9,030.19</b>

**26: Revenue from operations**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of products	1,97,574.85	1,79,206.37
Sale of services	55.35	53.24
Other operating income	765.69	1,586.72
<b>Total</b>	<b>1,98,395.89</b>	<b>1,80,846.33</b>

**27: Other income**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>a) Interest income</b>		
Interest Income on bank deposits carried at amortised cost	118.64	94.17
Interest income on security deposits carried at amortised cost	170.29	112.52
Interest income on income tax refund received	33.97	13.60
<b>b) Dividend income</b>		
Dividend from current investment in mutual fund carried at FVTPL	281.27	462.54
Dividend from equity instruments measured at FVTOCI	2.36	1.63
<b>c) Other non-operating income</b>		
Insurance claim	81.47	20.01
Rental income	119.97	123.66
Export benefits	1,278.08	-
Miscellaneous income	894.85	467.84
<b>d) Other gains and losses</b>		
Net gain on foreign currency transactions and translation	-	21.53
Gain on redemption of current investments	66.97	-
Net gain on financial assets designated at fair value through profit and loss	17.39	-
<b>Total</b>	<b>3,065.26</b>	<b>1,317.50</b>



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 28: Cost of materials consumed

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Inventories at the beginning of the year	21,991.83	12,097.26
Add: Purchases	1,08,636.86	92,899.59
	<b>1,30,628.69</b>	1,04,996.85
Less: Inventories at end of year	18,516.26	21,991.83
Cost of raw materials and components consumed	<b>1,12,112.43</b>	83,005.02
Packing materials consumed	7,416.66	7,172.45
<b>Total</b>	<b>1,19,529.09</b>	<b>90,177.47</b>

### 29: Purchases of stock-in-trade

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Agri Inputs	11,642.09	20,178.15
<b>Total</b>	<b>11,642.09</b>	<b>20,178.15</b>

### 30: Changes in inventories of finished goods, stock-in-trade and work in-progress

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Opening stock</b>		
Finished goods - own manufactured	27,731.85	20,224.20
Stock-in-trade	4,755.30	2,268.41
Work-in-progress (including intermediate goods)	1,129.96	3,458.39
	<b>33,617.11</b>	<b>25,951.00</b>
<b>Closing Stock</b>		
Finished goods - own manufactured	39,601.98	27,731.85
Stock-in-trade	4,649.47	4,755.30
Work-in-progress (including intermediate goods)	2,677.67	1,129.96
	<b>46,929.12</b>	<b>33,617.11</b>
Changes in excise duty on inventory of finished goods	-	(1,582.83)
Movement in inventory recoverable	(706.09)	(869.67)
<b>Net (increase)/decrease</b>	<b>(14,018.10)</b>	<b>(10,118.61)</b>

### 31: Employee benefits expense

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries, wages and bonus	16,071.59	14,457.95
Contribution to provident and other funds (refer note 38)	903.77	824.28
Staff welfare expenses	1,088.20	1,207.70
<b>Total</b>	<b>18,063.56</b>	<b>16,489.93</b>

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**32: Finance costs**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest on long-term loan from bank	116.04	129.39
Interest on bank overdrafts, cash credit and short-term loan from bank	406.47	298.33
Finance charges paid under finance leases	2.23	2.81
<b>Total</b>	<b>524.74</b>	<b>430.53</b>

**33: Depreciation and amortisation expense**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Depreciation of property, plant and equipment (refer note 4)	4,064.27	3,882.75
Depreciation of investment property (refer note 5)	8.11	8.10
Amortization of intangible assets (note 6.2)	535.43	740.23
<b>Total</b>	<b>4,607.81</b>	<b>4,631.08</b>

**34: Other expenses**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Freight, handling and packing	7,208.04	7,344.69
Travelling and conveyance	2,192.13	2,067.02
Power and fuel	6,393.58	5,542.26
Brand equity contribution	229.08	206.00
Repairs and maintenance		
Plant and equipment	1,026.74	805.65
Property	228.62	178.10
Others	559.30	563.86
Stores and spares consumed	627.71	528.29
Rates and taxes	610.95	673.32
Commission	100.49	90.40
Insurance charges	298.05	316.30
Rent (refer note 37)	2,350.42	2,181.63
Bank charges	281.63	230.73
Director fees and commission	294.41	473.97
Bad debts	242.25	302.11
Allowance for doubtful debts	291.53	186.12
Allowance for doubtful advances	31.98	2.57
Intangible assets and intangible assets under development written off	308.48	-
Investment written off (refer footnote)	24.60	-
Loss on sale of property, plant and equipment (Net)	59.67	6.35
Selling expenses	3,558.08	3,097.92
Advertisement and promotion	2,743.29	3,522.19
Legal and professional fees	1,825.24	1,512.75
Net loss on foreign currency transactions and translation	601.30	-
Other expenses (refer note 44)	6,997.96	6,089.15
<b>Total</b>	<b>39,085.53</b>	<b>35,921.38</b>

**footnotes:**

During the year ended 31 March, 2019, Rallis Chemistry Exports Ltd. has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 35: Earnings per share

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit for the year attributable to owners of the Company used in the calculation of basic/diluted earnings per share	15,538.45	16,761.22
Weighted average number of equity shares for basic/diluted earnings per share	19,44,68,890	19,44,68,890
Basic /diluted earnings per share	7.99	8.62

### 36: Segment information

#### Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resources allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group has determined its business segment as "Agri -Inputs" comprising of Pesticides, Plant Growth Nutrients, Organic Compost and Seeds .The other segment includes "Polymer" and other non reportable elements.

#### Segment Revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable segment

Segment	Segment revenue		Segment results	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Agri Inputs	1,94,581.49	1,77,303.73	19,722.31	21,709.70
Others	3,814.40	3,542.60	924.17	706.18
<b>Total</b>	<b>1,98,395.89</b>	<b>1,80,846.33</b>	<b>20,646.48</b>	<b>22,415.88</b>
Other income			3,065.26	1,317.50
Central administration cost, director fees and commission			(1,160.56)	(600.59)
Finance costs			(524.74)	(430.53)
<b>Profit before tax</b>			<b>22,026.44</b>	<b>22,702.26</b>

#### Note:

- Segment revenue consist of sales of products including excise duty in previous year.
- Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (31 March, 2018 ₹ Nil). The accounting policies of the reportable segments are the same as described in note 3.22.
- Segment profit represents the profit before tax earned by each segment without allocation of central administration cost and director fees and commission, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

#### Segment assets and liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Segment assets</b>		
Agri Inputs	1,94,250.16	1,74,097.44
Others	1,891.83	2,034.09
<b>Total segment assets</b>	<b>1,96,141.99</b>	<b>1,76,131.53</b>
Assets classified as held for sale	-	1,264.90
Unallocated	22,290.94	22,462.74
<b>Total assets</b>	<b>2,18,432.93</b>	<b>1,99,859.17</b>

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Segment liabilities</b>		
Agri Inputs	75,542.55	71,990.53
Others	166.22	174.41
<b>Total segment liabilities</b>	<b>75,708.77</b>	<b>72,164.94</b>
Unallocated	13,947.26	8,526.24
<b>Total liabilities</b>	<b>89,656.03</b>	<b>80,691.18</b>

**Details of capital expenditure incurred**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Agri Inputs	4,168.52	5,430.42
Others	12.84	14.87
<b>Total</b>	<b>4,181.36</b>	<b>5,445.29</b>

**For the purpose of monitoring segment performance and allocating resources between segments:**

- All assets are allocated to reportable segments other than investments, other financial assets, non current tax assets, fixed deposits and interest accrued thereon.
- All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, interest accrued on loans , provision for supplemental pay, Director pension scheme, unpaid dividend , current and deferred tax liabilities.

**Geographical information**

The Group operates in two principal geographical areas - India and outside India

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets\* by location of assets are detailed below.

Particulars	Revenue from external customers		Non-current assets*	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
India	1,33,256.01	1,33,034.54	73,846.23	72,590.61
Asia (Other than India)	37,432.09	33,653.08	-	-
North America	12,777.89	5,272.17	-	-
South America	10,764.80	4,470.52	-	-
Africa	3,043.88	3,014.28	-	-
Europe	35.21	482.48	-	-
Australia	1,086.01	919.26	-	-
	<b>1,98,395.89</b>	<b>1,80,846.33</b>	<b>73,846.23</b>	<b>72,590.61</b>

\* Non-current assets exclude those relating to financial assets and deferred tax assets.

**Information about major customers**

One customer contributed more than 10% (₹ 22,149.40 lakhs) to the Group's revenue in 2018-19 and no single customer contributed 10% or more to the Group's revenue in Year 2017-18.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 37: Lease arrangements

#### Operating lease arrangements

##### Group as Lessee

The Group has procured motor vehicles and computer network under non-cancellable operating leases. Lease rent charged to the Consolidated Statement of profit and loss during the year is ₹ 840.87 lakhs (31 March, 2018 ₹ 762.04 lakhs) net of amount recovered from employees ₹ 5.69 lakhs (31 March, 2018 ₹ 5.11 lakhs). Disclosures in respect of non-cancellable leases are given below:

##### Amounts recognised as an expense (refer note 34)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Minimum lease payments	840.87	762.04
<b>Total</b>	<b>840.87</b>	<b>762.04</b>

##### Non-cancellable operating lease commitments

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Not later than 1 year	664.12	639.50
Later than 1 year and not later than 5 years	824.00	690.42
Later than 5 years	-	-
<b>Total</b>	<b>1,488.12</b>	<b>1,329.92</b>

#### Finance lease arrangement:

##### Group as Lessee

The Group has finance lease for office equipment. The Group's obligation under finance lease are secured by lessors title to the leased assets. Future minimum lease payment under finance lease with the present value of the net minimum lease payments are as follows:-

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Not Later than one year	9.78	9.78	9.32	9.35
Later than one year and not later than five years	14.00	23.79	11.72	19.47
Later than five years	-	-	-	-
	<b>23.78</b>	<b>33.57</b>	<b>21.04</b>	<b>28.82</b>
Less: interest element of minimum lease payment	(2.74)	(4.75)	-	-
<b>Present value of minimum lease payments</b>	<b>21.04</b>	<b>28.82</b>	<b>21.04</b>	<b>28.82</b>

### 38: Employee benefit plans

#### Defined contribution plans:

##### Contribution to provident fund and ESIC

The Group makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to government authorities (PF commissioner) at factories.

Amount recognised as expense and included in the note 31 in the head "Contribution to Provident and other funds" for 31 March, 2019 ₹ 453.44 lakhs (31 March, 2018 ₹ 408.76 lakhs).

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**Defined benefit plans**

The Group offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), a supplemental pay scheme (a life long pension) and director pension liability. The gratuity scheme covers substantially all regular employees, director pension liability covers retired Managing Director of the holding company and supplemental pay plan covers certain former executives. In the case of the gratuity scheme, the Group contributes funds to Gratuity Trust, which is irrevocable, director pension scheme and supplemental pay scheme are not funded. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method.

The Group makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Group in case of certain locations. The Group is liable for contributions and any deficiency compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

These plans typically expose the Group to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

**Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan's assets.

**Longevity Risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk:**

The Present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purpose of actuarial valuation were as follows.

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Discount rates	7.00% to 7.69% p.a.	7.40% to 7.78% p.a.
Expected rate of salary increase	8.00% p.a.	8.00% p.a.
Average longevity at retirement age for current beneficiaries of the plan (years)*	8.49 Years	8.61 Years
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	5 Years to 12 Years	6 Years to 13 Years

\* Based on Indian standard mortality table with modification to reflect expected changes in mortality.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

Amount recognised in Consolidated Statement of profit and loss in respect of these defined benefit plans are as follows

Particulars	Gratuity		Supplemental pay	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Service cost:				
Current service cost	307.38	321.35	-	-
Net interest expense	12.56	17.06	118.63	126.72
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>319.94</b>	<b>338.41</b>	<b>118.63</b>	<b>126.72</b>
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	70.84	105.36	-	-
Actuarial (Gain)/Losses arising from changes in demographic assumptions	(16.58)	(6.67)	(2.40)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	83.05	(106.48)	(39.17)	(48.85)
Actuarial (Gain)/Losses arising from experience adjustments	(148.49)	(146.45)	32.01	(38.25)
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>(11.18)</b>	<b>(154.24)</b>	<b>(9.56)</b>	<b>(87.10)</b>
<b>Total</b>	<b>308.76</b>	<b>184.17</b>	<b>109.07</b>	<b>39.62</b>

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Consolidated Statement of profit and loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Present value of funded defined benefit obligations	3,167.12	2,983.93	1,585.82	1,627.34
Fair value of plan assets	2,999.48	2,855.19	-	-
<b>Funded Status [Deficit/(Surplus)]</b>	<b>167.64</b>	<b>128.74</b>	<b>1,585.82</b>	<b>1,627.34</b>
Additional provision created	8.95	8.49	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>176.59</b>	<b>137.23</b>	<b>1,585.82</b>	<b>1,627.34</b>

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Opening defined benefit obligation	2,983.93	2,856.39	1,627.34	1,738.31
Current service cost	306.03	321.35	-	-
Interest cost	230.63	207.19	118.63	126.72
Liability Transferred in/Acquisitions	5.16			
<b>Remeasurement (Gain)/Losses:</b>				
Actuarial (Gain)/Losses arising from changes in demographic assumptions	(16.58)	(6.67)	(2.40)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	82.75	(103.99)	(39.17)	(48.85)
Actuarial (Gain)/Losses arising from experience adjustments	(151.23)	(146.17)	32.01	(38.25)
Benefits paid	(273.57)	(144.17)	(150.59)	(150.59)
<b>Closing defined benefit obligation</b>	<b>3,167.12</b>	<b>2,983.93</b>	<b>1,585.82</b>	<b>1,627.34</b>

Movements in the fair value of the plan assets are as follows

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Opening fair value of the plan assets	2,855.19	2,638.24	-	-
Interest income	218.39	190.15	-	-
<b>Remeasurement gain (loss):</b>				
Return on plan assets (excluding amounts included in net interest expense)	(70.84)	(105.36)	-	-
Assets Transferred In/Acquisitions	5.16	-	-	-
Actuarial gain/(loss)	-	2.08	-	-
Contributions from the employer	265.15	274.25	-	-
Benefits paid	(273.57)	(144.17)	-	-
<b>Closing fair value of plan assets</b>	<b>2,999.48</b>	<b>2,855.19</b>	<b>-</b>	<b>-</b>

The plan assets are managed by the Gratuity Trust formed by the Group. The management of funds is entrusted with the Life Insurance Corporation of India ("LIC").

**Directors pension liability**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening defined benefit obligation	-	-
Current service cost	722.92	-
<b>Closing defined benefit obligation</b>	<b>722.92</b>	<b>-</b>



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

The fair value of the plan assets at the end of the reporting period for each category, are as follow:

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Cash and cash equivalents	4.47	8.65	-	-
<b>Equity investments categorised by industry type:</b>				
Consumer industry	-	-	-	-
Manufacturing industry	-	1.86	-	-
Financial institutions	-	0.71	-	-
IT and telecom	-	0.14	-	-
<b>Subtotal</b>	-	<b>2.71</b>	-	-
<b>Debt investments categorised by issuers credit rating:</b>				
Sovereign	-	667.08	-	-
AAA	-	1,330.95	-	-
AA+ and below	-	70.41	-	-
<b>Subtotal</b>	-	<b>2,068.44</b>	-	-
<b>Investment funds with insurance Group</b>				
Unit linked	-	-	-	-
Traditional / non unit linked	482.55	775.39	-	-
	<b>482.55</b>	<b>775.39</b>	-	-
Others - LIC managed fund	2,512.46	-	-	-
<b>Total</b>	<b>2,999.48</b>	<b>2,855.19</b>	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. If the discounting rate is 100 basis point higher (lower), the defined benefit obligation would decrease by ₹ 361.87 lakhs (increase by ₹ 424.23 lakhs) (31 March, 2018: decrease by ₹ 323.55 lakhs (increase by ₹ 369.46 lakhs).
2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 249.69 lakhs (decrease by ₹ 213.16 lakhs) (31 March, 2018: increase by ₹ 251.27 lakhs (decrease by ₹ 223.99 lakhs).
3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 37.93 lakhs (decrease by ₹ 37.91 lakhs) (31 March, 2018: increase by ₹ 38.44 lakhs (decrease by ₹ 38.94 lakhs).

The sensitivity analysis presented above may not representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

The Group expects to make a contribution of ₹ 246.59 lakhs (31 March, 2018 ₹ 184.50 lakhs ) to the defined benefit plans during the next financial year.

The defined benefit obligations (mainly related to Rallis India Limited) shall mature after year ended 31 March, 2019 as follows:

Particulars	Defined benefit obligation
<b>As at 31 March</b>	
2020	480.85
2021	359.61
2022	448.86
2023	469.65
2024	463.99
Thereafter	2,302.16

The Group operates Provident Fund Scheme and the contributions are made to recognised fund. The Group is required to offer a defined benefit interest rate guarantee on provident fund balances of employees. The interest rate guarantee is payable to the employees for the year when the exempted fund declares a return on provident fund investments which is less than the rate declared by the Regional Provident Fund Commissioner (RPFC) on the provident fund corpus for their own subscribers. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as on 31 March, 2019 and 31 March, 2018.

Amount recognised as expense and included in the Note 31 - in the head "Contribution to Provident and other funds" for 31 March, 2019 ₹ 233.18 lakhs (for 31 March, 2018 ₹ 213.29 lakhs).

The details of provident fund and plan asset position are given below:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Plan assets as period end	8,142.68	7,112.52
Present value of funded obligation	7,771.78	6,764.91
<b>Amount recognised in the Balance Sheet</b>	-	-

Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Guaranteed rate of return	8.55%	8.65%
Discount rate for remaining term to maturity of investments	7.69%	7.78%
Expected rate of return on investments	7.78%	7.99%

As at 31 March, 2019, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 8,142.68 lakhs and ₹ 7,771.78 lakhs respectively. In accordance with an assets and liability study, there is no deficiency as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

**Compensatory absences**

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of ₹ 190.69 lakhs (31 March, 2018 ₹ 213.29 lakhs ) has been recognised in the Consolidated Statement of profit and loss on account of provision for long-term employment benefit.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 39: Financial instruments

#### Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 19,20 and 21 offset by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

#### Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March, 2019	As at 31 March, 2018
Debt (i)	7,283.62	2,463.35
Cash and bank balances	(4,574.80)	(3,339.19)
<b>Net debt</b>	<b>2,708.82</b>	<b>(875.84)</b>
<b>Total equity</b>	<b>1,28,776.90</b>	<b>1,19,167.99</b>
Net debt to equity ratio	2.10%	-0.73%

(i) Debt is defined as long-term borrowings, short-term borrowings and current maturity of long-term borrowings (excluding financial guarantee contracts and contingent consideration), as described in notes 19,20 and 21.

#### Fair value hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### As at 31 March, 2019

Particulars	Carrying amount				Fair value measurement using			
	Total	FVTPL	FVTOCI	Amortised cost	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>								
Cash and cash equivalents	4,184.99	-	-	4,184.99	-	-	-	-
Bank balances other than above	389.81	-	-	389.81	-	-	-	-
Non-current investments	378.84	-	378.84	-	378.84	0.50	-	378.34
Current investments	10,548.14	10,548.14	-	-	10,548.14	-	10,548.14	-
Loans (non-current)	674.09	-	-	674.09	674.09	-	-	674.09
Loans (current)	93.33	-	-	93.33	-	-	-	-
Other non current financial assets	42.17	-	-	42.17	42.17	-	-	42.17
Trade receivables	44,906.94	-	-	44,906.94	-	-	-	-
Other current financial assets	460.54	79.32	-	381.22	79.32	-	79.32	-
<b>Financial liabilities</b>								
Non-current borrowings (excluding current portion)	1,580.16	-	-	1,580.16	1,580.16	-	-	1,580.16
Current borrowings	5,295.86	-	-	5,295.86	-	-	-	-
Trade payables	53,481.60	-	-	53,481.60	-	-	-	-
Other current financial liabilities	10,679.62	-	-	10,679.62	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**As at 31 March, 2018**

Particulars	Carrying amount				Fair value measurement using			
	Total	FVTPL	FVTOCI	Amortised cost	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>								
Cash and cash equivalents	2,892.61	-	-	2,892.61	-	-	-	-
Bank balances other than above	446.58	-	-	446.58	-	-	-	-
Non-current investments	379.03	-	379.03	-	379.03	0.69	-	378.34
Current investments	9,180.69	9,180.69	-	-	9,180.69	-	9,180.69	-
Loans (non-current)	645.41	-	-	645.41	645.41	-	-	645.41
Loans (current)	111.61	-	-	111.61	-	-	-	-
Other non current financial assets	58.65	-	-	58.65	58.65	-	-	58.65
Trade receivables	39,967.30	-	-	39,967.30	-	-	-	-
Other current financial assets	561.71	171.02	-	390.69	171.02	-	171.02	-
<b>Financial liabilities</b>								
Non-current borrowings (excluding current portion)	1,987.78	-	-	1,987.78	1,987.78	-	-	1,987.78
Current borrowings	14.59	-	-	14.59	-	-	-	-
Trade payables	52,608.74	-	-	52,608.74	-	-	-	-
Other current financial liabilities	9,010.32	-	-	9,010.32	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

**Measurement of fair values****Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used

**Financial instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Current investments -in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors	Not applicable	Not applicable
Non-current investments	Discounted cash flows: The valuation model considers the present value of expected cash flows discounted using appropriate discounting rates.	Not applicable	Not applicable



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3)

Particulars	As at	As at
	31 March, 2019	31 March, 2018
<b>Opening balance</b>	378.34	40.70
Remeasurement recognised in OCI	-	-
Purchases	-	337.64
Sales	-	-
<b>Closing balance</b>	<b>378.34</b>	<b>378.34</b>

### Financial risk management objectives

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk report which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

### Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk including:

Forward foreign exchange contracts to hedge the exchange rate risk arising on imports and exports.

### Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (Foreign currency)		Assets (Foreign currency)	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
In US Dollars (USD)	217.49	201.64	278.71	205.73
In Australian Dollars (AUD)	0.01	0.01	-	18.11
In Euro (EUR)	-	-	0.44	0.59
In Japanese Yen (JPY)	679.00	4,939.75	-	-
In SWISS Franc (CHF)	-	-	0.02	-
In Great Britain Pound (GBP)	0.02	0.03	-	-

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Liabilities (INR)		Assets (INR)	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
In US Dollars (USD)	15,040.82	13,141.86	19,274.02	13,408.36
In Australian Dollars (AUD)	0.33	0.34	-	906.06
In Euro (EUR)	-	-	34.06	47.47
In Japanese Yen (JPY)	423.81	3,038.19	-	-
In SWISS Franc (CHF)	-	-	1.09	-
In Great Britain Pound (GBP)	2.10	2.54	-	-

**Foreign currency sensitivity analysis**

The Group is mainly exposed to the currency : USD; EUR; JPY and GBP.

The following table details the Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

**Impact on profit / (loss) and total equity**

Particulars	USD impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	211.66	13.32
Decrease in exchange rate by 5%	(211.66)	(13.32)

Particulars	AUD impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	(0.02)	45.29
Decrease in exchange rate by 5%	0.02	(45.29)

Particulars	EUR impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	1.70	2.37
Decrease in exchange rate by 5%	(1.70)	(2.37)

Particulars	JPY impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	(21.19)	(151.91)
Decrease in exchange rate by 5%	21.19	151.91



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

Particulars	GBP impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	(0.11)	(0.13)
Decrease in exchange rate by 5%	0.11	0.13

Particulars	SWISS Franc (CHF) impact	
	As at 31 March, 2019	As at 31 March, 2018
Increase in exchange rate by 5%	0.05	-
Decrease in exchange rate by 5%	(0.05)	-

The Group, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and four years. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

### Derivative Instruments:

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	As at 31 March, 2019			As at 31 March, 2018		
	Number of contracts	₹ lakhs	Foreign currency in lakhs	Number of contracts	₹ lakhs	Foreign currency in lakhs
Receivables	6	3,550.22	USD 51.34	1	411.32	USD 6.31
Payable	1	423.81	JPY 679.00	4	2,997.14	JPY 4,873.00

Note: USD = US Dollar; JPY = Japanese Yen.

The line item in the balance sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

### Equity Risk

There is no material equity risk relating to the Group's equity investments which are detailed in note 7. The Group equity investments majorly comprises of strategic investments rather than trading purposes.

### Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument that will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market rates relates primarily to the Group's non-current debt obligations with floating interest rates. The Group's policy is generally to undertake non current borrowing using facilities that carry floating interest rate.

Moreover, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

At the end of reporting period, the Group had the following variable interest rate borrowings and fixed interest rate financial assets:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non-current variable interest rate borrowings	1,321.04	1,739.99
Non-current fixed interest rate borrowings	111.94	138.55
Current variable interest rate borrowings	5,295.86	14.59
Fixed interest rate financial assets	254.96	2,218.32

**Cash flow sensitivity analysis for variable rate instruments****Non-current variable interest rate borrowings**

If the interest rate is 100 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 23.86 lakhs (increased by ₹ 23.86 lakhs) (as at 31 March, 2018: decrease by ₹ 37.42 lakhs (increase by ₹ 37.42 lakhs).

**Current variable interest rate borrowings**

If the interest rate is 100 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 1.16 lakhs (increased by ₹ 1.16 lakhs) (as at 31 March, 2018: decrease by ₹ Nil (increase by ₹ Nil).

**Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group. The Group uses its own trading records to evaluate the credit worthiness of its customers. The Group's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 12).

The credit risk on investment in mutual funds and derivative financial instruments is limited because the counter parties are reputed banks or funds sponsored by reputed bank.

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non-current liabilities are disclosed in note 19.

**Liquidity risk table**

The following table detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Particulars	Less than 1 year	1-5 years	More than 5 year	Total	Carrying amount
<b>As at 31 March, 2019</b>					
Borrowings including future interest payable	5,806.14	1,501.98	196.34	7,504.46	7,283.62
Trade payables	53,481.60	-	-	53,481.60	53,481.60
Other financial liabilities (Current and Non-current)	10,272.02	640.50	-	10,912.52	10,912.52
	<b>69,559.76</b>	<b>2,142.48</b>	<b>196.34</b>	<b>71,898.58</b>	<b>71,677.74</b>
<b>As at 31 March, 2018</b>					
Borrowings including future interest payable	452.58	1,804.70	510.06	2,767.34	2,454.87
Trade payables	52,608.74	-	-	52,608.74	52,608.74
Other financial liabilities (Current and Non-current)	8,549.34	606.56	-	9,155.90	9,155.90
	<b>61,610.66</b>	<b>2,411.26</b>	<b>510.06</b>	<b>64,531.98</b>	<b>64,219.51</b>



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 40: Related party transactions

Details of transactions between the Group and other related party are disclosed below.

#### 1. Holding company

Name of holding	Country	Holding	
		As at 31 March, 2019	As at 31 March, 2018
Tata Chemicals Ltd.	India	50.06%	50.06%

#### 2. List of Subsidiaries

Name of subsidiaries	Country	Holding	
		As at 31 March, 2019	As at 31 March, 2018
<b>Direct</b>			
Rallis Chemistry Exports Ltd.*	India	-	100.00%
Metahelix Life Science Ltd.	India	100.00%	100.00%
Zero Waste Agro Organics Ltd.	India	100.00%	100.00%
<b>Indirect</b>			
PT. Metahelix Lifesciences Indonesia	Indonesia	65.77%	65.77%

\* During the year ended 31 March, 2019, Rallis Chemistry Exports Ltd. has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts. However, it is continue to be subsidiary of the Group till the time of removal of its name from Register of Companies.

#### 3. Other Related Parties

Rallis India Limited Provident Fund  
Rallis India Limited Management Staff Gratuity Fund  
Rallis India Limited Senior Assistants Super Annuation Scheme  
Rallis Executive Staff Super Annuation Fund  
Rallis India Limited Non-Management Staff Gratuity Fund

#### 4. Key Management Personnel

Mr. V. Shankar, Managing Director and CEO (upto 31 March, 2019)  
Mr. R. Mukundan, Managing Director and CEO (w.e.f 3 December, 2018 till 31 March, 2019)

#### 5. Promoter Group

Tata Sons Private Limited

#### 6. List of subsidiaries of Tata Sons Private Limited

Tata Africa Services (Nigeria) Ltd.  
Infiniti Retail Ltd.  
Tata AIG General Insurance Co. Ltd.  
Tata Consultancy Services Ltd.  
Ecofirst Services Ltd.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

Advinus Therapeutics Ltd.  
 TC Travels & Services Ltd.  
 Tata Teleservices Limited  
 Tata Capital Financial Services Ltd.  
 TASEC Limited  
 Tata Strategic Management Group (Division of Tata Industries Limited)  
 Impetis Biosciences Limited  
 Ewart Investments Limited  
 Tata Consulting Engineers Ltd.

**7. Trading transactions**

During the year, Group entered into following trading transactions with related parties:

Particulars	Sales of goods		Purchases of goods	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Holding Company</b>				
Tata Chemicals Ltd.*	-	(401.64)	1,120.57	636.99
<b>Subsidiary of Tata Sons Private Ltd.</b>				
Tata Africa Services (Nigeria) Ltd.	-	478.29	-	-
Infiniti Retail Ltd.	-	-	5.33	-

\* negative figure indicates net sales return

Sale of goods to related parties were made at the Group's usual list prices, less average discounts. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationship between the parties.

**8. Service transactions**

Particulars	Services rendered		Services received	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Holding Company</b>				
Tata Chemical Ltd.	49.26	74.19	0.35	0.89
<b>Investor of Holding Company</b>				
Tata Sons Private Ltd.	-	-	270.10	229.71
<b>Subsidiaries Tata Sons Private Ltd.</b>				
Tata AIG General Insurance Co. Ltd	-	-	17.84	19.22
Tata Consultancy Services Ltd.	-	-	96.76	314.56
Ecofirst Services Limited	-	-	4.30	4.93
Advinus Therapeutics Ltd*	-	6.93	-	20.58
TC Travels & Services Ltd	-	-	-	0.12
Tata Teleservices Limited	-	-	11.23	14.06
Tata Capital Financial Services Ltd.	-	-	-	1.58
Tata Africa Services (Nigeria) Limited	-	-	-	0.26
TASEC Limited	-	-	11.33	-
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	89.54	-

\* Advinus Therapeutics Ltd cease to be related party from 5 October, 2017

Services were received at market price and any discount to reflect the relationship between the parties.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### 9. Investment transactions

Particulars	Investment made		Investment sold	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Impetis Biosciences Limited (w.e.f. 05.10.2017)	-	337.63	-	-
Advinus Therapeutics Ltd.	-	-	-	1,828.60
Rallis Chemistry Exports Ltd.	19.60	-	-	-

### 10. Other -Dividend payments

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Holding Company</b>		
Tata Chemicals Ltd.	2,433.54	3,650.31
<b>Subsidiaries of Tata Sons Private Ltd.</b>		
Ewart Investments Ltd.	1.88	2.81

### 11. Contributions to employee benefit trusts

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Contributions to employee benefit trusts	1,093.94	781.13

### The following balances were outstanding at the end of the reporting period:-

Particulars	Amounts owed by related parties		Amounts owed to related parties	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
<b>Holding Company</b>				
Tata Chemical Ltd.	49.26	-	70.60	17.79
<b>Subsidiaries Tata Sons Private Ltd.</b>				
Tata AIG General Insurance Co. Ltd.	0.70	0.44	-	-
Tata Consultancy Services Ltd.	-	-	-	6.67
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	59.24	-
Tata Consulting Engineers Ltd.	11.79	-	-	-
Tata Teleservices (Maharashtra) Limited	-	-	0.02	0.24

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year except as below. No expense has been recognised in the current or prior years for bad and doubtful debts in respect of the amounts owed by related parties.

The Group has issued a corporate guarantee to debenture trustee in respect of issuance of debentures of ₹ 27,000.00 lakhs by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total subscription of debentures issued by Advinus. Corporate guarantee had been released during the previous year on 5 October, 2017. The Group's maximum exposure in this respect is of ₹ Nil as at 31 March, 2019 (31 March, 2018: ₹ Nil).

### 12. Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Short term benefits	528.90	535.96
Post-Employment benefits ( PF + Superannuation)	28.11	25.68

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. It is exclusive of gratuity and compensated absences.

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**41: Contingent liabilities**

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Group in respect of these cases have been summarised below.

**a. Guarantees**

Guarantees issued by bank on behalf of the Group as on 31 March, 2019 is ₹ 161.09 lakhs (31 March, 2018 ₹ 273.40 lakhs) these are covered by the charge created in favour of the said subsidiary's bankers by way of hypothecation of stock and debtors.

**b. Tax contingencies**

Amounts in respect of claims asserted by various revenue authorities on the Group, in respect of taxes, which are in dispute, have been tabulated below:

Nature of tax	As at 31 March, 2019	As at 31 March, 2018
Sales tax	1,313.56	1,372.84
Excise duty	515.35	525.70
Customs duty	144.10	144.10
Income tax	12,123.24	9,411.76
Service tax	61.01	60.26

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Group may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

**c. Amount in respect of other claims**

Nature of claim	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Matters relating to employee benefits	94.26	103.11
Others (claims related to contractual disputes)	486.53	500.82

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

- (i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
- (ii) the proceedings are in early stages;
- (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
- (iv) there are significant factual issues to be resolved; and/or
- (v) there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Group's financial condition, though the outcomes



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period.

- d. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant and has been provided in the books of account. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

### 42: Commitments

- (i) Estimated amount of contract with minimum commitment for plant activity ₹ 2317.50 lakhs (31 March, 2018 ₹ 3,399 lakhs).
- (ii) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 1512.42 lakhs as at 31 March, 2019 (31 March, 2018: ₹ 525.94 lakhs) and Intangible assets is ₹ 6.41 lakhs as at 31 March, 2019 (31 March, 2018: ₹ 89.05 lakhs) against which advances paid aggregate ₹ 84.07 lakhs as at 31 March, 2019 (31 March, 2018: ₹ 53.50 lakhs).
- (iii) Capital commitment towards investment in PT. Metahelix Lifesciences Indonesia ₹ Nil (31 March, 2018 ₹ 119.76 lakhs).
- (iv) For lease commitments refer note no 37.

### 43: Research and development expenditure

The Group has incurred the following expenses on research and development activity:

Particulars (Refer footnote)	For the year ended 31 March, 2019	For the year ended 31 March, 2018
On property, plant and equipment	156.08	91.65
On items which have been expensed during the year		
- Materials	157.85	163.79
- Employee benefits expense	1,624.06	1,701.27
- Professional fees	274.90	244.53
- Consumables	128.44	125.94
- Finance costs	0.57	1.05
- Travelling expenses	94.78	108.75
- Rent	40.60	38.28
- Depreciation and amortisation expense	293.12	400.71
- Others	588.39	379.67
Expenses - External agency	19.38	20.85
<b>Total</b>	<b>3,378.17</b>	<b>3,276.49</b>

During the year, the Group has also incurred ₹ 4.60 lakhs (31 March, 2018 ₹ 43.58 lakhs) towards capital research and development expenditure which is included under tangible assets under development. The total amount included in tangible assets under development as at 31 March, 2019 is ₹ 1,287.69 lakhs (31 March, 2018 ₹ 1,234.39 lakhs).

#### footnote:

The above figures include the amounts based on separate accounts for the Research and Developments ("R&D") Centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (consonance with the DSIR guidelines for in-house R & D Centre will be evaluated at the time of filing the return with DSIR).

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**44: Other expenses include Auditors' Remuneration as under:**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) To statutory auditors		
For audit	62.64	57.81
For limited review of quarterly results	15.00	15.00
For taxation matters	6.00	5.00
For other services	21.65	5.52
Reimbursement of expenses	7.85	2.18

Recoverable taxes which is being claimed for set-off as input credit has not been included in the expenditure above.

**45: Disclosures as required under Schedule III to the Companies Act 2013 with respect to consolidated financial statements.****a) As at and for the year ended 31 March, 2019**

Name of the entity in the Group	As at 31 March, 2019		For the year ended 31 March, 2019		For the year ended 31 March, 2019		For the year ended 31 March, 2019	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Rallis India Ltd.	96.94%	1,24,835.73	83.33%	12,897.83	57.92%	(85.72)	83.57%	12,812.11
<b>Subsidiaries ( Group's share)</b>								
<b>Indian</b>								
Metahelix Life Sciences Ltd.	10.24%	13,186.75	15.42%	2,386.38	38.79%	(57.41)	15.19%	2,328.97
Zero Waste Agro Organics Ltd.	1.39%	1,785.65	1.09%	168.21	1.48%	(2.19)	1.08%	166.02
Rallis Chemistry Exports Ltd.#	0.00%	(0.00)	-0.01%	(2.14)	-	-	-0.01%	(2.14)
<b>Foreign</b>								
PT. Metahelix Lifesciences Indonesia	0.14%	184.18	-0.39%	(60.06)	-	-	-0.39%	(60.06)
<b>Total Eliminations/Adjustments</b>	-8.70%	(11,202.19)	0.57%	88.17	-	-	0.58%	88.17
Exchange differences on translation of foreign operations	-0.01%	(13.22)	-	-	1.82%	(2.69)	-0.02%	(2.69)
<b>Total</b>	<b>100.00%</b>	<b>1,28,776.90</b>	<b>100.00%</b>	<b>15,478.39</b>	<b>100.00%</b>	<b>(148.01)</b>	<b>100.00%</b>	<b>15,330.38</b>



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### b) As at and for the year ended 31 March, 2018

Name of the entity in the Group	As at 31 March, 2018		For the year ended 31 March, 2018		For the year ended 31 March, 2018		For the year ended 31 March, 2018	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Rallis India Ltd.	98.92%	1,17,884.68	84.71%	14,148.59	48.75%	(15.85)	84.78%	14,132.74
<b>Subsidiaries ( Group's share)</b>								
<b>Indian</b>								
Metahelix Life Sciences Ltd.	9.19%	10,957.24	14.34%	2,395.59	20.40%	(6.63)	14.33%	2,388.96
Zero Waste Agro Organics Ltd.	1.36%	1,619.62	1.16%	193.63	-1.54%	0.50	1.16%	194.13
Rallis Chemistry Exports Ltd.#	-0.01%	(17.46)	0.00%	0.52	-	-	0.00%	0.52
<b>Foreign</b>								
PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-17)	0.09%	110.63	-0.36%	(59.53)	-	-	-0.36%	(59.53)
<b>Total Eliminations/Adjustments</b>	-9.55%	(11,376.19)	0.14%	22.89	-	-	0.14%	22.89
Exchange differences on translation of foreign operations	-0.01%	(10.53)	-	-	32.39%	(10.53)	-0.06%	(10.53)
<b>Total</b>	<b>100.00%</b>	<b>1,19,167.99</b>	<b>100.00%</b>	<b>16,701.69</b>	<b>100.00%</b>	<b>(32.51)</b>	<b>100.00%</b>	<b>16,669.18</b>

\* Net assets = total assets minus total liabilities

# less than 0.01%

## 46: Disclosure pursuant to Section 186 of the Companies Act, 2013

### (a) Details of investment made:

Entity	Financial year	Opening		Purchase of Investment		Sale of Investment		Closing	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Advinus Therapeutics Ltd.	Year ended 31 March, 2018	1,82,86,000	1,828.60	-	-	1,82,86,000	1,828.60	-	-
Impetis Biosciences Limited	Year ended 31 March, 2018	-	-	5,68,414	337.64	-	-	5,68,414	337.64
Rallis Chemistry Exports Limited*	Year ended 31 March, 2019	50,000	5.00	1,96,000	19.60	-	-	-	-

\* During the year ended 31 March, 2019, the Company has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts.

### (b) Details of guarantee given:

Entity	Financial year	Opening	Guarantee given	Guarantee revoked	Closing
Advinus Therapeutics Ltd.	Year ended 31 March, 2018	4,560.30	-	4,560.30	-

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**47: Disclosure under Ind AS 115 - Revenue from contracts with customers**

The Company is engaged into manufacturing of agri inputs. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

**Disaggregation of revenue from contracts with customers**

Particulars	2018-19			2017-18		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
<b>1) Revenue from contracts with customers:</b>						
<b>Sale of products (Transferred at point in time)</b>						
<b>Manufacturing</b>						
India	1,16,197.12	-	1,16,197.12	1,14,038.55	-	1,14,038.55
Asia (Other than India)	37,326.49	-	37,326.49	33,589.72	-	33,589.72
North America	8,963.49	3,814.40	12,777.89	1,776.09	3,496.08	5,272.17
South America	10,764.80	-	10,764.80	4,470.47	-	4,470.47
Africa	2,248.01	-	2,248.01	2,882.77	-	2,882.77
Europe	35.21	-	35.21	482.48	-	482.48
Australia	1,086.01	-	1,086.01	919.26	-	919.26
<b>Total (A)</b>	<b>1,76,621.14</b>	<b>3,814.40</b>	<b>1,80,435.54</b>	<b>1,58,159.34</b>	<b>3,496.08</b>	<b>1,61,655.42</b>
<b>Trading</b>						
India	16,237.83	-	16,237.83	17,356.08	-	17,356.08
Asia (Other than India)	105.60	-	105.60	63.36	-	63.36
Africa	795.87	-	795.87	131.51	-	131.51
<b>Total (B)</b>	<b>17,139.31</b>	<b>-</b>	<b>17,139.31</b>	<b>17,550.95</b>	<b>-</b>	<b>17,550.95</b>
<b>Total (A) + (B)</b>	<b>1,93,760.44</b>	<b>3,814.40</b>	<b>1,97,574.85</b>	<b>1,75,710.29</b>	<b>3,496.08</b>	<b>1,79,206.37</b>
<b>2) Sale of services</b>	55.35	-	55.35	53.24	-	53.24
<b>3) Other operating revenue</b>						
Sale of scrap	332.63	-	332.63	299.29	-	299.29
Export benefits*	-	-	-	883.71	-	883.71
Liabilities written back	390.17	-	390.17	230.29	-	230.29
Royalty Income	42.89	-	42.89	173.43	-	173.43
	<b>765.69</b>	<b>-</b>	<b>765.69</b>	<b>1,586.72</b>	<b>-</b>	<b>1,586.72</b>
<b>Total Revenue</b>	<b>1,94,581.48</b>	<b>3,814.40</b>	<b>1,98,395.89</b>	<b>1,77,350.25</b>	<b>3,496.08</b>	<b>1,80,846.33</b>

\* Consequent to clarifications published by the Institute of Chartered Accountants of India (ICAI), the amount of export incentive has been recognised as "Other Income" with effect from July 2018. In earlier periods these amounts were reported under "Other Operating Revenue" in the Statement of Profit and Loss.



## Notes to the Consolidated financial statements for the year ended 31 March, 2019

All amounts are in ₹ lakhs unless otherwise stated

### Major segment

Particulars	2018-19			2017-18		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Crop Protection*	1,48,147.70	-	1,48,147.70	1,33,384.26	-	1,33,384.26
Crop Nutrition	8,304.80	-	8,304.80	7,821.40	-	7,821.40
Polymer	-	3,814.40	3,814.40	-	3,496.08	3,496.08
Seeds	31,119.13	-	31,119.13	29,130.34	-	29,130.34
Others	6,188.82	-	6,188.82	5,374.28	-	5,374.29
<b>Total</b>	<b>1,93,760.45</b>	<b>3,814.40</b>	<b>1,97,574.85</b>	<b>1,75,710.29</b>	<b>3,496.08</b>	<b>1,79,206.37</b>

\* Crop Protection includes Fungicides, Herbicides and Insecticides.

### Sales by performance obligations

Particulars	2018-19			2017-18		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Upon shipment	61,325.49	3,814.40	65,139.89	44,315.66	3,496.08	47,811.74
Upon delivery	1,32,434.96	-	1,32,434.96	1,31,394.63	-	1,31,394.63
<b>Total</b>	<b>1,93,760.45</b>	<b>3,814.40</b>	<b>1,97,574.85</b>	<b>1,75,710.29</b>	<b>3,496.08</b>	<b>1,79,206.37</b>

### Reconciliation of revenue from contract with customer

Particulars	2018-19	2017-18
Revenue from contract with customer as per the contract price	2,61,399.76	2,37,782.45
<b>Adjustments made to contract price on account of :-</b>		
a) Discounts / Rebates / Incentives	12,077.64	11,605.29
b) Sales Returns /Credits / Reversals	51,747.27	48,722.43
c) Excise Duty invoiced	-	1,751.64
<b>Revenue from contract with customer as per the statement of Profit and Loss</b>	<b>1,97,574.85</b>	<b>1,79,206.37</b>
Sale of services	55.35	53.24
Other operating revenue	765.69	1,586.72
<b>Revenue from operations</b>	<b>1,98,395.89</b>	<b>1,80,846.33</b>

**Notes to the Consolidated financial statements for the year ended 31 March, 2019**

All amounts are in ₹ lakhs unless otherwise stated

**48:** Consequent to the issuance of "Guidance Note on Division II -Ind AS Schedule III to the Companies Act ,2013", certain items of consolidated financial statement have been regrouped/reclassified.

**49:** The Holding Company made a contribution to an electoral trust of ₹ 500 lakhs (31st March, 2018 ₹ Nil) which is included in other expenses.

**50: Subsequent event**

The Board of Directors of the Holding Company at its meeting held on 25 April, 2019 has recommended a dividend of ₹ 2.50 per equity share (31 March, 2018 ₹ 2.50 per equity share), subject to shareholders approval at annual general meeting.

**51:** The MCA wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Group has incorporated appropriate changes in the above results.

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**ANIRUDDHA GODBOLE**

Partner

Membership No. 105149

Mumbai, 25 April, 2019

**PRAKASH R. RASTOGI**

(DIN: 00110862)

**R. MUKUNDAN**

(DIN: 00778253)

**PUNITA KUMAR-SINHA**

(DIN: 05229262)

**C.V. NATRAJ**

(DIN: 07132764)

**PADMINI KHARE KAICKER**

(DIN: 00296388)

**JOHN MULHALL**

(DIN: 08101474)

Directors

**For and on behalf of the Board of Directors of Rallis India Limited****BHASKAR BHAT**

(DIN: 00148778)

Chairman

**SANJIV LAL**

(DIN: 08376952)

Managing Director & CEO

**ASHISH MEHTA**

(M. No. 53039)

Chief Financial Officer

**YASHASWIN SHETH**

(M. No. A15388)

Company Secretary

Mumbai, 25 April, 2019



## Form AOC-1

Statement Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

### Part "A": Subsidiaries

₹ in crores

Sl. No.	Particulars	Name of the Subsidiary			
		Metahelix Life Sciences Ltd.	Zero Waste Agro Organics Ltd.	Rallis Chemistry Exports Ltd.	PT Metahelix Lifesciences Indonesia
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency: INR Exchange Rate: 1	Reporting Currency: INR Exchange Rate: 1	Reporting Currency: INR Exchange Rate: 1	Reporting Currency: IDR Exchange Rate: 0.004861
3.	Share Capital	0.11	0.07	0.25	6.83
4.	Reserves & Surplus	131.54	17.78	(0.25)	(3.32)
5.	Total Assets	423.05	19.80	-	3.82
6.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	291.40	1.94	-	0.31
7.	Investments	30.77	15.22	-	-
8.	Turnover	336.21	10.05	-	1.23
9.	Profit before taxation	28.02	2.34	(0.02)	(1.10)
10.	Provision for taxation	5.37	0.66	-	0.08
11.	Profit after taxation	22.65	1.68	(0.02)	(1.18)
12.	Proposed Dividend	-	-	-	-
13.	% of shareholding	100.00%	100.00%	100.00%	65.77%

#### Notes:

1. Rallis Chemistry Exports Ltd. is yet to commence commercial activities and currently is not operational.
2. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary Companies, are based on the exchange rates as on 31st March, 2019.
3. Reporting period of the above subsidiaries is the same as that of the Company.
4. Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on 31st March, 2019.

#### For and on behalf of the Board of Directors

**PRAKASH R. RASTOGI**  
(DIN: 00110862)

**R. MUKUNDAN**  
(DIN: 00778253)

**PUNITA KUMAR-SINHA**  
(DIN: 05229262)

**C.V. NATRAJ**  
(DIN: 07132764)

**PADMINI KHARE KAICKER**  
(DIN: 00296388)

**JOHN MULHALL**  
(DIN: 08101474)

Directors

**BHASKAR BHAT**  
(DIN: 00148778)

**SANJIV LAL**  
(DIN: 08376952)

**ASHISH MEHTA**  
(M. No. 53039)

**YASHASWIN SHETH**  
(M. No. A15388)

Chairman

Managing Director & CEO

Chief Financial Officer

Company Secretary

Mumbai, 25 April, 2019

## Notice

NOTICE is hereby given that the 71st Annual General Meeting of Rallis India Limited will be held at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020 on Friday, 28th June, 2019 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Report of the Auditors thereon.
3. To declare dividend for the financial year 2018-19 on Equity Shares.
4. To appoint a Director in place of Mr. Bhaskar Bhat (DIN: 00148778), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

5. **Approval for appointment of Mr. R. Mukundan (DIN: 00778253) as Managing Director & CEO for the term ending 31st March, 2019**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196 read with Schedule V and other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof], the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the appointment of Mr. R. Mukundan (DIN: 00778253) as Managing Director & CEO of the Company for a period commencing from 3rd December, 2018 upto 31st March, 2019, upon the terms and conditions as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Committee

of the Board) to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Mukundan.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this Resolution."

6. **Appointment of Mr. Sanjiv Lal (DIN: 08376952) as a Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Sanjiv Lal (DIN: 08376952) who was appointed as an Additional Director of the Company with effect from 1st April, 2019 by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof] and Article 116 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

7. **Appointment of Mr. Sanjiv Lal (DIN: 08376952) as Managing Director & CEO of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof], the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Sanjiv Lal (DIN: 08376952) as Managing Director & CEO of the Company for a period



of 5 years commencing from 1st April, 2019 upto 31st March, 2024, upon the terms and conditions as set out in the Explanatory Statement annexed to this Notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period), with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may be agreed to between the Board and Mr. Lal.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this Resolution."

8. **Re-appointment of Dr. Punita Kumar-Sinha (DIN: 05229262) as an Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Dr. Punita Kumar-Sinha (DIN: 05229262), who was appointed as an Independent Director of the Company at the 66th Annual General Meeting of the Company and holds office upto 29th June, 2019 and who being eligible for re-appointment as an Independent Director has given her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from 30th June, 2019 upto 25th March, 2024."

9. **Ratification of Cost Auditors' remuneration**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 5 lakhs plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, payable to D. C. Dave & Co. (Firm Registration No. 000611), who are appointed as Cost Auditors of the Company to conduct Cost Audits relating to Insecticides (Liquid, Solid and Technical Grade), Fertilizers, Chemicals (Plastics and Polymers) and Drugs and Pharmaceuticals of the Company for the financial year ending 31st March, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) 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."

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') in respect of the business under Item Nos. 5 to 9 above is annexed hereto. The relevant details of the Directors seeking re-appointment/appointment under Item Nos. 4 to 8 pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. If a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

### 3. Book Closure and Dividend:

(a) **The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 21st June, 2019 to Friday, 28th June, 2019 (both days inclusive).**

(b) If dividend on Equity Shares, as recommended by the Board, is approved at the Annual General Meeting ('AGM'), it will be paid on or after 2nd July, 2019 as under:

(i) To all Beneficial Owners in respect of shares held in electronic form, as per details furnished by the Depositories for this purpose as at the end of the business hours on 20th June, 2019.

(ii) To all Members in respect of shares held in physical form, whose names are on the Company's Register of Members after giving effect to valid transmission and transposition requests lodged with the Company before the end of business hours on 20th June, 2019.

### 4. Payment of dividend through electronic means:

(a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in their bank accounts through electronic means. The facility is available at all bank branches which have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrar and Transfer Agent, TSR Darashaw Limited ('TSRD').

Members holding shares in electronic form are requested to provide these details to their respective Depository Participants.

(b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or TSRDL cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participants of the Members.

5. The Securities and Exchange Board of India ('SEBI') has mandated the transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from 1st April, 2019. Accordingly, requests for physical transfer of securities of listed entities shall not be processed from 1st April, 2019 onwards. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.

6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or TSRDL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

7. Members/proxyholders and authorised representatives are requested to bring to the Meeting, the duly filled in attendance slip(s) enclosed herewith. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting. Members are requested to carry their copy of the Annual Report to the AGM. Copies of the Annual Report will not be distributed at the Meeting.

8. A route map giving directions to reach the venue of the 71st AGM is given at the end of the Notice.



9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members holding shares in physical form are requested to advise any change of address immediately to TSRDL. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or TSRDL.

11. **Nomination Facility:**

As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. These Forms can be downloaded from TSRDL's website [www.tsrdarashaw.com](http://www.tsrdarashaw.com) or from the Company's website [www.rallis.co.in](http://www.rallis.co.in) under the "Investor Relations" section. Members holding shares in physical form are requested to submit the forms to TSRDL. Members holding shares in electronic form may obtain nomination forms from their respective Depository Participant.

12. **Transfer to Investor Education and Protection Fund:**

(a) **Transfer of unclaimed dividend**

Members are hereby informed that under the Act, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more, to the credit of the Investor Education and Protection Fund ('the IEPF'). Accordingly, Dividend of ₹ 19,82,954 (Final Dividend 2010-11, ₹ 10,34,462 and Interim Dividend 2011-12 ₹ 9,48,492) which remained unpaid or unclaimed was transferred to the IEPF Authority in the financial year 2018-19.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2012 and for any subsequent financial year(s) are requested to make their claims to the Company or TSRDL without any delay, to avoid transfer of their dividend/shares to the Fund/IEPF Demat Account.

It may be noted that unclaimed dividend for the financial year ('FY') 2011-12 declared on 27th June, 2012 can be claimed by the Members by 28th July, 2019. Unclaimed Interim Dividend declared on 17th October, 2012 can be claimed by the Members by 17th November, 2019.

(b) **Transfer of shares to IEPF**

Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 64,378 Equity Shares of face value of ₹ 1 each to the demat account of the IEPF Authority during FY 2018-19.

The Company had sent individual notice to all the Members whose shares were due to be transferred to the IEPF Authority and had also published newspaper advertisement in this regard. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company, [www.rallis.co.in](http://www.rallis.co.in).

(c) **Claim from IEPF Authority**

Members/Claimants whose shares, unclaimed dividend, sale proceeds of fractional shares, etc. have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in e-Form IEPF- 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the IEPF Authority from time to time. The Member/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. No claim shall lie against the Company in respect of the dividend/shares so transferred.

(d) **Details of unclaimed dividend on the website**

In order to help Members ascertain the status of unclaimed dividends, the Company has uploaded the information in respect of unclaimed dividends for the financial year ended 31st March, 2012 and subsequent years as on the date of the previous AGM i.e. 2nd July, 2018 (70th AGM) on the website of Investor Education and Protection Fund, at [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investor Relations" section on the website of the Company, [www.rallis.co.in](http://www.rallis.co.in).

### 13. Process and Manner for Members opting to vote through electronic means:

- I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, the Members are provided with the facility to exercise their right to vote electronically, through the e-voting services provided by the National Securities Depository Limited ('NSDL'), i.e. facility of casting the votes by the Members using an electronic voting system from a place other than the venue of the AGM (remote e-voting) on all the resolutions set forth in this Notice. Instructions for remote e-voting are given herein below.
- II. The facility for voting through electronic voting system or by Ballot Paper shall also be made available at the Meeting and Members attending the Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- III. The remote e-voting period commences from **Tuesday, 25th June, 2019 (9.00 am IST)** and ends on **Thursday, 27th June, 2019 (5.00 pm IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of **Friday, 21st June, 2019**, may cast their vote by remote e-voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. Members who have cast their vote by remote e-voting prior to the AGM are also eligible to attend the Meeting but shall not be entitled to cast their vote again.
- IV. The process and manner for remote e-Voting are as under:
 

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

Step 2: Cast your vote electronically on NSDL e-Voting system.

#### Details on Step 1 are mentioned below:

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

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL e-services 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 your folio number is 001*** and EVEN is 110701, then user ID is 110701001***.

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use 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 same and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your



- email ID. Trace the email sent to you from NSDL from your mailbox. Open the email 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 email ID is not registered, your 'initial password' is communicated to you on your postal address.
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.nsd.com](http://www.evoting.nsd.com).
    - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - 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.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of the Company which is 110701.
  4. Now you are ready for e-Voting as the voting page opens.
  5. 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.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the "print" option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for Members

- i. Institutional shareholders (i.e. other than individuals, HUF, NRIs, 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 [navnitlb@nlba.in](mailto:navnitlb@nlba.in), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii. 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.nsd.com](http://www.evoting.nsd.com) to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions ('FAQs') for Members and e-voting user manual for Members available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

V. In order to address any grievances relating to e-voting, you may write or contact NSDL as under:

- Mr. Amit Vishal: +91 22 24994360 or amitv@nsdl.co.in
- Ms. Pallavi Mhatre: +91 22 24994545 or pallavid@nsdl.co.in
- Mr. Pratik Bhatt: +91 22 24994738 or pratikb@nsdl.co.in
- Ms. Sarita Mote: +91 22 24994890 or saritam@nsdl.co.in

VI. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.

VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

**General instructions/information for Members for voting on the resolutions:**

- (a) A Member can vote either by remote e-Voting or at the AGM. If a Member votes by both the modes, then the votes cast through remote e-Voting shall prevail and the votes cast at the AGM shall be considered invalid.
- (b) The voting rights of the Members (for voting through remote e-Voting or by Ballot paper at the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on **21st June, 2019 ('Cut-Off Date')**.
- (c) Any person who acquires shares of the Company and becomes a Member of the Company after the despatch of the AGM Notice and holds shares as on the cut-off date, i.e. 21st June, 2019, may obtain the login Id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (d) Mr. N. L. Bhatia (Membership No. FCS 1176/ CP No. 422) or failing him, Mr. Bhaskar Upadhyay (Membership No. FCS 8663/ CP No. 9625) of N L Bhatia & Associates, Practicing Company Secretaries has been appointed by the Board of Directors of the Company as Scrutinizer for

scrutinizing the remote e-voting process as well as voting through electronic means or by Ballot paper at the AGM, in a fair and transparent manner.

- (e) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company.
  - (f) The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, not later than forty eight hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
  - (g) The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the result of the voting. The result declared, along with the Scrutinizer's Report, shall be placed on the Company's website, [www.rallis.co.in](http://www.rallis.co.in) and on the website of NSDL, [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after their declaration, and communicated to the Stock Exchanges where the Company's shares are listed, viz. BSE Limited and the National Stock Exchange of India Limited.
  - (h) Subject to the receipt of requisite number of votes, the resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM, i.e. Friday, 28th June, 2019.
14. SEBI has mandated the submission of Permanent Account Number ('PAN') and bank account details by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN and bank account details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN and bank account details to the Company or TSRDL.
15. **Webcast Facility:**
- The Members are informed that the Company will be providing a facility to view the live streaming of the AGM Webcast on the NSDL website. You may access the same at <https://www.evoting.nsdl.com> by using your remote e-Voting credentials. The link will be available in shareholder login where the EVEN of the Company will be displayed.



The Webcast facility will be available from the commencement of the AGM on 28th June, 2019 from 3.00 pm onwards.

For any further clarifications in this regard, you may contact the undersigned or the following NSDL officials as under:

- Ms. Pallavi Mhatre at +91 22 2499 4545 or pallavid@nsdl.co.in
- Mr. Amit Vishal at +91 22 2499 4360 or amitv@nsdl.co.in

**16. Updation of Members' Details:**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/Share and Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is appended at the end of this Annual Report.

Members holding shares in physical form are requested to submit the filled in form to the Company or TSRDL. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

17. Electronic copy of the Annual Report for FY 2018-19 is being sent to all Members whose email addresses are registered with the Company/Depository Participants for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report for FY 2018-19 are being sent in the permitted mode.
18. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with TSRDL/Depository Participants, in respect of shares held in physical/ electronic mode respectively.

By Order of the Board of Directors

Yashaswin Sheth  
Company Secretary

Mumbai, 25th April, 2019

**Registered Office:**

Rallis India Limited  
156/157 15th Floor  
Nariman Bhavan  
227 Nariman Point, Mumbai - 400 021  
CIN: L36992MH1948PLC014083  
Tel. No.: +91 22 6665 2700 | Fax No.: +91 22 6665 2827  
E-mail address: investor\_relations@rallis.co.in  
Website: www.rallis.co.in

## Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 9 of the accompanying Notice dated 25th April, 2019.

### Item No. 5:

In order to provide continuity of leadership to the Company post the early retirement of Mr. V. Shankar as the Managing Director & CEO of the Company, the Board at its meeting held on 3rd December, 2018, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), appointed Mr. R. Mukundan, Non-Executive Director on the Board of the Company, as the Managing Director & CEO of the Company for a period commencing from 3rd December, 2018 to 31st March, 2021 subject to the approval of Members at the ensuing Annual General Meeting ('AGM').

Thereafter, consequent to the appointment of Mr. Sanjiv Lal as Managing Director & CEO effective 1st April, 2019, Mr. R. Mukundan stepped down as the Managing Director & CEO effective from close of business hours of 31st March, 2019. However, he continues as the Non-Executive Director on the Board of the Company and will continue to offer his support and guidance to the Company. Accordingly, approval of the Members is sought at the ensuing AGM for appointment of Mr. Mukundan as the Managing Director & CEO for the period commencing from 3rd December, 2018 to 31st March, 2019.

Mr. Mukundan, 52 years, is currently the Managing Director & CEO of Tata Chemicals Limited ('TCL'), the holding company. He is an MBA from FMS, Delhi University and BE-Electrical Engineering from IIT, Roorkee. He has attended the Advanced Management Programme at Harvard Business School. He joined the Tata Administrative Service in 1990. He joined TCL in 2001 and has led various functions like strategy and business development, corporate quality, corporate planning and manufacturing before taking over as the Managing Director of TCL in 2008. He serves as Director on the Boards of other Tata group companies.

He also serves on executive committees of various industry forums viz. the Confederation of Indian Industry, Bombay Chamber of Commerce and Industry, Employers' Federation of India, All India Management Association, etc.

The principal terms and conditions of appointment of Mr. Mukundan as Managing Director & CEO (hereinafter

referred to as 'Mr. Mukundan' or 'Managing Director & CEO') are as follows:

#### 1. Term and Termination:

With effect from 3rd December, 2018 (the date of appointment) to 31st March, 2019 (date of cessation as Managing Director & CEO).

#### 2. Remuneration:

Mr. Mukundan would not draw any remuneration during his tenure as Managing Director & CEO of the Company.

#### 3. Other Terms of Appointment:

- i. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may in its discretion deem fit, in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.
- ii. The Managing Director & CEO shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- iii. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or as may be mutually agreed.
- iv. The employment of the Managing Director & CEO may be terminated by the Company without notice:
  - if the Managing Director & CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or
  - in the event of any serious repeated or continuing breach (after prior warning); or
  - in the event the Board expresses its loss of confidence in the Managing Director & CEO.



- v. In the event the Managing Director & CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- vi. Upon the termination by whatever means of employment of the Managing Director & CEO:
  - the Managing Director & CEO shall immediately cease to hold office held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company.
  - the Managing Director & CEO shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.
- vii. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO.
- viii. The terms and conditions of appointment of the Managing Director & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post cessation and maintenance of confidentiality.

The appointment of Mr. R. Mukundan as the Managing Director & CEO is in accordance with the conditions set out in Part – 1 of Schedule V of the Act as also conditions set out under Section 196(3) of the Act. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board commends the Ordinary Resolution as set out at Item No. 5 of the accompanying Notice for approval of the Members of the Company in relation to the appointment of Mr. Mukundan as the Managing Director & CEO for the period commencing from 3rd December, 2018 to 31st March, 2019 pursuant to provisions of Section 196 read with Schedule D of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Mukundan under Section 190 of the Act.

Except Mr. Mukundan and his relatives, none of the Directors or Key Managerial Personnel ('KMP') of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice. Mr. Mukundan is not related to any other Director or KMP of the Company.

#### **Item Nos. 6 & 7:**

At the Board Meeting of the Company held on 9th February, 2019, the Board had, based on the recommendations of the NRC and subject to the approval of the Members, appointed Mr. Sanjiv Lal as Managing Director & CEO of the Company for a period of 5 years commencing from 1st April, 2019 to 31st March, 2024, in accordance with the provisions of Sections 196 and 197 read with Schedule V of the Act.

Mr. Lal was appointed as an Additional Director of the Company with effect from 1st April, 2019 by the Board of Directors. In terms of Section 161(1) of the Act, Mr. Lal holds office upto the date of this AGM but is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

Mr. Sanjiv Lal, 58 years, was the Chief Operating Officer of the India Chemicals Business of Tata Chemicals Limited ('TCL') prior to his appointment as Managing Director & CEO of the Company. After joining TCL in 2004, he has held manufacturing responsibilities at two of its units, handled its Agri Retail Business, headed the organisational transformation and business excellence function, headed the information technology function and was also nominated as the Joint Managing Director to IMACID, a JV in Morocco. Before joining TCL, Mr. Lal has worked with Hindustan Unilever for 21 years in various functions in manufacturing and specialty chemicals business.

Mr. Lal is a B. Tech in Chemical Engineering and graduated from the Indian Institute of Technology, New Delhi in 1983. He has attended various executive development programs within Unilever and Tata Group including Management Development program at IMD Switzerland and the Tata Strategic Leadership Program.

The principal terms and conditions of Mr. Lal's appointment as the Managing Director & CEO (hereinafter referred to as 'Mr. Lal' or 'Managing Director & CEO') are as follows:

**Period of Appointment:** Five years from 1st April, 2019 upto 31st March, 2024 (both days inclusive).

**Remuneration and other terms of appointment:**

- A) Salary: ₹ 4,50,000 per month (starting from April 2019) in the scale of ₹ 3,75,000 to ₹ 10,00,000.

The annual increments which will be effective 1st April each year (starting from April 2020) will be decided by the Board, based on recommendation of the NRC and will be merit based and take into account the Company's performance as well.

- B) Benefits, Perquisites and Allowances:

- i. Rent free residential accommodation (furnished or otherwise), the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

If accommodation is not provided by the Company, House Rent, House Maintenance and Utility Allowances aggregating 85% of the basic salary.

- ii. Hospitalization, Transport, Telecommunication and other facilities in accordance with the Rules of the Company:
- Hospitalization and major medical expenses for self, spouse and dependent (minor) children;
  - Car, with driver provided, maintained by the Company, for official and personal use;
  - Telecommunication facilities including broadband, internet and fax;
  - Housing Loan facility.
- iii. Other perquisites and allowances, subject to a maximum of 55% of the basic salary as follows:
- Allowances - 33.34% of basic salary
  - Leave Travel Concession/Allowance - 8.33% of basic salary
  - Medical Allowance - 8.33% of basic salary
  - Personal Accident Insurance and Club Membership fees at actuals, subject to a cap of 5% of basic salary
- iv. Company's contribution to Provident Fund, Superannuation or Annuity Fund and Gratuity Fund as per the rules of the Company.
- v. The Managing Director & CEO shall be entitled to leave in accordance with the rules of the Company.

Privilege leave not availed by him is encashable in accordance with the rules of the Company.

- C) Commission: Such remuneration by way of commission, in addition to the salary and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Financial Statements have been adopted by the Board.

- D) Incentive remuneration: In cases where the net profits of the Company are inadequate for payment of profit linked commission, incentive remuneration, not exceeding 200% of the annual basic salary, to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

An indicative list of factors that may be considered for determining the extent of commission/incentive remuneration, by the Board which will be payable annually after the Annual Accounts have been approved, are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time;
- Industry benchmarks of remuneration;
- Performance of the individual.

- E) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

- F) Insurance: The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.



G) Other Terms of Appointment:

- i. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.
- ii. The Managing Director & CEO shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- iii. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the notice.
- iv. The employment of the Managing Director & CEO may be terminated by the Company without notice or payment in lieu of notice:
  - if the Managing Director & CEO, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
  - in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Managing Director & CEO of any of the stipulations contained in the Agreement to be executed between the Company and the Managing Director & CEO; or
  - in the event the Board expresses its loss of confidence in the Managing Director & CEO.
- v. In the event the Managing Director & CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- vi. Upon the termination by whatever means of employment of the Managing Director & CEO:
  - the Managing Director & CEO shall immediately cease to hold office held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company.
  - the Managing Director & CEO shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.
- vii. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Managing Director & CEO and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and the Managing Director and CEO of the Company.
- ix. The terms and conditions of appointment of the Managing Director & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality.

Mr. Lal satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, Mr. Lal has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Having regard to the qualifications, experience and knowledge, the Directors are of the view that the appointment of Mr. Lal as a Managing Director & CEO will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience.

Accordingly, the Board commends the Ordinary Resolutions as set out at Item Nos. 6 & 7 of the accompanying Notice in relation to the appointment of Mr. Lal as Director and as Managing Director & CEO for a period of 5 years commencing from 1st April, 2019 to 31st March, 2024 for the approval of the Members pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Lal under Section 190 of the Act.

Except Mr. Lal and his relatives, none of the Directors or KMP of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 6 & 7 of the accompanying Notice. Mr. Lal is not related to any other Director or KMP of the Company.

#### Item No. 8:

Dr. Punita Kumar-Sinha is currently an Independent Director of the Company and the Chairperson and Member of the Stakeholders' Relationship Committee. Dr. Punita Kumar-Sinha was appointed as an Independent Director of the Company by the Members at the 66th AGM of the Company held on 30th June, 2014 to hold office upto 29th June, 2019 and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director. Based on the recommendations of the NRC, the Board of Directors propose the re-appointment of Dr. Kumar-Sinha as an Independent Director of the Company, not liable to retire by rotation, for period commencing from 30th June, 2019 to 25th March, 2024, subject to the approval of the Members by a Special Resolution. The Company has in terms of Section 160(1) of the Act received a notice from a Member proposing her candidature for the office of Director.

Based on the performance evaluation of the Independent Directors and as per the recommendations of the NRC, given her background, experience and contribution, the Board is of the opinion that Dr. Kumar-Sinha's continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail her services as an Independent Director.

The Company has received a declaration from Dr. Kumar-Sinha confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Dr. Kumar-Sinha has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Dr. Kumar-Sinha has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Dr. Kumar-Sinha is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

In the opinion of the Board, Dr. Kumar-Sinha fulfills the conditions specified in the Act and the Listing Regulations for re-appointment as an Independent Director and that she is independent of the Management. A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of her re-appointment is available for inspection by the Members at the Registered Office of the Company during the business hours (except on Saturdays and Sundays) and will also be kept available at the venue of the AGM till the conclusion of the AGM.

Dr. Kumar-Sinha holds a Ph.D and a Masters in Finance from the Wharton School, University of Pennsylvania, undergraduate degree in Chemical Engineering with distinction from the Indian Institute of Technology, New Delhi, an MBA degree from Drexel University and also a CFA Charter holder. She is a member of the CFA Institute and the Council on Foreign Relations. Dr. Kumar-Sinha is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm. Prior to founding Pacific Paradigm Advisors in 2012, she was Head of Blackstone Asia Advisors L.L.C. and its Chief Investment Officer, and was a Senior Managing Director of The Blackstone Group L.P.

She has 30 years of experience in fund management in emerging markets, being one of the first foreign investors into India. Before joining Blackstone, she was a Managing Director at Oppenheimer Asset Management Inc., Portfolio Manager and Chief Investment Officer at The India Fund Inc., and Asia Tigers Fund Inc., and Senior Portfolio Manager at CIBC World Markets. She has also been a Portfolio Manager on the emerging markets team at Batterymarch (a Legg



Mason company), and on the international equity team at Standish Ayer & Wood (a Bank of New York Mellon company). She is also on several other Boards and has numerous years of experience in corporate governance.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the re-appointment of Dr. Kumar-Sinha as Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board commends the Special Resolution set out in Item No. 8 of the accompanying Notice for approval of the Members.

Except Dr. Kumar-Sinha and her relatives, none of the Directors or KMP of the Company and their respective relatives is concerned or interested in the resolution set out at Item No. 8 of the accompanying Notice. Dr. Kumar-Sinha is not related to any other Director or KMP of the Company.

**Item No. 9:**

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit

of its cost records conducted by a Cost Accountant. The Board has, on the recommendation of the Audit Committee, approved the appointment of D. C. Dave & Co. (Firm Registration No. 000611) as the Cost Auditors of the Company to conduct Cost Audits relating to Insecticides (Liquid, Solid and Technical Grade), Fertilizers, Chemicals (Plastics and Polymers) and Drugs & Pharmaceuticals of the Company for the year ending 31st March, 2020, at a remuneration of ₹ 5 lakhs plus applicable taxes and out-of-pocket expenses.

D. C. Dave & Co. have the necessary experience in the field of cost audit, and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

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

The Board commends the remuneration of ₹ 5 lakhs plus applicable taxes and out-of-pocket expenses to D. C. Dave & Co. as the Cost Auditors and the approval of the Members is sought for the same by an Ordinary Resolution.

None of the Directors or KMP of the Company and their respective relatives is, in any way, concerned or interested in the Resolution at Item No. 9 of the Notice.

By Order of the Board of Directors

Yashaswin Sheth  
Company Secretary

Mumbai, 25th April, 2019

**Registered Office:**

Rallis India Limited  
156/157 15th Floor  
Nariman Bhavan  
227 Nariman Point, Mumbai - 400 021  
CIN: L36992MH1948PLC014083  
Tel. No.: +91 22 6665 2700 | Fax No.: +91 22 6665 2827  
E-mail address: investor\_relations@rallis.co.in  
Website: www.rallis.co.in

## Details of Directors seeking appointment/ re-appointment at the AGM

[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings]

Name of Director	Mr. Bhaskar Bhat	Mr. R. Mukundan	Mr. Sanjiv Lal	Dr. Punita Kumar-Sinha
DIN	00148778	00778253	08376952	05229262
Date of Birth	29th August, 1954	19th September, 1966	6th March, 1961	13th May, 1962
Age	64 years	52 years	58 years	56 years
Date of first appointment	8th October, 2015	3rd December, 2009	1st April, 2019	26th March, 2014
Qualifications	Graduated in Mechanical Engineering from IIT, Madras and PGDBM from IIM, Ahmedabad	BE (Electrical Engineering) from IIT, Roorkee and MBA from FMS, Delhi University; Advanced Management Programme at Harvard Business School	B. Tech in Chemical Engineering from IIT Delhi	Ph.D in Finance, The Wharton School, University of Pennsylvania, Masters in Finance, The Wharton School, University of Pennsylvania; Master of Business Administration, Drexel University, Philadelphia; Bachelor of Technology, IIT, Delhi
Expertise in specific functional areas	Mr. Bhat has extensive experience and expertise in sales and marketing. He is the Managing Director of Titan Company Limited since April 2002. At Titan, Mr. Bhat has dealt with Sales & Marketing, HR, international business and various general managerial assignments	Mr. R. Mukundan has wide experience in the field of strategy, business development, corporate quality, planning, manufacturing and general management	Mr. Sanjiv Lal has over 36 years of rich and varied experience in the chemical industry in terms of manufacturing, sales and marketing, strategy, IT and general management	Dr. Punita Kumar-Sinha has more than 30 years of experience in Global/ Indian financial markets and economics, fund management, general management and corporate finance. She also has numerous years of experience in corporate governance
Terms and conditions of appointment/re-appointment	N. A.	Appointment as Managing Director & CEO effective 3rd December, 2018 upto 31st March, 2019 (Refer Item No. 5 of the Notice and Explanatory Statement)	Appointment as Managing Director & CEO effective 1st April, 2019 upto 31st March, 2024 (Refer Item Nos. 6 & 7 of the Notice and Explanatory Statement)	Re-appointment as an Independent Director for a period commencing from 30th June, 2019 to 25th March, 2024 (Refer Item No. 8 of the Notice and Explanatory Statement)
Details of remuneration last drawn* (FY 2018-19)	Sitting Fees: ₹ 3,00,000 Commission: Nil**	Nil**	NA	Sitting Fees: ₹ 2,20,000 Commission: ₹ 20,00,000
No. of Board Meetings attended during the year	8	8	NA	8
Relationship with other Directors and KMPs	None	None	None	None
No. of shares held in the Company: (a) Own (b) For other persons on a beneficial basis	NIL NIL	NIL NIL	NIL NIL	NIL NIL
List of other Companies in which Directorship held as on 31st March, 2019 (excluding foreign, private and Section 8 Companies)	1. Tata Chemicals Limited* 2. Titan Company Limited* 3. Titan Engineering & Automation Limited 4. Trent Limited* 5. Bosch Limited* 6. Tata SIA Airlines Limited 7. Carat Lane Trading Pvt. Limited	1. Tata Chemicals Limited* 2. Tata International Limited 3. Metahelix Life Sciences Limited	NIL	1. Sobha Limited* 2. Bharat Financial Inclusions Limited* 3. Mahindra Intertrade Limited 4. SREI Infrastructure Finance Limited* 5. JSW Steel Limited* 6. Infosys Limited* 7. Metahelix Life Sciences Limited 8. FINO Payments Bank Limited



Name of Director	Mr. Bhaskar Bhat	Mr. R. Mukundan	Mr. Sanjiv Lal	Dr. Punita Kumar-Sinha
<b>Chairperson/ Member of the Committees of the Board of other Companies in which he/she is a Director as on 31st March, 2019</b>	<p><b>1. Tata Chemicals Limited</b></p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee</li> </ul> <p><b>2. Titan Company Limited</b></p> <ul style="list-style-type: none"> <li>- Stakeholders Relationship Committee</li> <li>- Board Ethics Committee</li> <li>- Risk Management Committee</li> <li>- Corporate Social Responsibility Committee</li> </ul> <p><b>3. Trent Limited</b></p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee</li> <li>- CSR Committee</li> <li>- Executive Committee</li> </ul> <p><b>4. Bosch Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nomination and Remuneration Committee</li> <li>- Stakeholders Relationship Committee</li> <li>- Corporate Social Committee (Chairman)</li> </ul> <p><b>5. Tata SIA Airlines Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee</li> </ul>	<p><b>1. Tata Chemicals Limited</b></p> <ul style="list-style-type: none"> <li>- Stakeholders Relationship Committee</li> <li>- CSR, Safety &amp; Sustainability Committee</li> <li>- Risk Management Committee</li> </ul> <p><b>2. Tata International Limited</b></p> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee</li> </ul> <p><b>3. Metahelix Life Sciences Limited</b></p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee</li> </ul>	NIL	<p><b>1. Bharat Financial Inclusions Limited</b></p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee</li> <li>- Corporate Social Responsibility Committee</li> </ul> <p><b>2. Mahindra Intertrade Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nomination and Remuneration Committee</li> </ul> <p><b>3. SREI Infrastructure Finance Limited</b></p> <ul style="list-style-type: none"> <li>- Investment Committee</li> </ul> <p><b>4. JSW Steel Limited</b></p> <ul style="list-style-type: none"> <li>- Stakeholders Relationship Committee</li> <li>- Business Responsibility &amp; Sustainability Reporting Committee</li> <li>- Risk Management Committee</li> <li>- Corporate Social Responsibility Committee</li> <li>- Hedging Policy Review Committee (Chairperson)</li> </ul> <p><b>5. Infosys Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Stakeholders Relationship Committee</li> <li>- Corporate Social Responsibility Committee</li> </ul> <p><b>6. Metahelix Life Sciences Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairperson)</li> <li>- Nomination and Remuneration Committee</li> </ul> <p><b>7. FINO Payments Banks Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Stakeholders Relationship Committee</li> <li>- Nomination and Remuneration Committee</li> </ul>

\* Listed Entities (including entities whose debt is listed on a Stock Exchange)

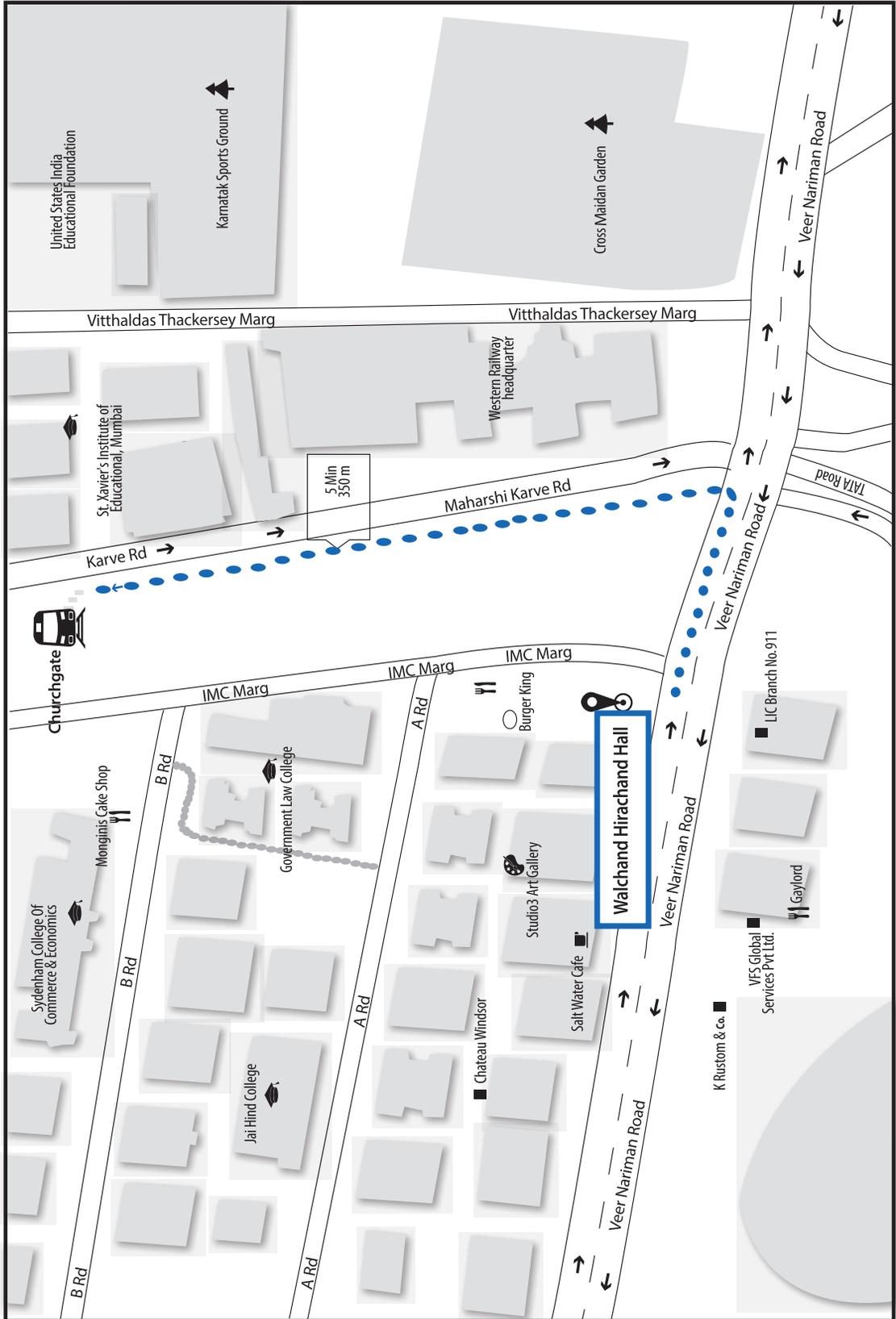
\*\* Refer the Corporate Governance Report forming part of this Annual Report

# Commission is for FY 2018-19, which will be paid during FY 2019-20

# ROUTE MAP to the Venue of the 71st Annual General Meeting

**Venue:** Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020

**Landmark:** Next to Churchgate Station





<b>FINANCIAL STATISTICS</b>										
Year-end Financial Position	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Fixed Assets	38,237	37,554	37,313	36,608	33,977	40,775	39,866	40,243	36,761	26,478
Deferred Tax Asset/(Liability)	(3,816)	(4,053)	(4,982)	(3,579)	(3,252)	(3,301)	(2,864)	(1,308)	(323)	535
Investments	36,899	38,969	53,403	30,497	23,162	21,878	19,348	18,094	15,193	14,028
Net Non Current Assets	7,802	8,523	9,002	12,138	13,025	18,577	5,133	7,227	8,470	-
<b>Total</b>	<b>79,122</b>	<b>80,994</b>	<b>94,736</b>	<b>75,664</b>	<b>66,911</b>	<b>67,929</b>	<b>61,483</b>	<b>64,256</b>	<b>60,101</b>	<b>41,040</b>
Current Assets	1,00,551	86,867	53,815	50,089	55,198	41,008	38,749	35,657	33,877	32,450
Current Liabilities	47,751	47,855	33,855	30,324	31,884	33,629	29,654	32,990	34,406	30,400
<b>Net Current Assets</b>	<b>52,800</b>	<b>39,012</b>	<b>19,959</b>	<b>19,765</b>	<b>23,313</b>	<b>7,380</b>	<b>9,095</b>	<b>2,668</b>	<b>(529)</b>	<b>2,050</b>
<b>TOTAL CAPITAL EMPLOYED</b>	<b>1,31,922</b>	<b>1,20,006</b>	<b>1,14,695</b>	<b>95,430</b>	<b>90,225</b>	<b>75,308</b>	<b>70,578</b>	<b>66,924</b>	<b>59,572</b>	<b>43,090</b>
- Preference	-	-	-	-	-	-	-	-	-	-
- Equity	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,296
<b>Total</b>	<b>1,945</b>	<b>1,296</b>								
Reserves	1,22,891	1,15,940	1,10,595	89,890	80,742	69,380	60,204	53,420	48,391	40,983
Less: Miscellaneous Expenditure	-	-	-	-	-	-	-	-	-	-
<b>Net Worth</b>	<b>1,24,836</b>	<b>1,17,885</b>	<b>1,12,540</b>	<b>91,835</b>	<b>82,687</b>	<b>71,324</b>	<b>62,149</b>	<b>55,365</b>	<b>50,336</b>	<b>42,279</b>
Borrowings	-	-	-	-	-	-	-	-	-	-
- Short term	5,296	15	10	208	4,277	1,642	-	3,122	972	161
- Long term	1,790	2,107	2,146	3,387	3,261	2,341	8,429	8,437	8,265	650
<b>Total</b>	<b>7,086</b>	<b>2,121</b>	<b>2,155</b>	<b>3,595</b>	<b>7,538</b>	<b>3,983</b>	<b>8,429</b>	<b>11,559</b>	<b>9,236</b>	<b>811</b>
<b>TOTAL SOURCES</b>	<b>1,31,922</b>	<b>1,20,006</b>	<b>1,14,695</b>	<b>95,430</b>	<b>90,225</b>	<b>75,308</b>	<b>70,578</b>	<b>66,924</b>	<b>59,572</b>	<b>43,090</b>
<b>Summary of Operations</b>										
Revenue from operations	1,67,150	1,51,594	1,49,039	1,38,672	1,59,632	1,62,145	1,40,984	1,24,680	1,11,322	91,852
Other Income	2,572	893	1,051	466	172	576	1,145	750	3,436	2,882
<b>Total Income</b>	<b>1,69,722</b>	<b>1,52,487</b>	<b>1,50,090</b>	<b>1,39,138</b>	<b>1,59,804</b>	<b>1,62,720</b>	<b>1,42,130</b>	<b>1,25,430</b>	<b>1,14,758</b>	<b>94,734</b>
<b>Expenses</b>										
Materials consumed	1,01,612	86,701	79,601	73,702	88,453	93,334	83,419	70,893	62,824	50,339
Personnel cost	13,847	12,565	11,401	10,245	10,354	8,869	7,784	8,033	6,958	7,498
Excise duty	-	1,752	10,468	9,868	10,369	10,272	9,480	7,882	8,230	6,000
Finance cost	486	329	267	792	479	805	1,251	1,037	332	267
Depreciation	3,928	4,057	4,218	3,783	4,459	3,597	2,881	2,711	1,716	1,831
Other expenses	31,061	27,957	24,042	24,231	25,116	24,938	19,979	18,146	16,340	13,580
<b>Total</b>	<b>1,50,934</b>	<b>1,33,361</b>	<b>1,29,997</b>	<b>1,22,620</b>	<b>1,39,229</b>	<b>1,41,816</b>	<b>1,24,794</b>	<b>1,08,702</b>	<b>96,400</b>	<b>79,515</b>
<b>Profit before tax and prior year adjustment and exceptional item</b>	18,788	19,126	20,094	16,518	20,575	20,904	17,335	16,728	18,357	15,219
Exceptional item: Cessation Cost	-	-	-	-	-	-	-	1,719	-	-
Exceptional item: Sale of Turbine Plant	-	-	15,839	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>18,788</b>	<b>19,126</b>	<b>35,933</b>	<b>16,518</b>	<b>20,575</b>	<b>20,904</b>	<b>17,335</b>	<b>15,009</b>	<b>18,357</b>	<b>15,219</b>
Tax	5,890	4,977	9,329	3,902	6,034	6,268	5,397	4,870	5,736	5,116
<b>Profit after tax</b>	<b>12,898</b>	<b>14,149</b>	<b>26,603</b>	<b>12,616</b>	<b>14,542</b>	<b>14,636</b>	<b>11,938</b>	<b>10,139</b>	<b>12,621</b>	<b>10,104</b>
<b>Other comprehensive income (net of taxes)</b>	(86)	(16)	(47)	32	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>12,812</b>	<b>14,133</b>	<b>26,557</b>	<b>12,648</b>	<b>14,542</b>	<b>14,636</b>	<b>11,938</b>	<b>10,139</b>	<b>12,621</b>	<b>10,104</b>
<b>IMPORTANT RATIOS</b>										
Current Assets : Liabilities	2.0	1.9	1.6	1.7	1.7	1.2	1.3	1.1	1.0	1.1
Debt : Equity	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.2	0.2	0.0
PBT/Turnover %	11.2	12.6	13.5	11.9	12.9	12.9	12.3	13.4	16.5	16.6
Return (PBIT) on Capital Employed %	14.6	15.5	17.8	18.1	23.3	28.8	26.3	26.5	31.4	35.9
Dividend (per share)	2.5	2.5	3.8	2.5	2.5	2.4	2.3	2.4	2.0	18.0
Earnings (per share)*	7	7	14	6	7	8	6	5	65	52
Net Worth (per share)*	64	61	58	47	43	37	32	28	259	326

Previous years figures have been regrouped, wherever necessary.  
\* Earnings Per Share and Net Worth per share for 2012 is after stock split.

**This page is intentionally kept blank**

To,  
TSR Darashaw Ltd.  
**Unit: Rallis India Limited**  
6-10 Haji Moosa Patrawala Industrial Estate,  
20 Dr. E. Moses Road, Mahalaxmi,  
Mumbai - 400 011.

## Updation of Shareholder Information

I / We request you to record the following information against my/our Folio No.:

### General Information:

Folio No.:	
Name of the first-named Member:	
PAN: *	
CIN/Registration No.: * (applicable to Corporate Members)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*\*Self-attested copy of the document(s) enclosed*

### Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

*\* A blank cancelled cheque is enclosed to enable verification of bank details*

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above-mentioned Folio No.

Place:  
Date:

-----  
Signature of Sole/ First holder

**This page is intentionally kept blank**



**RALLIS INDIA LIMITED**  
**A TATA Enterprise**

**Corporate Identity Number: L36992MH1948PLC014083**

Registered Office: 156/157 15TH FLOOR, NARIMAN BHAVAN, 227 NARIMAN POINT, MUMBAI 400 021

Tel. No.: +91 22 6665 2700 Fax No.: +91 22 6665 2827 E-mail address: investor\_relations@rallis.co.in

Website: www.rallis.co.in

**ATTENDANCE SLIP**

Folio No.:	DP ID No.:	Client ID No.:
------------	------------	----------------

I/We hereby record my/our presence at the **SEVENTY FIRST ANNUAL GENERAL MEETING** of the Company at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020, on Friday, the 28th June, 2019 at 3.00 p.m.

Name of the Member _____	Signature _____
Name of the Proxyholder _____	Signature _____

**NOTES:**

1. Only Member/Proxyholder can attend the Meeting.
2. Please complete the Folio/DP-Client ID No. and name of the Member/Proxyholder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. A Member/Proxyholder attending the Meeting should bring the copy of the Annual Report for reference at the Meeting.



**RALLIS INDIA LIMITED**  
**A TATA Enterprise**

**Corporate Identity Number: L36992MH1948PLC014083**

Registered Office: 156/157 15TH FLOOR, NARIMAN BHAVAN, 227, NARIMAN POINT, MUMBAI - 400 021

Tel. No.: +91 22 6665 2700 Fax No.: +91 22 6665 2827 E-mail address: investor\_relations@rallis.co.in

Website: www.rallis.co.in

**PROXY FORM**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s) :	
Registered Address :	
E-mail Id :	
Folio No./DP ID-Client ID No. :	

I/ We, being the Member(s) of the above named Company, holding ..... shares, hereby appoint:

- (1) Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him/her;
- (2) Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him/her;
- (3) Name: ..... Address: .....  
E-mail Id: ..... Signature: .....

as my/our Proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the SEVENTY FIRST ANNUAL GENERAL MEETING of the Company, to be held on Friday, the 28th June, 2019 at 3.00 p.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:



\*I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Standalone Financial Statements, Board's and Auditors' Report for the financial year ended 31st March, 2019		
2.	Adoption of Audited Consolidated Financial Statements and Auditors' Report for the financial year ended 31st March, 2019		
3.	Declaration of dividend for the financial year 2018-19 on Equity Shares		
4.	Re-appointment of Mr. Bhaskar Bhat, who retires by rotation		
<b>Special Business</b>			
5.	Appointment of Mr. R. Mukundan as Managing Director & CEO		
6.	Appointment of Mr. Sanjiv Lal as a Director		
7.	Appointment of Mr. Sanjiv Lal as Managing Director & CEO		
8.	Re-appointment of Dr. Punita Kumar-Sinha as an Independent Director		
9.	Ratification of Cost Auditors' remuneration		

Signed this ..... day of ..... 2019

Signature of Member: .....

Signature of Proxy holder: .....

Affix  
Revenue  
Stamp

**NOTES:**

1. This Form in order to be effective, should be duly filled, stamped, signed and deposited at the Registered Office of the Company, at 156/157, 15th Floor, Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021, not less than Forty-Eight (48) Hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
- \*3. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the SEVENTY FIRST ANNUAL GENERAL MEETING of the Company.









# Awards



● Conferred with a Plaque award for our IGBC Green Building with Platinum Rating, indicating the highest level of recognition, for our commendable efforts in incorporating various unique features, showcasing profound commitment towards preserving the environment



● We won the first prize for business model innovation for Rallis Samrudh Krishi organised by the CII-INSTITUTE OF QUALITY at 6th National Excellence Practice Competition 2018



● We are Included in the Inclusive business list 2018 for our contribution in social space



● Our Team receiving award in 'Out of the Box' category of TVW – 10 for our 'You are safe' initiative



● Metahelix Life Sciences Limited received Bio Excellence award from Government of Karnataka for the year 2018 in recognition of their outstanding contribution to Biotechnology Sector

- Featured in the 2017 Inclusive Business list by the Institute of Competitiveness for redefining the role of business in society through an inclusive business model that addresses social and environmental problems
- PMFAI-SML Annual AGCHEM award to Rallis for Outstanding innovation in crop solution (Rallis Samrudh Krishi)





**RALLIS INDIA LIMITED**  
A **TATA** Enterprise

**Registered office**

156/157, 15th Floor, Nariman Bhavan  
227 Nariman Point, Mumbai - 400 021  
CIN: L36992MH1948PLC014083

Tel.: 91 22 6665 2700

Fax: 91 22 6665 2827

E-mail: [investor\\_relations@rallis.co.in](mailto:investor_relations@rallis.co.in)

Website: [www.rallis.co.in](http://www.rallis.co.in)

Concept, Content & Design

**WYATT**  
P R I S M  
C O M M U N I C A T I O N S

[info@wyatt.co.in](mailto:info@wyatt.co.in)