



RALLIS INDIA LIMITED

Corporate Identity No. L36992MH1948PLC014083

2nd Floor Sharda Terraces Plot No 65 Sector 11 CBD Belapur Navi Mumbai 400 614
Tel 91 22 6776 1657 Fax 91 22 6776 1775 email pmeherhomji@rallis.co.in

Mrs P S Meherhomji
Company Secretary

3rd July, 2018

The General Manager
Corporate Relations Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Asst. Vice President
National Stock Exchange of
India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra - Kurla Complex
Bandra (E), Mumbai 400 051

Dear Sir,

Sub: Annual Report for the Financial year 2017-18.

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find a copy of the Annual Report of the Company for the year ended 31st March, 2018 for your reference and records.

Thanking You,

Yours faithfully,
RALLIS INDIA LIMITED

(P. S. MEHERHOMJI)

Encl: a/a



RALLIS INDIA LIMITED
A **TATA** Enterprise



tata150.com



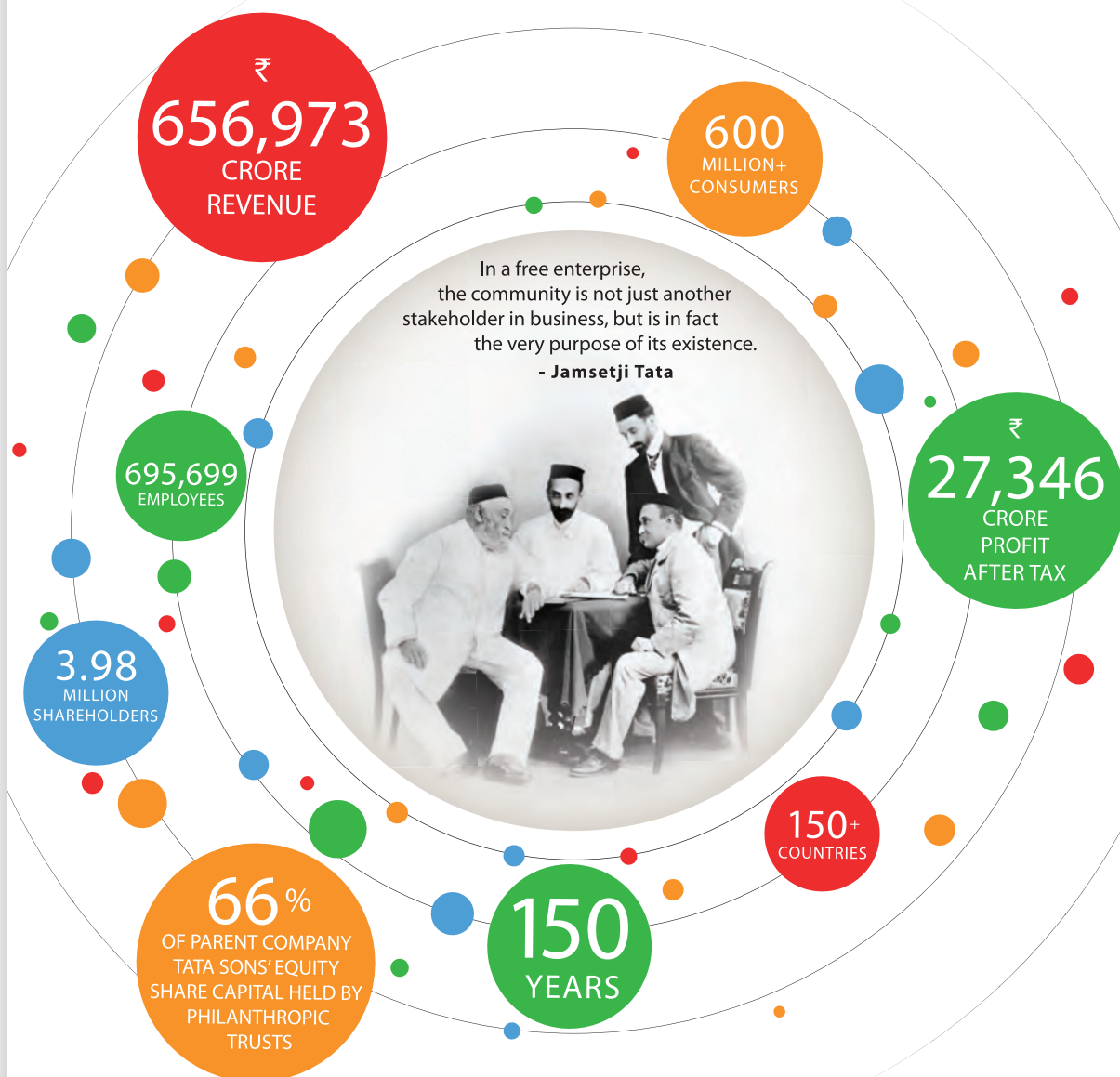
CARING FOR FARMS... CARING FOR FARMERS

For Over 150 Years

70th Annual Report | 2017-2018



LEADERSHIP WITH TRUST — SINCE 1868 —



The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.



tata150.com

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata;
Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

Farming Trust & Transforming Lives



Rallis India. A 167-year old enterprise and a Tata Group Company. This Company's role in India's cropping programme has extended beyond farms to integrate with farmers' lives. Our connect with farmers has intensified and evolved from manufacturing quality micronutrients, bio-stimulants and crop protection products to providing significant agri-solutions and value added services, introducing farmers to new digital technology that helps to improve practices, increase farm yield and farmer revenues.

Our field personnel engage with farmer communities through regular visits, workshops and field demonstrations, providing timely interventions at critical crop stages, besides farming solutions and high impact products. Our digital aids and apps have introduced farmers to technology at their fingertips, that helps predict the weather, provides market price information and virtual linkages with soil and agri-experts. Rallis India is poised to scale up operations, empower farmers, help them to optimise costs, increase yield and transform the face of Indian agriculture.

We don't merely manufacture and market innovative agri-products and services. We are bringing solutions and building relationships. In line with the Tata Group's 150-year legacy, Rallis India inspires trust and transforms lives by

CARING FOR FARMS... CARING FOR FARMERS

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Annual General Meeting	Monday, 2nd July, 2018
Time	3.00 p.m.
Venue	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020
Book Closure Dates	21st June, 2018 to 2nd July, 2018

Corporate Snapshot

– A Legacy of Trust



With an over 150 years' legacy of trust, Rallis India, India's leading crop solutions Company, has a rich history of pioneering accomplishments.

With experience in serving three generations of the farming community, our comprehensive range of innovative crop protection products are made available to the Indian farming community through an extensive distribution network of loyal and supportive dealers and retailers. Our support to farmers is not limited to products; we provide solutions across the crop cycle, including agronomic advice and knowledge of best practices, so farmers can increase their yield and income sustainably. Armed with a vast experience in our domain and led by sustained investments in research and development, we have been at the forefront of meeting global expectations too.

Quality Assurance

Meeting international standards, Rallis India can boast about its four internationally accredited manufacturing facilities in India. All our plants are OHSAS 18001:2007 certified.

Other Business

In addition to a comprehensive product portfolio and providing agri solutions to the farming community, Rallis is also in the business of contract manufacturing for global corporations. The Company enjoys the trust of international business alliances for manufacturing, marketing and distribution of technical-grade crop care, polymers and fine chemicals.

Areas of business		
Domestic: Rallis Samrudh Krishi®	International Business	Contract Manufacturing
Agri Solutions comprising: ◆ Crop Protection ◆ Package of Practices ◆ Seeds & PGN ◆ Agri Services ◆ Information	Through alliance partnerships and direct distribution. Technical-grade Crop Care and branded formulations.	For a range of Specialty Chemicals, including: ◆ Agro Chemicals ◆ Polymers ◆ Pharma Ingredients ◆ Animal Care

Reach

The Company's range of formulation and crop care products reaches farmers across the country through its extensive network of distributors and dealers. The Company also exports its products around the world.

How We Reach You		
3,500	43,000	80%
No. of Distributors	Retail Counters	Geographical reach across Indian Districts
50	10,000	25,000
Countries	Metric Tonnes p.a.	KL/MT p.a.
Products are exported	Volume of technical grade crop care products manufactured	Volume of formulations manufactured

Corporate Legacy – The Tata Group

As part of the Tata Group of Companies, Rallis India keenly adapts to the corporate culture of commitment to customers, community development and sustainability. The Company has taken initiatives that promote these values, support the community and ensure shareholder returns.

Rallis India lives the 'Tata' culture and some key initiatives taken by the Company that resonate this corporate legacy and reflect its values, are as follows:



LIVING THE 'TATA' LEGACY

Reflected in our manufacturing

Tata Business Excellence Model is the driving force across all the manufacturing units and KAIZEN/DWM with emphasis on analytical tools is used for continuous improvement. This guarantees total customer satisfaction with value to the money paid by him to buy our products.

Reflected in our products

All our products reflect the 'Tata' ethos, the brand equity reassuring customers about quality, price and safety.

Reflected in our association

Collaborating with other Tata Companies as appropriate, such as Tata Chemicals, Tata Coffee, Tata Global Beverages, Tata Group Innovation Office, etc.

Reflected by our employees

The Tata Volunteering Week, that actually runs for four weeks, is an 'Engage' programme that is held twice in a year during September and March, when Tata employees, their families and retirees experience volunteering. Different programmes are held in schools, rural areas, old age homes, hospitals etc. inspiring volunteers with various interventions like teaching or simply spending their time to touch lives through Volunteering.

Reflected in our initiatives

Rallis, along with Tata Chemicals, is partnering the Tata initiative of 'Grow More Pulses (MoPu)'.

Reflected in our sustainability efforts

Our Sustainability cell works closely with Tata Sustainability Group and other Tata Companies such as Tata Chemicals, Tata Power, Tata Steel etc.

Reflected in our CSR efforts

One of the key areas where Tatas is also contributing are STs and SCs - we call it affirmative action and we have a programme with Tata known as the 'Affirmative Action Programme'.

Chairman's Address



Dear Shareholders,

It is with great pleasure that Rallis India, a Tata Enterprise celebrates the Tata Group's 150 years, with the same commitment to its customers, the community and the Earth.

Growth in Revenues - A Reason To Smile

I am pleased to report that your Company has achieved a better market performance and revenue growth over last year, driven by increase in volumes in both its domestic and international businesses, despite the environmental and business headwinds through the year. Rabi cropping acreages came down by 1 per cent as did wheat acreages. However, paddy and pulses improved, as did your Company's performance.

Rallis India recorded standalone revenues (net of excise) of ` 1,498 crores (Previous Year ` 1,386 crores) for the year ended March 31, 2018. Consolidated Revenues net of excise grew by 8 per cent at ` 1,791 crores (Previous Year ` 1,664 crores). Consolidated Profit before tax was ` 227 crores with total comprehensive income at ` 167 crores. The Company's broad-based portfolio of agriculture solutions and robust farmer relationships has driven revenue growth.

Performance Overview

The Company has come a long way, from a solo play on agrochemicals to sustained contact with farmers, research and development initiatives, branding and marketing expertise along with a strong product portfolio and environment initiatives. It has made its presence felt across the value chain of agriculture inputs-right from seeds to organic plant growth nutrients. All our products are manufactured across four state-of-the-art production facilities in Gujarat and Maharashtra, in western India.

Our new crop protection solutions, Odis, Cenator and Pulito were launched this year and having received an encouraging response from farmers, registered good growth in 2017-18. These products will be the key drivers of growth.

The national rollout of **Rallis Samrudh Krishi®** (RSK), a solution-based endeavour

to create value for farmers, supported by a slew of digital measures, has helped to enhance farmers' productivity. Our digital interventions-Drishti, Samadhan and Sampark-shall drive this expansion forward.

Our holistic approach towards the entire ecosystem within which we operate has helped farmers make constant improvements at each critical stage of the farming cycle and helped them improve their farming practices, crop yield and revenue. The Company is looking to work out synergies with start-ups to explore novel and innovative solutions to improve crop health.

Risks

Being largely dependent on imports for procurement of raw materials, the Company is vulnerable to currency fluctuations. However, we have partially mitigated this risk by growing our global business which offers a natural hedge against the rising cost of imports.

Another risk impacting the Company's agrochemicals business is the seasonality factor, which is sought to be mitigated by growing in other businesses like seeds and plant growth nutrients, besides herbicides and fungicides, which are high growth segments for export.

New Product Opportunities

An unusual opportunity has opened up in the Indian agrochemicals industry with agrochemicals products worth US\$ 2.9 billion going off patent between 2017 and 2020. We are evaluating opportunities as a consequence and are gearing up to soon launch high potential products.

Contract Manufacturing

Contract manufacturing is yet another high growth area. Globally acknowledged for developing new processes and formulations in addition to our manufacturing capability, we are a preferred contract manufacturing partner for global corporations, examining substitutes and affordable raw materials



1,498 crores

Standalone Revenues

1,791 crores

Consolidated Revenues

227 crores

Consolidated Profit Before Tax

167 crores

Consolidated Total Comprehensive Income

following the focus of global corporations to find reliable sources from India.

Partnerships

Rallis India has successfully developed marketing alliances with several multinational agrochemical companies.

Exports

Despite market challenges, increased raw material prices and pricing pressure, exports have improved due to a positive economic outlook and a strong demand for herbicides. With a presence in 50 countries, Rallis India has invested on registrations, product development, capacities and building relationships to make its mark in the global market.

Research & Development

Rallis Innovation & Chemistry Hub (RICH), the R&D centre identifies potential areas for new product development and participates in the Company's farmer connect programme, driven by its mission to increase agricultural yield. Through motivated research and development, the Company achieved 12 registrations for its international business. In fact, the Company's Innovation Turnover Index increased from 7 per cent in 2016-17 to 11 per cent in 2017-18. Rallis India will be increasing its R&D budget going forward to support development of new products over the next five years.

Environment & Climate Change

Agriculture is an industry most susceptible to weather conditions for its yield, especially water, energy and climate change. Rallis India is committed to natural resource management, conservation, industrial waste reduction and reuse.

In a leadership role, it has initiated measures for CO₂ reduction and a zero liquid discharge programme to control pollution. A safety awareness programme for farmers prepares them for protected handling of agrochemicals. Under its Jal Dhan project, the Company harvested 1.06 million cubic

meters, or 5.3 crore buckets of water. It harvested over three times more water than it utilized in its operations.

While it makes ethical and business sense to drive environmental awareness and implement best practices, Rallis India's deep connect with rural communities enables it to initiate behaviour change.

Economic Trend

Globally, the economy picked up on the cyclical recovery that started in late 2016 and gathered pace to record a growth of 3.7 per cent in 2017. More than 120 countries registered a pickup in growth in year-on-year basis. Global trade volumes also increased 4.7 per cent in 2017. The IMF expects the global economy to grow at 3.9 per cent in 2018 and 2019.

Although, economic growth in India dragged under the impact of demonetisation and the rollout of the Goods and Services Tax, it picked up from the third quarter onwards. The Indian economy is projected to have grown at 6.6 per cent in FY 2017-18. India's sovereign credit rating was also upgraded. The forecast of a normal monsoon augurs well for the Company. Today, India's crop protection industry (excluding seed and plant growth nutrients) is around ₹ 16,800 crores.

Shareholder Return

The Board has recommended a dividend of ₹ 2.50 per share.

Looking onward to a better tomorrow, I thank each shareholder for their continued support as well as Tata Group, our commercial partners, the Board of Directors and the Company management for its continued guidance and support that have made the Company successful.

Warm Regards

Chairman



A Caring Partner

The Mission

– To enhance value for farmers

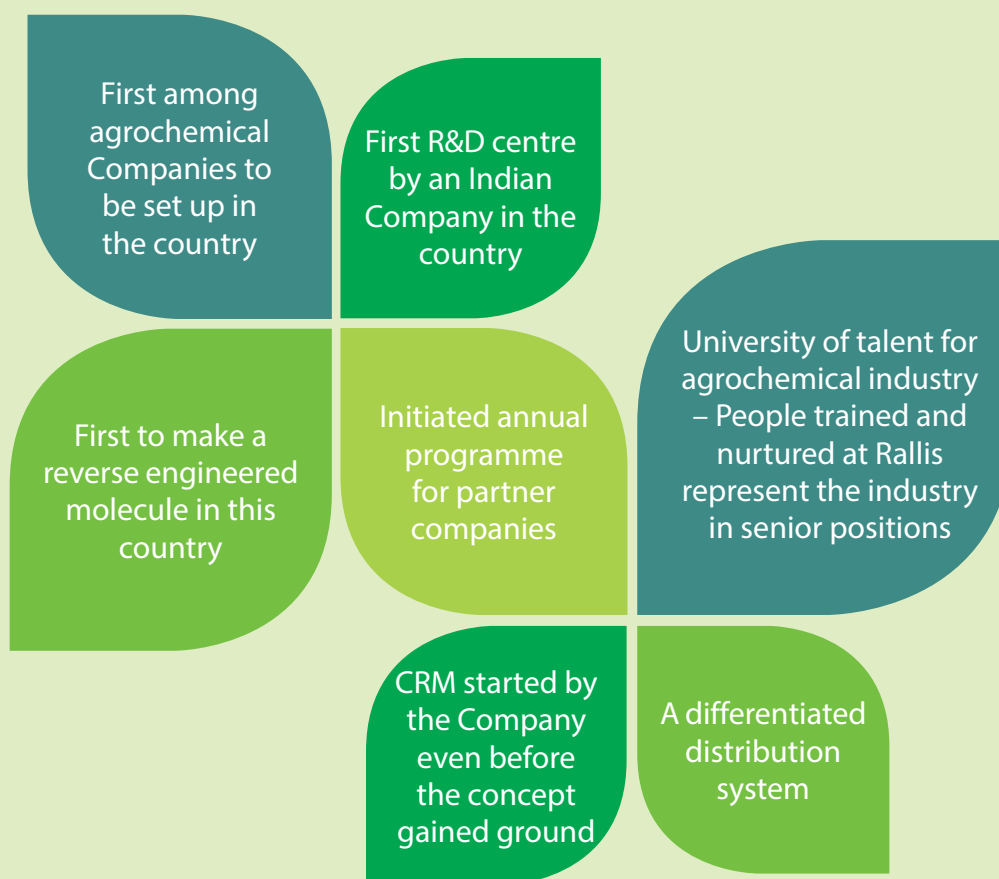
With this goal, Rallis India reinvented itself. The Company undertook a slew of path-breaking initiatives to alter a well-settled and functioning paradigm in the crop protection industry and evolved from a product-based Company to a end-to-end solutions-based Company offering farm services across the crop cycle – from seed to harvest.



Driven by the Tata Group philosophy of responsibility towards the communities it serves, Rallis India embodies the passion of enabling new possibilities and forging pathways for mutual benefit.

From manufacturing the best crop protection inputs to making available value-added services and using technology for the benefit of farmers, the Company has developed strong bonds with the farmer community, making itself and its research and development available for the greater good.

Some of the key highlights of its transformation over its 167- year history are as follows:



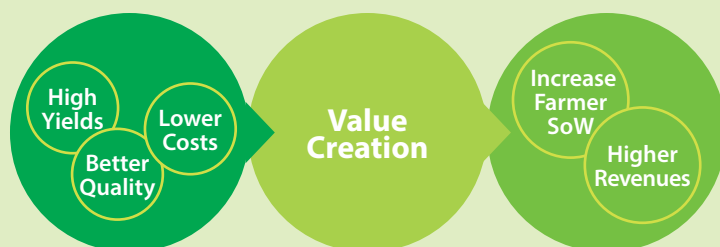


Rallis Samrudh Krishi®



As a Tata Enterprise, Rallis India believes that good corporate governance must create value for all stakeholders. **Rallis Samrudh Krishi®** (RSK) is an initiative that aims to create value for the farmer community. RSK has shifted the Company's operational paradigm from sale of its own products to create higher revenues for this community, which has yielded rich dividends. The programme, backed by the Company's resources - product, research and development, technology and commitment, has benefitted farmers and made the Company a household name. Following the Company's successful execution of 200 RSK pilots during 2016-17, it was rolled out across the country touching about a million farmers in 2017-18.

The Company provided farmers quality seeds, crop protection products, customised package of farm practices, right product dosages and soil conditioners, supported farmers' linkages with agricultural experts through digital initiatives that provided market price information, forecast weather as well as addressed customised agricultural queries relating to soil or crops.

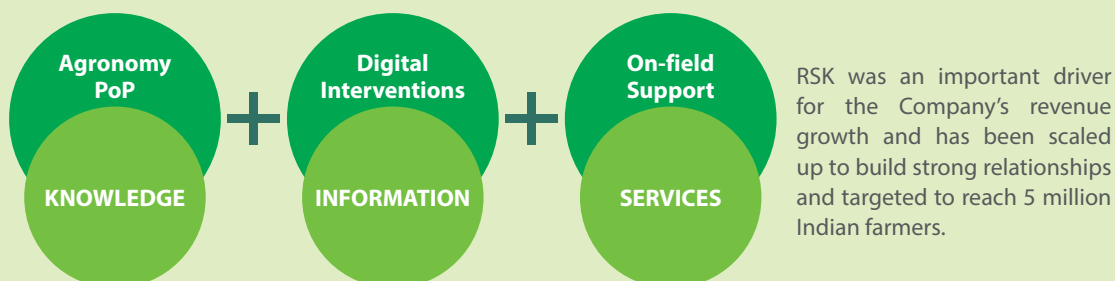


Over the Kharif and Rabi seasons in 2017-18, the Company reached out to one million farmers across 12,600 villages. The project was supported by a 1,500-strong field force at the front end connecting with farmers supported by 14 Helplines as well as digital support. The Company supported the farmers with its technology and digital initiatives like Drishti, Samadhan and Sampark.

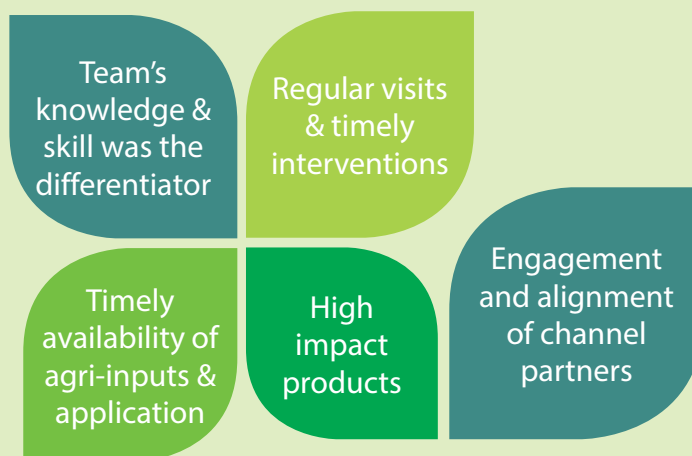
Multilingual Digital Support

Drishhti provided farmers predictive advisory services like accurate pest forecast, crop health, soil moisture among others. *Samadhan* app gave farmers access in 11 languages to a customised and dynamic Package of Practices (PoP), Mandi prices, weather forecast, crop solutions and customised crop advisory besides flash news on agriculture and crop output prices. The *Sampark* app provided access to our virtual Crop Advisors on complete PoP, in addition to full details on our basket of products.

The Result: 22 RSK mega events during the 2017 kharif season, at which 6,180 farmers participated. Nearly 50,000 farmers mapped for percentage improvement in yield and income. Farmers following most of the Package of Practices (PoP) recommendations have benefited most in terms of yield and income improvement.



Learnings from Rallis Samrudh Krishi®:



Financial Highlights

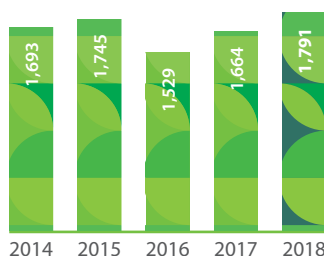


Rallis India has performed well and recorded an increase in revenues.

The Company recorded higher Consolidated revenues of ₹ 1,791 crores (PY ₹ 1,664 crores) and Standalone revenue of ₹ 1,498 crores (PY ₹ 1,386 crores) for the year ended March 31, 2018. Profit after tax was ₹ 167 crores (PY ₹ 170 crores) for the corresponding period. The Board has recommended a dividend of ₹ 2.50 per share for its investors.

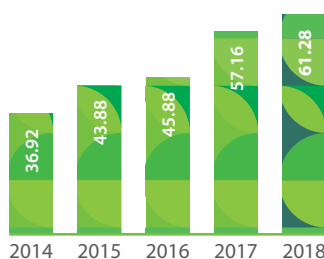
Consolidated

Gross Sales (₹ in crores)

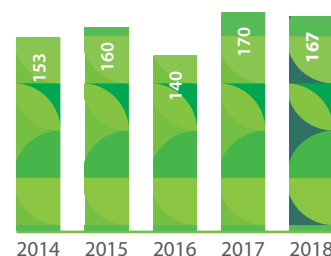


Note: Previous years figures have been regrouped, wherever necessary. Figures are net of excise on a comparable basis across the years

Book Value Per Share (₹)

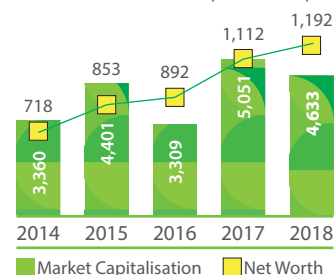


Profit after Tax* (₹ in crores)



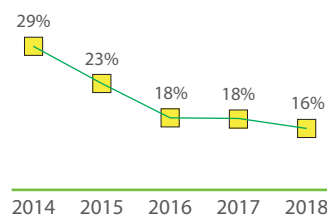
* PAT excludes exceptional items

Market Capitalisation and Net Worth (₹ in crores)



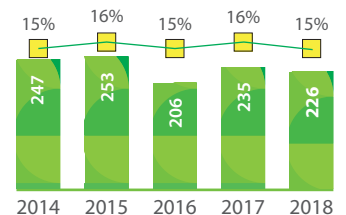
Standalone

Return (PBIT)* on Capital Employed (%)



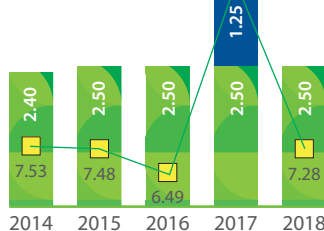
* PBIT excludes exceptional items

EBITDA* and EBITDA Margin



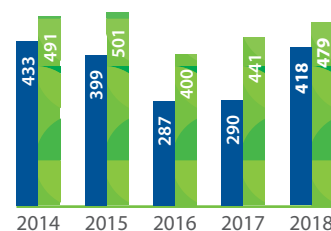
* EBITDA excludes exceptional items

EPS and Dividend per share (₹)



Dividend Special Dividend EPS

International Revenue and Imports (₹ in crores)



CIF Value of Imports International Revenue

Board of Directors



Standing from left to right:

Mr. R Mukundan

Director

Mr. Prakash R. Rastogi

Director

Dr. Y. S. P. Thorat

Director

Dr. C. V. Natraj

Director

Mr. John Mulhall

Director

Seated from left to right:

Dr. Punita Kumar-Sinha

Director

Mr. Bhaskar Bhat

Chairman

Mr. V. Shankar

Managing Director & CEO

Mrs. Padmini Khare Kaicker

Director



Corporate Information

Board of Directors

Bhaskar Bhat (*Chairman*)

Prakash R. Rastogi

R. Mukundan

Y. S. P. Thorat

Punita Kumar-Sinha

C. V. Natraj

Padmini Khare Kaicker

John Mulhall

V. Shankar (*Managing Director & CEO*)

Senior Leadership

V. Shankar

Managing Director & CEO

K. R. Venkatadri

Chief Operating Officer

Prosenjit Bose

Chief - Technology, Innovation & Business Development

Ashish Mehta

Chief Financial Officer

Ravindra R. Joshi

Vice President - Manufacturing

Siddheswar Mallick

Vice President - Domestic Sales

D. G. Shetty

Vice President - Planning, Logistics & Third Party Management

Subhra Jyoti Roy

Vice President - International Business

N. K. Uppal

Vice President - Agri Services

Rajashekhar Khinnavar

Vice President - Corporate Projects & Quality Assurance

Alok Chandra

Vice President - Human Resources & Corporate Sustainability

S. Mallikarjunappa

Head - Research and Development

Coomie N. Kapadia

Head - Internal Audit

Company Secretary

P. S. Meherhomji

Corporate Identity Number (CIN)

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

Share Registrars and Transfer Agents

TSR Darashaw Ltd.

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

Auditors

B S R & Co. LLP

Solicitors & Advocates

Crawford Bayley & Company

Bankers

State Bank of India

Citibank N.A.

Corporation Bank

BNP Paribas

IDBI Bank Limited

Axis Bank Limited

ICICI Bank Limited

HDFC Bank Limited

Oriental Bank of Commerce

Kotak Mahindra Bank Limited





RALLIS INDIA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the 70th 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 Monday, the 2nd July, 2018 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 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, 2018 together with the Report of the Auditors thereon.
3. To declare dividend for the Financial Year 2017-18 on Equity Shares.
4. To appoint a Director in place of Mr. R. Mukundan (DIN: 00778253) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

5. **Appointment of Mr. John Mulhall (DIN: 08101474) as Director.**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

RESOLVED THAT Mr. John Mulhall (DIN: 08101474), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st April, 2018 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ('the Act') 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 under Section 160(1) of the Act from a Member, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation.

6. **Payment of Commission to Non- Whole-time Directors 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 Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and/or Whole-time Directors), in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each financial year commencing from 1st April, 2018.

7. **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 or re-enactment 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, 2019.

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 7 above is annexed hereto. The relevant details of the Directors seeking

re-appointment/ appointment under Item Nos. 4 and 5, 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 Standards – 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed.

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 organization.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the 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 shareholder.

3. A route map giving directions to reach the venue of the 70th Annual General Meeting is given at the end of the Notice.

4. Process and manner for Members opting to vote through electronic means:

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, Members are provided with the facility to exercise their right to vote electronically on all resolutions set forth in the Notice of the 70th Annual General Meeting ('AGM'). Members may cast their votes by using the e-voting services provided by National Securities Depository Ltd. ('NSDL'), i.e. facility of casting votes by using an electronic voting system from a place other than the venue of the AGM ('remote e-voting'). Instructions for remote e-voting are as under:

- A. In case of Members receiving an email from NSDL (for Members whose email addresses are registered with the Company/ Depository Participants):

- (i) Open the email and open pdf file "Rallis India e-voting.pdf" with your 8 digit Client ID for NSDL Account and last 8 digits of Client ID for CDSL Account or Folio No. for shares held in physical form as password. The pdf file contains your user ID and password/ PIN for remote e-voting. Please note that this password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on "Shareholder – Login".
- (iv) Insert User ID and password as initial password/ PIN noted in step (i) above and a verification code as shown on the screen. Click Login. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step (vii) i.e. Cast your vote electronically.
- (v) You will now reach Password Change Menu, wherein you are required to mandatorily change your password/ PIN with new password of your choice, comprising of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). On first login, the system will prompt you to change your password and update your contact details like mobile number, email address, etc. in the user profile details of the folio, which may be used for sending future communications. You will also need to enter a secret question and answer of your choice to retrieve your password in case you forget it. Note your new password. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (vi) You need to login again with the new credentials. Home page of e-voting will open. Click on "e-voting: Active Voting Cycles".
- (vii) Select the "EVEN" (Electronic Voting Event Number) of Rallis India Limited. Now you are ready for e-voting as Cast Vote page opens.



- (viii) On the voting page, you may cast your vote by selecting an appropriate option "For" or "Against" and click "**SUBMIT**". A confirmation box will be displayed. Click "**OK**" to confirm or "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote. Upon confirmation, the message "Vote Cast Successfully" will be displayed.
- (ix) You can similarly vote in respect of all other resolutions forming part of the Notice of the AGM. During the voting period, Members can login any number of times till they have voted on all the Resolutions.
- (x) If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "**RESET**" for those resolutions for which you have not yet cast the vote.
- (xi) Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at the email address: navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in.
- B. In case of Members whose email addresses are not registered with the Company/ Depository Participants, their User ID and initial password/ PIN is provided on the Attendance Slip sent with the AGM Notice.
- Please follow all steps from Sr. No. (ii) to (xi) as mentioned in A above, to cast your vote.
- C. Members who are already registered with NSDL for remote e-voting can use their existing User ID and password/ PIN for casting their votes.
- Shareholders who forgot the User Details/ Password can use "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com. In case of Shareholders holding shares in demat mode, User ID is the combination of DP ID + Client ID. In case of Shareholders holding shares in physical mode, User ID is the combination of Even No. + Folio No.
- D. Members holding shares in either physical or dematerialized form as on the Cut-Off Date of 25th June, 2018, may cast their votes electronically. The e-voting period for the Members who hold shares as on the cut-off date commences on **Thursday, 28th June, 2018 (9.00 am)** and ends on **Sunday, 1st July, 2018 (5.00 pm)**. The e-voting module shall be disabled by NSDL for voting thereafter.
- E. In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of <https://www.evoting.nsdl.com> or call on toll free No.:1800 222 990. Any query or grievance connected with the remote e-voting may be addressed to the Company Secretary, Mrs. P. S. Meherhomji at 2nd Floor, Sharda Terraces, Plot No. 65, Sector 11, CBD Belapur, Navi Mumbai 400 614, Tel: +91 22 6776 1657, Fax: +91 22 6776 1775, Email: pmeherhomji@rallis.co.in
5. **General instructions/ information for Members for voting on the Resolutions:**
- (a) Facility of voting through Poll paper shall be made available at the AGM. Members attending the AGM, who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.
- (b) Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to vote again at the AGM.
- (c) 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.
- (d) The voting rights of the shareholders (for voting through remote e-voting or by Poll paper at the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on **25th June, 2018 ('Cut-Off Date')**. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by

the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or of voting at the AGM.

- (e) Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 25th June, 2018, may obtain the login Id and password by sending a request at 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.
- (f) 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 have been appointed by the Board of Directors of the Company as Scrutinizer for scrutinizing the remote e-voting process as well as voting through Poll paper at the AGM, in a fair and transparent manner.
- (g) 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.
- (h) The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, not later than twenty four 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.
- (i) 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 Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.rallis.co.in and on the website of NSDL immediately after their declaration, and communicated to the Stock

Exchanges where the Company's shares are listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.

- (j) 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. Monday, 2nd July, 2018.
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
7. 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.
8. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.
9. **Book Closure and Dividend:**
 - (a) **The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, 21st June, 2018 to Monday, 2nd July, 2018 (both days inclusive).**
 - (b) If dividend on Equity Shares, as recommended by the Board, is approved at the AGM, it will be paid on 6th July, 2018 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 on the beginning of 21st June, 2018.
 - (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 transfers in respect of transfer requests lodged with the Company as of the close of business hours on 20th June, 2018.
10. **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 Registrars and Transfer Agents, TSR Darashaw Ltd. ('TSRDL'). Members holding shares in electronic form are requested to provide the details to their respective Depository Participant.

(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 its Registrars 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 Depository Participant of the Members.

11. 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.

12. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or TSRDL for assistance in this regard.

13. **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 may submit the same in Form No. SH-14. Both Forms can be downloaded from TSRDL's website

www.tsrdarashaw.com or from the Company's website 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.

14. **Unclaimed Dividends:**

(a) **Transfer to Investor Education and Protection Fund:**

Members are hereby informed that under the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government.

Members are also requested to note that, 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'), the Company is also obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to the Demat Account of the IEPF Authority notified by the Ministry of Corporate Affairs ('IEPF Demat Account').

As per the above provisions, all unclaimed dividend up to the financial year ended 31st March, 2010 has been transferred by the Company to the Fund. Shares in respect of which dividend remained unclaimed for seven consecutive years or more have also been transferred to the IEPF Demat Account.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2011 and for any subsequent financial year, are requested to make their claims to the Company 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 2010-11 declared on 30th June, 2011, can be claimed by the Members by 31st July, 2018. Unclaimed Interim Dividend declared on 19th October, 2011, can be claimed by the Members by 19th November, 2018.

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 Form IEPF- 5 (available on iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

(b) Details of Unclaimed Dividend on Website:

In order to help Members to ascertain the status of unclaimed dividends, the Company has uploaded the information in respect of unclaimed dividends for the financial year ended 31st March, 2011 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under "Investor Relations" Section on the website of the Company, www.rallis.co.in.

15. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or TSRDL.

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 Registrars and Transfer Agents 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 2017-18 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 2017-18 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/ their Depository Participants, in respect of shares held in physical/ electronic mode respectively.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 17th May, 2018

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 7 of the accompanying Notice dated 17th May, 2018.

Item No. 5:

Mr. John Mulhall (DIN: 08101474) was appointed Additional Director of the Company, liable to retire by rotation, by the Board of Directors, with effect from 1st April, 2018. Pursuant to Section 161 of the Act and Article 116 of the Articles of Association of the Company, Mr. Mulhall holds office as Director up to the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member indicating her intention to propose Mr. Mulhall for the office of Director at the forthcoming AGM.

Mr. John Mulhall is a graduate from the University of Strathclyde and a member of the Institute of Chartered Accountants of Scotland.

Mr. Mulhall currently serves as the Chief Financial Officer of Tata Chemicals Ltd. He joined Tata Chemicals in the year 2007 as European Finance Director of Brunner Mond (UK), a subsidiary of Tata Chemicals Ltd., followed by positions in Tata Chemicals North America Inc., (VP and CFO) and Tata Chemicals International Pte in Singapore (CFO).

Prior to Tata Chemicals, Mr. Mulhall worked in the field of finance for various UK manufacturing companies.

The Board considers it desirable to continue to receive the benefit of Mr. John Mulhall's advice and guidance and commends the Resolution as set out in Item No.5 of the Notice for approval by the Members of the Company.

Mr. John Mulhall is interested and concerned in the Resolution mentioned at Item No.5 of the Notice. Other than Mr. Mulhall, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in this Resolution.

Item No. 6:

The Members of the Company at their 65th Annual General Meeting held on 24th June, 2013 had approved the payment of remuneration by way of Commission to the non- whole-time Directors of the Company not exceeding one percent

per annum of the net profits of the Company computed in the manner referred to under Sections 198, 349 and 350 of the erstwhile Companies Act, 1956, for each year for a period of five financial years commencing from 1st April, 2013.

Since pursuant to Section 309(7) of the erstwhile Companies Act, 1956, the said resolution was valid up to 31st March, 2018, it is proposed to pass an Ordinary Resolution under Section 197 of the Act, enabling the payment of commission to Directors (other than Managing Director and/ or Whole-time Director(s), if any) for each financial year commencing from 1st April, 2018.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that remuneration not exceeding one per cent of the net profits of the Company, calculated in accordance with Section 198 of the Act, be continued to be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the recommendations of the Nomination and Remuneration Committee of the Board and approval by the Board of Directors of the Company, for each financial year commencing from 1st April, 2018.

The payment of commission would be in addition to the sitting fees payable for attending the Meetings of the Board and Committees thereof.

All the Directors of the Company except Mr. V. Shankar are concerned or interested in the Resolution mentioned at Item No.6 of the accompanying Notice to the extent of commission that may be received by them. None of the Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested in the Resolution at Item No.6 of the Notice.

Item No. 7:

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ('the Rules'), as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company 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, 2019, 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 Rules, the remuneration payable to the

Cost Auditors has to be ratified by the Shareholders 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 Shareholders is sought for the same by an Ordinary Resolution

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.7 of the Notice.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 17th May, 2018

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 Standards - 2
on General Meetings]

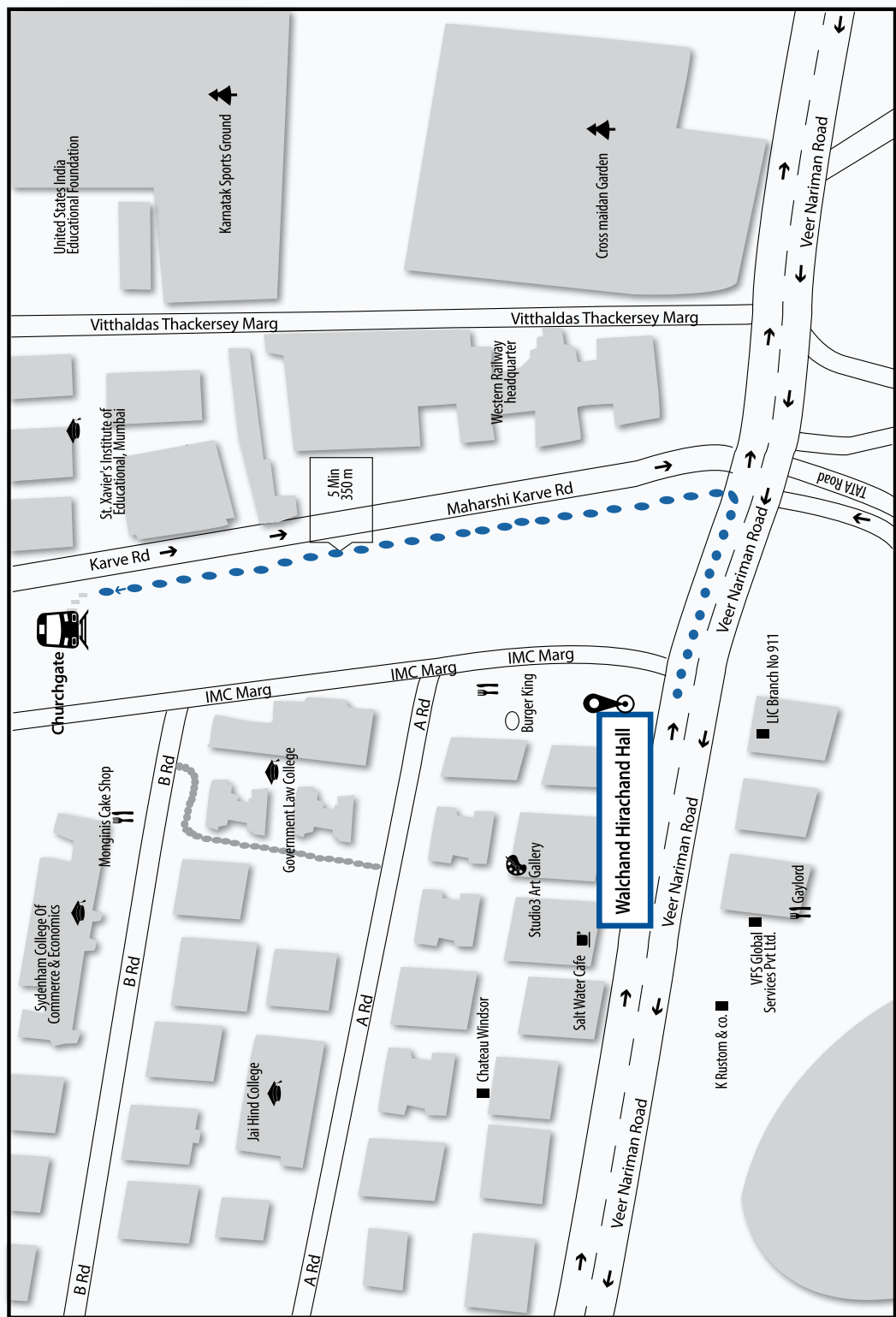
Name of Director	Mr. R. Mukundan	Mr. John Mulhall
Director Identification Number (DIN)	00778253	08101474
Date of Birth/ Age	19.09.1966/ 51	18.03.1968/ 50
Date of first appointment	03.12.2009	01.04.2018
Qualifications	BE (Electrical Engineering) from IIT, Roorkee and MBA from FMS, Delhi University. Also attended the Advanced Management Programme at Harvard Business School in 2008.	Graduate from the University of Strathclyde and a member of the Institute of Chartered Accountants of Scotland.
Expertise in specific functional areas	Mr. Mukundan has wide experience in the field of Strategy & Business Development, Corporate Quality & Business Excellence, Corporate Planning and Manufacturing. He was Executive Vice President of the Global Chemicals Business and Consumer Products in Tata Chemicals Ltd. from 2007 and is currently its Managing Director.	Mr. Mulhall has vast experience in the field of Finance. He joined Tata Chemicals in 2007 and held various positions including European Finance Director of Brunner Mond (UK), Vice President and Chief Financial Officer ('CFO') of Tata Chemicals North America Inc. and CFO of Tata Chemicals International Pte in Singapore. Currently he is the CFO of Tata Chemicals Ltd.
Terms and conditions of appointment/ re-appointment	Appointed as Non-Executive Director liable to retire by rotation	Appointed as Non-Executive Director liable to retire by rotation
Details of remuneration last drawn (2017-18)	NIL	NA
No. of Board Meetings attended during the year	7	NA
Relationships between Directors inter-se	None	None
No. of shares held in the Company: (a) Own (b) For other persons on a beneficial basis	NIL NIL	NIL NIL
List of Companies in which Directorship held as on 31.03.2018 (excluding foreign, private and Section 8 Companies)	1. Rallis India Ltd. * 2. Tata Chemicals Ltd. (Managing Director)* 3. Tata International Ltd. 4. Metahelix Life Sciences Ltd.	1. Rallis India Ltd. *
Chairperson/ Member of the Mandatory Committees of the Board of the Companies on which he/ she is a Director as on 31.03.2018	1. Tata Chemicals Ltd. – Stakeholders Relationship Committee	NIL

* Listed Entities (including entities whose debt is listed on a Stock Exchange)

ROUTE MAP to the Venue of the 70th Annual General Meeting

Venue: Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.

Landmark: Next to Churchgate Station



BOARD'S REPORT

TO THE MEMBERS OF RALLIS INDIA LIMITED

The Directors hereby present their Seventieth Annual Report on the business and operations of the Company and the financial statements for the year ended 31st March, 2018.

FINANCIAL RESULTS

₹ in Crores

	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	1,515.94	1,490.39	1,808.46	1,768.20
Other Income	8.93	10.51	13.18	12.79
	1,524.87	1,500.90	1,821.64	1,780.99
Profit/ (-) Loss before Finance cost, Depreciation and Tax	235.12	245.79	277.65	276.40
Finance Costs	(3.29)	(2.67)	(4.31)	(7.29)
Depreciation	(40.57)	(42.18)	(46.31)	(47.55)
Profit before exceptional items and tax	191.26	200.94	227.03	221.56
Exceptional items	-	158.39	-	158.39
Profit before Tax	191.26	359.33	227.03	379.95
Provision for Tax	(58.95)	(79.26)	(66.32)	(83.90)
Deferred Tax	9.18	(14.04)	6.31	1.02
Profit for the year	141.49	266.03	167.02	297.07
Profit for the year attributable to:				
Owners of the Company	141.49	266.03	167.62	297.46
Non-controlling interests	-	-	(0.60)	(0.39)
Other comprehensive income	(0.16)	(0.46)	(0.33)	(0.51)
Total comprehensive income	141.33	265.57	166.69	296.56
Profit for the year	141.33	265.57	167.39	296.95
Balance of Profit brought forward from previous year	747.56	540.51	733.33	510.60
	888.89	806.08	900.72	807.55
Appropriations				
Transfer from equity instruments through Other Comprehensive Income	(1.97)	-	(1.97)	-
Transfer to General Reserve	-	-	-	-
Dividend on Equity Shares	(72.93)	(48.62)	(72.93)	(48.62)
Dividend Distribution Tax	(14.95)	(9.90)	(14.95)	(9.90)
Post acquisition Goodwill	-	-	-	(15.70)
Transfer to Reserve for equity instruments through Other Comprehensive Income	1.97	-	1.97	-
Balance Profit carried forward to Balance Sheet	801.01	747.56	812.84	733.33

Footnotes: 1. Figures have been rounded off to ₹ crores.

2. Exceptional item in FY 2016-17 comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai. The profit is net of costs, including a premium levied under the repealed Urban Land (Ceiling and Regulation) Act, 1976, which has been paid under protest.

TRANSFER TO RESERVES

The Company proposes to retain the entire amount of profits 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 ₹ 3.75 per share, including ₹ 1.25 per share as one-time special dividend out of the profit on assignment of leasehold rights in the Turbhe land). If the dividend, as recommended above, is declared by the Members at the Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 58.61 crores (including dividend tax) (Previous Year ₹ 87.77 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 capitalization calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites.

Accordingly, the Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Policy is attached as Annexure A and is also available on the website of the Company under the "Investor Relations" section.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 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. As on 31st March, 2018, Dr. C. V. Natraj holds 4,831 (0.002%) Equity Shares of the Company. No other Director holds any shares in the Company.

COMPANY PERFORMANCE

The Company's consolidated revenues during the year are ₹ 1,808.46 crores, as compared to ₹ 1,768.20 crores in the previous year. Consolidated Revenue Net of Excise, at ₹ 1,790.94 crores, grew by 7.7% as compared to ₹ 1,663.52 crores in the

previous year. The Company's profit before exceptional items and tax on a consolidated basis is ₹ 227.03 crores during the year, as compared to ₹ 221.56 crores in the previous year, an increase of 2.5% over the previous year. The Company earned a net profit of ₹ 167.02 crores, lower by 1.9%, as against a net profit of ₹ 170.22 crores (excluding exceptional item ₹ 126.85 crores) in the previous year, on a consolidated basis.

OPERATIONS

1. CROP PROTECTION

Indian Agriculture in 2017-18 started on an optimistic note, reflecting a forecast of normal monsoon and commencing with good initial rainfall. Some areas, however, experienced delayed onset of monsoon or dry spells, whereas there was excess rainfall in others. Southern States such as Tamil Nadu, Karnataka and Rayalaseema in Andhra Pradesh faced severe drought in the first half of the season. Conditions improved in Tamil Nadu and parts of Karnataka due to the North East monsoon. Maharashtra, especially Marathwada and Vidarbha, faced drought during the Kharif season. The latest meteorological data shows mild to extreme dry conditions in 404 districts due to poor rainfall since October 2017. Of these, around 140 districts were termed severely to extremely dry during October 2017 to March 2018. Another 109 districts were moderately dry, while 156 had mild dry conditions. Worryingly, even when rainfall since June 2017 is considered - which includes the 2017 monsoon months - IMD's standard precipitation index (SPI) shows 368 districts under mild to extreme dry conditions.

The year witnessed an increase in Cotton and Cumin acreages by 15% each as compared to the previous year. However, growth was not uniform across India. In Chattisgarh, Rabi Paddy acreage reduced by 80% due to water shortage. Drought in Rajasthan impacted industry growth and molecule consumption. Some regulatory restrictions also impacted the industry growth.

The year though, as per estimates, will have an all-time high food grain production of 277.49 Mt, which is 1% higher than 2016-17. Despite a bumper output, GVA of agriculture is expected to grow by just 2.1% in FY 18 vs. 4.9% in FY 17 on account of a crash in crop out-put prices, especially for pulses and oilseeds.



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 was 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. The transition to GST regime had its impact on slowing down markets for some months. Potato, Chilli and Pulses prices remained low. Paddy and Cotton prices improved from the lows during the crop harvest.

Untimely rainfall in West Bengal during the later part of October and incessant rainfall in the Northern States resulted in low pest infestation and poor yield.

Poor rains have impacted water availability in the country. Latest Government data reveals that 91 major reservoirs of the country were, on average, running at 25% of capacity as on April 2018. This was 16% lower than the corresponding period last year and 10% lower than the 10-year average.

Despite the irregular monsoon pattern and constrained acreages of few key crops in important geographies, your Company was able to grow the domestic business by over 11% over the previous year. Even in areas where the industry faced regulatory issues, Rallis has managed to maintain its business due to acceptance of *Rallis Samrudh Krishi* at both channel and farmer level. In paddy, market share improved through focused approach, in spite of low pest pressure in segments like BPH and Paddy blast. New products introduced during the year have received good response from farmers and will be growth drivers in the next few years.

Chillies, considered a high agrochemical consuming crop, suffered due to virus attack during the peak sowing period. The Company managed to hold its market share due to close coordination with chilli RSK farmers and right products mix in key segments. In soybean crop, where farmers faced challenges due to narrow leaves weeds complex, we were able to provide right solutions through our new chemistry product, Mark.

New Products introduced during the year: The business introduced five new products as briefly noted below:

Pulito: A leading fungicide used for specialty crops for the control of a wide spectrum of diseases as well as to increase plant/ fruit health. The target geographies are Maharashtra, Andhra Pradesh, Tamil Nadu and Karnataka.

Cenator: This is a new age ready- mix formulation of Fluxapyroxad + Epoxiconazole for Paddy Sheath Blight. The key geographies for Cenator are Andhra Pradesh, Karnataka, Punjab, Haryana, West Bengal and Chattisgarh.

Odis: Odis is a one-shot ready mix of well proven chemistry with different mode of actions for effective control of sucking pests of rice and cotton, with a significant impact on paddy crop production.

Riceup: It is an innovative formulation, oil dispersion with broad spectrum systemic herbicide for the management of major weeds in both direct seeded rice and transplanted rice.

Jashn Super: Introduced for the control of key lepidopteron pest, which causes significant losses to commercial crops, Jashn Super has strengthened the Company's Lepidopteron pest control solution portfolio.

Your Company aims to bring meaningful changes in the life of the Agri community, with a view to adding value for farmers through higher yields, better quality products and lower costs. The key interventions of the Company towards this are:

Agri-Solutions: Your Company's mission to provide Agri solutions enhancing value for customers has resulted in **Rallis Samrudh Krishi® (RSK)**, a model aimed at adding value to farmers by improving yield. To this effect, the Company has been working on several crops such as pulses, grapes, chilli, etc. over last few years. During the year, the Company rolled out RSK across the country on various crops, reaching one million farmers and helping them to enhance their yield and farm income.

Digital Initiatives: The Company is progressing well on its digital as well as information and communication technology (ICT) initiatives. These initiatives will enable

your Company to effectively provide necessary services to the agri community.

One of the most critical needs of the farming community is availability of predictive advisory services, which your Company is building through its digital platform, *Drishti*. This system provides current and forecasted information on weather, crop health, pest/ disease, soil moisture, likely yield estimates and so on. Through *Drishti*, Rallis will be able to provide customized and predictive personalized advisory to the farmers.

Rallis Krishi *Samadhan*, a mobile app was launched this year for the farming community, to provide them with relevant information regarding Agri-solutions. With features like customized package of practice, weather information, Mandi information, crop solutions, complaint/ query resolution, requesting personalized advisory through farm visits and many more features, this app is going to be the one stop solution for the farmers' needs.

Rallis *Sampark*, a mobile app for the Company's internal team, was also launched this year to ensure better engagement with the farmer community, better visibility on our reach mechanisms and insights gathering. These are all intended to be key enablers to our **Rallis Samrudh Krishi®** programme.

Customer Promise: In line with the RSK agenda, Rallis has enunciated its "Customer Promise", which is aimed at "enhancing farm prosperity and building customer relationship with the promise to be focused and relevant on continually emerging farming needs of our customers, offering them solutions with safest chemistry possible and educating them on key farming interventions, thereby helping them enhance their farm prosperity.

Fruits and Vegetables: Fruits & Vegetables are considered high potential crops, capable of increasing farm prosperity. Your Company's customized Package of Practices for key fruits and vegetable crops helps increase productivity and harvest of residue free produce.

The preliminary view of the global Agrochemicals market (crop protection + non crop protection) is estimated to have increased by 0.52% to reach a total value of \$61 billion during calendar 2017 when compared to \$60.68 billion in 2016. While commodity prices continued to

remain weak, overall consumption of Agrochemicals increased across the globe in 2017 except for Latin America (LATAM) and Europe.

Unlike preceding years, weather conditions in LATAM and NAFTA improved over 2016 with off set of *El Niño*. Return of normal monsoon benefitted water availability across many parts of Asia, although Vietnam got impacted by late season. Australia experienced a decline due to adverse weather conditions which dis-incentivized farmers to invest in crops. While weather conditions in Europe showed many fluctuations which had adverse effect on standing crops, South Africa suffered due to intermittent drought conditions.

Brazilian market declined significantly owing to adoption of Intacta RR soybean, negatively impacting the insecticides market. High distributor inventory levels in LATAM (Brazil, Argentina) and Vietnam continues to remain a concern.

Stringent environmental norms led to product and raw material scarcity, resulting in price increase in China. Pressure to display improved profitability by listed companies in China has also led to price increase.

The **International Business Division** (IBD) has achieved a revenue growth of 9% during the current year, growing to ₹ 479 crores, as against ₹ 441 crores during 2016-17. During the year, the Company has gained 14 registration approvals in several countries and also successfully launched 5 brands around the globe. Alliance business has seen substantial growth during the year as well. IBD continues its focus and developmental activities in key geographies in Latin America, South East Asia, European and African markets.

2. NON-PESTICIDE PORTFOLIO

Non-Pesticide Portfolio (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.

Seeds and Plant Growth Nutrients:

During the year, the Company made progress to establish the cotton and rice seeds portfolio and grew



revenues by 74% over the previous year. Three new products were launched, viz. cotton Anjusha for North, Hybrid Rice RIL 222 in the fine grain segment and Selection Rice Akshitha in the fine grain segment.

The Company is operating in the Bio stimulants and Micronutrients business categories of Plant Growth Nutrients. **Surplus**, a multi micro nutrient, nano technology based liquid fertilizer that was launched in Maharashtra in the previous year, was launched in further ten States during 2017-18. The Company plans to launch it in a few other States in the coming year. **Surplus** is highly soluble in water, easy to apply and provides superior vegetative growth with better fruit formation, resulting in higher quality yield. The Company plans to build **Ralligold** and **Surplus** as major brands in the next 3-5 years.

Agri Services:

Agri Services portfolio comprises the organic manure product GeoGreen, Grapes Samrudh Krishi (SK) initiative and MoPu (More Pulses) programme. During the year, GeoGreen sales increased by about 25% over the previous year. Grapes RSK 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. While MoPu initiative continued in Maharashtra as well as in Madhya Pradesh, discussions were also held with the Karnataka Government for initiating it in that State as well.

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 investors seeking information at any time. They are also available on the website of the Company.

The consolidated financial results reflect the operations of the following subsidiaries: Metahelix Life Sciences Ltd.

('Metahelix'), PT Metahelix Lifesciences Indonesia (subsidiary of Metahelix), Zero Waste Agro Organics Ltd. and Rallis Chemistry Exports Ltd.

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.

PERFORMANCE OF SUBSIDIARIES

(1) Metahelix Life Sciences Ltd.

Consolidated revenues of Metahelix Life Sciences Ltd. (Metahelix) from continuing operations increased from ₹ 286.34 crores to ₹ 319.42 crores, an increase of 11.5% over the previous year. Profit before tax on a consolidated basis has increased from ₹ 20.88 crores to ₹ 33.21 crores, an increase of 59% over the previous year. Metahelix earned a net profit of ₹ 22.97 crores, as against net profit of ₹ 31.30 crores in the previous year, which included ₹ 10.42 crores arising out of recognition of deferred tax asset.

Metahelix continued its impressive performance with an 11.5% growth in revenues under difficult conditions. Most of the growth came from business with the trade. In terms of market standing, it has narrowed the gap with the second largest player in hybrid rice and retained the number two position in millet. In maize, it has significantly improved its position and there was a growth of 107% in cotton sales volumes over the previous year.

In addition to strong business performance, Metahelix continued its focus on strengthening its brand presence in the market, helping it to realize better prices in the market. Its price realizations improved across crops.

In spite of growth in sales, the receivables declined as compared to previous year due to increased focus on collections.

On the seed production front, Metahelix strengthened its production and supply capabilities with the implementation of grower module. Volume production increased during the year as compared to the previous year.

(2) PT Metahelix Lifesciences Indonesia

During the year, Metahelix has invested USD 183,750 for 183,750 Equity shares of USD 1 each with 65.77%

shareholding in its Indonesian Joint Venture ('JV') Company PT Metahelix Lifesciences Indonesia ('PT Metahelix') as per the commitment in the JV Agreement. The JV partner has also invested his share of USD 191,250 for 95,625 Equity Shares of USD 2 each with 34.23% shareholding. The total equity of PT Metahelix stands at USD 625,000 as on 31st March, 2018.

The JV had initial difficulties in the seed production operations during 2017-18 and the Seed Production Research team of Metahelix is supporting the JV to overcome the initial production issues.

PT Metahelix launched commercial activities in FY 2018 and achieved revenue from operations of ₹ 48.16 lakhs during 2017-18. Focus will continue to carefully grow the business in Indonesia.

(3) Zero Waste Agro Organics Ltd.

Revenue from operations of Zero Waste Agro Organics Ltd. ('ZWAOL') during the year were ₹ 9.98 crores, as against ₹ 7.55 crores in the previous year. Net profit during the period is ₹ 1.94 crores, as compared to ₹ 0.07 crores in the previous year.

During the year, ZWAOL continued to build on cost reduction initiatives initiated last 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 has introduced Probiotics for Aqua, which made good progress during the year.

The Board of Directors of Rallis, at its meeting held on 20th July, 2017, approved the scheme of amalgamation for merger of ZWAOL with Rallis, subject to receipt of all requisite statutory and regulatory approvals, including approval of the National Company Law Tribunal.

(4) Rallis Chemistry Exports Ltd.

The Company is yet to commence commercial activities and currently is not operational.

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 statement in Form AOC.1, containing the salient features of the financial position of the Subsidiary Companies, is attached as Annexure B.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year, the Company, along with other shareholders of Advinus Therapeutics Ltd. ('Advinus') monetized its investment in Advinus through sale of its contract research business, for which an agreement was signed for divestment of the shares in Advinus to Eurofins Pharma Services Lux Holding SARL, for a consideration aggregating ₹ 16.57 crores, subject to customary closing adjustments on debt and working capital. As part of the sale transaction, the Company was released of its obligations under the guarantee of ₹ 45.6 crores issued for the borrowings of Advinus.

As a part of the above transaction, the Drug Discovery business of Advinus was transferred to Impetis Biosciences Ltd. ('Impetis'). The Company has acquired shares in Impetis for a consideration of ₹ 3.4 crores, comprising 13.7% of the Equity Share Capital of Impetis.

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

FIXED DEPOSITS

Your Company has not accepted any public deposits during the financial period under review.

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 Companies Act, 2013 ('the Act') and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

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 repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website.



Details of transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC.2.

RISK MANAGEMENT

The Company has in place a Risk Management framework to identify, evaluate and monitor business risks and challenges across the Company. The enterprise risks for the Company are identified by the management and presented to the Board for review. The Risk Management Policy, pursuant to Section 134 of the Act, has been adopted based on this framework. The Board engages in the Risk Management process and has set out a review mechanism to monitor progress on the initiatives for the major risks of the business. The Risk Register gets updated periodically, to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are effective. This provides a proactive and value adding independent review process which enables maintaining the risk profile at an acceptable level in a rapidly changing environment.

Although not mandatory, as a measure of good governance, the Company has constituted a Risk Management Committee of the Board. The Committee reviews the Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect the Company's overall risk exposure and reviews the Risk Management Policy and structure.

This robust Risk Management framework seeks to minimize adverse impact on business objectives and capitalize on opportunities.

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 CONTROLS SYSTEMS AND ADEQUACY

The Company's internal control procedures have been planned and designed to provide reasonable assurance of compliance with various policies, practices and statutes in keeping with the Organization's pace of growth and achieving the Organization's objectives efficiently and economically.

The internal controls, risk management and governance processes are duly reviewed for their adequacy and

effectiveness through periodic audits by the Internal Audit function. During the current year, two external Firms were engaged for the same and the reviews were performed based on the risk-based internal audit plan approved by the Audit Committee. The Committee also reviews the adequacy and effectiveness of the Company's internal financial controls, so that the ultimate objective of Zero Surprise, Risk controlled Organization is achieved.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Board's Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment and Resignation:

During the year, Mr. Bharat Vasani resigned as Non-Executive Director of the Company with effect from 5th February, 2018. The Directors wish to place on record their sincere appreciation of the significant contribution made by Mr. Vasani during his tenure as Director of the Company, particularly in his capacity as Chairman of the Corporate Social Responsibility Committee and Member of the Property Committee.

Mr. John Mulhall has been appointed as Additional Director on the Board of the Company with effect from 1st April, 2018. Pursuant to the provisions of Section 161 of the Act and Article 116 of the Articles of Association of the Company, Mr. Mulhall vacates office and is eligible for appointment. In compliance with the provisions of Section 161 of the Act, the appointment of Mr. Mulhall as Non-Executive, Non Independent Director is being placed before the Members in General Meeting for their approval. Mr. Mulhall will be liable to retire by rotation. Members are requested to refer to Item No. 5 of the AGM Notice and the Explanatory Statement for details of his qualification and experience.

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. R. Mukundan retires and is eligible for re-appointment.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

Mr. V. Shankar, Managing Director & CEO
 Mr. Ashish Mehta, Chief Financial Officer
 Mrs. P. S. Meherhomji, Company Secretary

No KMP has been appointed or has retired or resigned during the year.

Independent Directors:

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.

All Independent Directors of the Company 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 there under and are independent of the management.

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 Nomination and Remuneration Committee ('NRC') is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. 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 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 behavior, strong interpersonal and communication skills and soundness of judgment. 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 Board's functioning was evaluated on various aspects, including *inter alia* structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder



value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.

Directors were evaluated on aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Areas on which the Committees of the Board were assessed included mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The NRC also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to 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 C.

BOARD AND COMMITTEE MEETINGS

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

The Board has constituted an Audit Committee with Mrs. Padmini Khare Kaicker as Chairperson and Mr. Prakash R. Rastogi and Dr. Y. S. P. Thorat as Members. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

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 the financial year 2017-18.

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 judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company 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') is a very important part of the business journey of the Company. Your Company has developed its own Sustainability Model focusing on CSR 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 Board has constituted a Corporate Social Responsibility Committee, headed by Mr. Bharat Vasani (up to 4th February, 2018) and by Dr. Y. S. P. Thorat with effect from 19th March, 2018. Mr. Prakash R. Rastogi and Mr. V. Shankar are the other members of the Committee. The Company has adopted a Corporate Social Responsibility ('CSR') Policy in compliance with the provisions of the Act.

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.

Our CSR initiatives are woven around the Company's focus areas, which include Natural Resource Management ('NRM'), Education and Model Tribal Village under Affirmative Action ('AA').

Employees are one of the key stakeholders and support the CSR and AA initiatives by active participation through volunteering. During the year 2017-18, Rallis was able to achieve more than 4,700 hours' volunteering through 289 events at which 452 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 51,000 trees have been planted and sustained by Rallis in the last four 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).

Your Company, under its Affirmative Action 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 Company has spent ₹ 4.01 crores towards the CSR projects during the current Financial Year 2017-18.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years was ₹ 193.98 crores. It was hence required to spend ₹ 3.88 crores on CSR activities during the Financial Year 2017-18, being 2% of the average net profits of the three immediately preceding financial years.

The Annual Report on CSR activities is attached as Annexure D.

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 the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted Internal Committees at all its locations, known as the Prevention of Sexual Harassment (POSH) Committees, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower 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. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

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 last year, pursuant to the provisions of the Act and the Rules made there under, B S R & Co. LLP (BSR) Chartered Accountants (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, subject to ratification of their appointment at every AGM, if so required under the Act. 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 the Financial Year 2017-18 is a part of the Annual Report. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

(2) Cost Auditors:

D. C. Dave & Co., Cost Accountants (Firm Registration No.000611) have been appointed 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, 2019. Pursuant to the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, Members are requested to consider the ratification of the remuneration payable to D. C. Dave & Co.

(3) Internal Auditors:

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

(4) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report for the Financial Year ended 31st March, 2018 is annexed as Annexure E and does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

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 Shareholders excluding the aforesaid Annexure. Any Shareholder 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.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT.9 is attached as Annexure H.

Mumbai, 26th April, 2018

MANAGEMENT DISCUSSION AND ANALYSIS, BUSINESS RESPONSIBILITY REPORT AND CORPORATE GOVERNANCE

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.

ACKNOWLEDGEMENT

Your 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, 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 Ltd. and The National Stock Exchange of India Ltd.

2. OBJECTIVES OF THE POLICY

- 2.1 Securities and Exchange Board of India (hereinafter referred to as "SEBI") has, by its Notification dated July 8, 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:

- o Proposed expansion plans require higher allocation of capital; or
- o Significantly higher working capital requirements adversely impact free cash flow; or
- o The Company undertakes any acquisitions or investments including in joint ventures, new product launches, etc., requiring significant capital outflow; or
- o In case of proposal for buyback of shares; or
- o In the event of inadequacy of profits.

If the Board proposes not to distribute profit, the grounds thereof and information on utilization 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:

- o the Company's Financial results of operations and earnings;
- o working capital requirements for the operations and growth of the Company and its subsidiaries;
- o quantum of profits and liquidity position;
- o future fund requirements, including for brand building, business acquisitions, business expansion, modernization of existing business;
- o level of debt;
- o providing for unforeseen events and contingencies;
- o 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:

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

External Factors:

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

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

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. 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

Mumbai, 26th April, 2018



ANNEXURE B TO THE BOARD'S REPORT

FORM AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

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: 0.004733
3.	Share Capital	0.11	0.07	0.05	4.17
4.	Reserves & Surplus	109.46	16.12	(0.22)	(2.12)
5.	Total Assets	365.09	17.52	0.01	2.14
6.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	255.52	1.33	0.19	0.08
7.	Investments	2.04	11.66	-	-
8.	Turnover	318.95	9.98	-	0.48
9.	Profit before taxation	34.19	2.54	(0.01)	(1.17)
10.	Provision for taxation	10.23	0.61	-	-
11.	Profit after taxation	23.96	1.94	(0.01)	(1.17)
12.	Proposed Dividend	-	-	-	-
13.	% of shareholding	100.00%	100.00%	100.00%	65.77%

Notes:

- Rallis Chemistry Exports Ltd. is yet to commence commercial activities and currently is not operational.
- 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, 2018.
- Reporting period of the above subsidiaries is the same as that of the Company.
- Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on 31st March, 2018.

For and on behalf of the Board of Directors of Rallis India Ltd.

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

Y. S. P. THORAT
(DIN: 02652734)

PUNITA KUMAR-SINHA
(DIN: 05229262)

C. V. NATRAJ
(DIN: 07132764)

PADMINI KHARE KAICKER
(DIN: 00296388)

JOHN MULHALL
(DIN: 08101474)

Directors

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26th April, 2018

ANNEXURE C 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

- o 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.
- o Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- o 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).

- o 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.
- o Overall remuneration practices should be consistent with recognized best practices.
- o Quantum of sitting fees may be subject to review on a periodic basis, as required.
- o 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.
- o 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.
- o 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

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



- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent).
- Driven by the role played by the individual.
- Reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay.
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.
- o In terms of remuneration mix or composition,
 - 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.
 - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - 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-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
 - The Company provides retirement benefits as applicable.

- 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.
- 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, 26th April, 2018

ANNEXURE D 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.

Rallis 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 Road Safety. CSR activities at Rallis 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.

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 weblink: http://www.rallis.co.in/CSR_Policy.htm

The Overview of CSR projects and programmes are available at: <http://www.rallis.co.in/CSRProjects.htm>
2. The Composition of the CSR Committee.
 1. Dr. Y. S. P. Thorat (Chairman)
 2. Mr. Prakash R. Rastogi
 3. Mr. V. Shankar
3. Average net profit of the Company for last three financial years.

₹ 193.98 crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).

₹ 3.88 crores
5. Details of CSR spent for the financial year.
 - (a) Total amount to be spent for the financial year:

₹ 3.88 crores (The Company has spent ₹ 4.01 crores during financial year 2017-18)
 - (b) Amount unspent, if any:

Nil
 - (c) Manner in which the amount spent during the financial year is detailed below:

The manner in which the amount is spent is annexed.
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.

V. SHANKAR
Managing Director & CEO
Mumbai, 26th April, 2018

Y. S. P. THORAT
Chairman - CSR Committee

Annexure to CSR Report (Point 5 (c) of the CSR Report)

₹ in lakhs

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (a) Local area or other (b) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs (a) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency	(9) Details of implementing agency if engaged
1.	Jal Dhan (Watershed project. Water harvesting and Roof top harvesting)	1. Rural development 2. Ensuring Environment sustainability	Watershed program in Maharashtra. Villages covered from Ratnagiri, Latur, Beed, Akola, Raigad, Palghar and Thane districts.	142.00	177.61	177.61	Direct	
2.	RUBY project Education (Career guidance, Soft skill training, IT interventions, Science interventions, English intervention, Educational support to unprivileged students, Skill training to Shenva students as per need). Road Safety Programmes	1. Promoting Education, enhancing vocational skills 2. Road Safety programmes	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. Road safety interventions across locations.	103.00	62.85	62.85	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 financially independent at Lote, Akola and Mumbai in Maharashtra and Dahej and Ankleshwar in Gujarat.	3.00	3.20	3.20	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 trees planted earlier near Mumbai, Lote and Akola in Maharashtra. Tree plantation at Gujarat and across all locations.	11.00	4.13	4.13	Direct, except through NGO at Anegaon	A K Rural Development Trust
5.	Rural Development, Healthcare and Sanitation, Disaster relief	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 initiatives, etc.	112.50	134.05	134.05	Direct, except Jawhar project	All India Institute of Local Self Governance
6.	Salary and admin cost	5% of total expenditure		19.50	19.10	19.10	-	-
		GRAND TOTAL		391.00	400.94	400.94		

ANNEXURE E TO THE BOARD'S REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

(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, 2018 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, 2018 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 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; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely
 - a) Insecticides Act, 1968 and Rules, 1971;
 - b) Fertilizer Control Order, 1985;
 - c) Seeds Act, 1966 and Rules, 1968.



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 event occurred 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 20th July, 2017, approved the scheme of amalgamation for merger of its Wholly Owned Subsidiary, Zero Waste Agro-Organics Ltd. 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 N. Ved

Partner

FCS No: 6488 CP No: 6018

Place: Mumbai

Date: 26th April, 2018

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.

Place: Mumbai
Date: 26th April, 2018

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever 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 N. Ved
Partner
FCS No: 6488 CP No: 6018



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:

- o Installation of various new energy efficient equipment, including chilled water system (energy efficient screw compressor) (70C), screw compressor (-40 0C) brine system, screw air compressor, energy efficient agitators for nitration reactor, energy efficient motors for utility pumps and Plant, higher rating motors.
- o Installation of dry vacuum system in place of steam jets for recovery/ drying system.
- o Increase loading on grid power.
- o Measures such as installation of high efficiency motor (IE3), VFD panel installed in brine screw compressor (100 TR), energy efficient FFS machine installed in formulation section for small packs.
- o Automatic packing machine for Acephate Technical.
- o Other measures include steam driven VAM instead of energy driven chilled water compressor, interlocks with level transmitters and actuated valves to minimize wasteful running of pumps, sensors installed at cooling tower fans to conserve energy.
- o Conversion of HPMV plant lights, tube lights and street lights into LED lights and replacing forced ventilation fans 3 HP with ducting system was also undertaken with a view to conserving energy.

Your 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 are 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 utilizing alternate sources/ renewable source of energy. Some of the key initiatives implemented by the Company are:

- o Hot water generation by solar panel to start the process of production.
- o Installation of solar power system for Admin Green Building at Ankleshwar.
- o The Company has installed 4 MW solar power plant at its Unit in Dahej, Gujarat. The Unit got a rebate of 1,563 MWh/ annum in the financial year 2017-18 from the solar power plant.
- o Expected reduction in carbon dioxide emission due to the 8 TPH Briquette fire boiler commissioned at Dahej SEZ Plant is approximately 8,346 MT on generation of 39,229 MT of steam, as compared to usage of furnace oil.
- o Solar heaters for Amenity.

(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 recognizes that investment in energy conservation offers significant economic benefits in addition to climate change benefits. In the last few years, we have tried to improve energy efficiency significantly by investing in energy conservation equipment.

During the year, the Company has invested ₹ 3.40 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) Continued process improvements and improved formulation types/ strengths will result in improving the efficacy, productivity and profitability of the Company.
- (b) Special focus has been given for the development of innovative formulations for ease of handling and to enhance efficacy.
- (c) Recommendations were obtained from State Agricultural University/ Indian Council of Agricultural Research for 3 products on 5 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 to total turnover) was around 11%.

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

- (a) A new product NPI-II was developed by R&D and commercialized in the Dahej Unit. A new production facility was commissioned for 12-14 MT per month production of NPI-II. This will be generating revenue from contract manufacturing.
- (b) Twelve products were registered in the international market. Nineteen registration dossiers were submitted in various international markets.
- (c) Four products were registered in India for the domestic/ export market and label claim expansion approval obtained on two products. Five 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 Odis on Cotton; Pulito on Chilli and Panida Grande on Onion as label expansion.
- (e) Five products were commercialized during 2017-18:

1. **Odis 70% WP:** It is a non-solvent based wettable powder formulation, containing two broad spectrum insecticides having two different modes of action for the management of major insect pests viz., Brown Plant Hopper (BPH), Stem borer and leaf folder on paddy. It is highly effective against rice BPH and GLH. Feedback from framers and channel partners is very positive in terms of superior efficacy on the target insects on paddy with quick action, long duration control, safe for the crop and higher yield at reasonable cost of application.
2. **Pulito 38% WG:** It is a broad spectrum fungicide combination with two different modes of action for the management of powdery mildew, downy mildew, anthracnose of grapes and chilli. It provides faster effect on diseases. It is a water dispersible granule formulation, thus it is eco- friendly. Pulito is very well accepted by both grapes and chilli farmers for better control of all the target diseases with long duration control, crop safety and low MRL.
3. **Cenator 12.5% SC:** It is a new generation fungicide with two different fungicidal mixtures. It is a non-solvent based suspensible concentrate formulation. It is a broad spectrum systemic fungicide for the management of sheath blight on paddy and is highly effective. Feedback from framers and channel partners is very positive in terms of superior efficacy on rice sheath blight, with quick action, long duration control, safe for the crop and higher yield.
4. **Riceup 2.67% OD:** Riceup is an innovative formulation, oil dispersion with broad spectrum systemic herbicide for the management of major weeds in both direct seeded rice and transplanted rice. It is highly safe for rice crop. Both channel partners and end users were very satisfied with the performance of Riceup for effective management of all types of weeds.
5. **Jashn Super:** Jashn Super has been introduced for the control of key lepidopteron pest, which causes significant losses to



commercial crops. By introducing Jashn Super, the Company has strengthened its Lepidopteron pest control solution portfolio, which will also complement the existing solutions. The lead crop will be cotton and the product can be applied as prophylactic as well as curative for quicker and long duration of control. Jashn Super will help the farmers to improve the crop quality and increase yield.

(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	
	2017-18	2016-17
Capital expenditure	0.66	0.85
Revenue expenditure *	18.79	20.82
	19.45	21.67
Total R&D expenditure as a percentage of net sales (excluding excise duty)	1.30%	1.55%

* included in the above is an amount of ₹ 0.21 crores (Previous Year ₹ 0.78 crores) 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	
	2017-18	2016-17
1. Foreign Exchange Earned	471.85	426.81
2. Outgo of Foreign Exchange	422.64	293.50

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 26th April, 2018

ANNEXURE G TO THE BOARD'S REPORT

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

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

(Explanation: (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2017-18 are given below:

Non-Executive Directors	Ratio to Median	Percentage Increase in Remuneration
Mr. Bhaskar Bhat	4.8:1	166.1
Mr. B. D. Banerjee*	2.9:1	-41.8
Mr. E. A. Kshirsagar*	2.7:1	-52.1
Mr. Prakash R. Rastogi	4.6:1	51.9
Mr. Bharat Vasani*	2.9:1	24.9
Dr. Y. S. P. Thorat	5.0:1	39.0
Dr. (Mrs.) Punita Kumar-Sinha	2.8:1	17.6
Dr. C. V. Natraj	1.9:1	860.7
Mrs. Padmini Khare Kaicker	3.7:1	1187.5

* Part year

Managing Director & CEO	Ratio to Median	Percentage Increase in Remuneration
Mr. V. Shankar	64.0:1	19.3

The percentage increase in remuneration of the Chief Financial Officer is 12.8% and of the Company Secretary is 7.8%.

3. The percentage increase in the median remuneration of employees in the financial year: 1.4%
4. The number of permanent employees on the rolls of the Company: 977.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 9.2% on a cost to Company basis, as against an increase of 19.3% in the salary of the Managing Director (managerial personnel as defined under the Act). The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

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

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 26th April, 2018



ANNEXURE H TO THE BOARD'S REPORT

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
[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 LTD. 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:

S. No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1.	Agri Inputs	3808	97.76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. 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 Modi 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 Bangalore 560 099	U73100KA2000PLC028246	Subsidiary Company	100	2(87)(ii)

S. 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	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%

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	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
Sub-Total (A)(1):	9,74,16,610	0	9,74,16,610	50.09	9,74,16,610	0	9,74,16,610	50.09	0
(2) Foreign									
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
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	9,74,16,610	0	9,74,16,610	50.09	9,74,16,610	0	9,74,16,610	50.09	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	1,92,07,558	3,360	1,92,10,918	9.88	2,39,81,362	1,110	2,39,82,472	12.33	2.45
b) Banks / FI	6,52,932	40,500	6,93,432	0.36	2,25,599	24,600	2,50,199	0.13	-0.23
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	61,85,497	0	61,85,497	3.18	1,00,66,834	0	1,00,66,834	5.18	2.00
g) FIs	2,29,822	0	2,29,822	0.12	157	0	157	0	-0.12
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
i) Foreign Portfolio Investors (Corporate)	84,54,196	0	84,54,196	4.35	75,83,687	0	75,83,687	3.90	-0.45
ii) Alternative Investment Funds	0	0	0	0	14,25,566	0	14,25,566	0.73	0.73
Sub-Total (B)(1):	3,47,30,005	8,45,010	3,55,75,015	18.29	4,32,83,205	8,26,860	4,41,10,065	22.68	4.39
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1,65,06,324	74,850	1,65,81,174	8.53	71,83,469	21,000	72,04,469	3.70	-4.82
ii) Overseas	0	3,900	3,900	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1,92,22,790	17,35,100	2,09,57,890	10.78	2,30,64,839	10,63,170	2,41,28,009	12.41	1.63
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	2,30,50,866	0	2,30,50,866	11.85	2,08,88,107	0	2,08,88,107	10.74	-1.11
c) Others (specify)									
i) Trusts	8,83,435	0	8,83,435	0.45	56,328	0	56,328	0.03	-0.43
ii) IEPF Suspense A/c	0	0	0	0	6,65,302	0	6,65,302	0.34	0.34
Sub-Total (B)(2):	5,96,63,415	18,13,850	6,14,77,265	31.61	5,18,58,045	10,84,170	5,29,42,215	27.22	-4.39
Total Public Shareholding (B)=(B)(1)+(B)(2)	9,43,93,420	26,58,860	9,70,52,280	49.91	9,51,41,250	19,11,030	9,70,52,280	49.91	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	19,18,10,030	26,58,860	19,44,68,890	100.00	19,25,57,860	19,11,030	19,44,68,890	100.00	0

(ii) Shareholding of Promoters

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
Total		9,74,16,610	50.09	0	9,74,16,610	50.09	0	0

(iii) Change in Promoters' 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.	At the beginning of the year	9,74,16,610	50.09	9,74,16,610	50.09
2.	Date wise Increase/ Decrease in Promoters' Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No change during the year			
3.	At the end of the year	9,74,16,610	50.09	9,74,16,610	50.09

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Rakesh Jhunjunwala	1,93,35,820	9.94					1,93,35,820	9.94
				30.06.2017	Purchase of shares	5,20,000	0.27	1,98,55,820	10.21
				30.06.2017	Sale of shares	5,00,000	0.26	1,93,55,820	9.95
				21.07.2017	Purchase of shares	10,00,000	0.51	2,03,55,820	10.46
				21.07.2017	Sale of shares	10,00,000	0.51	1,93,55,820	9.95
				08.09.2017	Sale of shares	50,000	0.03	1,93,05,820	9.92
				24.11.2017	Purchase of shares	2,00,000	0.10	1,95,05,820	10.02
				24.11.2017	Sale of shares	2,00,000	0.10	1,93,05,820	9.92
				08.12.2017	Sale of shares	2,50,000	0.13	1,90,55,820	9.79
				22.12.2017	Purchase of shares	7,50,000	0.39	1,98,05,820	10.18
				22.12.2017	Sale of shares	10,00,000	0.51	1,88,05,820	9.67
				30.03.2018	Purchase of shares	6,40,000	0.33	1,94,45,820	10.00
				30.03.2018	Sale of shares	6,40,000	0.33	1,88,05,820	9.67
				31.03.2018	At the end of the year	-	-	1,88,05,820	9.67



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	HDFC Standard Life Insurance Company Limited	21,17,043	1.09					21,17,043	1.09
				07.04.2017	Purchase of shares	1,67,898	0.09	22,84,941	1.18
				05.05.2017	Purchase of shares	49,689	0.03	23,34,630	1.21
				12.05.2017	Purchase of shares	39,118	0.02	23,73,748	1.23
				26.05.2017	Purchase of shares	25,63,748	1.32	49,37,496	2.55
				26.05.2017	Sale of shares	23,73,748	1.22	25,63,748	1.33
				02.06.2017	Purchase of shares	61,984	0.03	26,25,732	1.36
				07.07.2017	Purchase of shares	25,000	0.01	26,50,732	1.37
				21.07.2017	Sale of shares	1	0.00	26,50,731	1.37
				04.08.2017	Purchase of shares	12,768	0.01	26,63,499	1.38
				11.08.2017	Purchase of shares	12,578	0.01	26,76,077	1.39
				18.08.2017	Purchase of shares	20,000	0.01	26,96,077	1.40
				06.10.2017	Purchase of shares	20,00,000	1.03	46,96,077	2.43
				13.10.2017	Purchase of shares	2,60,000	0.13	49,56,077	2.56
				20.10.2017	Purchase of shares	1,012	0.00	49,57,089	2.56
				27.10.2017	Sale of shares	3,50,000	0.18	46,07,089	2.38
				17.11.2017	Purchase of shares	1,436	0.00	46,08,525	2.38
				01.12.2017	Purchase of shares	1,50,000	0.08	47,58,525	2.46
				22.12.2017	Purchase of shares	2,021	0.00	47,60,546	2.46
				05.01.2018	Sale of shares	699	0.00	47,59,847	2.46
				12.01.2018	Purchase of shares	1,74,144	0.09	49,33,991	2.55
				19.01.2018	Purchase of shares	5,74,277	0.30	55,08,268	2.85
				26.01.2018	Purchase of shares	822	0.00	55,09,090	2.85
				09.02.2018	Purchase of shares	27,271	0.01	55,36,361	2.86
				16.02.2018	Purchase of shares	1,96,589	0.10	57,32,950	2.96
				23.02.2018	Purchase of shares	27,380	0.01	57,60,330	2.97
				02.03.2018	Purchase of shares	19,639	0.01	57,79,969	2.98
				09.03.2018	Purchase of shares	72,570	0.04	58,52,539	3.01
				16.03.2018	Purchase of shares	30,332	0.02	58,82,871	3.03
				23.03.2018	Purchase of shares	3,66,969	0.19	62,49,840	3.21
				30.03.2018	Purchase of shares	2,34,883	0.12	64,84,723	3.33
				31.03.2018	At the end of the year	-	-	64,84,723	3.33

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	HDFC Trustee Company Limited (various accounts)	29,36,673	1.52					29,36,673	1.52
				07.04.2017	Purchase of shares	4,02,000	0.21	33,38,673	1.72
				01.12.2017	Purchase of shares	600,000	0.31	39,38,673	2.03
				08.12.2017	Purchase of shares	15,00,000	0.77	54,38,673	2.80
				31.03.2018	At the end of the year	-	-	54,38,673	2.80
4.	Franklin India Smaller Companies Funds	0	0					0	0
				01.12.2017	Purchase of shares	27,37,007	1.41	27,37,007	1.41
				08.12.2017	Purchase of shares	4,40,908	0.23	31,77,915	1.64
				15.12.2017	Purchase of shares	40,161	0.02	32,18,076	1.66
				22.12.2017	Purchase of shares	9,360	0.00	32,27,436	1.66
				29.12.2017	Purchase of shares	5,00,000	0.26	37,27,436	1.92
				09.02.2018	Purchase of shares	5,822	0.00	37,33,258	1.92
				31.03.2018	At the end of the year	-	-	37,33,258	1.92
5.	ICICI Prudential (various accounts)	86,19,273	4.43					86,19,273	4.43
				07.04.2017	Sale of shares	65,000	0.03	85,54,273	4.40
				21.04.2017	Sale of shares	22,520	0.01	85,31,753	4.39
				28.04.2017	Purchase of shares	1,39,478	0.07	86,71,231	4.46
				28.04.2017	Sale of shares	69,054	0.04	86,02,177	4.42
				05.05.2017	Purchase of shares	3,381	0.00	86,05,558	4.42
				05.05.2017	Sale of shares	1,42,426	0.07	84,63,132	4.35
				19.05.2017	Sale of shares	55,783	0.03	84,07,349	4.32
				07.07.2017	Sale of shares	2,92,511	0.15	81,14,838	4.17
				14.07.2017	Sale of shares	80,417	0.04	80,34,421	4.13
				25.08.2017	Sale of shares	1,06,115	0.05	79,28,306	4.08
				13.10.2017	Sale of shares	1,04,085	0.05	78,24,221	4.03
				10.11.2017	Sale of shares	22,771	0.01	78,01,450	4.02
				17.11.2017	Sale of shares	1,07,151	0.06	76,94,299	3.96
				24.11.2017	Sale of shares	4,70,255	0.24	72,24,044	3.72
				01.12.2017	Sale of shares	9,53,050	0.49	62,70,994	3.23
				08.12.2017	Sale of shares	8,22,000	0.42	54,48,994	2.81
				15.12.2017	Sale of shares	14,063	0.01	54,34,931	2.80
				22.12.2017	Sale of shares	11,74,229	0.60	42,60,702	2.20
				29.12.2017	Sale of shares	84,120	0.04	41,76,582	2.16
				05.01.2018	Sale of shares	54,350	0.03	41,22,232	2.13
				12.01.2018	Sale of shares	21,178	0.01	41,01,054	2.12



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5.	ICICI Prudential (various accounts)			26.01.2018	Sale of shares	2,64,255	0.14	38,36,799	1.98
				02.02.2018	Sale of shares	1,20,829	0.06	37,15,970	1.91
				31.03.2018	At the end of the year	-	-	37,15,970	1.91
6.	Sundaram Mutual Fund (various accounts)	11,37,090	0.58					11,37,090	0.58
				07.04.2017	Purchase of shares	29,128	0.01	11,66,218	0.59
				05.05.2017	Purchase of shares	1,60,257	0.08	13,26,475	0.67
				12.05.2017	Purchase of shares	7,676	0.00	13,34,151	0.67
				19.05.2017	Purchase of shares	1,596	0.00	13,35,747	0.67
				02.06.2017	Purchase of shares	2,117	0.00	13,37,864	0.67
				23.06.2017	Purchase of shares	1,68,082	0.09	15,05,946	0.76
				30.06.2017	Purchase of shares	25,000	0.01	15,30,946	0.77
				14.07.2017	Purchase of shares	7,97,166	0.41	23,28,112	1.18
				21.07.2017	Purchase of shares	20,848	0.02	23,48,960	1.20
				28.07.2017	Purchase of shares	2,50,000	0.13	25,98,960	1.33
				04.08.2017	Purchase of shares	1,00,000	0.05	26,98,960	1.38
				11.08.2017	Purchase of shares	7,438	0.00	27,06,398	1.38
				29.09.2017	Purchase of shares	2,884	0.00	27,09,282	1.38
				22.12.2017	Sale of shares	1,25,000	0.06	25,84,282	1.32
				29.12.2017	Purchase of shares	1,25,000	0.06	27,09,282	1.39
				19.01.2018	Purchase of shares	39,101	0.02	27,48,383	1.41
				09.02.2018	Purchase of shares	44,115	0.02	27,92,498	1.44
				31.03.2018	At the end of the year	-	-	27,92,498	1.44
7.	SBI Magnum (various accounts)	24,00,000	1.24					24,00,000	1.24
				22.09.2017	Sale of shares	74,690	0.04	23,25,310	1.20
				29.09.2017	Sale of shares	476	0.00	23,24,834	1.20
				06.10.2017	Sale of shares	23,24,834	1.20	0	0
				22.12.2017	Purchase of shares	13,18,265	0.68	13,18,265	0.68
				02.02.2018	Purchase of shares	6,36,414	0.33	19,54,679	1.01
				09.02.2018	Purchase of shares	5,45,321	0.28	25,00,000	1.29
				31.03.2018	At the end of the year	-	-	25,00,000	1.29
8.	Aditya Birla Sun Life Trustee Private Limited (various accounts)	12,14,715	0.62					12,14,715	0.62
				07.04.2017	Purchase of shares	1,25,000	0.06	13,39,715	0.68
				07.07.2017	Purchase of shares	2,00,000	0.10	15,39,715	0.78
				21.07.2017	Purchase of shares	1,00,000	0.05	16,39,715	0.83
				01.09.2017	Purchase of shares	1,78,000	0.09	18,17,715	0.93
				08.09.2017	Purchase of shares	1,22,000	0.06	19,39,715	0.99
				12.01.2018	Purchase of shares	3,16,000	0.16	22,55,715	1.16
				31.03.2018	At the end of the year	-	-	22,55,715	1.16

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9.	ICICI Prudential Life Insurance Company Limited	18,74,788	0.97					18,74,788	0.97
				05.05.2017	Sale of shares	1,235	0.00	18,73,553	0.97
				12.05.2017	Sale of shares	10,539	0.01	18,63,014	0.96
				19.05.2017	Sale of shares	13,668	0.01	18,49,346	0.94
				26.05.2017	Sale of shares	7,662	0.00	18,41,684	0.94
				09.06.2017	Sale of shares	4,711	0.00	18,36,973	0.94
				16.06.2017	Sale of shares	5,174	0.00	18,31,799	0.94
				23.06.2017	Sale of shares	7,814	0.00	18,23,985	0.94
				07.07.2017	Sale of shares	174	0.00	18,23,811	0.94
				14.07.2017	Sale of shares	67,584	0.03	17,56,227	0.91
				21.07.2017	Sale of shares	2,14,224	0.11	15,42,003	0.80
				18.08.2017	Sale of shares	39,673	0.02	15,02,330	0.78
				25.08.2017	Sale of shares	2,021	0.00	15,00,309	0.78
				01.09.2017	Sale of shares	12,375	0.01	14,87,934	0.77
				31.10.2017	Purchase of shares	2,68,527	0.14	17,56,461	0.91
				24.11.2017	Purchase of shares	2,21,891	0.11	19,78,352	1.02
				01.12.2017	Purchase of shares	37,193	0.02	20,15,545	1.04
				08.12.2017	Sale of shares	8,673	0.00	20,06,872	1.04
				22.12.2017	Sale of shares	2,88,632	0.15	17,18,240	0.89
				29.12.2017	Sale of shares	5,457	0.00	17,12,783	0.89
				26.01.2018	Sale of shares	2,29,908	0.12	14,82,875	0.77
				09.02.2018	Sale of shares	1,968	0.00	14,80,907	0.77
				16.02.2018	Sale of shares	5,433	0.00	14,75,474	0.77
				23.02.2018	Sale of shares	13,506	0.01	14,61,968	0.76
				02.03.2018	Sale of shares	13,596	0.01	14,48,372	0.75
				09.03.2018	Sale of shares	6,562	0.00	14,41,810	0.74
				23.03.2018	Sale of shares	3,877	0.00	14,37,933	0.74
				31.03.2018	At the end of the year	-	-	14,37,933	0.74
10.	Aventus Enhanced Return Fund	0	0					0	0
				22.12.2017	Purchase of shares	8,38,556	0.43	8,38,556	0.43
				12.01.2018	Purchase of shares	73,200	0.04	9,11,756	0.47
				19.01.2018	Purchase of shares	1,45,511	0.07	10,57,267	0.54
				26.01.2018	Purchase of shares	65,489	0.03	11,22,756	0.57
				02.02.2018	Purchase of shares	20,210	0.01	11,42,966	0.58
				09.02.2018	Purchase of shares	79,000	0.04	12,21,966	0.62
				23.02.2018	Purchase of shares	64,600	0.03	12,86,566	0.65
				09.03.2018	Purchase of shares	1,28,000	0.07	14,14,566	0.72
				23.03.2018	Purchase of shares	11,000	0.01	14,25,566	0.73
				31.03.2018	At the end of the year	-	-	14,25,566	0.73



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11.	Prazim Trading And Investment Company Private Limited	61,58,265	3.17					61,58,265	3.17
				24.11.2017	Sale of shares	12,85,272	0.66	48,72,993	2.51
				24.11.2017	Purchase of shares	12,85,272	0.66	61,58,265	3.17
				01.12.2017	Sale of shares	44,44,947	2.29	17,13,318	0.88
				22.12.2017	Sale of shares	4,28,046	0.22	12,85,272	0.66
				29.12.2017	Sale of shares	12,85,272	0.66	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
12.	Government Pension Fund Global	23,65,792	1.22					23,65,792	1.22
				07.04.2017	Sale of shares	3,92,469	0.20	19,73,323	1.02
				14.04.2017	Sale of shares	1,83,476	0.09	17,89,847	0.93
				21.04.2017	Sale of shares	34,846	0.02	17,55,001	0.91
				28.04.2017	Sale of shares	82,737	0.04	16,72,264	0.87
				05.05.2017	Sale of shares	1,71,000	0.09	15,01,264	0.78
				12.05.2017	Sale of shares	54,500	0.03	14,46,764	0.75
				19.05.2017	Sale of shares	3,08,300	0.16	11,38,464	0.59
				02.06.2017	Sale of shares	3,07,600	0.16	8,30,864	0.43
				09.06.2017	Sale of shares	2,43,628	0.13	5,87,236	0.30
				12.06.2017	Sale of shares	46,000	0.02	5,41,236	0.28
				23.06.2017	Sale of shares	2,19,000	0.11	3,22,236	0.17
				30.06.2017	Sale of shares	34,000	0.02	2,88,236	0.15
				14.07.2017	Sale of shares	30,000	0.02	2,58,236	0.13
				21.07.2017	Sale of shares	2,58,236	0.13	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
13.	Azim Premji Trust	18,95,988	0.97					18,95,988	0.97
				31.10.2017	Sale of shares	55,298	0.03	18,40,690	0.95
				22.12.2017	Sale of shares	3,70,000	0.19	14,70,690	0.76
				29.12.2017	Sale of shares	7,16,370	0.37	7,54,320	0.39
				05.01.2018	Sale of shares	6,35,299	0.33	1,19,021	0.06
				12.01.2018	Sale of shares	1,19,021	0.06	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
14.	Lok Prakashan Limited	13,71,180	0.71					13,71,180	0.71
				31.03.2018	At the end of the year	-	-	13,71,180	0.71

(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
Dr. C. V. Natraj, Non-Executive, Independent Director				
At the beginning of the year	4,831	0.002	4,831	0.002
(Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	4,831	0.002	4,831	0.002

* None of the Directors, other than Dr. C. V. Natraj, holds 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
Mrs. P. S. Meherhomji, Company Secretary				
At the beginning of the year	3,000	0.002	3,000	0.002
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	3,000	0.002	3,000	0.002
Mr. Ashish Mehta, Chief Financial Officer				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	0	0	0	0

V. INDEBTEDNESS

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

₹ in crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.10	15.19	-	15.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.12	-	0.12
Total (i+ii+iii)	0.10	15.31	-	15.41
Change in Indebtedness during the financial year				
Addition	0.09	-	-	0.09
Reduction	-	(0.20)	-	(0.20)
Net Change	0.09	(0.20)	-	(0.11)
Indebtedness at the end of the financial year				
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
Total (i+ii+iii)	0.19	15.11	-	15.30

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	1,71,37,296
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	24,32,916
	(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)	2,50,00,000
5.	Others, please specify	-
	Total	4,45,70,212
	Ceiling as per the Act	9,91,60,431

B. Remuneration to other Directors**1. Independent Directors**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. B. D. Banerjee (up to 31.10.2016)	Mr. E. A. Kshirsagar (up to 30.09.2016)	Mr. Prakash R. Rastogi	Dr. Y. S. P. Thorat	Dr. Punita Kumar-Sinha	
1.	Fee for attending Board/ Committee Meetings	NA	NA	3,70,000	3,80,000	2,10,000	9,60,000
2.	Commission	20,40,000	18,60,000	28,35,000	30,95,000	17,65,000	1,15,95,000
3.	Others, please specify	-	-	-	-	-	
Total (B1)							1,25,55,000

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr. C. V. Natraj	Mrs. Padmini Khare Kaicker	
1.	Fee for attending Board/ Committee Meetings	2,40,000	2,80,000	5,20,000
2.	Commission	11,05,000	22,95,000	34,00,000
3.	Others, please specify	-	-	-
Total (B2)				39,20,000

2. Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Bhaskar Bhat	Mr. R. Mukundan	Mr. Bharat Vasani (up to 04.02.2018)	
1.	Fee for attending Board/ Committee Meetings	2,40,000	-	1,30,000	3,70,000
2.	Commission	31,00,000	-	19,05,000	50,05,000
3.	Others, please specify	-	-	-	-
Total (B3)					53,75,000
Total Managerial Remuneration (B1)+ (B2) + (B3)					2,18,50,000
Total Sitting Fees					18,50,000
Total Commission (Refer Note)					2,00,00,000
Overall Ceiling as per the Act for payment of commission to Non-Executive Directors					1,98,32,086

Notes: 1. Commission is for the year 2016-17, paid in the year 2017-18.

2. Ceiling limits are for the year 2017-18. Commission approved for the year 2017-18 and payable in 2018-19 is within the ceiling limits and is given in the Corporate Governance Report.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mrs. P. S. Meherhomji (Company Secretary)	Mr. Ashish Mehta (Chief Financial Officer)	
1.	Gross Salary	53,38,684	64,04,896	1,17,43,580
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	3,89,340	5,24,702	9,14,042
	(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	-	-	-
	Total	57,28,024	69,29,598	1,26,57,622

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 26th April, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY

Global Economy

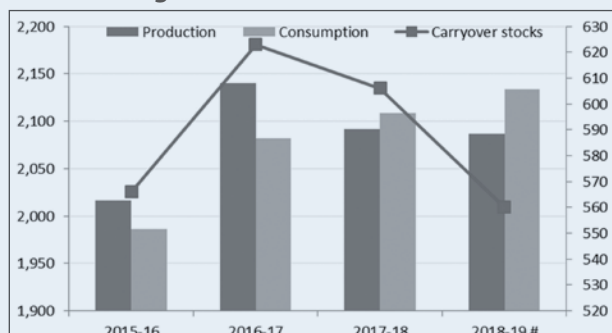
The global cyclical recovery that started in late 2016 gathered pace in 2017. The global economy is estimated to have grown at 3.7% in 2017 as per International Monetary Fund ('IMF'), with more than 120 countries registering a pickup in growth in year-on-year terms.

A noticeable pickup in investment activity in advanced economies and the impressive performance of manufacturing sector in Asia accelerated the global trade. As against the growth of 2.5% in 2016, global trade volumes increased 4.7% in 2017. Global non-fuel commodity prices jumped 6.5% in 2017 after witnessing 1.6% erosion in 2016, as per IMF.

IMF expects the global economy to grow at 3.9% in 2018 and 2019. Trade volume is likely to increase at 4.6% in 2018 and 4.4% in 2019. Non-fuel commodity prices are expected to remain benign in 2018 as well as in 2019 and are projected to grow at -0.5% and 1.0% in respective years. In other words, US\$ is likely to remain stable in the foreseeable future.

The year 2017 was the second hottest year ever in the records of NASA. As compared to the mean temperature of the world between 1951 and 1980, the world's average temperature was 0.9 degree Celsius higher in 2017. Irregularities in rainfall patterns and temperatures largely affect crop yields. As estimated by International Grains Council, food grain production fell 2% in FY 2017-18 on Y-o-Y basis and is expected to fall further in FY 2018-19. Since consumption is forecasted to see an uptick, the carryover stocks are likely to fall in FY 2018-19.

Global food grains statistics



(Source: International Grains Council)

Apart from climatic conditions and demand-supply trends, the modern tariff wars may potentially affect the patterns in the trade of agriculture commodities. As some leading nations are seemingly adopting tit-for-tat trade strategies, the price trends in agricultural commodities may see some aberrations.

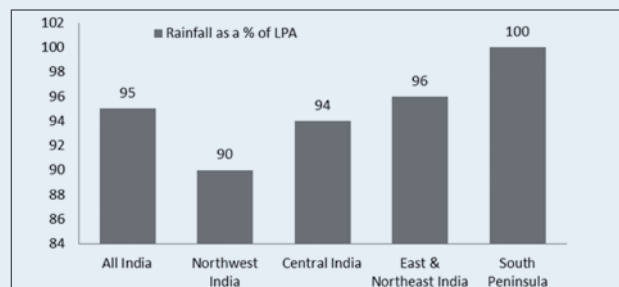
Indian Economy

As per the second advanced estimate of the Central Statistical Organization (CSO), Indian economy is projected to have grown at 6.6% in FY 2017-18. The lingering impact of demonetization and the transient adverse effects of the rollout of Goods and Services Tax (GST) dragged economic growth in Q1 and Q2 of FY 2017-18. However, economic activities picked up from Q3 onwards thereby helping India avoid a hard landing.

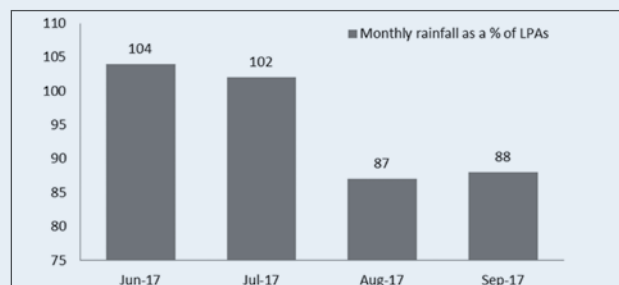
Moody's upgraded India's sovereign credit rating from 'Baa3' to 'Baa2' and also updated outlook from stable to positive. Government's efforts to create a unified nationwide market by implementing GST, improve monetary policy framework and transform Indian economy to a more formal economy through Aadhaar-linked biometric accounts and the Direct Benefit Transfer (DBT) system, yielded India its first rating upgrade after 14 years.

Monsoon provided some respite in FY 2017-18

As the impact of strong *El-Niño* receded further, India received normal rainfall for the second consecutive year in 2017. That said, the temporal and spatial distribution of the rainfall remained uneven, affecting cropping. Due to deficient rain experienced in August and September in many parts of the country, around 215 districts (1/3rd on all-India level) experienced rain distress situation. Most of these belonged to the top farming States - Uttar Pradesh, Madhya Pradesh, Punjab and Haryana.



(Source: IMD)



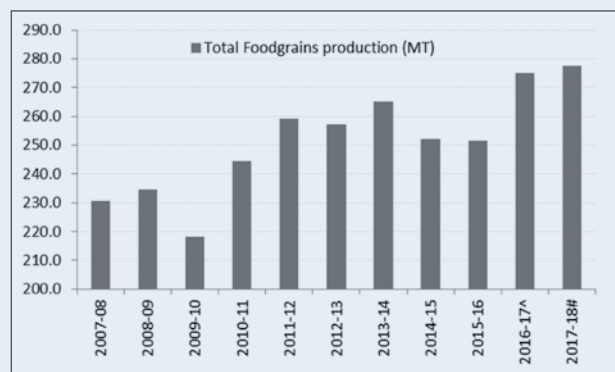
(Source: IMD)

Impact of climatic changes on farm income

As noted by the Economic Survey 2017-18, climatic changes can potentially reduce farmers' income by 15% to 18% in irrigated areas and by 20% to 25% in non-irrigated areas. The Economic Survey 2017-18 discussed the need of promoting drip and sprinkle technologies to minimize the susceptibility of Indian agriculture to climatic changes. It also evaluated the scope of replacing integrated subsidies in power and fertilizers by supporting farmers' income.

As per the second advanced estimate, India is likely to see a record output of food grains in the crop year 2017-18, for the second consecutive year. As per the final estimate for the crop year 2016-17, India's food grain production jumped 9.4% to 275.1 million tons in the crop year 2016-17 from 251.6 million tons in the crop year 2015-16.

Despite the high base effect, India is likely to witness food grains production advancing to 277.5 million tons in the crop year 2017-18 - an increase of 0.9% on Y-o-Y basis.



[^]Final estimates for FY 2016-17
[#]Second advance estimates for FY 2017-18

(Source: Department of Agriculture, Cooperation and Farmers welfare)

Due to back to back bumper crop years, as noted by the Economic Survey 2017-18, farm revenues declined for many crops due to prices falling below MSPs (Minimum Support Prices). The Survey also highlighted the need for raising farm productivity and reducing volatility in farm revenue.

Taking note of the observations, the Government initiated many corrective steps in the Budget 2018. It decided to set MSPs for all unannounced Kharif crops at over 50% of production costs. It also raised the disbursement target of institutional credit to the farm sector from ₹ 10 lakh crore for FY 2017-18 to ₹ 11 lakh crore for FY 2018-19. At present, the lessee cultivators do not have access to institutional credit and thus have no alternative to borrowing from the unorganized market at usurious rates. NITI Aayog is likely to work out a suitable mechanism, in consultation with State Governments,

to overcome this difficulty without compromising the rights of the landowners.

For curbing farm revenue losses on account of irregularities of weather conditions, the Government earmarked ₹ 13,000 crores for the Pradhan Mantri Fasal Bima Yojana - a 44% rise over last year's Budget. With this, the Government endeavors to cover half of the total cropped area in the country in FY 2018-19. In FY 2017-18, it comprised 40% of the entire area under cultivation.

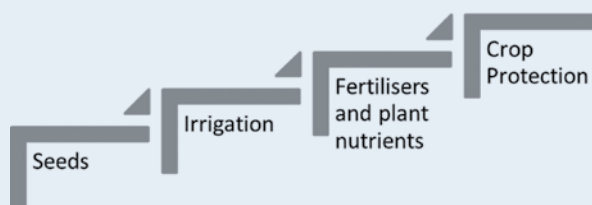
While higher MSPs and growing penetration of crop insurance schemes will help in lowering distress in the farm sector, effective procurement policy for the farm produce remains the key.

The role of the agriculture sector and that of the overall rural economy remains seminal for faster growth of the Indian economy. Moody's opined that the long-term growth potential of the Indian economy is significantly higher than that of most other 'Baa'-rated nations. It expects India's real GDP to grow at 7.5% in FY 2017-18 and also believes the growth momentum will continue even in FY 2018-19 and beyond. RBI expects India's economy to grow at 7.2% in FY 2018-19.

INDUSTRY OVERVIEW

Considering a continuous fall in the arable land and changing consumption patterns of agricultural produce, it is imperative that India's farm sector substantially improves its productivity. Agriculture inputs industry in India plays a pivotal role in enabling farmers to augment productivity.

Based on applications at various stages of crop cycle, the agriculture inputs industry can be divided into four segments.



Seeds Industry

According to an IMARC report, the global seed industry is likely to reach a value of over US\$ 86 billion by 2023, from its current value of US\$ 62.1 billion.

Significant shifts in farm practices and focus on higher yields has been leading the global seeds industry on the path of rapid growth. Since farmers intend to reduce crop damages and increase disease resistance abilities and the nutritional

quality of the crop, there is a growing trend of choosing better quality hybrid seeds over the seeds from the last harvest.

India is the fifth largest seed market. At present, India's organized seed market is worth US\$ 3.6 billion which is expected to grow to US\$ 8 billion by 2023.

Cotton, paddy, maize and vegetables drive the demand for commercially enhanced seeds in India. Among all agriculture inputs, seeds have a relatively inelastic demand, that being the primary input. Using high-quality seeds can improve the crop yield in the range of 15% to 20%.

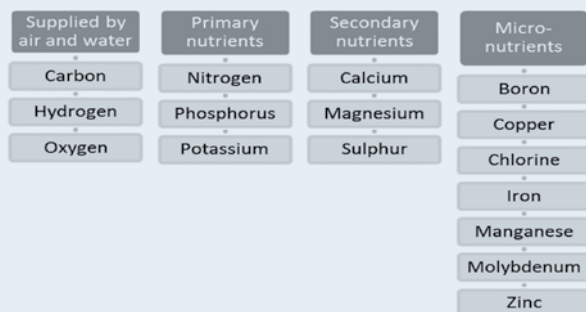
FY 2017-18 was a mixed bag for the seeds industry. Satisfactory monsoon ensured stable demand but Government interventions experienced in some States, towards the end of the fiscal, posed some challenges. Regulatory interventions, price controls and bad crop years can negatively impact the sector.

The extent of damage cotton acreage has suffered due to an infestation of pink bollworm this crop-year remains to be seen. Cotton contributes nearly 35% of the organized seed market in value terms. The negative impact of one bad crop-year can lurk for 2-3 seasons.

Plant Nutrient Industry

The fertiliser industry is the biggest of all agriculture input industries across the globe. By 2020, the global fertilizer industry is likely to reach a value of US\$ 151.8 billion by growing at a little under 5% from hereon.

There are 16 elements essential to growth of crop plants:



India is the second-largest consumer of fertilizers. It is also the second largest producer of nitrogenous fertilizers and ranks third globally as far the production of phosphatic fertilizers is concerned. The demand for potash is primarily met through imports.

Lack of awareness, affordability and indiscriminate use of fertilizers threaten to damage the quality of soil and make the land infertile in the long run.

India's organized Bio stimulants market is worth ₹ 2,000 crores, which is expected to grow 11-13% a year, whereas the Micronutrients market is worth ₹ 1,800 crores and is expected to grow 8-9% a year. Your Company operates in some of the segments of the Bio stimulants and Micronutrients business categories of plant growth nutrients. Cotton, paddy, chillies, pulses, fruits and vegetables drive the demand for plant growth nutrients in India.

Demonetization and roll out of GST had a transient adverse impact on the business in the initial months of the fiscal. Cotton and Chilli crop failures also impacted the growth of plant growth nutrients business for the fiscal.

Crop Protection Industry

In 2017, the global crop protection industry was valued at US\$ 61 billion, with the industry growing by just 1.7% globally on a Y-o-Y basis. Extreme climatic changes, soft agri-commodity prices and rising raw material prices posed a significant challenge to the growth of crop protection industry worldwide.

In 2014, the global market was worth US\$ 66 billion, but in the subsequent years, it lost some ground and was valued at US\$ 60 billion in 2016. Against this backdrop, 2017 provided some respite, although the industry is not entirely out of the woods just yet.

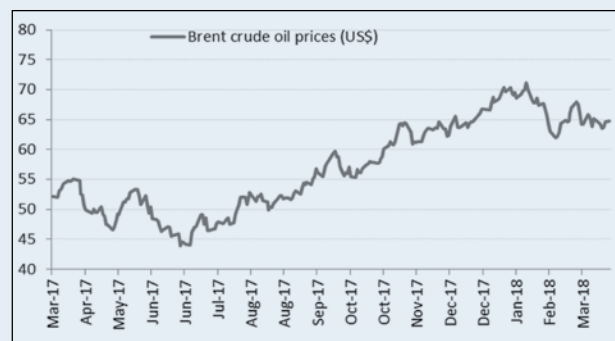
Indian crop protection industry is worth ₹16,800 crores. Per hectare consumption of agrochemicals is under 1 Kg - one of the lowest among major economies of the world. India's crop protection industry can be classified primarily into four segments - insecticides, fungicides, herbicides and bio-pesticides. While insecticides constitute a higher proportion, fungicides and herbicides are the fastest growing segments of the Indian crop care industry.

Shortage of farm labour and increasing concerns about the affordability of labour costs have been the primary drivers for the growing popularity of herbicides. That being said, seasonality and weather conditions affect their demand, with damp and warm weather conditions abetting the breeding of weeds.

Category	As a % of the overall crop protection industry	Crop Area
Insecticides	60%	Rice, Cotton
Fungicides	18%	Fruits, Vegetables, Rice
Herbicides	16%	Rice, Wheat
Bio-pesticides	3%	Rice, Maize, Tobacco
Others	3%	-

(Source: FICCI)

In FY 2017-18, India's crop protection industry faced a double whammy. Raw material prices skyrocketed due to rising crude oil prices. Further, supply constraints emanating from the shut-down in China on pollution concerns, of industries supplying raw materials to the agrochem manufacturers, affected India's agrochem industry.



(Source: EIA)

The crop protection industry largely consumes crude oil-linked raw materials. Thus, sharp fluctuations in crude oil prices affect their profitability.

Indian crop protection companies import a significant portion of their technical requirements from China. As a result, prices of some essential raw materials used in agrochemicals increased in the range of 50% to 70%. The implementation of GST affected supplies to dealers, thereby affecting volumes in Q1 and Q2 of FY 2017-18.

Lower realizations in many crops in FY 2016-17 due to over-supply situation and softening of prices affected farm incomes; this, in turn, influenced farmers' spending ability in FY 2017-18.

Going forward, Government's commitment to doubling farmers' income by 2022, growing penetration of irrigation facilities and increasing popularity of crop insurance schemes may help in reducing farm distress and help the agrochem industry grow at a faster rate.

AGRI SOLUTIONS

With its history of over 150 years, your Company has been a witness to deteriorating environmental conditions - depletion of water resources, falling availability of arable land and threats of global warming among others. It has always played its part in being a responsible Corporate citizen keeping Sustainability at the core of its operations. Given the need to provide food security and enhanced production along with creating value for farmers, Rallis India has embarked on end-to-end agri solutions - **Rallis Samruddh Krishi®** (RSK) to drive farm productivity.

Complete Package of Practices (PoP) for all major crops

Hyper customisation of information and predictive analysis

RSK

knowledge building initiatives for farmers and channel partners

Timely availability of quality agriculture inputs

Being a *Responsible Care* Company, Rallis India promotes scientific approach among farmers. RSK brings to the farmers the latest technology and practices with a roadmap to increase farm productivity while nurturing safety and protecting the environment.

Through RSK, your Company aims to create value for farmers as well as for the Company - for the farmer, through higher yield, better quality and lower costs, whereas for the Company, through higher revenues and increase in share of farmers' wallet.

During 2017-18, nearly 50,000 farmers were mapped for percentage improvement in yield and income. Increase in share of wallet for the Company was also mapped. It is noted that farmers who have followed most of the Package of Practices (PoP) recommendations have benefited the most in terms of yield and income improvement.

Your Company held 22 RSK mega events during the 2017 kharif season, at which 6,180 farmers participated. Critical learnings from these events are analyzed to understand farmers' needs and improve the Company's offerings to the farming community.

Going forward, the Company plans to increase these interventions by reaching out to over 5 million farmers over the next 4 to 5 years.

Predictive Analysis - a game changer for Indian Agriculture?

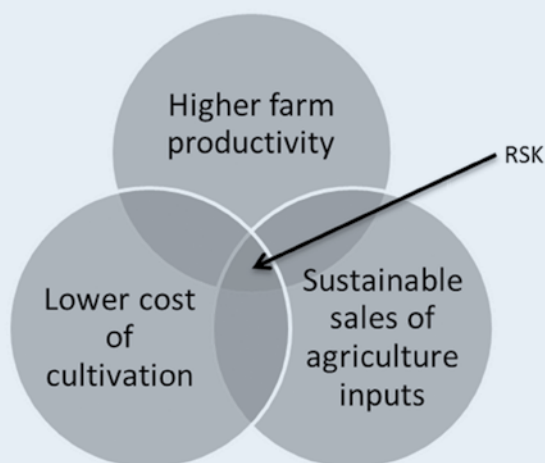
Constant improvements in Good Agricultural Practices (GAP) help farmers increase the crop yield substantially. Digitalisation of agriculture is likely to bring in further improvements in GAP.

As part of digitally enabled RSK, Rallis India provides farmers with existing information and predictive analysis of crop

health, crop yields, soil moisture conditions, attack of diseases and weather forecast through one of its digital initiatives - *Drishti*. *Drishti* is an ambitious and futuristic project that aims to increase the preparedness of farmers in tackling adverse farming conditions by providing them hyper-customised information. Initiative *Drishti* is still at a nascent stage of development, but holds promise in helping farmers improve farm productivity in a big way.

Samadhan is a mobile app offered to farmers, which provides live weather and mandi prices, customized and dynamic Package of Practices (PoPs), direct access to Rallis' helpline for problem resolution and allows farmers' groups to share experiences. To enable larger use of the digital platforms, the services are available in 11 regional languages. There are 14 dedicated points to handle customer queries.

The Company also uses *Sampark*, a mobile app for the frontline field force.



Taking cues from the successful More Pulses (MoPu) campaign, RSK offered a complete recipe for grapes crop in FY 2017-18. Moreover, to relieve some stress for farmers affected by lower realizations of pulses due to a bumper crop, Rallis India, in association with Tata Trusts, supported them by buying some of their produce at MSP.

The RSK and digital interventions are beginning to show results, with farmers reporting benefiting from the PoPs and timely information through *Drishti* and *Samadhan*.

COMPANY OVERVIEW

Rallis India, A Tata Enterprise, has a history of over 150 years and has always been at the forefront of founding new paradigms in the agriculture inputs industry. Over its long

journey, the Company has witnessed its share of ups and downs but has remained a distinguished and a responsible player in the industry.

From a solo play on agrochemicals, the Company has come a long way to make its presence felt across the value chain of agriculture inputs - right from seeds to organic plant growth nutrients along with a suite of package of practices and services.

The Company has four production facilities, of which, two are located in Gujarat (at Ankleshwar and Dahej) and two in Maharashtra (at Lote and Akola). All its plants are state-of-art and meet all prescribed norms.

The Company follows a holistic approach towards the entire ecosystem within which it operates. Rallis India helps farmers improve crop yield by making constant improvements at each stage of the farming cycle - i.e. by providing quality seeds, plant growth nutrients and agrochemicals. Needless to say, the Company follows a hand-holding approach towards farmers and helps them improve their farming practices. This includes safety awareness campaigns and training sessions on safe use of crop protection products for farmers, farm labour as well as for channel partners.

BUSINESS OVERVIEW

FY 2017-18 was another year full of challenges and surprises. In the domestic business, your Company clocked higher growth in volumes and gained market share in key segments, with increase in Paddy and Cotton.

Lower farm revenues on account of softening of prices for several crops last season affected the farmers' ability to spend on agriculture inputs. Notwithstanding farm loan waivers announced by some State Governments, farm distress prevailed among marginal farmers. Rising cost of cultivation offered no respite either.

In FY 2017-18, the Company introduced five new products in the domestic market, catering mainly to paddy, cotton and fruits & vegetables crop areas. The Company expanded its distributor network substantially and also reviewed its credit policy for distributors, without compromising on the established set of risk management principles.

On the international business front as well, FY 2017-18 was a challenging year. While weather conditions in the NAFTA



region improved, those in Africa and Australia deteriorated. Soft commodity prices prevailed throughout the review period, and wide currency fluctuations with a downward bias didn't help either.

Despite these adversities, your Company managed to grow its international revenues by 9%. It launched five products in the exports markets in Malaysia, Thailand, Myanmar and Nigeria. Good progress has been recorded in Alliance business through several registrations gained during the financial year.

REVIEW OF FINANCIAL PERFORMANCE

Consolidated

As against consolidated revenues (net of excise) of ₹ 1,663.52 crores in FY 2016-17, the Company's consolidated revenues grew 7.7% to ₹ 1,790.94 crores in FY 2017-18. Consolidated net profit stood at ₹ 167.02 crores, lower by 1.9% over the consolidated net profit of ₹ 170.22 crores in the previous year (excluding exceptional item ₹ 126.85 crores).

Standalone

Revenue from operations (net of excise), at ₹ 1,498.42 crores, were 8.1% higher than the previous year's revenue of ₹ 1,385.71 crores. Net profit, at ₹ 141.49 crores, grew by 1.7% as against the net profit of ₹ 139.18 crores in the previous year.

OPPORTUNITIES AND OUTLOOK

Awareness about crop protection is still low in India and the role of agrochemicals in improving farm productivity is grossly undermined as well. Similarly, the importance of using better quality hybrid seeds and organic plant nutrients and micronutrients also remains a neglected area. This provides an immense scope for market expansion. Rallis India is focused on offering solutions to farmers to improve farm productivity, rather than just selling products to them.

As a part of a unique programme - **Rallis Samrudh Krishi®** (RSK) - which started in 2011-12, the Company tries to promote knowledge-based farming. RSK endeavors to create awareness among the farmer community about the crop, quality, productivity and income and offers customized advice to registered farmers.

Taking into account the growing penetration of mobile phones and shift in the digitalization trends, the Company launched the Rallis Krishi Samadhan App. Using predictive analytics, Rallis offers valuable advice to farmers on improving their farm yield and curbing costs.

Such all-encompassing initiatives are expected to create long-term value for farmers. Awareness and affordability are the two principal considerations for consumption of crop protection products coming even closer to the global mean. Handholding approach adopted by the Company, its years' of expertise in the agriculture inputs industry and focus on the farmers' prosperity are expected to unlock tremendous growth opportunities.

Patent cliff-a new growth trigger

As per the FICCI report on Indian agrochemical industry, agrochemicals worth US\$ 2.9 billion are going off patent between 2017 and 2020. Total estimated value of products going off patent between 2014 and 2020 is US\$ 6.3 billion. As a result of this, the market share of patented products is likely to fall to 13%-15% from the present 20%-22% mark.

The Company has already evaluated various product areas in the off-patent market and is gearing up to launch high-potential products over the next few years.

Contract Research and Manufacturing Services (CRAMS): Another area with high-growth potential

With China shutting off its capacities on pollution concerns, the global market is looking out for substitutes for constant and affordable supply of raw material for agro chemical and other fine chemical products. This phenomenon may potentially unfold high growth opportunities for Indian CRAMS players. CRAMS model works well especially when the end-products are patented or enjoy exclusivity. The Company has already identified growth opportunities in CRAMS and has been mindful of growing it in years to come. Apart from agrochemicals, this includes opportunities in contract manufacturing of fine chemical ingredients. Your Company has, during the current year, made a modest entry in this area, getting shortlisted for the manufacture of a pharma ingredient at its plant in Dahej. It will explore further opportunities in this space in the coming years.

RISKS AND CONCERNS

Dependence on agrochem business: Since the Company derives majority of its revenues from the agrochemicals business, it is affected by the seasonality factors. To overcome this, the Company has been cautiously growing its other businesses - seeds and plant growth nutrients. Within crop protection, the Company is focusing on herbicides and fungicides which are high growth segments. To mitigate

the seasonality risks in the domestic market, the Company has been continuously expanding its international business as well. It is also exploring opportunities in contract manufacturing, including in the fine chemicals ingredients space. All these to build a healthy non-pesticides portfolio.

Dependence on select crops: Owing to crop sowing patterns in India, crop segments such as paddy and cotton contribute significantly to the revenues of the Company. To reduce this dependence, Rallis India is focusing on new crop segments, especially fruits & vegetables, by leveraging its comprehensive product portfolio.

Currency fluctuations: For the procurement of raw materials, the Company relies on imports to a great extent. Prices of most of the raw materials used by the Company are linked to crude oil prices. This makes the Company vulnerable to external shocks. It partially mitigates this risk by growing its global business, which offers a natural hedge against the rising cost of imports. Considering the financial constraints of Indian farmers, it becomes difficult for the Company to always pass on raw material price escalations. By making constant improvements to the processes and through better inventory and logistics management, Rallis India tries to maintain margins even when it gets challenging to pass on price hikes of raw materials.

Regulatory Interventions: Going by the recent experience, the regulatory environment seems to be getting tougher. Aggressive interventions by regulatory authorities in several States may prove counterproductive for the industry and also for the Indian agriculture sector. Compliance is the highest priority for Rallis India, and the Company is taking cognizant steps to overcome challenges on this front.

RESEARCH & DEVELOPMENT (R&D)

Research and Development is an important function for Rallis India as it has played a significant role in keeping the Company truly young and agile for more than 150 years.

Rallis Innovation and Chemistry Hub (RICH) is a cohesive force that revolves around helping various Departments of the Company work more efficiently towards achieving common objectives. RICH functions through three domains - Chemistry, Product Development and Regulatory works. As part of its New Solution Development and Introduction (NSDI) programme, RICH identifies potential areas for product development. Moreover, it assists farmers to improve farm

productivity and net returns on their capital. Research and Development releases periodicals for the internal teams for imparting technical knowledge and improving their competence.

The Company uses an assessment parameter - Innovation Turnover Index (ITI) - to measure the share of new products in the overall revenues. For three consecutive financial years starting from FY 2008-09, the average index reading was 27%, meaning over 1/4th of revenues in any financial year came from products launched in the immediately preceding four financial years.

Over the last few years, the index dropped, both resulting from the long cycle of product introduction as well as farmer preference to generics due to crop economic pressures. In the current year however, ITI has improved to 11%, from 7% in the previous year.

In FY 2017-18, the Company received four registrations for the domestic market (two each for domestic and export category) and 12 registrations for the international market. Moreover, the Company has completed field trials of three more products and is ready for the registration process.

The Company is looking to work out synergies with startups to explore novel and innovative solutions to improve crop health. The Company is also mindful of opportunities offered by off-patenting products globally. It has already identified at least 10 such products which may help the Company expand its product portfolio and reclaim the ITI witnessed in the past.

As part of the RSK programme, RICH provides farmers with more effective solutions through customized Package of Practices (PoPs). It also promotes education and training programmes on safe handling of crop protection and helps farmers overcome water and labour scarcity by leveraging the advent of technology.

In FY 2017-18, it demonstrated PoPs to farmers to increase yields in sugarcane, paddy, tomato, black gram and black pepper crops.

ENVIRONMENT, HEALTH & SAFETY (EHS)

'Safety' is one of the top-priority areas for Rallis India. Your Company has adopted a three-layer approach to ensuring highest safety standards - behavioural safety, process safety and road safety. The Company promotes behavioural



safety at all hierarchies of the Organization, since it believes safe behaviour helps eliminate risks at each stage of the manufacturing process. Since it has close to 1,000 field experts, road safety function becomes imperative. Your Company's proclivity towards care and safety also reflects in its approach. At Rallis India, 'safety is a condition of employment rather than being a choice'.

Your Company emphasizes on the non-negotiable attribute of health and safety practices and standards. The Company's leadership team is thoroughly committed to adhering to the health and safety standards and aims to improve them further by the adoption of best international practices to raise the bar on safety.

Highlights of 2017-18

- o The Company attained upto 70% of process automation in various manufacturing processes. Automation eliminates safety concerns associated with human errors.
- o To promote pollution control, the Company has been working on the mission of "zero liquid discharge". Out of its facilities at four locations, two places have attained zero liquid discharge. Facilities at other sites are also on course to achieve the zero liquid discharge target.
- o Rallis India continued to convert waste products into useful ones even in FY 2017-18.
- o The Company is on course to achieve 50% energy use from renewable sources by year 2021-22.

Farmers' safety

Notwithstanding their usefulness, crop protection products are hazardous and thus need to be handled with utmost care. Being a Responsible Care Company that works with an objective beyond generating profits, it attempts to promote safe use of its products among farmers.

In association with Tata Trusts, Rallis conducted a safety awareness campaign in three districts of Vidarbha (Maharashtra) - Yavatmal, Amravati and Akola in November and December 2017. More than 20,000 farmers and farm labourers from 500 villages benefited from the safety awareness programmes.

This safety initiative was well-received by the farmers and the Department of Agriculture, Department of Public Health has also appreciated the same.

HUMAN RESOURCES

Human resources are important assets of Rallis India. Your Company has adopted employee-friendly HR processes that help them continuously grow and offer them personal developmental opportunities. The Company's HR policies encourage talent acquisition and retention process, ensure transparency and facilitate development, building trust and encourage and support performance oriented environment.

Providing equal opportunity to all employees and ensuring diversity by creating a level playing field for under privileged segments of the society through positive actions are the ethos of team building process at Rallis India. Your Company has well-documented and updated policies in place to prevent discrimination and harassment, including sexual harassment. To discourage wrong doings, the Company has adopted a strong Whistle Blower Policy. The Company has also adopted the Tata Code of Conduct to reinforce Core TATA Values. The adoption of this code renews our commitment to values of excellence and leadership with trust.

Your Company measures the satisfaction of internal customers through in-house ICSS (Internal Customer Satisfaction Survey) wherein it is seen that the satisfaction of internal customers of HR is as high as 75%. Rallis India also participates in external assessment by various expert bodies to measure the effectiveness of HR related matters.

To provide growth opportunities to rural youth, the Company runs a novel employment programme focused on agri-marketing - Tata Rallis Agri Input Training Scheme (TRAITS).

The Company has started a L&D (Learning and Development) initiative to ensure a process change through a Business and Cultural Transformation curriculum. **Rallis Samrudh Krishi®** (RSK) Workshop for the Sales & Marketing Team has been initiated to equip frontline sales people with the strategic concept of RSK and its application. To help employees build functional competence, the Company runs a dedicated programme called CAD (Competency Assessment and Development). The Company also undertook several skill development programmes such as RISE (Rallis Initiative for Skill Enrichment), Mentoring and Arjun. As a part of continuous learning reinforcement, Rallis has started learning intervention through various online digital platforms.

The Ankleshwar Unit of the Company has 66 non-management employees. The overall relations with these employees at Ankleshwar continued to be cordial and harmonious during the year 2017-18. As on March 31, 2018, the employee strength of the Company was 977, as compared to 952 as on March 31, 2017 (excluding trainees).

BUSINESS EXCELLENCE

The Business Excellence journey of Rallis India is continuing since 2003 under the Tata Business Excellence Model (TBEM) framework, through continuous improvement and establishing a culture of excellence. After winning the prestigious JRD QV Award in 2011, the Company has continued the journey of excellence in TBEM and worked for strengthening its operational excellence. Other than TBEM, the Company has also been recognized with the CII-EXIM Prize, based on the EFQM model, in the years 2012 and 2015. Rallis India is now a part of Tata Chemical's integrated assessment every two years. It will undergo an individual assessment during 2018.

Innovation has been the critical element in the evolution of Rallis India over the last 150 years. The Company endeavors to achieve innovation in its business model, products, processes and people. Rallis India participates in the Group forum, Tata Innovista every year and has been recognized several times at Regional and Global rounds. This year, 57 innovation entries have been submitted and 3 have made it to the Global round. The Company's business model innovation RSK also won the IMC RBNQA innovation competition this year.

Various initiatives such as Driving Innovative Services for Higher Achievement (DISHA) and Drishti are geared to take the Company to a new level of excellence.

DISHA - a self-challenging initiative - helped the Company tackle adverse business conditions by looking beyond familiar ways of doing things and manage fixed costs more effectively in response to the ever-changing business environment. Started in 2007-08, DISHA has completed three phases and now DISHA LEAP has worked on several ideas received from employees for enhancement of overall effectiveness of the Organization in terms of operational excellence and costs. While on the other hand, *Drishti* is aimed at improving farm productivity by empowering farmers with the power of emerging technologies, using predictive information on agriculture useful to farmers.

Such a forward-looking approach of the Company in all areas has immensely facilitated the Company evolve and excel over the last 150 years.

The Company strengthened its excellence journey through intensive internal assessment ROCK (Ralliites on Continuous Karma) covering all locations and functions. Within the Company, a group of excellence assessors have been developed, who can assess the Company across functions and locations. Feedback on improvement is shared across Departments and high scoring functions and locations recognized. As a part of its excellence journey, the Company has an online digital platform for employees to register their innovative thoughts.

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 (SQC) is implemented in all areas of importance, and significant results have been achieved regarding process control. The Company trained more than 80% people in factories on DWM principles. Customer oriented business strategies, operational efficiencies and their sustainability would help the Company make progress on the path of excellence.

CORPORATE SUSTAINABILITY AND AFFIRMATIVE ACTION (AA)

Jal Dhan

India's need for water is rising exponentially. This is primarily due to significant increase in consumption of food grains and greater demand for water in irrigation. Rallis' sustainability model addresses water management through its Jal Dhan and Jal Mitra programmes.

Your Company's Jal Dhan programme has now covered 31 villages from 16 Tehsil and 8 Districts. The interventions included:

- ✓ Desilting and deepening of existing Nalas and Ponds
- ✓ Straightening, pitching and widening of Nalas
- ✓ Building loose boulder water structures and check dams

A good monsoon in 2016-17 and 2017-18 complemented the initiatives leading to successive overflows of the water structures. The catchment was so extensive, and the

recharging of the water table so high, that people could not recall the last time when their villages had so much water.

So far, the Jal Dhan project has recharged water structures with 1,064 million litres of water, changing the lives of more than 1,11,600 villagers including more than 36,000 AA (SC/ST) populations. One of the villages worst affected by drought, Sirsala in the Beed district in Maharashtra, had a supply of potable water only once every six weeks. With the Rallis Jal Dhan intervention, they now receive potable water once every week.

The Jal Dhan interventions have led to several innovations, such as -

- ✓ Fertile silt accumulated from desilting, based on its quality, has been used for either road construction or land filling or creating additional fertile soil.
- ✓ Stored water at a height has led to generation of hydro power and lighting for the whole of the Gauthan village at Lote.

The Company's decision to include Vidarbha and Marathwada under the Jal Dhan project proved very beneficial for the AA population and marginal farmers reeling under the grave pressure of drought and the grim water situation in the region.

Rallis has received immense appreciation from the community on the Jal Dhan intervention. The Maharashtra Government has also acknowledged the Company's initiative and we will take this forward, seeking partnership with the Government, TATA Trusts and key stakeholders.

Water is key to humanity's existence. This will be our continuing support to the TATA Group's initiative towards water management and the National water mission of India.

Tribal Model Village

Rallis has defined its Model Village concept as under:

Model village will be a sustainable ecosystem, where every individual will have access to basic amenities, Government benefits and other essential resources to improve their level of well-being and happiness.

With this concept in mind, we identified one tribal village Kelcha Mal near Navi Mumbai in Raigad District in 2015-16.

After seeing the positive result, we added four more Tribal villages from Thane and Palghar Districts near Mumbai in the year 2016-17 and one in the current year.

All these villages were invariably deprived of access to water, sanitation, livelihood opportunities, Government entitlements etc. and were in urgent need of support for their existence and development. After scanning and identifying the villages, Rallis has followed a scientific approach, starting with need assessment involving a third party. Based on the needs identified and priorities of the tribals, various interventions have been planned phase wise.

RUBY (Education Initiative)

Your Company initiated its CSR intervention with educational programmes. These programmes were branded as RUBY i.e. Rallis Ujjwal Bhavishya Yojana.

In the current year, Rallis has been involved with 35 schools from 2 States (Gujarat and Maharashtra). These are Government owned schools, with the exception of 6 schools. Government schools suffer from a lack of infrastructure, poor quality of teaching and poor governance. Due to this, students are deprived of access to state-of-the-art learning infrastructure, and are unable to acquire new skills and improve their overall personality. While implementing these programmes, we realized that students face challenges and frequently find it difficult to cope with two subjects - Science and English.

Rallis focuses on neglected domains like Science, English and E-learning, which has improved the performance of students in exams. RUBY focuses on qualitative outcomes. For example, Mr. Sharad Pandhare, Teacher from Ashram School, Shenva says: "E-Learning facility at school resulted in substantial increase in student participation in the classroom and resulted in better performance in the exams".

The support provided by the Company has helped the school in winning the appreciation of parents, thus leading to an increase in attendance and also increase in admission. The educational interventions have also resulted in improvement in the passing percentage of students over the years.

These interventions from Rallis have directly benefited more than 9,700 students, of which 49% belong to the AA community.

TARA - Women empowerment

Rallis, under its CSR initiative, has initiated TARA, which focuses on empowering under privileged women through skill training. One of the key initiatives is tailoring classes for women, initiated a few years back in Akola at Shivar village. In 2017-18, under this initiative, we have trained 50 women. Majority of these women have started home based business, giving them means to earning an income.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

In the Company's digital transformation endeavor, the Information and Communications Technology (ICT) function assumes immense importance. In FY 2017-18, the Company continued to explore and implement emerging technologies in predictive analytics, farmer advisory and industrial automation to leverage ICT for enriching its Agri Solutions business.

In FY 2017-18, the Company strengthened its core ERP and BW systems with upgrades and enhancements, developed many reports to support business decisions, implemented geo- spatial analytics system (DRISHTI), embarked on a journey on mobility initiatives, thereby helping the Company align business segments and simplify business processes and enhance the relevance of its offerings.

The Company is committed to making timely investments of an appropriate amount to build, support and strengthen the ICT infrastructure to support various business applications. The Company has devised a well-defined IT Strategy to leverage ICT for enhancing the customer reach and operational efficiency.

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company has an adequate system of internal controls. Policies and procedures covering all financial and operating functions have been documented. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting records for ensuring reliability of financial reporting, monitoring of operations, protecting

assets from unauthorized use or losses and compliance with regulations. Moreover, the Company always encourages the digitalization of key process controls through the ERP systems to maximize automated control transactions across key functions. Under the Internal Audit function, the auditor verifies IT-enabled controls as part of the review of functions and processes.

A risk-based internal audit plan is approved by the Audit Committee of the Board at the beginning of the financial year and internal audit reviews are conducted as per this plan. The Annual Audit Plan is aligned with the major risks identified by the businesses. The scope and coverage of audits include review and reporting on key process risks, adherence to operating guidelines and statutory compliances and recommending improvements for monitoring and enhancing efficiency of operations and ensuring reliability of financial and operational information. The Audit Committee monitors and reviews the significant internal audit observations, compliance with accounting standards, risk management and control systems and profitability.

The Head of Internal Audit functionally reports to the Audit Committee of the Board. In 2017-18, two leading Firms of Chartered Accountants were engaged as partners for conducting internal audit reviews under the annual plan.

Cautionary Statement

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.

BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

INTRODUCTION

Rallis 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

- Corporate Identity Number (CIN) of the Company:**
L36992MH1948PLC014083
- Name of the Company:** Rallis India Limited
- Registered address:** 156/157 15th Floor Nariman Bhavan 227 Nariman Point Mumbai 400 021
- Website:** www.rallis.co.in
- E-mail id:** investor_relations@rallis.co.in
- Financial Year reported:** 2017-18
- Sector(s) that the Company is engaged in (industrial activity code-wise):**
Agri-Inputs; National Industrial Classification (NIC) Code: 3808
- 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.
- Total number of locations where business activity is undertaken by the Company:**
 - Number of International Locations (5 major):** Nil
 - Number of national locations:** The Company's manufacturing operations are situated at four locations, viz. Ankleshwar and Dahej in Gujarat and at Lote and Akola in Maharashtra.

- 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

- Paid up Capital (₹):** 19.45 crores
- Total Turnover (Revenue from operations) (₹):** 1,515.94 crores (standalone)
- Total profit after taxes (₹):** 141.49 crores (standalone)
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** ₹ 4.01 crores, which is more than 2.0% of the average net profit of the Company for the last three financial years.
- List of activities in which expenditure in 4 above has been incurred:**
 - Water Harvesting (Jal Dhan)
 - Model Village development (Rural Development, Health and Sanitation)
 - Education (RUBY) programme
 - Environment (Greening)
 - Skill development (TARA) initiative

Tata Group Affirmative Action (AA) Policy: Rallis works towards inclusion of socially disadvantaged and marginalized sections of society (Scheduled Castes and Scheduled Tribes). The AA interventions focus on Education, Employment, Employability, Entrepreneurship and Essential Enablers.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**

Yes, the Company has 4 subsidiaries as on 31st March, 2018, of which three are direct subsidiaries and one is an indirect subsidiary (i.e. subsidiary of the Company's subsidiary).
- 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).**

The subsidiary, Metahelix Life Sciences Ltd. (Metahelix) has its own CSR activities in its area of operations. The other two Indian subsidiaries' operations are not at a scale that can support CSR activities. 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:** 01385240
2. **Name:** Mr. V. Shankar
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:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	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)	The spirit and intent of the Tata Code of Conduct (TCoC) and all applicable national laws are captured in the policies articulated by Rallis. 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.								

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 Director?	Yes, Signed by MD & 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: http://www.rallis.co.in/TCoc.htm Rallis Environment Health & Safety Policy is available at: http://www.rallis.co.in/EHS_Policy.htm Rallis Quality Policy is available at: http://www.rallis.co.in/QualityPolicy.htm Rallis CSR Policy is available at: http://www.rallis.co.in/CSR_Policy.htm Rallis Whistle Blower Policy is available at: http://www.rallis.co.in/WhistleblowerPolicy.htm								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all internal stakeholders. Tata Code of Conduct 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 Whistle Blower Policy provides a mechanism to employees to report any concerns or grievances pertaining to any potential or actual violation of Tata Code of Conduct, 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 Tata Code of Conduct 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 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. 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 assesses the BR performance of the Company. Within three 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?**

This BR Report is uploaded on the Company's website at the web link: <http://www.rallis.co.in/BRR18.htm>

of conduct incorporating all elements of the TCoC. TCoC is 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? If so, provide details thereof, in about 50 words or so.**

A total of 3 stakeholder complaints were received in the financial year 2017-18. 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 Tata Code of Conduct (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

Stakeholder wise Concerns received during FY 2017-18	
Anonymous	1
Contract Employee	0
Employee	0
Non-Employee	2
Vendor	0
Concern Analysis	
Status	In 2017-18 we received and addressed all 3 concerns. No TCoC violation was detected.
Open	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.

Odis 70% WP: Odis is a one-shot ready mix of well proven chemistry with different mode of action for effective control of sucking pests of rice and cotton, with a significant impact on paddy crop production. Odis will help in maintaining a healthy crop both in vegetative and fruiting stage. It fits well in Rallis' rice pest control solution portfolio and will complement existing solutions for delivering better performance. It can be applied as prophylactic as well as curative for quicker and long duration control.

Pulito 38% WG: This is a leading fungicide used for specialty crops for the control of a wide spectrum of diseases as well as to increase plant/ fruit health. Pulito is a new generation Novel Boscalid combination with Pyraclostrobin, launched for the first time in India for control of Powdery Mildew on Grapes.

Cenator 12.5% SC: This is a new age ready- mix formulation of Fluxapyroxad + Epoxiconazole for Paddy Sheath Blight. The product is very effective for both sheath blight and sheath rot on Paddy. The advance chemistry will have better control on sheath blight and also provide good canopy growth in boot leaf stage of the plant.

Riceup 2.67% OD: Riceup is an innovative new formulation, oil dispersion with broad spectrum systemic herbicide for the management of major weeds in both direct seeded rice and transplanted rice. It is highly safe for the rice crop.

Customer centric initiatives - Rallis Hi-Tech Farm: Rallis Hi-Tech Farm in Karnataka to meet following objectives:

- o Demonstrate technical superiority, knowledge and competence as a technology leader and expert.
- o Adopt latest technologies such as farm automation and aerial application-UAV-Drone, drip irrigation, etc.
- o Optimized Package of Practices (PoPs), IPM and agronomy practices.

- o Use of digital interventions.
- o On high value and complex crops -
 - a) Demonstrated paddy PoP with two Metahelix hybrids on 2 acres with > 50% higher yield.
 - b) Demonstrated Black gram PoP on 2 acres with > 60% higher yield.
 - c) Demonstrated Tomato PoP for two partner hybrids on quarter acre with > 30 tons per acre as per requirement.

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 in Kolkata Zone has not only improved the productivity of rice, but has also 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 many efforts in reducing the carbon footprint in sourcing and supply chain. Few examples are:

- o Developed domestic suppliers instead of importing raw materials. During the year, import substitute

suppliers have been developed for some key materials. This has reduced imports dependency by more than 50%.

- o The Company has entered into a vendor management inventory arrangement for some items to ensure timely supplies and sustainable business to supplier.
- o Our products are exported in bulk packing. Earlier, exports were in normal Jumbo Bag with LDPE liner. However, the Company is now planning to export products in Tri laminated Jumbo Bag henceforth, to improve better delivery of product to customer.

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 neighboring community through various training and community development programmes. Under TATA Affirmative Action programme, the Company provides support to people from socially backward community background, including from the SC/ ST communities.

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 too built capacity to recycle 50% of treated water.

Principle 3 - Businesses should promote the well-being of all employees.

1. **Please indicate the total number of employees:** 977, as on March 31, 2018.
2. **Please indicate the total number of employees hired on temporary/ contractual/ casual basis:** 993, as on March 31, 2018.
3. **Please indicate the number of permanent women employees:** 36, as on March 31, 2018.
4. **Please indicate the number of permanent employees with disabilities:** None, as on March 31, 2018.
5. **Do you have an employee association that is recognized by management:** Yes, Rasayanki Kamdar Sangh, Ankleshwar.
6. **What percentage of your permanent employees are members of this recognized employee association:** 6.8%, as on March 31, 2018.
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 March 31, 2018.
 - (ii) Sexual harassment: No complaints, as on March 31, 2018.
 - (iii) Discriminatory employment: No complaints, as on March 31, 2018.
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 March 31, 2018.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

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 marginalized stakeholders?**

Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

While developing our CSR strategy, we have ensured that all communities benefit from our CSR activities, with special focus on groups that are socially and economically marginalized, 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, etc. need 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 Rallis, which covers our Associates as well, 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 - Business 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/ minimizing 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 3 Rs, 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 Organizational 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:

- o 50% energy from renewable sources by year 2021-22.
- o 10% reduction in energy consumption by 2019-20. Base year 2013-14.
- o Planting two lakh saplings on 100% survival basis by year 2021-22.
- o At least 50% thermal energy from bio mass in each Unit by year 2021-22.

The Tata Group's Climate Change Policy is available at: 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 environment aspects and manage its environmental impact and

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. Two 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 fueled 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". Rallis has set up a 4.4 MWp Solar Power Plant at Dahej that established connectivity with the national grid on 24th December, 2015. The project was completed in a record 70 working days.



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/ Authorizations.

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, 2018, 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 your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

Yes. Rallis 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.

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 two programmes, namely TATA Rallis Agri Input Training Scheme (TRAITS) and Fixed Term Trainees (FTT) to have a visible impact on society. This intervention nurtures and equips youth and gives them an opportunity in the Company and elsewhere, with skill sets that are in demand across Organizations.

The Company implements Education interventions under its RUBY (Rallis Ujjwal Bhavishya Yojana) initiative, where focus is on improving the quality of education and soft skill building by imparting training, exposure and informal education to students, with a view to enhancing 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 2017-18, we have covered 35 schools under our Education projects, benefiting over 9,731 students, of which 4,763 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 organization?**

Rallis 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 at Rallis 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 Rallis.

3. **Have you done any impact assessment of your initiative?**

Yes, the Company has done impact assessment for one of its projects in 2017-18, viz. Model Tribal Village, Kelcha Mal at Navi Mumbai, Maharashtra, involving Hyderabad based NGO, Development Professionals' Group (DPG).

4. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

The Company has spent ₹ 4.01 crores, which is ahead of 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. Environment
- v. Skill

Tata Group Affirmative Action (AA) Policy: Rallis works towards inclusion of socially disadvantaged and marginalized 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, land shaping, pasture development, vegetative bunding and water resources conservation on the basis of the entire compact micro-watershed, 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 focusing on overall development of villagers. Water conservation work focuses on desilting, deepening and repairing existing structures and creating new structures like check dams. Rallis has scaled-up its water conservation project in Marathwada region of Maharashtra. The geographical coverage of Jal Dhan during 2017-18 is in 31 villages, 16 Tehsil and 8 districts of Maharashtra.

Through Jal Dhan project more than 1,11,600 people have benefited across Maharashtra, out of which 36,022 belongs to Affirmative community. The positive impact has been seen by way of increase in ground water levels, water availability throughout the year, sparing time and efforts of women spent in fetching water, enabling farmers to go for second and third crops, 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, Rallis has planted more than 51,000 trees with 90% survival rate.

Under Model tribal village initiative, in 2017-18, Rallis 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, Rallis conducts health camp in the villages every quarter and has identified 2 persons per village and trained them as Aarogya Doots, who support 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 the community successfully adopts this community development initiative? Please explain in 50 words, or so.**

Yes. Most of our programmes are participatory in nature and focus 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	53	13	66	100
Internal	4	-	4	100
Total	57	13	70	100

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 behavior 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 behavior.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The company carries out Farmer and Channel partners' satisfaction survey once every two years. The last survey was done in 2016-17. Action plan implementation based on previous survey is in progress. Next survey will be done in 2018-19. In 2017-18, the Company carried out surveys to understand customer experience and satisfaction for its various products and services introducing Net Promoter Score.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. It is not 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.

Your 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, your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

As a TATA Enterprise, your Company has a strong legacy of fair, transparent and ethical governance practices. This is further strengthened by the adoption of the Tata Code of Conduct for its employees, including the Managing Director and adoption of a Code of Conduct for its Non-Executive Directors. 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.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

2. BOARD OF DIRECTORS

Composition

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 stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act').

The Board of Directors, as on 31st March, 2018, comprised 8 Directors, of which 7 were Non-Executive Directors and one Managing Director. Mr. John Mulhall has been appointed as a Non-Executive Director with effect from 1st April, 2018. The Company has a Non-Executive Chairman and the 5 Independent Directors (including two women Directors) comprise more than one-half of the total number of Directors. All Directors possess relevant qualifications and experience in general corporate management, marketing, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors. None of the Directors are related to each other.

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 the 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. All Directors are also in compliance of the limit on Independent Directorships of listed Companies as prescribed in Regulation 25(1) of the Listing Regulations, and do not serve as an Independent Director in more than seven listed Companies. The Managing Director does not serve as Independent Director in any listed Company.

Category and Attendance of Directors

The composition and categories of Directors as on 31st March, 2018, their attendance at the Board Meetings held

during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in public limited Companies are given below:

Director	Category	No. of Board Meetings attended during 2017-18	Attendance at AGM held on 23rd June, 2017	No. of Directorships* (As on 31.03.2018)			No. of committee positions in Mandatory Committees* (As on 31.03.2018)		
				Chairperson	Member	Total	Chairperson	Member	Total
Mr. Bhaskar Bhat (Chairman) DIN: 00148778	Non-Independent Non-Executive	7	Yes	3	6	9	-	3	3
Mr. Prakash R. Rastogi DIN: 00110862	Independent Non-Executive	6	Yes	-	2	2	-	1	1
Mr. Bharat Vasani (up to 04.02.2018) DIN: 00040243	Non-Independent Non-Executive	5	Yes	NA	NA	NA	NA	NA	NA
Mr. R. Mukundan DIN: 00778253	Non-Independent Non-Executive	7	Yes	-	4	4	-	1	1
Dr. Y. S. P Thorat DIN: 02652734	Independent Non-Executive	6	Yes	-	4	4	1	3	4
Dr. (Mrs.) Punita Kumar-Sinha DIN: 05229262	Independent Non-Executive	7	Yes	-	9	9	2	6	8
Dr. C. V. Natraj DIN: 07132764	Independent Non-Executive	7	Yes	-	2	2	-	1	1
Mrs. Padmini Khare Kaicker DIN: 00296388	Independent Non-Executive	7	Yes	-	4	4	4	-	4
Mr. V. Shankar (Managing Director & CEO) DIN: 01385240	Non-Independent Executive	7	Yes	3	1	4	-	1	1

* Includes Directorship in Rallis India Limited. Excludes Directorships 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.

The Company held 7 Board Meetings during 2017-18 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held were: 24th April, 2017; 7th July, 2017; 20th July, 2017; 24th October, 2017; 27th November, 2017; 22nd January, 2018 and 19th March 2018.

Shareholding of Directors as on 31st March, 2018:

Dr. C. V. Natraj holds 4,831 (0.002%) Equity Shares of the Company. No other Director holds any shares in the Company.

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. The Company provides video conferencing facility to enable Directors, who are unable to attend in person, to participate in Meetings.

At Board Meetings, the Managing Director apprises 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 of the Company, 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 employees of the Company, including the Managing Director. The Board has also approved 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. Both the Codes are available on the Company's website.

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.

Directors and 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, Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 24th April, 2017 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:

- o Reviewed the performance of Non-Independent Directors and the Board as a whole;
- o Reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and Non-Executive Directors; and
- o 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 Independent Directors of the Company attended the Meeting of Independent Directors. 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, the Company organized several familiarization programmes for Directors, including a half-day session by experts covering topics such as role, rights and responsibilities of Independent Directors; Corporate Governance and Board Effectiveness; Business Excellence (TBEM) and Goods and Services Tax. Other activities included a visit to the Dahej plant, field visits and visits to CSR project sites.

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

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 Nomination and Remuneration Committee (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 Board Evaluation include *inter alia*, structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and

functioning and quality of relationship between the Board and management.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

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 according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, *inter alia*, are as follows:

- o 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.
- o 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.
- o Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.

- o 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.
- o Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgments made.
- o 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.
- o Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.
- o Review with the management, performance of the statutory and internal auditors.
- o 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.
- o Evaluate internal financial controls and risk management systems.
- o Scrutinize inter-corporate loans and investments.
- o Discuss any significant findings with internal auditors and follow-up thereon.
- o 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.
- o Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- o Approve transactions, including any subsequent modifications, of the Company with related parties.
- o Valuation of undertakings or assets of the Company, wherever it is necessary.
- o Review and monitor the statement of use and

application of funds raised through public offers and related matters.

- o Review the functioning of the Whistle Blower mechanism.
- o 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.
- o 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.
- o Oversee financial reporting controls and process for subsidiary companies.
- o Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- o 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.

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 Mrs. Padmini Khare Kaicker, Chairperson of the Committee, having the relevant accounting and financial management expertise.

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

Name of the Member	Category	No. of Meetings attended during 2017-18
Mrs. Padmini Khare Kaicker, Chairperson	Independent, Non-Executive	6
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	6
Dr. Y. S. P. Thorat, Member	Independent, Non-Executive	6



The Audit Committee met 6 times during the year and the gap between two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings were held were: 24th April, 2017; 20th July, 2017; 10th October, 2017; 24th October, 2017; 22nd January, 2018 and 19th March, 2018. 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 Whistle Blower mechanism and implementation of the 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 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, the Company Secretary 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 Committee Chairperson periodically has one-on-one meetings with the Head of Internal Audit and the Statutory Auditors, to discuss key concerns.

The Chairperson of the Audit Committee, Mrs. Padmini Khare Kaicker was present at the Annual General Meeting of the Company held on 23rd June, 2017.

4. **NOMINATION AND REMUNERATION COMMITTEE** **Terms of reference**

The Board has adopted a Charter for the effective functioning of the Nomination and Remuneration Committee (NRC). The terms of reference of the NRC are as follows:

- o 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.

- o Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- o Support the Board in matters related to the setup, review and refresh of the Committees.
- o Devise a policy on Board diversity.
- o Recommend to the Board the appointment or reappointment of Directors.
- o Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- o Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- o 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.
- o 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.
- o Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- o On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- o Review matters related to remuneration and benefits payable upon retirement and severance to MD/ EDs, KMP and executive team.
- o Review matters related to voluntary retirement and early separation schemes for the Company.
- o Provide guidelines for remuneration of Directors on material subsidiaries.

- o Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- o Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- o Oversee familiarization programmes for Directors.
- o Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- o Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
- o Perform other activities related to the charter as requested by the Board from time to time

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 Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2017-18
Dr. C. V. Natraj, Chairman	Independent, Non-Executive	4
Mr. Bhaskar Bhat, Member	Non-Independent, Non-Executive	4
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	4
Mr. R. Mukundan, Member	Non-Independent, Non-Executive	4

The NRC met four times during the year, on 13th April, 2017; 24th April, 2017; 10th October, 2017 and 22nd January, 2018.

The Chairman of the NRC, Dr. C. V. Natraj was present at the Annual General Meeting of the Company held on 23rd June, 2017.

Remuneration of Directors

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with

trust. The Company's Remuneration Policy is aligned to this philosophy. The Company's Remuneration Policy is given in the Board's Report.

Details of remuneration for 2017-18

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.

The aggregate value of salary, perquisites and commission paid to Mr. V. Shankar, Managing Director & CEO, during the year 2017-18 is ₹ 4,45,70,212/-, comprising:

Salary	: ₹ 74,40,000/-
Perquisites and allowances	: ₹ 1,21,30,212/-
Commission for the financial year 2016-17, paid during 2017-18	: ₹ 2,50,00,000
Period of Agreement	: up to 30th September, 2021
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.
Severance fees	: Nil
Stock Options	: Nil

Commission of ₹ 213.75 lakhs is payable to Mr. Shankar for the year 2017-18 and shall be paid after the annual Financial Statements are adopted by the Members at the Annual General Meeting.

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 Property Committee and 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 Annual General Meeting of the Company held on 24th June, 2013, commission is paid to Non-Executive Directors 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 as well as guidance provided to senior management other than at meetings and is paid after the annual Financial Statements are adopted by the Members at the Annual General Meeting. The Company also reimburses any expenses incurred by the Directors for attending meetings.

Since the approval for payment of commission to Non-Executive Directors was valid up to 31st March, 2018, Members' approval is being sought at the forthcoming Annual General Meeting, enabling the payment of commission not exceeding 1% per annum of the net profits of the Company to Non-Executive Directors for each financial year commencing from 1st April, 2018.

The sitting fees paid during the financial year 2017-18 to the Non-Executive Directors for attending the Board and Committee Meetings for the year 2017-18, the commission paid to them during 2017-18 for the year 2016-17 and the commission payable for the year 2017-18, are as follows:

Name of Director	Sitting Fees (₹)	Commission for FY 2016-17, paid during 2017-18 (₹)	Commission for FY 2017-18, payable during 2018-19 (₹)
Mr. Bhaskar Bhat	2,40,000	31,00,000	-
Mr. B. D. Banerjee (up to 31.10.2016)	NA	20,40,000	-
Mr. E. A. Kshirsagar (up to 30.09.2016)	NA	18,60,000	-
Mr. Prakash R. Rastogi	3,70,000	28,35,000	25,35,000
Mr. Bharat Vasani (up to 04.02.2018)	1,30,000	19,05,000	-
Dr. Y. S. P. Thorat	3,80,000	30,95,000	35,25,000
Dr. (Mrs.) Punita Kumar Sinha	2,10,000	17,65,000	19,70,000
Dr. C. V. Natraj	2,40,000	11,05,000	28,05,000
Mrs. Padmini Khare Kaicker	2,80,000	22,95,000	32,60,000

Retirement Policy for Directors

The Governance Guidelines on Board Effectiveness adopted by the Company provides for the retirement age of Directors. As per the Guidelines, 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, subject to the tenure specified under Section 149 of the Act.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE**Terms of reference**

The terms of reference of the Stakeholders Relationship Committee (SRC) are as follows:

- o Review statutory compliance relating to all security holders.
- o Consider and resolve the grievances of security holders of the Company, including complaints related to transfer of securities, non-receipt of annual report/ declared dividends/ notices/ balance sheet.
- o Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- o 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 there under, as applicable from time to time.
- o Oversee and review all matters related to the transfer of securities of the Company.
- o Approve issue of duplicate certificates of the Company.
- o Review movements in shareholding and ownership structures of the Company.
- o Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent.
- o Recommend measures for overall improvement of the quality of investor services.

Composition and Attendance during the year

The SRC met twice during the year, on 20th July, 2017 and 22nd January, 2018.

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

Name of the Member	Category	No. of Meetings attended during 2017-18
Dr. (Mrs.) Punita Kumar-Sinha, Chairperson	Independent, Non-Executive	2
Dr. Y. S. P. Thorat, Member	Independent, Non-Executive	2
Mr. V. Shankar, Member	Non-Independent, Executive	2

Name, designation and address of Compliance Officer

P. S. Meherhomji
Company Secretary
2nd Floor Sharda Terraces
Plot No. 65 Sector 11
CBD Belapur
Navi Mumbai 400 614
Tel. No.: 91 22 6776 1657
Fax No.: 91 22 6776 1775
Email: pmeherhomji@rallis.co.in

Shareholders may also correspond with the Company on the email address: investor_relations@rallis.co.in

A total of 524 requests/ queries were received from investors during 2017-18, of which 6 remained pending as on 31st March, 2018. These were received during the last week of March 2018 and hence were pending on 31st March, 2018, but have been subsequently replied to, as certified by TSR Darashaw Ltd. (Registrars).

One request for transfer involving 8 shares and three dematerialization requests involving 660 shares were pending as on 31st March, 2018. These were received during the last week of March 2018 and hence were pending on 31st March, 2018, but have been subsequently processed, as certified by the Registrars.

Status of Investor Complaints as on 31st March, 2018 and reported under Regulation 13(3) of the Listing Regulations, is as under:

No complaints were pending as on 1st April, 2017 and no complaints were received during the year, with the result that no complaint remained pending as on 31st March, 2018.



6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference

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

- o 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.
- o Recommend the amount to be spent on the CSR activities.
- o Monitor the Company's CSR Policy periodically.
- o Oversee the Company's conduct with regard to its Corporate and societal obligations and its reputation as a responsible corporate citizen.
- o Oversee activities impacting the quality of life of various stakeholders.
- o Monitor the CSR Policy and expenditure of material subsidiaries.
- o 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. The Annual Report on CSR activities for the year 2017-18 forms a part of the Board's Report.

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 Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2017-18
Mr. Bharat Vasani, Chairman (up to 04.02.2018)	Non-Independent, Non-Executive	1
Dr. Y. S. P. Thorat, Member (Chairman w.e.f. 19.03.2018)	Independent, Non-Executive	2
Mr. P. R. Rastogi, Member (w.e.f. 19.03.2018)	Independent, Non-Executive	NA
Mr. V. Shankar, Member	Non-Independent, Executive	2

The CSR Committee met twice during the year, on 23rd June, 2017 and 26th February, 2018.

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, the Company has constituted a RMC of the Board.

Terms of reference

The terms of reference of the RMC are as follows:

- o Approve the Risk Management Policy and plan integration through training and awareness programmes.
- o Approve the process of risk identification.
- o Set up risk strategy policies, including agreeing on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks.
- o Monitor the Company's compliance with the risk structure. Assess whether the current exposure to the risk it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis.
- o To approve major decisions affecting the risk profile or exposure and give appropriate directions.
- o To consider the effectiveness of decision making process in crisis and emergency situations.
- o Balance risks and opportunities.
- o Generally, assist the Board in the execution of its responsibility for the governance of risk.
- o Attend to such other matters and functions as may be prescribed from time to time.

Composition and Attendance during the year

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

Name of the Member	Category	No. of Meetings attended during 2017-18
Dr. Y. S. P. Thorat, Chairman	Independent, Non-Executive	3
Mr. V. Shankar, Member	Non-Independent, Executive	3

The RMC met three times during the year, on 14th July, 2017; 22nd November, 2017 and 26th February, 2018.

The Chief Financial Officer and Head - Internal Audit are permanent invitees to the 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, before presentation to the full 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.

The composition of the ECOB and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2017-18
Mr. Bhaskar Bhat, Chairman	Non-Independent, Non-Executive	1
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	1
Mr. R. Mukundan, Member	Non-Independent, Non-Executive	1
Dr. (Mrs.) Punita Kumar-Sinha, Member	Independent, Non-Executive	1
Mr. V. Shankar, Member	Non-Independent, Executive	1

The Executive Committee of the Board met once during the year, on 26th February, 2018.

The Chief Financial Officer is a permanent invitee to the Committee.

9. PROPERTY COMMITTEE

The Property Committee has been constituted to advise the management on unlocking the value of the surplus assets of the Company.

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

Name of the Member	Category	No. of Meetings attended during 2017-18
Mr. Prakash R. Rastogi, Chairman	Independent, Non-Executive	1
Mr. Bharat Vasani, Member (up to 04.02.2018)	Non-Independent, Non-Executive	1
Dr. (Mrs.) Punita Kumar-Sinha, Member	Independent, Non-Executive	1

The Property Committee met once during the year, on 23rd January, 2018. The Committee has been dissolved with effect from 19th March, 2018.

10. 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, 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. (Mrs.) Punita Kumar-Sinha and Dr. C. V. Natraj are appointed as Independent Directors on the Board of its subsidiary Metahelix Life Sciences Ltd.

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.



The Company has formulated a policy for determining material subsidiaries and the Policy is disclosed on the Company's website.

11. GENERAL BODY MEETINGS

Location, date and time of Annual General Meetings held during the last 3 years and special resolutions passed:

Day, Date and Time	Location	Special Resolutions
Friday, 23rd June, 2017 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, 24th June, 2016 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.
Monday, 29th June, 2015 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.

All resolutions moved at the last Annual General Meeting 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.

12. DISCLOSURES

Related Party Transactions: There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. During the year, 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 and the same is displayed on the Company's website at the following weblink: http://www.rallis.co.in/Related_Party_TransactionsPolicy.htm

Policies under the Listing Regulations: The Company has adopted a Policy on Material Subsidiaries and the same is displayed on the Company's website at the following weblink: http://www.rallis.co.in/Material_SubsubsidiariesPolicy.htm

Policy on Determination of Materiality for Disclosures of Events or Information, as per Regulation 30 of the Listing Regulations, the Archival Policy and Policy for Preservation of Documents as required under Regulation 9 of the Listing Regulations are also available on the website of the Company.

Statutory Compliance, penalties and strictures: The Company has complied with the requirements of the Stock Exchanges, SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.

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, 2018.

Risk Management: The Company has a well-defined risk management framework in place. The Company periodically places before the RMC and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.

Whistle Blower Policy and Vigil Mechanism: The Company has adopted a Whistle Blower 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. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

Code of Conduct for Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 2015. 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) has been appointed as the Compliance Officer for ensuring compliance with and for the effective implementation of the Regulations and the Code across the Company. Details of dealing in the Company's shares by Designated Persons are placed before the Audit Committee on a quarterly basis.

The Company has also adopted a Code of Corporate Disclosure Practices, for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information 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 Unpublished Price Sensitive Information.

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.

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:

- o The Non-Executive Chairman maintains a separate office, for which the Company is not required to reimburse expenses.
- o Half yearly financial performance of the Company is sent to all shareholders.
- o The financial statements of the Company are with unmodified audit opinion.
- o The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- o The Internal Auditor reports to the Audit Committee.

13. MEANS OF COMMUNICATION

- i) The quarterly and the half yearly results, published in the format prescribed by the Listing Regulations read with the Circular issued there under, are approved and taken on record by the Board of Directors of the Company within one month of the close of the relevant quarter. 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 Ltd. (NSE) and BSE Online Portal of BSE Ltd. (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 Annual General Meetings. 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. Circulars are also sent periodically to shareholders urging them to opt for the electronic mode for receiving dividends.

viii) Management Discussion and Analysis Report forms a part of the Annual Report.

14. 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:

Monday, 2nd July, 2018 at 3.00 p.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.

As required under Regulation 36(3) of the Listing Regulations, particulars of the Directors seeking re-appointment/ appointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 2nd July, 2018.

Financial Calendar: April to March

Date of book closure: 21st June, 2018 to 2nd July, 2018 (both days inclusive)

Dividend payment date: 6th July, 2018

Listing on Stock Exchanges: The Company's Equity Shares are listed on the following Stock Exchanges:

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

The Company has paid the listing fees to these Stock Exchanges for the year 2017-18.

Stock Code on BSE Ltd.: 500355

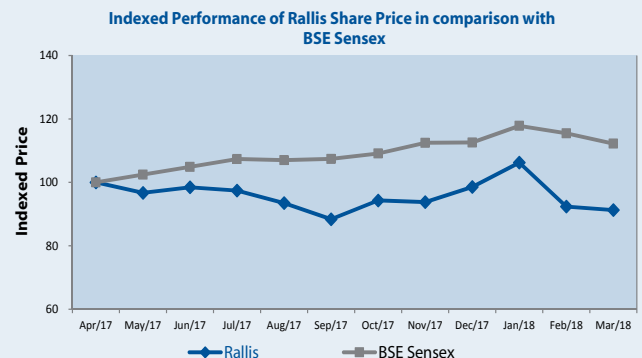
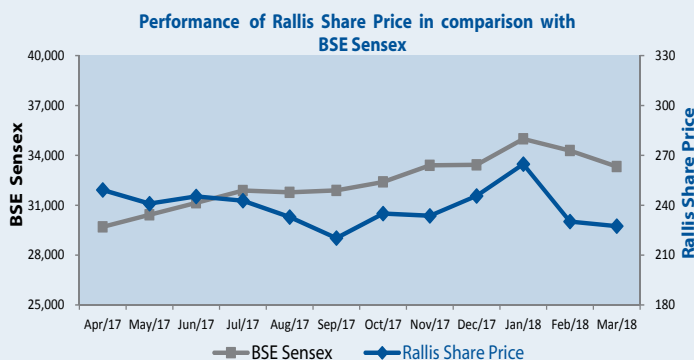
Stock Code on the National Stock Exchange of India Ltd.: RALLIS EQ

Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares: INE613A01020

Market Information:

Market price data: High/ low, Number and Value of shares traded during each month in the last financial year:

Month	BSE Ltd.					The National Stock Exchange of India Ltd.				
	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 2017	264.45	235.50	10,65,128	2,645.12	20,139	264.80	233.35	55,07,402	13,779.88	1,27,307
May 2017	252.00	225.00	7,80,206	1,881.72	16,011	252.15	228.55	55,24,640	13,369.64	1,76,186
June 2017	255.00	232.25	5,38,544	1,330.43	14,187	255.40	235.60	46,06,251	11,389.42	1,24,536
July 2017	253.90	236.00	4,70,697	1,147.94	10,064	252.90	236.00	49,19,198	11,970.63	64,770
August 2017	247.00	219.00	3,97,703	924.65	8,344	247.50	217.50	28,81,142	6,724.80	54,750
September 2017	232.60	205.00	5,67,043	1,259.64	11,048	232.95	205.00	40,11,102	8,936.27	77,928
October 2017	254.20	209.00	20,08,174	4,554.62	23,896	254.70	208.50	1,04,83,701	24,442.42	1,24,692
November 2017	258.20	218.50	48,98,581	11,701.57	26,436	258.35	223.50	1,61,23,774	39,052.32	2,05,448
December 2017	289.40	230.40	30,46,930	7,902.48	34,876	290.00	230.95	1,88,53,321	48,804.77	2,00,520
January 2018	282.00	243.00	22,13,448	5,900.93	31,970	281.70	243.30	1,73,30,187	46,368.15	2,36,532
February 2018	255.05	210.00	9,13,847	2,126.73	12,980	254.90	210.00	50,37,323	11,717.30	1,05,387
March 2018	239.00	213.00	5,04,315	1,144.48	8,019	239.95	213.00	41,12,239	9,286.37	82,152





Registrars and Share Transfer Agents:

Members may correspond with the Company's Registrars and Share Transfer Agents, TSR Darashaw Ltd. (TSRDL), quoting their folio numbers/ DP ID and Client ID at the following addresses:

TSR DARASHAW LTD.
 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 Ltd.,
 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 Ltd.,
 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 Ltd.
 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 Ltd.,
 "E" Road,
 Northern Town, Bistupur,
 Jamshedpur 831 001.
 Tel.: 91 657 242 6616
 Fax: 91 657 242 6937
 Email: tsrdljrs@tsrdarashaw.com

Agent of TSRDL:

Shah Consultancy Services Ltd.,
 3, Sumatinath Complex, 2nd Dhal,
 Pritam Nagar, Ellisbridge,
 Ahmedabad 380 006.
 Telefax: 91 79 2657 6038
 Email: shahconsultancy8154@gmail.com

Share Transfer System:

Documents for transfer of shares in physical form can be lodged with TSRDL at its registered address or at any of the above mentioned branch offices or at the office of the Agent of TSRDL. The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects.

Secretarial Audit:

- o Parikh & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the year 2017-18. 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 there under, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.
- o 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.
- o A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (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).

Distribution of shareholding as on 31st March, 2018:

Holding of Nominal Value: ₹ 1/-

Sr. No.	Range	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1	1 to 500	55,42,636	55,42,636.00	2.85	50,553	85.57
2	501 to 1000	30,94,363	30,94,363.00	1.59	3,954	6.69
3	1001 to 2000	32,98,658	32,98,658.00	1.70	2,237	3.79
4	2001 to 3000	20,25,322	20,25,322.00	1.04	788	1.33
5	3001 to 4000	12,32,801	12,32,801.00	0.63	344	0.58
6	4001 to 5000	13,50,005	13,50,005.00	0.69	289	0.49
7	5001 to 10000	33,60,928	33,60,928.00	1.73	467	0.79
8	Greater than 10000	17,45,64,177	17,45,64,177.00	89.77	446	0.76
Total		19,44,68,890	19,44,68,890.00	100.00	59,078	100.00

Shareholding pattern as on 31st March, 2018:

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	1,08,72,554	5.59
3	Foreign Institutional Investors and Foreign Companies	75,83,844	3.90
4	Mutual Funds and Nationalized Banks	2,40,16,147	12.35
5	Alternative Investment Funds	14,25,566	0.73
6	Foreign Banks and Other Banks	2,11,954	0.11
7	Other Bodies Corporate and Trusts	72,60,797	3.74
8	Non Resident Individuals	21,18,518	1.09
9	Individuals	4,28,97,598	22.06
10	IEPF Suspense Account	6,65,302	0.34
Total		19,44,68,890	100.00

Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories, viz. NSDL and CDSL.

Percentage of shares held in physical and dematerialized form as on 31st March, 2018:

Physical form	: 0.98%
Electronic form with NSDL	: 90.47%
Electronic form with CDSL	: 8.55%



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:

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.

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.

Investor correspondence address:

Rallis India Ltd.
Secretarial Department
2nd Floor Sharda Terraces
Plot No. 65 Sector No. 11
CBD Belapur
Navi Mumbai 400 614

OR

TSR Darashaw Ltd.
Unit: Rallis India Ltd.
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 under Para D of Schedule V of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, V. Shankar, 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, 2018.

V. Shankar
Managing Director & CEO

Mumbai, 26th April, 2018

**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 March 31, 2018, 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 March 31, 2018.

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

Practicing Company Secretaries

P. N. PARIKH

FCS: 327 CP: 1228

Mumbai, April 26, 2018



Standalone Ind AS Financial Statements together with the Independent Auditors' Report for the year ended 31 March 2018

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Independent Auditors' Report To the Members of Rallis India Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Rallis India Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2018, 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 a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matters

The audited standalone Ind AS financial statements of the Company for the corresponding year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements, have been audited by the predecessor auditors whose audit report dated 24 April 2017 expressed an unmodified opinion on those audited standalone Ind AS financial statements.

Our opinion is not modified in respect of the above matter.

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.

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

- (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the standalone balance sheet, the standalone Statement of profit and loss (including other comprehensive income), the standalone Statement of cash flows and the standalone Statement of changes in equity dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the board of directors, none of the directors are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) with respect to the other matters to be included in the 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:

- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS 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 2018; and

- iv. the disclosure in the standalone Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

26 April 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, 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 programme designed to cover all the items over one year. 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 all its property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification and 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, Note 5 and Note 15 to the standalone Ind AS 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, Note 5 and Note 15 to the standalone Ind AS financial statements, except the following:

Land / Building	No of cases	Leasehold / Freehold	Gross block (Rs in lakhs)	Net block (Rs in lakhs)	Remarks
Building	12	Freehold	2.83	0.88	The agreements were not available for verification.
Building	2	Freehold	57.35	25.64	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	1,467.59	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, Duty of excise, Sales-tax, Service tax, Value added tax, Goods and Service 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, Provident fund, Employees' State Insurance 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, Duty of excise, Sales-tax, Service tax, Goods and Service tax, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at 31 March 2018, 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 Disputes	Period to which amount relates	Forum where dispute is pending
Sales Tax and Value Added Tax	Tax, Penalty and Interest	606.53	519.65	2000-01, 2001-02, 2005-06 to 2010-11, 2012-13 to 2014-15	Joint Commissioner (Appeals)
		318.59	301.51	1990-91, 2000-01, 2001-02, 2006-07 to 2010-11, 2013-14	Additional Commissioner
		492.86	235.79	1983-84, 1992-93, 1994-95, 1996-97 to 2001-02, 2003-04 to 2004-05, 2006-07 to 2012-13	Deputy Commissioner
		102.25	57.67	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	105.52	105.52	1999-2001, 2016-17	Joint Commissioner (Appeals)
		98.18	73.04	1999-00, 2001-02, 2006-07, 2011-14, 2014-15, 2016-17, 2017-18	Deputy Commissioner
		622.59	482.14	1986-87, 1996-97 to 2000-01, 2001-02, 2002-2004	Tribunal
The Finance Act, 1994	Tax, Penalty and Interest	6.74	6.74	2006-08, 2010-11	Assistant Commissioner
		156.46	156.46	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
		2.35	2.35	2012-16	Tribunal
Customs Act, 1962	Tax	144.10	144.10	1999-00	Tribunal



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|---|---|
| <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(xii) In our opinion and according to the information and explanations given to us, the Company is not</p> | <p>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.</p> <p>(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 Ind AS financial statements as required by applicable Ind AS.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> |
|---|---|

For B S R & 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 2018

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Rallis India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the

ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted



accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting

to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal financial controls over financial reporting 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 ICAI.

Mumbai
26 April 2018

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2018

All amounts are in ₹ lakhs unless otherwise stated

ASSETS

Non-current assets

- a) Property, plant and equipment
- b) Capital work-in-progress
- c) Investment property
- d) Other intangible assets
- e) Intangible assets under development
- f) Financial assets

- i) Investments
- ii) Loans
- iii) Other financial assets
- g) Income-tax assets (Net)
- h) Other non-current assets

Total non-current assets

Current assets

- a) Inventories
- b) Financial assets
 - i) Investments
 - ii) Trade receivables
 - iii) Cash and cash equivalents
 - iv) Bank balances other than (iii) above
 - v) Other financial assets
- c) Other current assets

Assets classified as held for sale

Total current assets

Total assets

EQUITY AND LIABILITIES

Equity

- a) Equity share capital
- b) Other equity

Total equity

Liabilities

Non-current liabilities

- a) Financial liabilities
 - Borrowings
- b) Provisions
- c) Deferred tax liabilities (Net)

Total non-current liabilities

Current liabilities

- a) Financial liabilities
 - i) Borrowings
 - ii) Trade payables
 - iii) Other financial liabilities
- b) Other current liabilities
- c) Provisions
- d) Income-tax liabilities (Net)

Total current liabilities

Total liabilities

Total equity and liabilities

See accompanying notes to the standalone financial statements

As per our attached report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

Y. S. P. THORAT
(DIN: 02652734)

PUNITA KUMAR-SINHA
(DIN: 05229262)

C. V. NATRAJ
(DIN: 07132764)

PADMINI KHARE KAICKER
(DIN: 00296388)

JOHN MULHALL
(DIN: 08101474)

Directors

Notes	As at 31 March, 2018	As at 31 March, 2017
4	34,275.35	33,843.92
4	1,206.45	1,195.86
5	557.97	566.07
6	252.98	593.15
6	1,261.55	1,113.77
7	30,955.04	32,446.07
8	385.27	434.06
9	58.65	60.84
10	6,250.30	6,429.22
14	3,260.35	3,620.07
	78,463.91	80,303.03
11	37,485.94	24,448.87
7	8,014.43	20,957.36
12	36,532.91	22,583.75
13.1	272.57	392.94
13.2	296.59	268.71
9	551.14	64.57
14	10,463.20	5,479.57
	93,616.78	74,195.77
15	1,264.90	576.30
	94,881.68	74,772.07
	1,73,345.59	1,55,075.10
16	1,944.71	1,944.71
17	1,15,939.97	1,10,595.01
	1,17,884.68	1,12,539.72
18	1,790.56	2,117.26
23	1,431.68	1,542.22
20	4,052.59	4,982.42
	7,274.83	8,641.90
19	14.59	9.82
21	36,865.37	22,793.05
22	7,737.02	6,715.08
24	1,959.39	2,652.47
23	1,380.52	1,333.13
10	229.19	389.93
	48,186.08	33,893.48
	55,460.91	42,535.38
	1,73,345.59	1,55,075.10

1 to 52

For and on behalf of the Board of Directors of Rallis India Ltd.

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

All amounts are in ₹ lakhs except for earning per share information

	Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I Revenue from operations	25	1,51,593.74	1,49,039.32
II Other income	26	893.39	1,050.81
III Total Income (I+II)		1,52,487.13	1,50,090.13
IV Expenses			
Cost of materials consumed	27	70,405.75	63,537.28
Purchases of stock-in-trade	28	23,601.33	12,483.87
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(7,306.27)	3,579.88
Excise duty on sale of goods		1,751.64	10,467.88
Employee benefits expense	30	12,565.34	11,400.76
Finance costs	31	329.47	266.63
Depreciation and amortisation expense	32	4,057.39	4,218.00
Other expenses	33	27,956.73	24,042.25
Total expenses (IV)		1,33,361.38	1,29,996.55
V Profit before exceptional items and tax (III - IV)		19,125.75	20,093.58
VI Exceptional items	49	-	15,839.16
VII Profit before tax (V+VI)		19,125.75	35,932.74
VIII Tax expense			
(1) Current tax	10	5,895.11	7,925.75
(2) Deferred tax	10	(917.95)	1,403.59
Total tax expense (VIII)		4,977.16	9,329.34
IX Profit for the year (VII-VIII)		14,148.59	26,603.40
X Other comprehensive income			
Item that will not be reclassified to profit or loss :			
a) Remeasurement of the employee defined benefit plans		247.28	(63.27)
b) Equity instruments through other comprehensive income		(196.96)	0.38
c) Income tax relating to items that will not be reclassified to profit or loss		(66.17)	16.01
Total other comprehensive income (net of taxes)		(15.85)	(46.88)
XI Total comprehensive income for the year (IX + X)		14,132.74	26,556.52
Earning per equity share (of ₹ 1 each)	34		
(1) Basic (in ₹)		7.28	13.68
(2) Diluted (in ₹)		7.28	13.68

See accompanying notes to the standalone financial statements

1 to 52

As per our attached report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

Y. S. P. THORAT
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(DIN: 08101474)

Directors

For and on behalf of the Board of Directors of Rallis India Ltd.

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

All amounts are in ₹ lakhs unless otherwise stated

A. Equity share capital

Balance as at 1 April, 2016	1,944.71
Changes in Equity share capital during the year	-
Balance as at 31 March, 2017	1,944.71
Changes in Equity share capital during the year	-
Balance as at 31 March, 2018	1,944.71

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	
As at 1 April, 2016	8,793.88	54,051.25	1,243.10	8,151.77	17,649.93	0.01	89,889.94
Profit for the year	-	26,603.40	-	-	-	-	26,603.40
Other Comprehensive Income (Net of taxes)	-	(47.26)	-	-	-	0.38	(46.88)
Total Comprehensive Income	-	26,556.14	-	-	-	0.38	26,556.52
Payment of dividends	-	(4,861.72)	-	-	-	-	(4,861.72)
Payment of dividend distribution tax	-	(989.73)	-	-	-	-	(989.73)
At 31 March, 2017	8,793.88	74,755.94	1,243.10	8,151.77	17,649.93	0.39	1,10,595.01
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)
At 31 March, 2018	8,793.88	80,100.90	1,243.10	8,151.77	17,649.93	0.39	1,15,939.97

As per our attached report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

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(DIN: 00778253)

Y. S. P. THORAT
(DIN: 02652734)

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 Ltd.

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018

All amounts are in ₹ lakhs unless otherwise stated

A CASH FLOW FROM OPERATING ACTIVITIES:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit before tax	19,125.75	35,932.74
Adjustments for :		
Finance costs	329.47	266.63
Depreciation and amortisation expense	4,057.39	4,218.00
Interest income	(54.50)	(39.00)
Dividend income	(464.17)	(567.69)
Credit balances written back	(230.29)	(1,063.28)
Allowance for doubtful debts (net)	147.37	28.25
Allowance for doubtful advances	2.57	-
Provision for indirect tax matters	33.50	-
Provision/(reversal) for supplemental payments on retirement	(110.97)	45.14
Provision/(reversal) for gratuity	83.57	6.29
Provision for compensated absences	111.86	101.01
Net unrealised foreign exchange (gain) / loss	209.18	(233.96)
(Gain)/loss on disposal of property, plant and equipment	(12.51)	70.18
Operating profit before working capital changes	23,228.22	38,764.31
Movements in working capital:		
(Increase)/decrease in trade receivables	(13,783.98)	(4,441.80)
(Increase)/decrease in inventories	(13,037.07)	1,301.23
(Increase)/decrease other financial assets	(120.72)	10.28
(Increase)/decrease other assets	(4,649.84)	2,116.13
Increase/(decrease) trade payables	13,780.89	5,088.44
Increase/(decrease) in other financial liabilities	663.48	(114.46)
Increase/(decrease) in other liabilities	(693.08)	313.93
CASH GENERATED FROM OPERATIONS	5,387.90	43,038.06
Income taxes paid (Net of refunds)	(5,888.81)	(7,775.15)
NET CASH FLOWS (USED IN)/ GENERATED BY OPERATING ACTIVITIES (A)	(500.91)	35,262.91

B CASH FLOW FROM INVESTING ACTIVITIES:

Interest received	49.22	40.37
Dividend received	464.17	567.69
Purchase of current investments	(10,700.97)	(55,966.07)
Payment for purchase of investment in equity shares	(337.64)	(1,948.84)
Proceeds from sale of investments from equity shares	1,314.64	-
Proceeds from sale of current investments	23,643.90	35,008.71
Payments for purchase of property , plant and equipment (including adjustments on account of capital work-in-progress, capital creditors and capital advances)	(4,733.24)	(5,327.34)
Payments for intangible assets	(194.35)	(193.20)
Proceeds from disposal of property , plant and equipment	25.63	269.76
Investments in bank deposits	(1.86)	26.16
NET CASH FLOWS GENERATED / (USED IN) INVESTING ACTIVITIES (B)	9,529.50	(27,522.76)

All amounts are in ₹ lakhs unless otherwise stated

C CASH FLOW FROM FINANCING ACTIVITIES:

- Repayment of long-term borrowings (including current maturities)
- Repayment of finance lease obligations
- Dividend paid on equity shares (including dividend distribution tax)
- Interest paid
- Bank balances in dividend account

NET CASH FLOWS (USED IN) FINANCING ACTIVITIES (C)

NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR

- Cash in hand
- Balances with banks in current account and deposit account
- Bank overdrafts and cash credit facility (secured)

CASH AND CASH EQUIVALENTS AS PER NOTE 13.1

Net Cash and cash equivalents as per Cash flow statement

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

- Cash in hand
- Balances with banks in current account and deposit account
- Bank overdrafts and cash credit facility (secured)

CASH AND CASH EQUIVALENTS AS PER NOTE 13.1

Debt reconciliation statement in accordance with Ind AS 7

Opening balances

- Long-term borrowing
- Short-term borrowing

Movements

- Long-term borrowing
- Short-term borrowing

Closing balances

- Long-term borrowing
- Short-term borrowing

See accompanying notes to the standalone financial statements

For the year ended 31 March, 2018	For the year ended 31 March, 2017
(29.01)	(1,279.59)
(9.73)	-
(8,766.66)	(5,839.74)
(327.21)	(280.00)
(21.12)	(11.39)
(9,153.73)	(7,410.72)
(125.14)	329.43
2.55	2.73
390.39	259.33
(9.82)	(208.37)
383.12	53.69
257.98	383.12
2.15	2.55
270.42	390.39
(14.59)	(9.82)
257.98	383.12
2,145.56	3,386.60
9.82	208.37
(38.74)	(1,241.04)
4.77	(198.55)
2,106.82	2,145.56
14.59	9.82

1 to 52

As per our attached report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

Y. S. P. THORAT
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Mumbai, 26 April, 2018

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 2018.

The financial statements for the year ended 31 March, 2018 were approved by the Board of Directors and authorised for issue on 26 April, 2018.

2. Recent accounting pronouncement

Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The effect of changes in Foreign Exchange rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

The company is currently evaluating the effect of this standard.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

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.

Notes to the standalone financial statements for the year ended 31 March, 2018

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

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 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 financial statements.

Notes to the standalone financial statements for the year ended 31 March, 2018

(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 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	3-60
General Plant and Machinery	8	2-30
Electrical Installations and Equipments	10	3-25
Furniture and Fixtures	10	3-10
Office Equipments	5	3-10
Vehicles	8	8
Computer and Data Processing Units	3-6	3-10
Laboratory Equipments	10	10-15
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 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 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, 2018

(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	3-8

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 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 Investment 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 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 and, where applicable, excise duty. 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 measured at the fair value of the consideration received or receivable. Revenue is adjusted for estimated customer returns, rebates and other similar allowances.

Notes to the standalone financial statements for the year ended 31 March, 2018

3.14.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company
- the costs incurred or to be incurred in respect of the transaction can be measured reliably; and.
- the revenues are reported net of indirect taxes.

3.14.2 Rendering of services

Income recognition for services takes place as and when the services are performed.

3.14.3 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.

3.14.4 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 Company and the amount of income can be measured reliably).

3.14.5 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.

3.14.6 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 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.

3.16 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 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 benefits expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences and supplemental pay.

3.18.1.1 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 Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Company operates various defined benefit plans-gratuity fund and supplemental pay.

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.

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

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

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 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.

Notes to the standalone financial statements for the year ended 31 March, 2018

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.

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 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.

3.22 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 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 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

Notes to the standalone financial statements for the year ended 31 March, 2018

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 determined that there were no changes to the useful lives and 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 18 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, 2018
All amounts are in ₹ lakhs unless otherwise stated

4: Property, plant and equipment and capital work-in-progress

Carrying amount of:

Leasehold land
 Leasehold improvements
 Buildings
 Plant and equipment
 Furniture and fixtures
 Vehicles
 Office equipments
 Equipment under finance lease

Capital work-in-progress

As at 31 March, 2018	As at 31 March, 2017
728.36	1,515.98
119.10	121.34
11,774.49	11,784.59
21,283.73	20,057.04
230.23	228.73
6.11	12.33
103.55	86.86
29.78	37.05
34,275.35	33,843.92
1,206.45	1,195.86
35,481.80	35,039.78

Description	Gross block				Accumulated depreciation				Carrying amount
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018
Leasehold land	1,729.98	-	845.27	884.71	214.00	17.41	75.06	156.35	728.36
	2,365.65	-	635.67	1,729.98	245.18	23.88	55.06	214.00	1,515.98
Leasehold improvements	165.11	-	-	165.11	43.77	2.24	-	46.01	119.10
	165.11	-	-	165.11	21.88	21.89	-	43.77	121.34
Buildings	12,875.46	621.11	10.22	13,486.35	1,090.87	627.15	6.16	1,711.86	11,774.49
	12,131.87	760.84	17.25	12,875.46	471.97	621.58	2.68	1,090.87	11,784.59
Plant and equipment	25,457.50	4,120.36	32.65	29,545.21	5,400.46	2,884.91	23.89	8,261.48	21,283.73
	23,023.50	2,519.59	85.59	25,457.50	2,570.06	2,855.19	24.79	5,400.46	20,057.04
Furniture and fixtures	380.16	74.41	-	454.57	151.43	72.91	-	224.34	230.23
	400.66	21.27	41.77	380.16	89.40	92.21	30.18	151.43	228.73
Vehicles	21.97	-	4.77	17.20	9.64	5.76	4.31	11.09	6.11
	35.22	-	13.25	21.97	7.66	9.06	7.08	9.64	12.33
Office equipments	215.11	63.08	18.64	259.55	128.25	46.04	18.29	156.00	103.55
	159.04	57.69	1.62	215.11	52.41	76.91	1.07	128.25	86.86
Equipment under finance lease	38.11	-	1.14	36.97	1.06	6.13	-	7.19	29.78
	-	38.11	-	38.11	-	1.06	-	1.06	37.05
Total	40,883.40	4,878.96	912.69	44,849.67	7,039.48	3,662.55	127.71	10,574.32	34,275.35
	38,281.05	3,397.50	795.15	40,883.40	3,458.56	3,701.78	120.86	7,039.48	33,843.92

footnotes:

- Cost of buildings includes cost of 30 shares (31 March, 2017 - 30 shares) of ₹ 50 each fully paid in respect of ownership flats in 3 (31 March, 2017- 3 flats) Co-operative Societies.
- Buildings include assets carried at ₹ 0.88 lakhs (31 March, 2017 ₹ 0.94 lakhs) where the conveyance in favor of the Company has not been completed.
- 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.

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

- Leasehold land include assets carried at ₹ 209.56 lakhs (*as at 31 March, 2017 ₹ 990.49 lakhs*) for which the Company is in process of obtaining an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.
- The Company has not capitalised any borrowing cost during the current year (*31 March, 2017 - Nil*).
- The Company has not recognised any impairment loss during the current year (*31 March, 2017 - Nil*).
- The figures in italics are for the previous year.

5: Investment property**Carrying amount of:**

Freehold land

Buildings

Total

As at 31 March, 2018	As at 31 March, 2017
244.91	<i>244.91</i>
313.06	<i>321.16</i>
557.97	<i>566.07</i>

Description	Gross block				Accumulated depreciation				Carrying amount
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018
Freehold land	244.91	-	-	244.91	-	-	-	-	244.91
	<i>251.68</i>	-	<i>6.77</i>	<i>244.91</i>	-	-	-	-	<i>244.91</i>
Buildings	337.19	-	-	337.19	16.03	8.10	-	24.13	313.06
	<i>337.19</i>	-	-	<i>337.19</i>	<i>8.10</i>	<i>7.93</i>	-	<i>16.03</i>	<i>321.16</i>
Total	582.10	-	-	582.10	16.03	8.10	-	24.13	557.97
	<i>588.87</i>	-	<i>6.77</i>	<i>582.10</i>	<i>8.10</i>	<i>7.93</i>	-	<i>16.03</i>	<i>566.07</i>

footnotes:

- Buildings includes 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, 2017 - 35 shares*) of ₹ 50 each fully paid and cost of 7 shares (*31 March, 2017- 7 shares*) of ₹ 100 each fully paid in respect of ownership flats in 7 (*31 March, 2017- 7 flats*) Co-operative Societies.
- The Company has not capitalised any borrowing cost during the current year (*31 March, 2017 - Nil*).
- The Company has not recognised any impairment loss during the current year (*31 March, 2017 - Nil*).
- Total fair value of Investment Property is ₹ 31,356.16 lakhs (*31 March, 2017 ₹ 31,311.63 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 at the year end. 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

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

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: Other intangible assets

Carrying amount of:

Product registrations
Licences and commercial rights
Computer software

Intangible assets under development

As at 31 March, 2018	As at 31 March, 2017
188.68	298.69
-	236.02
64.30	58.44
252.98	593.15
1,261.55	1,113.77
1,514.53	1,706.92

Description	Gross block				Accumulated amortisation				Carrying amount
	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 1 April 2017	Additions	Deductions	Balance as at 31 March 2018	Balance as at 31 March 2018
Product registrations	902.74	25.82	-	928.56	604.05	135.83	-	739.88	188.68
	762.03	140.71	-	902.74	295.36	308.69	-	604.05	298.69
Licences and commercial rights	609.70	-	-	609.70	373.68	236.02	-	609.70	-
	609.70	-	-	609.70	194.61	179.07	-	373.68	236.02
Computer software	96.27	20.75	-	117.02	37.83	14.89	-	52.72	64.30
	65.30	30.97	-	96.27	17.30	20.53	-	37.83	58.44
Total	1,608.71	46.57	-	1,655.28	1,015.56	386.74	-	1,402.30	252.98
	1,437.03	171.68	-	1,608.71	507.27	508.29	-	1,015.56	593.15

footnotes:

- The Company has not capitalised any borrowing cost during the current year (31 March, 2017 - Nil).
- The Company has not recognised any impairment loss during the current year (31 March, 2017 - Nil).
- The figures in italics are for the previous year.

7: Investments

Non-current

Quoted equity instruments (all fully paid)

Investments carried at fair value through other comprehensive income (FVTOCI)

Spartek Ceramics India Ltd.

Nagarjuna Finance Ltd.

Pharmaceuticals Products of India Limited

Nominal value (in ₹)	No. of shares	As at 31 March, 2018	No. of shares	As at 31 March, 2017
10	7,226	-	7,226	-
10	400	-	400	-
10	10,000	-	10,000	-

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All amounts are in ₹ lakhs unless otherwise stated

	Nominal value (in ₹)	No. of shares	As at 31 March, 2018	No. of shares	As at 31 March, 2017
Balasore Alloys Ltd.	5	504	0.24	504	0.35
J.K.Cement Ltd.	10	44	0.45	44	0.41
Total aggregate quoted investments		A	0.69	A	0.76
Unquoted equity instruments (all fully paid)					
a) Investment in subsidiaries at cost					
Zero Waste Agro Organics Ltd. (refer note below)	10	73,645	6,134.39	73,645	6,134.39
Rallis Chemistry Exports Ltd.	10	50,000	5.00	50,000	5.00
Metahelix Life Sciences Ltd.	10	1,07,502	24,436.62	1,07,502	24,436.62
		B	30,576.01	B	30,576.01
b) Investments carried at fair value through other comprehensive income (FVTOCI)					
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
Impetis Biosciences Ltd	10	5,68,414	337.64	-	-
Advinus Therapeutics Ltd.	10	-	-	1,82,86,000	1,828.60
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	-
		C	378.34	C	1,869.30
Total aggregate unquoted investments		(B+C)	30,954.35	(B+C)	32,445.31
Total non-current investments		(A+B+C)	30,955.04	(A+B+C)	32,446.07

footnote:

Amount is less than ₹ 0.01 lakh.

Note: During the year ended 31 March, 2018, the Board of Directors of the Company has 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 approval of the National Company Law Tribunal.

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Current	Units	As at 31 March, 2018	Units	As at 31 March, 2017
Investment in mutual funds - unquoted				
Investments carried at fair value through profit and loss (FVTPL)				
Tata Money Market Fund - Regular Plan - Daily Dividend	2,35,343.25	2,357.00	3,83,314.57	3,838.96
Tata Liquid Fund - Regular Plan - Daily Dividend	1,24,115.25	1,383.29	2,96,505.10	3,304.61
HDFC Liquid Fund - Regular Plan - Dividend - Daily Reinvestment	15,293.05	155.96	2,37,121.57	2,418.21
HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	45,916.65	488.39	1,977.39	21.03
Birla Sunlife Cash Plus - Daily Dividend - Regular Plan - Reinvestment	20,94,852.09	2,100.55	22,89,713.15	2,294.18
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	1,52,428.55	1,529.24	6,04,003.60	6,059.67
UTI Money Market Fund - Institutional Plan - Daily Dividend Reinvestment	-	-	3,01,051.04	3,020.70
Total current investments	D	8,014.43	D	20,957.36
Aggregate book value of quoted investments		0.69		0.76
Aggregate market value of quoted investments		0.69		0.76
Aggregate carrying value of unquoted investments	(B+C+D)	38,968.78	(B+C+D)	53,402.67
Aggregate amount of impairment in value of investments		-		-

8: Loans
(Unsecured, considered good)

	As at 31 March, 2018	As at 31 March, 2017
Non-current		
Security deposits	385.27	434.06
Total	385.27	434.06

*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, 2018	As at 31 March, 2017
(i) Non-current		
In other deposit accounts - original maturity more than 12 months	46.76	51.66
Interest accrued on fixed deposit with bank	11.89	9.18
Total	58.65	60.84

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

(ii) Current

- a) Unbilled revenue
b) Advances/deposits considered doubtful of recovery (refer note 1)
Less: Provision for doubtful loans and advances
c) Interest accrued on fixed deposit with bank
d) Derivative assets
Forward exchange contracts for hedging
e) Others

Total

As at 31 March, 2018	As at 31 March, 2017
-	29.09
3,933.25	3,930.68
(3,933.25)	(3,930.68)
4.18	1.61
171.02	-
375.94	33.87
551.14	64.57

*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 ₹ 18.61 lakhs (*as at 31 March, 2017 ₹ 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, 2017 ₹ 18.61 lakhs*).

10: Income Taxes**10.1: Income-tax assets and liabilities****Income-tax assets**

Advance income tax (Net of provisions for tax ₹ 19,813.94 lakhs (*31 March, 2017 ₹ 23,339.15 lakhs*))

Income-tax liabilities

Provision for current tax (Net of advance tax ₹ 29,548.75 lakhs (*31 March, 2017 ₹ 22,942.13 lakhs*))

As at 31 March, 2018	As at 31 March, 2017
6,250.30	6,429.22
6,250.30	6,429.22
229.19	389.93
229.19	389.93

10.2: Income tax recognised in profit or loss**Current tax:**

Current income tax charge

Adjustments in respect of current income tax of prior years

Total (A)**Deferred tax:**

In respect of current year

Adjustments in respect of prior years

Total (B)

Income tax expense recognised in the Statement of Profit and Loss (A+B)

Income tax recognised in Other Comprehensive Income

Income tax expenses on remeasurements of defined benefit plans

Deferred tax expense on remeasurements of defined benefit plans

Total tax expense recognised in OCI

For the year ended 31 March, 2018	For the year ended 31 March, 2017
6,035.71	8,092.02
(140.60)	(166.27)
5,895.11	7,925.75
(917.95)	569.60
-	833.99
(917.95)	1,403.59
4,977.16	9,329.34
78.05	(16.01)
(11.88)	-
66.17	(16.01)

Notes to the standalone financial statements for the year ended 31 March, 2018
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, 2018	For the year ended 31 March, 2017
Profit before tax	19,125.75	35,932.74
Income tax expense calculated @34.608%	6,619.04	12,435.60
Effect of income that is exempt from taxation	(160.64)	(196.43)
Effect of expenses that are not deductible in determining taxable profit	145.06	249.72
Effect of concessions (research & developments and others allowances)	(851.62)	(1,293.59)
Effect of lower tax rates for the long term capital gain	(743.45)	(2,327.23)
Others	109.37	(206.45)
	5,117.76	8,661.62
Adjustments recognised in the current year in relation to the current tax of prior years	(140.60)	(166.27)
Adjustments for changes in estimates of deferred tax assets	-	833.99
Income tax expense recognised in the Statement of Profit and Loss	4,977.16	9,329.34

Income tax expense recognised in Other Comprehensive Income

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Remeasurement of defined benefit liability/(asset)		
Before tax amount	247.28	(63.27)
Tax (expense) benefit	(66.17)	16.01
Net of tax	181.11	(47.26)
Fair value of equity instruments through other comprehensive income	(196.96)	0.38
Tax (expense) benefit	-	-
Net of tax	(196.96)	0.38
Total other comprehensive income (net of taxes)	(15.85)	(46.88)

11: Inventories (at lower of cost and net realisable value)

	As at 31 March, 2018	As at 31 March, 2017
a. Raw materials (Including goods-in-transit of ₹ 3,753.27 lakhs; (31 March, 2017 ₹ 2,469.73 lakhs)	15,906.01	7,915.72
b. Work-in-progress (including intermediate goods)	1,004.05	3,353.22
c. Finished goods	14,693.21	10,008.58
d. Stock in trade (in respect of goods acquired for trading)	4,959.12	2,473.44
e. Stores and spares	223.11	221.49
f. Packing materials	700.44	476.42
Total	37,485.94	24,448.87

footnotes:

- The cost of inventories recognised as an expense during the year was ₹ 87,603.11 lakhs (31 March, 2017: ₹ 79,246.93 lakhs)
- The cost of inventories recognised as an expense includes ₹ 591.17 lakhs (31 March, 2017: ₹ 733.68 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 309.44 lakhs (31 March, 2017: ₹ 381.49 lakhs) in respect of reversal of such write-downs.
- The mode of valuation of inventories has been stated in note 3.13
- Loans are secured by first pari passu charge on stock (including raw material, finished goods and work-in-progress) and book debts (refer note 12 and 19).

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

12: Trade receivables

	As at 31 March, 2018	As at 31 March, 2017
Current		
Secured, considered good	565.32	474.43
Unsecured, considered good	35,967.59	22,109.32
Considered doubtful	555.83	408.46
Allowance for doubtful debts (expected credit loss allowance)	(555.83)	(408.46)
Total	36,532.91	22,583.75

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, 2018 ₹ 6,126.72 lakhs is due from one customer (*as at 31 March, 2017 ₹ 3,819.27 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.
- (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, 2018	As at 31 March, 2017
Balance at the beginning of the year	408.46	380.21
Less: amount collected and hence reversal of provision	11.83	44.14
Add: provision made during the year	159.20	72.39
Balance at the end of the year	555.83	408.46

- (v) Loans are secured by first paripassu charge on stock (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, 2018	As at 31 March, 2017
13.1: Cash and cash equivalents		
a. Balances with banks in current accounts	265.52	390.39
b. Cash on hand	2.15	2.55
c. Term deposits with original maturity of less than 3 months	4.90	-
Total cash and cash equivalents as per Balance Sheet	272.57	392.94
Bank overdrafts and cash credit facility (secured)	(14.59)	(9.82)
Total cash and cash equivalents as per Statement of cash flows	257.98	383.12

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

13.2: Other bank balances

- a. In other deposit accounts - original maturity more than 3 months and less than 12 months
- b. In earmarked accounts:
 - i. Balances held for unpaid / unclaimed dividend accounts
 - ii. Bank deposits as margin money against bank guarantees - original maturity more than 3 months and less than 12 months

Total other bank balances

As at 31 March, 2018	As at 31 March, 2017
4.65	4.17
167.33	146.21
124.61	118.33
296.59	268.71

14: Other assets

(Unsecured, considered good)

Non-current

Capital advances	58.66	84.59
Deposit with public bodies	97.01	96.57
Value Added Tax (VAT) credit receivable	-	460.97
Claims receivable from public bodies	665.46	529.70
Prepaid lease rental	2,233.12	2,326.55
Prepaid expenses	206.10	121.69
Total	3,260.35	3,620.07

Current

Statutory dues receivable from government authorities

Service tax credit receivable	-	263.68
Cenvat credit receivable	-	188.46
Goods and Service Tax receivable	5,783.72	-
Custom duty	14.40	12.74
Export benefit receivable	1,062.32	1,051.22
Inventory recoverable	2,556.12	1,653.82
Advances recoverable		
Advances to suppliers	329.24	1,798.70
Advances to employees	115.86	129.56
Others	370.36	184.95
Prepaid lease rental	89.74	89.74
Prepaid expenses	141.44	106.70
Total	10,463.20	5,479.57

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

15: Assets classified as held for sale

	As at 31 March, 2018	As at 31 March, 2017
Leasehold land	1,264.90	576.30
Total	1,264.90	576.30

footnote:

The company intends to surrender the leasehold land which it no longer intends to utilise in the next 12 months. The Company is currently in discussion with appropriate authorities in this direction. No impairment loss was recognised on reclassification of the assets as held for sale nor as at reporting date, as the management expects that the fair value (estimated based on the surrender value) less cost to surrender is higher than the carrying amount.

16: Share capital

	As at 31 March, 2018	As at 31 March, 2017
Authorised share capital :		
500,000,000 (31 March 2017 500,000,000) equity shares of ₹ 1 each with voting rights	5,000.00	5,000.00
150,000,000 (31 March 2017 150,000,000) preference shares of ₹ 10 each	15,000.00	15,000.00
Issued and subscribed capital comprises:		
Issued shares		
194,470,890 (31 March 2017 194,470,890) equity shares of ₹ 1 each	1,944.71	1,944.71
Subscribed and fully paid up		
194,468,890 (31 March 2017 194,468,890) equity shares of ₹ 1 each	1,944.69	1,944.69
Forfeited shares		
2,000 (31 March 2017 2,000) equity shares of ₹ 1 each	0.02	0.02
	1,944.71	1,944.71

footnote:

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, 2017	19,44,68,890	1,944.69
Movements during the year	-	-
Balance at 31 March, 2018	19,44,68,890	1,944.69

- 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.

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

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, 2017	9,73,41,610	973.42
As at 31 March, 2018	9,73,41,610	973.42

d. Details of shares held by each shareholder holding more than 5% shares in the Company:

	Number of fully paid equity shares	Amount of share capital
Tata Chemicals Limited		
As at 31 March, 2017	9,73,41,610	50.06%
As at 31 March, 2018	9,73,41,610	50.06%
Rakesh Jhunjhunwala		
As at 31 March, 2017	1,93,35,820	9.94%
As at 31 March, 2018	1,88,05,820	9.67%

e. As per records of the Company as at 31 March, 2018, no calls remain unpaid by the directors and officers of the Company.

17: Other equity

	As at 31 March, 2018	As at 31 March, 2017
General reserve	17,649.93	17,649.93
Securities premium reserve	8,793.88	8,793.88
Retained earnings	80,100.90	74,755.94
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	0.39	0.39
	1,15,939.97	1,10,595.01

17.1: General reserve

	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of year	17,649.93	17,649.93
Balance at the end of year	17,649.93	17,649.93

The general reserve is used from time to time to transfer profits from retained earnings for appropriations 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.

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

17.2: Securities premium reserve

	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of year	8,793.88	8,793.88
Balance at the end of year	8,793.88	8,793.88

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, 2018	As at 31 March, 2017
Balance at beginning of year	74,755.94	54,051.25
Other Comprehensive Income arising from remeasurement of defined benefit obligation (Net of taxes)	181.11	(47.26)
Profit for the year	14,148.59	26,603.40
Transfer from equity instruments through Other Comprehensive Income	(196.96)	-
Payment of dividend on equity shares- Final	(7,292.58)	(4,861.72)
Payment of dividend distribution tax on equity shares	(1,495.20)	(989.73)
Balance at the end of year	80,100.90	74,755.94

17.4: Capital redemption reserve

	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of year	8,151.77	8,151.77
Balance at the end of year	8,151.77	8,151.77

Capital redemption reserve is created out of profits on redemption of capital.

17.5: Capital reserve

	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of year	1,243.10	1,243.10
Balance at the end of year	1,243.10	1,243.10

Capital reserve includes profit on amalgamation of entities.

17.6: Reserve for equity instruments through Other Comprehensive Income

	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of year	0.39	0.01
Additions during the year	(196.96)	0.38
Transfer to retained earnings	196.96	-
Balance at the end of year	0.39	0.39

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.

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

18: Non-current borrowings

Secured - at amortised cost

Finance lease obligation (refer note (iii))

Unsecured - at amortised cost

Term loan from bank (refer note (ii))

Sales tax deferral under a state government scheme (refer note(i))

Total

As at 31 March, 2018	As at 31 March, 2017
20.34	38.55
1,200.00	1,500.00
570.22	578.71
1,790.56	2,117.26

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 ₹ 7.78 lakhs over the period stretching from 1 April, 2018 to 31 March, 2027. The amount outstanding is free of interest.

The balance outstanding as at 31 March, 2018 is ₹ 578.00 lakhs (*as at 31 March, 2017 ₹ 588.18 lakhs*) of which ₹ 7.78 lakhs (*as at 31 March, 2017 ₹ 9.47 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, 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%

As at 31 March, 2017

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.	9.30%

The balance outstanding as at 31 March, 2018 is ₹ 1,500 lakhs (*as at 31 March, 2017 ₹ 1,500 lakhs*) of which ₹ 300 lakhs (*as at 31 March, 2017 ₹ Nil*) has been grouped under note 22- other current financial liabilities, which are payable in next 12 months.

(iii) Finance lease obligation:

Secured by the assets leased. The borrowing is fixed interest rate debt (8.40%) with repayment periods not exceeding 4 years.

The balance outstanding as at 31 March, 2018 is ₹ 28.82 lakhs (*as at 31 March, 2017 ₹ 38.55 lakhs*) of which ₹ 8.48 lakhs (*as at 31 March, 2017 ₹ Nil*) 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, 2018
All amounts are in ₹ lakhs unless otherwise stated

19: Current borrowings

Secured

Loans repayable on demand from banks (refer footnote)

Bank overdrafts & cash credit facility

Total

As at 31 March, 2018	As at 31 March, 2017
14.59	9.82
14.59	9.82

footnotes:

- (i) These loans are secured by first paripassu charge on stock (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 8.56% p.a. (for 31 March, 2017 9.86% p.a.).

20: Deferred tax balances

The following is the analysis of deferred tax liabilities/(assets) presented in the Balance sheet

Deferred tax liabilities

Deferred tax assets

Total

As at 31 March, 2018	As at 31 March, 2017
5,813.70	5,862.82
(1,761.11)	(880.40)
4,052.59	4,982.42

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
Total	4,982.42	(917.95)	(11.88)	4,052.59

2016-17 -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	(1,474.49)	814.64	-	(659.85)
Defined benefit obligation	(210.61)	(9.94)	-	(220.55)
Provision for sales return	(297.81)	297.81	-	-
Difference between WDV as per books and income tax	5,561.99	273.23	-	5,835.22
Others	(0.25)	27.85	-	27.60
Total	3,578.83	1,403.59	-	4,982.42

21: Trade payables

22: Other financial liabilities

footnote:

23: Provisions

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Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

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 ₹ 227.32 lakhs (as at 31 March, 2017 ₹ 193.82 lakhs). The movement during the year is as under:

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening Balance as at 1 April	193.82	193.82
Additional provisions made during the year	33.50	-
Total	227.32	193.82
Payments made adjusted against above sum	-	-
Closing Balance as at 31 March	227.32	193.82

Note 2:

The provision for employee benefits includes gratuity, supplemental pay on retirement 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. For other disclosures, refer note 37.

24 : Other current liabilities

	As at 31 March, 2018	As at 31 March, 2017
Provident fund and other employee deductions	166.26	133.33
Goods and Service Tax payable	314.11	-
Excise duty payable	-	208.14
Value Added Tax / Central Sales Tax payable	-	224.23
Other taxes (other than income tax payable)	90.66	51.68
Tax deducted at source	123.62	142.44
Advance received from customers	1,067.44	1,595.47
Payable to employees	64.30	64.74
Other liabilities	133.00	232.44
Total	1,959.39	2,652.47

25: Revenue from operations

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Sale of products	1,50,076.03	1,46,213.15
Sale of services	53.24	69.83
Other operating income	1,464.47	2,756.34
Total	1,51,593.74	1,49,039.32

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

26: Other income

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
a) Interest income		
Interest Income on bank deposits carried at amortised cost	13.43	21.43
Interest income on security deposits carried at amortised cost	41.07	17.57
b) Dividend income		
Dividend on current investment in mutual fund carried at FVTPL	462.54	566.07
Dividend from equity instruments measured at FVTOCI	1.63	1.62
c) Other non-operating income		
Insurance claim	20.01	16.69
Rental income	123.66	111.72
Miscellaneous income	192.35	315.71
d) Other gains and losses		
Net gain on foreign currency transactions and translation	26.19	-
Profit on disposal of property, plant and equipment (Net)	12.51	-
Total	893.39	1,050.81

27: Cost of materials consumed

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Inventory at the beginning of the year	7,915.72	5,760.96
Add: Purchases	72,390.87	60,020.72
	80,306.59	65,781.68
Less: Inventory at end of year	15,906.01	7,915.72
Cost of raw material and components consumed	64,400.58	57,865.96
Packing material consumed	6,005.17	5,671.32
Total	70,405.75	63,537.28

28: Purchases of stock in trade

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Agri Inputs	23,601.33	12,483.87
Total	23,601.33	12,483.87

Notes to the standalone financial statements for the year ended 31 March, 2018
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, 2018	For the year ended 31 March, 2017
Opening stock		
Finished goods - own manufactured	10,008.58	12,027.65
Stock-in-trade	2,473.44	3,924.76
Work in-progress (including intermediate goods)	3,353.22	3,042.91
	15,835.24	18,995.32
Closing 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
	20,656.38	15,835.24
Changes in excise duty on inventory of finished goods	(1,582.83)	65.70
Movement in inventory recoverable	(902.30)	354.10
Net (Increase)/decrease	(7306.27)	3,579.88

30: Employee benefits expense

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salaries, wages and bonus	10,892.16	9,857.72
Contribution to provident and other funds (refer note 37)	612.14	563.27
Staff welfare expenses	1,061.04	979.77
Total	12,565.34	11,400.76

31: Finance costs

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest on bank overdrafts and loans	326.66	266.19
Finance charges paid under finance leases	2.81	0.44
Total	329.47	266.63

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

32: Depreciation and amortisation expense

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Depreciation of property, plant and equipment (refer note 4)	3,662.55	3,701.78
Depreciation of investment property (refer note 5)	8.10	7.93
Amortisation of intangible assets (refer note 6)	386.74	508.29
	4,057.39	4,218.00

33: Other expenses

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Freight, handling and packing	5,868.60	4,285.11
Travelling and conveyance	1,101.24	1,053.18
Power and fuel	5,305.05	4,083.70
Brand equity contribution	206.00	197.12
Repairs and maintenance		
Plant and equipment	779.66	679.60
Property	175.70	165.14
Others	439.70	367.05
Stores and spares consumed	527.88	463.22
Rates and taxes	599.67	686.47
Commission	90.40	44.94
Insurance charges	296.68	238.13
Rent (refer note 36)	1,770.45	1,509.87
Bank charges	226.85	182.31
Director fees & commission	461.77	392.50
Allowance for doubtful debts (Net)	147.37	28.25
Allowance for doubtful advances	2.57	-
Loss on sale of property, plant and equipment (Net)	-	70.18
Selling expenses	3,097.92	2,593.62
Legal and professional fees	943.93	909.92
Net loss on foreign currency transactions and translation	-	354.82
Other expenses (refer note 43)	5,915.29	5,737.12
Total	27,956.73	24,042.25

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

34: Earnings per share

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit for the year	14,148.59	26,603.40
Weighted average number of equity shares	19,44,68,890	19,44,68,890
Basic /diluted earnings per share	7.28	13.68

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.

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, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Agri Inputs	1,48,244.26	1,46,860.97	18,637.17	19,766.55
Others	3,349.48	2,178.35	513.05	133.56
Total	1,51,593.74	1,49,039.32	19,150.22	19,900.11

Other income	893.39	1,050.81
Exceptional items	-	15,839.16
Central administration cost and director fees & commission	(588.39)	(590.71)
Finance costs	(329.47)	(266.63)
Profit before tax	19,125.75	35,932.74

Notes:

- Segment revenue consist of sales of products including excise duty.
- Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (31 March, 2017 ₹ Nil). The accounting policies of the reportable segments are the same as described in note 3.18.
- 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.

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Segment assets and liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017
Segment assets		
Agri Inputs	1,23,524.17	91,302.52
Others	2,034.09	2,032.34
Total segment assets	1,25,558.26	93,334.86
Assets classified as held for sale	1,264.90	576.30
Unallocated	46,522.43	61,163.94
Total assets	1,73,345.59	1,55,075.10

Particulars	As at 31 March, 2018	As at 31 March, 2017
Segment liabilities		
Agri Inputs	47,073.93	33,000.27
Others	174.41	110.40
Total segment liabilities	47,248.34	33,110.67
Unallocated	8,212.57	9,424.71
Total liabilities	55,460.91	42,535.38

Details of capital expenditure incurred

Particulars	As at 31 March, 2018	As at 31 March, 2017
Agri Inputs	4,910.66	3,124.45
Others	14.87	444.73
Unallocated	-	-
Total	4,925.53	3,569.18

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, 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, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
India	1,02,125.21	1,02,130.18	47,064.95	47,362.06
Asia (Other than India)	33,633.38	33,645.91	-	-
North America	5,430.90	3,157.47	-	-
South America	4,470.52	2,678.16	-	-
Africa	3,014.28	2,524.32	-	-
Europe	482.48	1,509.26	-	-
Australia	919.26	567.85	-	-
	1,50,076.03	1,46,213.15	47,064.95	47,362.06

* Non-current assets exclude those relating to financial assets.

Information about major customers

No single customer contributed 10% or more to the Company's revenue for both 2017-18 and 2016-17.

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

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 Statement of Profit and Loss during the year is ₹ 762.04 lakhs (31 March, 2017 ₹ 620.61 lakhs) net of amount recovered from employees ₹ 5.11 lakhs (31 March, 2017 ₹ 16.73 lakhs). Disclosures in respect of non-cancellable leases are given below:

Amounts recognised as an expense

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Minimum lease payments	762.04	620.61
Total	762.04	620.61

Non-cancellable operating lease commitments

Particulars	As at 31 March, 2018	As at 31 March, 2017
Not later than 1 year	639.50	615.41
Later than 1 year and not later than 5 years	690.42	864.43
Later than 5 years	-	-
Total	1,329.92	1,479.84

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, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Not Later than one year	9.78	11.41	9.35	11.36
Later than one year and not later than five years	23.79	31.12	19.47	25.54
Later than five years	-	2.44	-	1.65
	33.57	44.97	28.82	38.55
Less: interest element of minimum lease payment	(4.75)	(6.42)	-	-
Present value of minimum lease payments	28.82	38.55	28.82	38.55

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.

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Amount recognised as expense and included in the Note 30 — in the head “Contribution to Provident and other funds” for 31 March, 2018 ₹ 256.62 lakhs (for 31 March, 2017 ₹ 237.02 lakhs).

Defined benefit plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) and a supplemental pay scheme (a life long pension). The gratuity scheme covers substantially all regular employees, while supplemental pay plan covers certain former executives. In the case of the gratuity scheme, the Company contributes funds to Gratuity Trust, which is irrevocable, while the supplemental pay scheme is 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.

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, 2018	For the year ended 31 March, 2017
Discount rates	7.78% p.a.	7.29% 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)*	8.61 Years	8.86 Years
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	13 Years	15 Years

*Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

Amount recognised in 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, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Service cost:				
Current service cost	262.20	206.25	-	-
Net interest expense	16.20	13.56	126.72	136.13
Components of defined benefit costs recognised in profit or loss	278.40	219.81	126.72	136.13
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	94.81	(83.15)	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	(6.67)	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(94.25)	158.18	(48.85)	82.12
Actuarial (gain)/loss arising from experience adjustments	(154.07)	(73.92)	(38.25)	(19.96)
Components of defined benefit costs recognised in Other Comprehensive Income	(160.18)	1.11	(87.10)	62.16
Total	118.22	220.92	39.62	198.29

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the 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 plans is as follows:

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Present value of funded defined benefit obligations	2,584.50	2,498.20	1,627.34	1,738.31
Fair value of plan assets	2,468.49	2,276.15	-	-
Funded Status [Deficit/(Surplus)]	116.01	222.05	1,627.34	1,738.31
Additional provision created	8.50	-	-	-
Net liability arising from defined benefit obligation	124.51	222.05	1,627.34	1,738.31

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Opening defined benefit obligation	2,498.20	2,178.64	1,738.31	1,693.16
Current service cost	262.20	206.24	-	-
Interest cost	182.12	175.16	126.72	136.13
Remeasurement (gain)/loss:				
Actuarial (gain)/loss arising from changes in demographic assumptions	(6.67)	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(94.25)	158.16	(48.85)	82.12
Actuarial (gain)/loss arising from experience adjustments	(154.07)	(73.91)	(38.25)	(19.95)
Benefits paid	(103.03)	(146.09)	(150.59)	(153.15)
Closing defined benefit obligation	2,584.50	2,498.20	1,627.34	1,738.31

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Opening fair value of the plan assets	2,276.14	2,010.13	-	-
Interest income	165.94	161.61	-	-
Remeasurement gain/(loss):				
Return on plan assets (excluding amounts included in net interest expense)	(94.81)	83.15	-	-
Contributions from the employer	224.25	167.35	-	-
Benefits paid	(103.03)	(146.09)	-	-
Closing fair value of plan assets	2,468.49	2,276.15	-	-

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") and HDFC Standard Life Insurance Company Limited ("HSLIC").

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, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Cash and cash equivalents	8.65	2.57	-	-
Equity investments categorised by industry type:				
Consumer industry	-	0.13	-	-
Manufacturing industry	1.86	1.61	-	-
Energy and utilities	-	-	-	-
Financial institutions	0.71	0.57	-	-
Health and care	-	-	-	-
IT and telecom	0.14	0.15	-	-
Subtotal	2.71	2.46	-	-
Debt investments categorised by issuers credit rating:				
Sovereign	667.08	766.36	-	-
AAA	1,330.95	1,243.95	-	-
AA+ and below	70.41	31.64	-	-
Subtotal	2,068.44	2,041.95	-	-
Others - LIC managed fund	388.69	229.17	-	-
Total	2,468.49	2,276.15	-	-

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 ₹ 299.58 lakhs (increase by ₹ 342.70 lakhs) (as at 31 March, 2017: decrease by ₹ 315.12 lakhs (increase by ₹ 362.08 lakhs)).

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- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 224.91 lakhs (decrease by ₹ 200.03 lakhs) *(as at 31 March, 2017: increase by ₹ 235.13 lakhs (decrease by ₹ 207.85 lakhs))*.
- If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 38.40 lakhs (decrease by ₹ 38.90 lakhs) *(as at 31 March, 2017: increase by ₹ 41.03 lakhs (decrease by ₹ 41.55 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.

The Company expects to make a contribution of ₹ 124.50 lakhs *(as at 31 March, 2017 ₹ 222.05 lakhs)* to the defined benefit plans during the next financial year.

The defined benefit obligations shall mature after year ended 31 March, 2018 as follows:

Particulars	Defined benefit obligation
As at 31 March	
2019	395.85
2020	271.22
2021	374.99
2022	380.36
2023	407.33
Thereafter	1,958.58

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, 2018 and March 31, 2017.

Amount recognised as expense and included in the Note 30 — in the head "Contribution to Provident and other funds" for 31 March, 2018 ₹ 213.29 lakhs *(for 31 March, 2017 ₹ 202.21 lakhs)*.

The details of provident fund and plan asset position are given below:

Particulars	As at 31 March, 2018	As at 31 March, 2017
Plan assets as period end	7,112.52	6,177.40
Present value of funded obligation	6,764.91	5,832.66
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Guaranteed rate of return	8.65%	8.65%
Discount rate for remaining term to maturity of investments	7.78%	7.29%
Expected rate of return on investments	7.99%	8.05%

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As at 31 March, 2018, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 7,112.52 lakhs and ₹ 6,764.91 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 ₹ 195.52 lakhs (31 March 2017 ₹ 173.30 lakhs) has been recognised in the statement of profit and loss on account of provision for long-term employment benefit

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, 2018	As at 31 March, 2017
Debt (i)	2,121.41	2,155.38
Cash and bank balances	(569.16)	(661.65)
Net debt	1,552.25	1,493.73
Total equity	1,17,884.68	1,12,539.72
Net debt to equity ratio	1.32%	1.33%

(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 provides the fair value measurement hierarchy of the Company's financial assets that are measured at fair value or where fair value disclosure is required 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)
Financial assets								
Cash and cash equivalents	272.57	-	-	272.57	272.57	-	-	272.57
Other bank balances	296.59	-	-	296.59	296.59	-	-	296.59

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

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)
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	36,532.91	-	-	36,532.91
Other current financial assets	551.14	171.02	-	380.12	551.14	-	171.02	380.12
Financial liabilities								
Non-current borrowings	1,790.56	-	-	1,790.56	1,790.56	-	-	1,790.56
Current borrowings	14.59	-	-	14.59	14.59	-	-	14.59
Trade payables	36,865.37	-	-	36,865.37	36,865.37	-	-	36,865.37
Other current financial liabilities	7,737.02	-	-	7,737.02	7,737.02	-	-	7,737.02

There have been no transfers amount Level 1, Level 2 and Level 3 during the year.

The following table provides the fair value measurement hierarchy of the Company's financial assets that are measured at fair value or where fair value disclosure is required as at 31 March, 2017:

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)
Financial assets								
Cash and cash equivalents	392.94	-	-	392.94	392.94	-	-	392.94
Other bank balances	268.71	-	-	268.71	268.71	-	-	268.71
Non-current investments (excluding investment in subsidiaries)	1,870.06	-	1,870.06	-	1,870.06	0.76	1,828.60	40.70
Current investments	20,957.36	20,957.36	-	-	20,957.36	-	20,957.36	-
Loans	434.06	-	-	434.06	434.06	-	-	434.06
Other non current financial assets	60.84	-	-	60.84	60.84	-	-	60.84
Trade receivables	22,583.75	-	-	22,583.75	22,583.75	-	-	22,583.75
Other current financial assets	64.57	-	-	64.57	64.57	-	-	64.57
Financial liabilities								
Non-current borrowings	2,117.26	-	-	2,117.26	2,117.26	-	-	2,117.26
Current borrowings	9.82	-	-	9.82	9.82	-	-	9.82
Trade payables	22,793.05	-	-	22,793.05	22,793.05	-	-	22,793.05
Other current financial liabilities	6,715.08	59.02	-	6,656.06	6,715.08	-	59.02	6,656.06

There have been no transfers amount Level 1, Level 2 and Level 3 during the previous year.

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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
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

Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3):

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening balance	40.70	40.70
Remeasurement recognised in OCI	-	-
Purchases	337.64	-
Sales	-	-
Closing balance	378.34	40.70

The Company determined the fair value measurements of investments –unquoted categorised in Level 2 based on price agreed in a sale transaction between unrelated parties.

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.

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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, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
In US Dollars (USD)	201.64	122.44	205.73	117.25
In Australian Dollars (AUD)	0.01	-	18.11	-
In Euro (EUR)	-	-	0.59	0.46
In Japanese Yen (JPY)	4,939.75	1,120.50	-	-
In Great Britain Pound (GBP)	0.03	-	-	0.06

Particulars	Liabilities (INR)		Assets (INR)	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
In US Dollars (USD)	13,141.86	7,940.23	13,408.36	7,603.84
In Australian Dollars (AUD)	0.34	-	906.06	-
In Euro (EUR)	-	-	47.47	31.87
In Japanese Yen (JPY)	3,038.19	649.92	-	-
In Great Britain Pound (GBP)	2.54	-	-	4.85

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.

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Impact on profit / (loss) and total equity

Particulars	USD impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	13.32	(16.82)
Decrease in exchange rate by 5%	(13.32)	16.82

Particulars	AUD impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	45.29	-
Decrease in exchange rate by 5%	(45.29)	-

Particulars	EUR impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	2.37	1.59
Decrease in exchange rate by 5%	(2.37)	(1.59)

Particulars	JPY impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	(151.91)	(32.50)
Decrease in exchange rate by 5%	151.91	32.50

Particulars	GBP impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	(0.13)	0.24
Decrease in exchange rate by 5%	0.13	(0.24)

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 four years. 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, 2018			As at 31 March, 2017		
	Number of contracts	₹ lakhs	Foreign currency in lakhs	Number of contracts	₹ lakhs	Foreign currency in lakhs
Receivables	1	411.32	USD 6.31	-	-	-
Payable	4	2,997.14	JPY 4,873.00	2	649.91	JPY 1,120.50

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".

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

Equity risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 8 "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.

At the end of reporting period, the Company had the following long-term variable interest rate borrowing:

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-current variable interest rate borrowings	1,528.82	1,538.55

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period as mentioned in note 18, 19 and 22.

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.

In addition, during the previous year, 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 has been released during the current year on 5 October, 2017. The Company's maximum exposure in this respect is ₹ Nil as at 31 March, 2018 (as at 31 March, 2017: ₹ 4,560.30 lakhs) as disclosed in contingent liabilities (refer note 40).

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.

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

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
As at 31 March, 2018					
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
	44,730.41	1,607.49	382.12	46,720.02	46,407.54
As at 31 March, 2017					
Borrowings including future interest payable	188.98	1,666.62	787.30	2,642.90	2,155.38
Trade payables	22,793.05	-	-	22,793.05	22,793.05
Other financial liabilities	6,686.78	-	-	6,686.78	6,686.78
	29,668.81	1,666.62	787.30	32,122.73	31,635.21

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, 2018	As at 31 March, 2017
Tata Chemicals Ltd.	India	50.06%	50.06%

2. List of subsidiaries

Name of subsidiaries	Country	Holding	
		As at 31 March, 2018	As at 31 March, 2017
Direct			
Rallis Chemistry Exports Ltd.	India	100.00%	100.00%
Metahelix Life Science Ltd.	India	100.00%	100.00%
Zero Waste Agro Organics Ltd.	India	100.00%	100.00%
Indirect			
PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-17)	Indonesia	65.77%	65.77%

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

3. 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, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Holding Company				
Tata Chemicals Ltd.	8.08	1,443.03	636.99	574.17
Subsidiary of Tata Sons Ltd.				
Tata Africa Services (Nigeria) Ltd	478.29	564.04	-	-
Subsidiaries of the Company				
Metahelix Life Science Ltd.	320.95	139.57	2,386.35	732.71
Zero Waste Agro Organics Ltd	-	-	1,028.08	775.96

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.

4. Service transactions

Particulars	Services rendered		Services received	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Holding Company				
Tata Chemicals Ltd.	-	-	0.89	-
Investor of Holding Company				
Tata Sons Ltd.	-	-	229.71	354.02
Subsidiaries of the Company				
Metahelix Life Science Ltd.	74.53	-	-	41.54
Zero Waste Agro Organics Ltd.	98.56	96.09	138.48	85.95
Rallis Chemistry Exports Ltd.	-	0.12	-	-
Subsidiaries of Tata Sons Ltd.				
Tata AIG General Insurance Co. Ltd.	-	-	19.22	19.77
Tata Consultancy Services Ltd.	-	-	314.56	187.82
Ecofirst Services Ltd.	-	-	4.93	-
Advinus Therapeutics Ltd.*	6.93	12.97	20.58	95.99
TC Travels & Services Ltd.	-	-	0.12	-
Tata Teleservices Ltd.	-	-	14.06	-
Tata Africa Services (Nigeria) Ltd.	-	-	0.26	-
Tata Capital Financial Services Ltd.	-	-	1.58	11.67
Tata Capital Forex Ltd.	-	-	-	4.91
Infiniti Retail Ltd.	-	-	-	4.59

*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 standalone financial statements for the year ended 31 March, 2018
 All amounts are in ₹ lakhs unless otherwise stated

5. Investment transactions

Particulars	Purchase of Investement		Sale of Investement	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Impetis Biosciences Ltd.(w.e.f. 5 October, 2017)	337.63	-	-	-
Advinus Therapeutics Ltd.	-	-	1,828.60	-

6. Other -Dividend payments

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Holding Company		
Tata Chemicals Ltd.	3,650.31	2,433.54
Subsidiaries of Tata Sons Ltd.		
Ewart Investments Ltd.	2.81	1.88

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, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Holding Company				
Tata Chemicals Ltd.	-	40.85	17.79	-
Investor of Holding Company				
Tata Sons Ltd.	-	-	-	198.18
Subsidiaries of the Company				
Metahelix Life Science Ltd.	122.27	1,246.91	94.78	5.97
Zero Waste Agro Organics Ltd.	-	-	256.73	47.19
Subsidiaries of Tata Sons Limited				
Tata Africa Services (Nigeria) Ltd.	-	177.05	-	-
Tata AIG General Insurance Co. Ltd.	0.44	0.73	-	-
Tata Consultancy Services Ltd.	-	-	6.67	29.18
Advinus Therapeutics Ltd.	-	12.97	-	-
Tata Teleservices (Maharashtra) Ltd.	-	-	0.24	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken other than guarantee disclosed 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).

During the previous year, 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 has been released during the current year on 5 October, 2017. The Company's maximum exposure in this respect is ₹ Nil as at 31 March, 2018 (as at 31 March, 2017: ₹ 4,560.30 lakhs) as disclosed in contingent liabilities (refer note 40).

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

7. Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Short term Benefits	557.86	628.35
Post-Employment benefits (PF + Superannuation)	20.09	17.82

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. The same excludes 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.

Guarantees

During the previous year, 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 has been released during the current year on 5 October, 2017. The Company's maximum exposure in this respect is ₹ Nil as at 31 March, 2018 (*as at 31 March, 2017 ₹ 4,560.30 lakhs*).

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, 2018	As at 31 March, 2017
Sales tax	1,370.75	1,950.30
Excise duty	525.70	433.03
Customs duty	144.10	144.10
Income tax	6,299.72	6,619.06
Service tax	60.26	90.81
Property cases	-	47.36

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.

Amount in respect of other claims

Nature of claim	As at 31 March, 2018	As at 31 March, 2017
Matters relating to employee benefits	103.11	103.11
Others (claims related to contractual disputes)	65.53	55.07

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;

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

- (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.

41: Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 483.46 lakhs as at 31 March, 2018 (*as at 31 March, 2017: ₹ 301.15 lakhs*) and Intangible assets is ₹ 89.05 lakhs as at 31 March, 2018 (*as at 31 March, 2017: ₹ 48.28 lakhs*) against which advances paid aggregate ₹ 53.50 lakhs as at 31 March, 2018 (*as at 31 March, 2017: ₹ 84.59 lakhs*).
- (ii) During the year 2016-17, the Company exercised its call option on 19,421 equity shares of Zero Waste Agro Organics Limited ("ZWAOL") on 23 November, 2016 at an aggregate cost of ₹ 1,948.84 lakhs. The commitments in the form of put option granted to the erstwhile owners of 73,645 equity shares in ZWAOL stand extinguished.
- (iii) During the year 2015-16, the Company had agreed to assign its leasehold rights in a property at Turbhe Navi Mumbai, for a gross consideration of ₹ 21,393.00 lakhs to Ikea India Private Limited. The arrangement was subject to the Company obtaining necessary approvals under various regulations in respect of which the Company was liable to make payment aggregating to ₹ 9,778.19 lakhs against which the Company was entitled for reimbursement of ₹ 4,400.19 lakhs.
- (iv) 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, 2018	For the year ended 31 March, 2017
On property, plant and equipment	65.78	85.01
On items which have been expensed during the year		
- Materials	138.36	264.49
- Employee benefits expense	964.70	905.27
- Professional fees	55.75	35.64
- Consumables	27.54	25.57
- Finance costs	1.05	0.14
- Travelling expenses	70.65	67.21
- Rent	38.28	39.78
- Depreciation and amortisation expense	350.59	468.90
- Others	211.38	197.50
Expenses - External agency	20.85	77.89
Total	1,944.93	2,167.40

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

During the year the Company has also incurred ₹ 43.58 lakhs (31 March, 2017 ₹ Nil) 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 2018 is ₹ 1,206.45 lakhs (as at 31 March, 2017 ₹ 1,195.86 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, 2018	For the year ended 31 March, 2017
To statutory auditors		
For audit	40.00	75.20
For limited review of quarterly results	15.00	30.00
For taxation matters	5.00	23.00
For other services	5.52	65.35
Reimbursement of expenses	1.68	3.22

Recoverable taxes which is being claimed for set-off as input credit has not been included in the expenditure above.

Auditors' Remuneration for the previous year represents for erstwhile auditors.

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	1,82,86,000	1,828.60	-	-	1,82,86,000	1,828.60	-	-
Impetis Biosciences Ltd.	Year ended 31 March 2018	-	-	5,68,414	337.64	-	-	5,68,414	337.64

There are no purchase and sale transaction during the previous year. Hence no disclosure is required.

(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	-
Advinus Therapeutics Ltd.	Year ended 31 March 2017	-	4,560.30	-	4,560.30

Notes to the standalone financial statements for the year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

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 2018	Amount outstanding as at 31 March 2017	Maximum balance outstanding during the year 31 March 2018	Maximum balance outstanding during the year 31 March 2017
Metahelix Life Science Ltd.	Wholly Owned Subsidiary Company	94.78	5.97	1,491.50	535.97
Zero Waste Agro Organics Ltd.	Wholly Owned Subsidiary Company	256.73	47.19	254.92	166.34

46: Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows

Particulars	As at 31 March, 2018	As at 31 March, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year*	481.21	783.92
(ii) Interest due thereon remaining unpaid to any supplier as 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, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	0.01
(iv) the amount of interest due and payable for the year	-	0.01
(v) 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, 2017 ₹ 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.

47: 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 ₹ 388.00 lakhs (31 March, 2017 ₹ 391.00 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, 2018	For the year ended 31 March, 2017
Amount spent for the year		
Employee benefits expense	19.10	19.70
Other expenses (for healthcare, education, women empowerment, skill development, disaster relief , etc.)	381.85	375.65
	400.95	395.35
In cash	400.95	395.35
Yet to be paid in cash	-	-
	400.95	395.35

Notes to the standalone financial statements for the year ended 31 March, 2018

All amounts are in ₹ lakhs unless otherwise stated

- 48:** During the previous year, the Company had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March, 2017 on the details of SBN held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Demonetisation Notes	Total
Closing Cash in Hand as on 8 November, 2016*	4.68	1.41	6.09
(+) Permitted receipts	-	9.28	9.28
(-) Permitted payments	-	8.16	8.16
(-) Amount deposited in Banks	4.68	0.01	4.69
Closing cash in hand as on 30 December, 2016	-	2.52	2.52

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated the 8 November, 2016.

*The above balance includes cash in hand of ₹ 2.25 lakhs relates to SBN, held by employees as at 8 November, 2016 which was accounted and deposited on 19 November, 2016.

- 49:** During the previous year, exceptional item comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai. The profit is net of costs including a premium levied, under the repealed Urban Land (Ceiling and Regulation) Act, 1976 which has been paid under protest.

50: Subsequent event

The Board of Directors at its meeting held on 26 April, 2018 has recommended a dividend of ₹ 2.50 per equity share (31 March 2017 ₹ 3.75 per equity share), subject to shareholders approval at annual general meeting

- 51:** Prior period figures have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

- 52:** Consequent to the issuance of "Guidance Note on Division II -Ind AS Schedule III to the Companies Act, 2013", certain items of financial statements have been regrouped/reclassified.

As per our attached report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

Y. S. P. THORAT
(DIN: 02652734)

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 Ltd.

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018



Consolidated Ind AS Financial Statements together with the Independent Auditors' Report for the year ended 31 March 2018

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Independent Auditors' Report To the Members of Rallis India Limited

Report on the audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS 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 2018, 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, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated statement of affairs, consolidated profit (including 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 the Group 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. We have not audited the financial statements of Rallis Chemistry Exports Limited, Zero Waste Agro-Organics Limited and PT Metahelix Life Sciences Indonesia, subsidiaries of the Holding Company, included in the consolidated Ind AS financial statements, which constitute total assets of ₹ 1,967.51 lakhs as at 31 March 2018; as well as total revenue of ₹ 1,072.10 lakhs for the year ended 31 March 2018, total profit after tax of ₹ 17.59 lakhs for the year ended 31 March 2018, total comprehensive income of ₹ 18.09 lakhs for the year ended 31 March 2018 and net cash flows of ₹ 194.60 lakhs for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements.

These standalone Ind AS financial statements and other financial information have been audited by other auditors whose reports have been furnished to us for the purpose of the consolidation, and our opinion on the consolidated Ind AS financial statements, in so far as it related to the amounts and disclosures included in respect of the 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.

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 auditors under generally accepted auditing standards applicable in that country. The 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 these conversion adjustments made by the 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 reports of the other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated Ind AS 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.

2. The audited consolidated Ind AS financial statements of the Group for the corresponding year ended 31 March 2017 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor whose audit report dated 24 April 2017 expressed an unmodified opinion on those audited consolidated Ind AS financial statements.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

- 1 As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 Ind AS financial statements;

- (d) in our opinion, the aforesaid consolidated Ind AS 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 2018 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 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- (g) 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 as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41 to the consolidated Ind AS 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;
- 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 2018; and
- iv. the disclosures in the consolidated Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai
26 April 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

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

In conjunction with our audit of the consolidated Ind AS financial statements of Rallis India Limited ("the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting 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.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of Holding Company and subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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 over financial reporting insofar as it relates to subsidiary companies incorporated in India, is based solely on the report of the auditors of the subsidiary companies.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

26 April 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018

All amounts are in ₹ lakhs unless otherwise stated

ASSETS**Non-current Assets**

- a) Property, plant and equipment
 - b) Capital work-in-progress
 - c) Investment property
 - d) Goodwill
 - e) Other intangible assets
 - f) Intangible assets under development
 - g) Financial assets
 - i) Investments
 - ii) Loans
 - ii) Other financial assets
 - h) Income-tax assets (Net)
 - i) Deferred tax assets (Net)
 - j) Other non-current assets
- Total non-current assets**

Current Assets

- a) Inventories
- b) Financial assets
 - i) Investments
 - ii) Loans
 - iii) Trade receivables
 - iv) Cash and cash equivalents
 - v) Bank balances other than (iv) above
 - vi) Other financial assets
- c) Other current assets

Assets classified as held for sale

Total current assets**Total assets****EQUITY AND LIABILITIES****Equity**

- a) Equity share capital
 - b) Other equity
- Equity attributable to owners of the Company**
- Non-controlling interest
- Total equity**

Liabilities**Non-current liabilities**

- a) Financial Liabilities
 - Borrowings
 - b) Other financial liabilities
 - c) Provisions
 - d) Deferred tax liabilities (Net)
- Total non-current liabilities**

Current liabilities

- a) Financial liabilities
 - i) Borrowings
 - ii) Trade payables
 - iii) Other financial liabilities
- b) Other current liabilities
- c) Provisions
- d) Income-tax liabilities (Net)

Total current liabilities**Total liabilities****Total equity and liabilities**

See accompanying notes to the consolidated financial statements

As per our attached report of even date

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

Y. S. P. THORAT
(DIN: 02652734)

PUNITA KUMAR-SINHA
(DIN: 05229262)

C. V. NATRAJ
(DIN: 07132764)

PADMINI KHARE KAICKER
(DIN: 00296388)

JOHN MULHALL
(DIN: 08101474)

Directors

Notes	As at 31 March, 2018	As at 31 March, 2017
4	36,403.41	36,117.23
4	1,234.39	1,198.74
5	557.97	566.07
6.1	19,582.31	19,582.31
6.2	822.77	1,105.38
6.2	3,497.49	3,016.40
7	379.03	1,870.06
8	830.21	691.32
9	58.65	60.84
10	7,209.21	7,163.83
23	2,078.14	2,364.98
14	3,283.06	3,639.69
	75,936.64	77,376.85
11	57,218.28	39,437.56
7	9,180.69	22,052.25
8	111.61	111.61
12	39,967.30	26,374.23
13.1	2,892.61	522.79
13.2	446.58	412.77
9	561.71	66.67
14	12,278.84	6,340.06
	1,22,657.62	95,317.94
15	1,264.90	576.30
	1,23,922.52	95,894.24
	1,99,859.16	1,73,271.09
16	1,944.71	1,944.71
17	1,17,112.65	1,09,171.72
	1,19,057.36	1,11,116.43
18	110.63	43.06
	1,19,167.99	1,11,159.49
19	1,987.78	2,439.93
21	606.56	558.29
22	1,588.55	1,682.69
23	4,052.61	4,982.42
	8,235.50	9,663.33
20	14.59	1,248.85
24	53,061.68	32,860.37
21	9,010.32	7,999.34
25	8,588.56	8,548.30
22	1,451.53	1,401.48
10	328.99	389.93
	72,455.67	52,448.27
	80,691.17	62,111.60
	1,99,859.16	1,73,271.09

1 to 52

For and on behalf of the Board of Directors of Rallis India Ltd.

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

All amounts are in ₹ lakhs unless otherwise stated

I	Revenue from operations
II	Other income
III	Total Income (I+II)
IV	Expenses
	Cost of materials consumed
	Purchases of stock-in-trade
	Changes in inventories of finished goods, stock-in-trade and work-in-progress
	Excise duty on sale of goods
	Employee benefits expense
	Finance costs
	Depreciation and amortisation expense
	Other expenses
	Total expense (IV)
V	Profit before exceptional items and tax (III-IV)
VI	Exceptional items
VII	Profit before tax (V+VI)
VIII	Tax expense
	(1) Current tax
	(2) Deferred tax
	Total tax expense
IX	Profit for the year (VII-VIII)
X	Other Comprehensive Income
	Items that will not be reclassified to profit or loss :
	a) Remeasurements of the employee defined benefit plans
	b) Equity instruments through other comprehensive income
	c) Income tax relating to item that will not be reclassified to profit or loss
	Items that will be reclassified to profit or loss
	Exchange Differences In translating the financial statements of a foreign operation
	Total other comprehensive income (net of taxes)
XI	Total comprehensive income for the year
XII	Profit for the year attributable to:
	Owners of the Company
	Non-controlling interests
XIII	Other comprehensive income attributable to:
	Owners of the Company
	Non-controlling interests
XIV	Total comprehensive income attributable to:
	Owners of the Company
	Non-controlling interests
	Earning per equity share (of ₹ 1 each)
	(1) Basic (in ₹)
	(2) Diluted (In ₹)

Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
26	1,80,846.33	1,76,820.30
27	1,317.50	1,279.32
	1,82,163.83	1,78,099.62
28	90,177.47	79,413.08
29	20,178.15	10,996.48
30	(10,118.61)	3,088.18
	1,751.64	10,467.88
31	16,489.93	14,771.79
32	430.53	729.67
33	4,631.08	4,754.79
34	35,921.38	31,722.36
	1,59,461.57	1,55,944.23
	22,702.26	22,155.39
48	-	15,839.16
	22,702.26	37,994.55
10	6,631.68	8,389.77
	(631.11)	(102.19)
	6,000.57	8,287.58
	16,701.69	29,706.97
	241.34	(67.36)
	(196.96)	0.38
	(66.36)	16.01
	(10.53)	-
	(32.51)	(50.97)
	16,669.18	29,656.00
	16,761.22	29,745.77
	(59.53)	(38.80)
	16,701.69	29,706.97
	(32.51)	(50.97)
	-	-
	(32.51)	(50.97)
	16,728.71	29,694.80
	(59.53)	(38.80)
	16,669.18	29,656.00
35	8.62	15.30
	8.62	15.30

See accompanying notes to the consolidated financial statements

As per our attached report of even date

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

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PADMINI KHARE KAICKER
(DIN: 00296388)

JOHN MULHALL
(DIN: 08101474)

Directors

1 to 52

For and on behalf of the Board of Directors of Rallis India Ltd.

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

All amounts are in ₹ lakhs unless otherwise stated

A: Equity Share Capital

Balance as at 1 April, 2016	1,944.71
Changes in Equity share capital during 2016-2017	-
Balance as at 31 March, 2017	1,944.71
Changes in Equity share capital during 2017-2018	-
Balance as at 31 March, 2018	1,944.71

B: Other equity

	Securities premium reserve	Attributable to the owners of the company							Non-controlling interests	Total
		Retained earnings	Capital Reserve	Capital Redemption Reserve	General Reserve	Equity Instrument through OCI	Foreign currency translation reserve	Total		
Balance as at 1 April, 2016	8,793.88	51,059.61	1,243.10	8,151.77	17,649.93	0.01	-	86,898.30	374.74	89,217.75
Profit for the period	-	29,745.77	-	-	-	-	-	29,745.77	(38.80)	29,706.97
Other comprehensive income (Net of taxes)	-	(51.35)	-	-	-	0.38	-	(50.97)	-	(50.97)
Total comprehensive income	-	29,694.42	-	-	-	0.38	-	29,694.80	(38.80)	29,656.00
Payment of dividends	-	(4,861.72)	-	-	-	-	-	(4,861.72)	-	(4,861.72)
Payment of dividend distribution tax	-	(989.73)	-	-	-	-	-	(989.73)	-	(989.73)
Movement in non-controlling interests	-	(1,569.93)	-	-	-	-	-	(1,569.93)	(292.88)	(1,862.81)
Balance as at 31 March, 2017	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 period	-	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)
Total comprehensive income	-	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
Balance as at 31 March, 2018	8,793.88	81,284.11	1,243.10	8,151.77	17,649.93	0.39	(10.53)	1,17,112.65	110.63	1,19,167.99

As per our attached report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

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Directors

For and on behalf of the Board of Directors of Rallis India Ltd.

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Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	22,702.26	37,994.55
Adjustments for :		
Finance costs	430.53	729.67
Depreciation and amortisation expense	4,631.08	4,754.79
Interest income	(208.20)	(127.68)
Dividend Income	(464.17)	(567.69)
Credit balances written back	(230.29)	(1,063.28)
Allowance for Doubtful Debts (Net)	488.23	404.23
Allowance for doubtful advances	2.57	-
Provision for indirect tax matters	33.50	-
Provision /(reversal) for supplemental payments on retirement	(110.97)	45.14
Provision/(reversal) for gratuity	79.63	(29.53)
Provision for compensated absences	118.20	112.66
Net unrealised foreign exchange (gain) / loss	217.35	(231.54)
(Gain)/Loss on disposal of property, plant and equipment	(6.35)	74.21
Operating profit before working capital changes	27,683.37	42,095.53
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(13,768.75)	(4,263.53)
(Increase)/decrease in inventories	(17,780.72)	833.61
(Increase)/decrease other financial assets	(301.39)	43.64
(Increase)/decrease other assets	(5,609.08)	2,757.80
Increase/(decrease) trade payables	19,901.70	7,345.21
Increase/(decrease) in provision	-	50.00
Increase/(decrease) in other financial liabilities	721.49	375.74
Increase/(decrease) in other liabilities	40.26	76.76
CASH GENERATED FROM OPERATIONS	10,886.88	49,314.76
Income taxes paid (Net of refunds)	(6,749.86)	(8,549.12)
NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES (A)	4,137.02	40,765.64
B CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	192.35	129.05
Dividend received	464.17	567.69
Payments for property , plant and equipment (including Adjustments on account of capital work-in-progress, capital creditors and capital advances)	(4,833.90)	(5,850.00)
Payments for intangible assets	(938.71)	(1,012.42)
Proceeds from disposal of property , plant and equipment	34.47	261.87
Payment for purchase of investment in equity shares	(337.64)	-
Proceeds from sale of investments of investments from equity share	1,314.64	-
Purchase of current investments	(10,772.34)	(56,119.01)
Proceeds from sale of current investments	23,643.90	35,008.71
Acquisition of subsidiaries	-	(1,944.67)
Proceeds from issue of shares to minority shareholder	127.10	-
Investments in bank deposits	(54.93)	16.94
NET CASH FLOWS GENERATED/(USED IN) INVESTING ACTIVITIES (B)	8,839.11	(28,941.84)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of long-term borrowings (including current maturities)	(188.18)	(1,472.35)
Repayment of finance lease obligations	(9.73)	-

All amounts are in ₹ lakhs unless otherwise stated

Contribution from non-controlling interest
Repayment of short-term borrowings
Dividend paid on equity shares (including dividend distribution tax)
Interest paid
Bank balances in dividend account
NET CASH FLOWS GENERATED/(USED IN) FINANCING ACTIVITIES (C)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR

Cash in hand
Balances with banks in current account and deposit account
Bank overdrafts and cash credit facility (secured)

Net cash and cash equivalents as per Cash flow statement

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

Cash in hand
Balances with banks in current account and deposit account
Bank overdrafts and cash credit facility (secured)

CASH AND CASH EQUIVALENTS AS PER NOTE 13.1

Debt reconciliation statement in accordance with Ind AS 7

Opening balances

Long-term borrowing
Short-term borrowing

Movements

Long-term borrowing
Short-term borrowing

Closing balances

Long-term borrowing
Short-term borrowing

See accompanying notes to the consolidated financial statements

For the year ended 31 March, 2018	For the year ended 31 March, 2017
-	81.86
(1,000.00)	-
(8,766.66)	(5,839.74)
(428.60)	(750.46)
21.12	11.39
(10,372.05)	(7,969.30)
2,604.08	3,854.50
5.59	5.07
517.20	272.23
(248.85)	(3,857.86)
273.94	(3,580.56)
2,878.02	273.94
3.92	5.59
2,888.69	517.20
(14.59)	(248.85)
2,878.02	273.94
2,622.08	4,122.73
1,248.85	4,857.86
(197.91)	(1,472.35)
(1,234.26)	(3,609.01)
2,424.17	2,650.38
14.59	1,248.85

1 to 52

As per our attached report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

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Directors

For and on behalf of the Board of Directors of Rallis India Ltd.

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018

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. Its parent and ultimate holding company is Tata Chemicals Limited. The principal activity of the Company 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, 2018 were approved by the Board of Directors and authorised for issue on 26 April, 2018.

2. Recent accounting pronouncement

Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The effect of changes in Foreign Exchange rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

The group is currently evaluating the effect of this standard

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The group is evaluating the impact of this amendment on its financial statements.

3. Significant accounting policies

3.1 Statement of compliance

These 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

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Group 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 of 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.

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:

- 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.

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 Functional and presentation currency

The Consolidated financial statements are presented in Indian Rupees (INR), which is also the Groups'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 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, 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
Rallis India Limited and other subsidiaries		
Buildings including factory buildings	3-60	3-60
General Plant and Machinery	10-20	2-30
Electrical Installations and Equipments	10-20	10-25
Furniture and Fixtures	10	3-10
Office Equipments	5	3-10
Vehicles	10	8
Computer and Data Processing Units	3-6	3-10
Laboratory Equipments	10-20	10-15
Leasehold improvements	NA	shorter of lease period or estimated useful life
Metahelix Life Sciences Limited		
Factory building	30-60	3-60
Seed processing machine	10-20	15
Laboratory Equipments	10-20	10-15

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 recognised 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

Notes to the consolidated financial statements for year ended 31 March, 2018

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 recognised in the Consolidated Statement of Profit and Loss.

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
Rallis India Limited		
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
Rallis India Limited	
Product registrations	4
Licenses and commercial rights	4
Computer software	3-8
Metahelix Life Sciences Limited	
Licenses and commercial rights	3
Computer software	1
Technical Knowhow	3

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 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 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 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.

3.15 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 and, where applicable, excise duty. 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. Revenue is adjusted for estimated customer returns, rebates and other similar allowances.

3.16.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably; and
- the revenues are reported net of indirect taxes.

3.16.2 Rendering of services

Income recognition for services takes place as and when the services are performed.

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.

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 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 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 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.

3.20 Employee benefit expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences and supplemental pay.

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 and supplemental pay.

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 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 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 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.

3.21 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 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.

3.22 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 and the Chief Financial Officer.

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 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.

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 period 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 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 3.5, 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 determined that there were no changes to the useful lives and 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 year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

4: Property, plant and equipment and capital work-in-progress

	As at 31 March, 2018	As at 31 March, 2017
Carrying amount of:		
Freehold land	187.01	187.01
Leasehold land	728.36	1,515.98
Leasehold improvements	119.10	121.34
Buildings	12,556.50	12,605.55
Plant and equipment	22,405.88	21,286.97
Furniture and fixtures	247.33	240.84
Vehicles	6.11	12.22
Office equipments	123.34	110.27
Equipment under finance lease	29.78	37.05
	36,403.41	36,117.23
Capital work-in-progress	1,234.39	1198.74
	37,637.80	37,315.97

Description	Gross block				Accumulated depreciation				Carrying amount
	As at 1 April, 2017	Additions	Deductions	As at 31 March, 2018	As at 1 April, 2017	Additions	Deductions	As at 31 March, 2018	As at 31 March, 2018
Freehold land	187.01	-	-	187.01	-	-	-	-	187.01
	187.01	-	-	187.01	-	-	-	-	187.01
Leasehold Land	1,729.98	-	845.27	884.71	214.00	17.41	75.06	156.35	728.36
	2,365.65	-	635.67	1,729.98	245.18	23.88	55.06	214.00	1,515.98
Leasehold improvements	165.11	-	-	165.11	43.77	2.24	-	46.01	119.10
	165.11	-	-	165.11	21.88	21.89	-	43.77	121.34
Buildings	13,788.03	629.65	10.22	14,407.46	1,182.48	674.64	6.16	1,850.96	12,556.50
	12,943.98	861.30	17.25	13,788.03	516.51	668.65	2.68	1,182.48	12,605.55
Plant and equipment	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
	24,456.80	2,616.14	122.72	26,950.22	2,693.96	3,021.84	52.55	5,663.25	21,286.97
Furniture and fixtures	400.06	81.21	-	481.27	159.22	74.72	-	233.94	247.33
	409.71	32.12	41.77	400.06	93.03	96.37	30.18	159.22	240.84
Vehicles	21.86	-	4.77	17.09	9.64	5.76	4.42	10.98	6.11
	35.11	-	13.25	21.86	7.66	9.06	7.08	9.64	12.22
Office equipments	256.19	69.54	18.64	307.09	145.92	56.13	18.30	183.75	123.34
	188.54	73.42	5.77	256.19	61.97	86.98	3.03	145.92	110.27
Equipment under finance lease	38.11	-	1.14	36.97	1.06	6.13	-	7.19	29.78
	-	38.11	-	38.11	-	1.06	-	1.06	37.05
Total	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
	40,751.91	3,621.09	836.43	43,536.57	3,640.19	3,929.73	150.58	7,419.34	36,117.23

footnotes:

1. Cost of buildings includes cost of 30 shares (31 March, 2017 - 30 shares) of ₹ 50 each fully paid in respect of ownership flats in 3 (31 March, 2017- 3 flats) Co-operative Societies.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

- Buildings include assets carried at ₹ 0.88 lakhs (31 March, 2017 ₹ 0.94 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.
- Plant and equipment includes a unit having carrying cost of ₹ 756.46 lakhs (31 March, 2017 ₹ 794.82 lakhs) and land and building with a carrying cost of ₹ 834.66 lakhs (31 March, 2017 ₹ 870.37 lakhs) are subject to first charge to secure two of the Group's bank loans.
- Plant and equipments includes ₹ 4.12 lakhs (31st March, 2017 ₹ 5.49 lakhs) given under operating lease.
- Leasehold land include assets carried at ₹ 209.56 lakhs (as at 31 March, 2017 ₹ 990.49 lakhs) for which the Group is in process of obtaining an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.
- The Group has not capitalised any borrowing cost during the year (31 March, 2017 ₹ NIL lakhs).
- The Group has not recognised any impairment loss during the year (31 March, 2017 ₹ NIL lakhs)
- The figures in italics are for the previous year.

5: Investment property

Carrying amount of:

Freehold land
Buildings

As at 31 March, 2018	As at 31 March, 2017
244.91	244.91
313.06	321.16
557.97	566.07

Description	Gross block				Accumulated depreciation				Carrying amount
	As at 1 April, 2017	Additions	Deductions	As at 31 March, 2018	As at 1 April, 2017	Additions	Deductions	As at 31 March, 2018	As at 31 March, 2018
Freehold land	244.91	-	-	244.91	-	-	-	-	244.91
	251.68	-	6.77	244.91	-	-	-	-	244.91
Buildings	337.19	-	-	337.19	16.03	8.10	-	24.13	313.06
	337.19	-	-	337.19	8.10	7.93	-	16.03	321.16
Total	582.10	-	-	582.10	16.03	8.10	-	24.13	557.97
	588.87	-	6.77	582.10	8.10	7.93	-	16.03	566.07

footnotes:

- Buildings includes 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, 2017 - 35 shares) of ₹ 50 each fully paid and cost of 7 shares (31 March, 2017- 7 shares) of ₹ 100 each fully paid in respect of ownership flats in 7 (31 March, 2017- 7 flats) Co-operative Societies.
- The Group has not capitalised any borrowing cost during the current year (31 March, 2017 - ₹ Nil).
- Total fair value of Investment Property is ₹31,356.16 lakhs (31 March, 2017 ₹31,311.63 lakhs).
- The Group has not recognised any impairment loss during the year (31 March, 2017 ₹ NIL lakhs).
- The figures in italics are for the previous year.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

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 Group obtains Independent Valuations of its investment property as at the year end. 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

6.1 Carrying amount of:

Goodwill

As at 31 March, 2018	As at 31 March, 2017
19,582.31	19,582.31
19,582.31	19,582.31

Goodwill includes amount of ₹ 16,522.26 lakhs (31 March, 2017 ₹ 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 13.70 % (Previous Year 15.00%).

Goodwill of ₹ 3,060.05 lakhs (31st March, 2017 ₹ 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 13.70 % (Previous Year 15.00%).

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.

6.2 Carrying amount of:

Other intangible assets

Product registrations

Licences and commercial rights

Computer software

Technical knowhow

As at 31 March, 2018	As at 31 March, 2017
188.68	298.69
-	236.02
79.87	65.65
554.22	505.02
822.77	1,105.38
3,497.49	3,016.40
4,320.26	4,121.78

Intangible assets under development

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

6.2: Other intangible assets

Description	Gross block				Accumulated depreciation				Carrying amount
	As at 1 April, 2017	Additions	Deductions	As at 31 March, 2018	As at 1 April, 2017	Additions	Deductions	As at 31 March, 2018	As at 31 March, 2018
Product registrations	902.73	25.82	-	928.55	604.04	135.83	-	739.87	188.68
	762.05	140.68	-	902.73	295.36	308.68	-	604.04	298.69
Licences and commercial rights	609.70	-	-	609.70	373.68	236.02	-	609.70	-
	609.70	-	-	609.70	194.61	179.07	-	373.68	236.02
Computer software	158.66	33.15	-	191.81	93.01	18.93	-	111.94	79.87
	116.04	42.62	-	158.66	48.03	44.98	-	93.01	65.65
Technical knowhow	1,134.31	398.65	-	1,532.96	629.29	349.45	-	978.74	554.22
	681.18	453.13	-	1,134.31	344.89	284.40	-	629.29	505.02
Total	2,805.40	457.62	-	3,263.02	1,700.02	740.23	-	2,440.25	822.77
	2,168.97	636.43	-	2,805.40	882.89	817.13	-	1,700.02	1,105.38

- The Group has not capitalised any borrowing cost during the year (31 March, 2017 ₹ Nil).
- The Group has not recognised any impairment loss during the year (31 March, 2017 ₹ Nil).
- The Group has internally developed Seed development technology for producing hybrid seeds. The Carrying amount of Seed development technology of ₹ 554.22 lakhs (₹ 505.02 lakhs as at 31st March, 2017) will be fully amortized in next 3 years.
- The figures in italics are for the previous year.

7: Investments

Non-current

Quoted equity instruments (all fully paid)

Investments carried at fair value through other comprehensive income (FVTOCI)

Spartek Ceramics India Ltd.

Nagarjuna Finance Ltd.

Pharmaceuticals Products of India Limited

Balasure Alloys Ltd.

J.K.Cement Ltd.

Total aggregate quoted equity investments

Unquoted equity instruments

Investments carried at fair value through other comprehensive income (FVTOCI)

Gk Chemicals and Fertilizers Limited (formerly known as Aich Aar Chemicals Pvt. Ltd.)

Biotech Consortium India Ltd.

Indian Potash Ltd.

Bharuch Enviro Infrastructure Ltd.

Narmada Clean Tech Ltd. (formerly known as Bharuch

Eco-Aqua Infrastructure Ltd.)

Cuddalore SIPCOT Industries Common Utilities Ltd.#

Patancheru Enviro-Tech Ltd.

Impetis Biosciences Ltd

Advinus Therapeutics Ltd.

Amba Trading & Manufacturing Company Private Ltd.

Associated Inds. (Assam) Ltd.#

Uniscans & Sonics Ltd.#

Caps Rallis (Private) Ltd. (Nominal value of Zim. \$ 2 each)

Total aggregate unquoted investments

Total non-current investments

	Nominal value (in ₹)	No.of Shares	As at 31 March, 2018	No.of Shares	As at 31 March, 2017
	10	7,226	-	7,226	-
	10	400	-	400	-
	10	10,000	-	10,000	-
	5	504	0.24	504	0.35
	10	44	0.45	44	0.41
Total aggregate quoted equity investments	A		0.69	A	0.76
	10	1,24,002	-	1,24,002	-
	10	50,000	5.00	50,000	5.00
	10	54,000	0.90	54,000	0.90
	10	36,750	3.68	36,750	3.68
	10	3,00,364	30.04	3,00,364	30.04
	100	113	-	113	-
	10	10,822	1.08	10,822	1.08
	10	5,68,414	337.64	-	-
	10	-	-	1,82,86,000	1,828.60
	10	1,30,000	-	1,30,000	-
	10	30,000	-	30,000	-
	10	96	-	96	-
	21,00,000	-	-	21,00,000	-
Total aggregate unquoted investments	B		378.34	B	1,869.30
Total non-current investments	(A+B)		379.03	(A+B)	1,870.06

footnote:

Amount is less than ₹ 0.01 lakhs.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

	Units	As at 31 March, 2018	Units	As at 31 March, 2017
Current				
Investment in mutual funds - unquoted				
Investments carried at fair value through profit and loss (FVTPL)				
Tata Money Market Fund - Regular Plan - Daily Dividend	2,35,343.25	2,357.00	3,83,314.57	3,838.96
Tata Liquid Fund - Regular Plan - Daily Dividend	1,24,115.25	1,383.29	2,96,505.10	3,304.61
HDFC Liquid Fund - Regular Plan - Dividend - Daily Reinvestment	15,293.05	155.96	2,37,121.57	2,418.21
HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	45,916.65	488.39	1,977.39	21.03
Birla Sunlife Cash Plus - Daily Dividend - Regular Plan - Reinvestment	20,94,852.09	2,100.55	22,89,713.15	2,294.18
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	1,52,428.55	1,529.24	6,04,003.60	6,059.67
UTI Money Market Fund - Institutional Plan - Daily Dividend Reinvestment	-	-	3,01,051.04	3,020.70
HDFC Cash Management - Savings Plan Growth	32,400.82	1,166.26	32,400.82	1,094.89
Total current investments	C	9,180.69	C	22,052.25
Aggregate book value of quoted investments		0.69		0.76
Aggregate Market value of quoted investments		0.69		0.76
Aggregate carrying value of unquoted investments	(B+C)	9,559.03	(B+C)	23,921.55
Aggregate amount of impairment in value of investments		-		-

8: Loans*

(Unsecured, considered good)

(i) Non-current

Security deposits

Total

(ii) Current

Security deposits

Total

	As at 31 March, 2018	As at 31 March, 2017
	830.21	691.32
Total	830.21	691.32
	111.61	111.61
Total	111.61	111.61

*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.

9: Other financial assets (at amortised cost)*

(Unsecured)

(i) Non-current

a) In other deposit accounts - original maturity more than 12 months

b) Interest accrued on fixed deposit with bank

(ii) Current

a) Unbilled revenue

b) Advances/ deposits considered doubtful of recovery

Doubtful (refer note 1)

Less: Provision for doubtful loans and advances

	As at 31 March, 2018	As at 31 March, 2017
	46.76	51.66
	11.89	9.18
	58.65	60.84
	-	29.09
	3,933.25	3,930.68
	(3,933.25)	(3,930.68)

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

- c) Interest accrued on fixed deposit with bank
- d) Derivative assets
Forward exchange contracts for hedging
- e) Others
- Total**

As at 31 March, 2018	As at 31 March, 2017
14.75	1.61
171.02	-
375.94	35.97
561.71	66.67

* 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.

Note 1:

Includes a sum of ₹ 18.61 lakhs (31 March 2017 ₹ 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 (31 March 2017 ₹ 18.61 lakhs).

10: Income Taxes

10.1: Income tax assets and liabilities

Income-tax assets

Advance income tax (Net of provisions)

Income-tax liability

Provision for current tax (Net of advance tax)

As at 31 March, 2018	As at 31 March, 2017
7,209.21	7,163.83
7,209.21	7,163.83
328.99	389.93
328.99	389.93

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
10.2: Income tax recognised in profit or loss		
Current income tax:		
Current income tax charge	6,772.28	8,556.04
Adjustments in respect current income tax of prior year	(140.60)	(166.27)
Total (A)	6,631.68	8,389.77
Deferred tax:		
In respect of current year	105.41	387.03
Adjustments in respect of prior years	-	833.99
In respect of unused tax credit	(736.52)	(1,323.21)
Total (B)	(631.11)	(102.19)
Income tax expense recognised in the Statement of Profit and Loss in current year (A+B)	6,000.57	8,287.58
Income tax recognized in Other Comprehensive Income		
Income tax expense on remeasurements of defined benefit plans	78.23	(16.01)
Deferred tax expense on remeasurements of defined benefit plans	(11.87)	-
Total tax expense recognised in OCI	66.36	(16.01)

Notes to the consolidated financial statements for year ended 31 March, 2018
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, 2018	For the year ended 31 March, 2017
Profit before tax	22,702.26	37,994.55
Income tax expense calculated @34.608%	7,856.44	13,149.15
Effect of income that is exempt from taxation	(160.64)	(196.96)
Effect of expenses that are not deductible in determining taxable profit	156.27	633.60
Effect of expenses that are deductible in determining taxable profit	166.37	(142.33)
Effect of concessions (research & developments and others allowances)	(1,240.89)	(2,361.00)
Effect of lower tax rates for the long term capital gain	(743.45)	(2,327.23)
Others	904.38	187.84
	6,938.48	8,943.07
Adjustments recognised in the current year in relation to the current tax of prior years	(140.60)	(166.27)
In respect of unused tax credit	(736.52)	(1,323.21)
Adjustments for changes in estimates of deferred tax assets	(60.79)	833.99
Income tax expense recognised in Statement of Profit and Loss	6,000.57	8,287.58

Income tax expense recognised in Other Comprehensive Income

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Remeasurement of defined benefit liability/(asset)		
Before tax amount	241.34	(67.36)
Tax (expense) benefit	(66.36)	16.01
Net of tax	174.98	(51.35)
Fair value of equity instruments through other comprehensive income	(196.96)	0.38
Tax (expense) benefit	-	-
Net of tax	(196.96)	0.38
Exchange differences in translating the financial statements of a foreign operation	(10.53)	-
Tax (expense) benefit	-	-
Net of tax	(10.53)	-
Total other comprehensive income (net of taxes)	(32.51)	(50.97)

11: Inventories (lower of cost and net realisable value)

	As at 31 March, 2018	As at 31 March, 2017
a) Raw materials (including goods-in-transit)	21,991.83	12,097.26
b) Work-in-progress (including intermediate goods)	1,129.96	3,458.39
c) Finished goods	27,731.85	20,224.20
d) Stock-in-trade (in respect of goods acquired for trading)	4,755.30	2,268.41
e) Stores and spares	223.11	221.49
f) Packing materials	1,386.23	1,167.81
Total	57,218.28	39,437.56

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

footnote:

- (i) The cost of inventories recognised as an expense during the year was ₹ 110,106.68 lakhs (31 March, 2017 ₹ 93,069.95 lakhs)
- (ii) The cost of inventories recognised as an expense includes ₹ 839.80 lakhs (31 March, 2017 ₹ 933.93 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 309.44 lakhs (31 March, 2017 ₹ 381.49 lakhs) in respect of reversal of such write-downs.
- (iii) The mode of valuation of inventories has been stated in note 3.15
- (iv) Loans are secured by first paripassu charge on stock (including raw material, finished goods and work-in-progress) and book debts (refer note 12 and 20).

12: Trade receivables

	As at 31 March, 2018	As at 31 March, 2017
Current		
Secured, considered good	1,076.48	696.77
Unsecured, considered good	38,890.82	25,677.46
Considered doubtful	1,556.77	1,370.65
Allowance for doubtful debts (expected credit loss allowance)	(1,556.77)	(1,370.65)
Total	39,967.30	26,374.23

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, 2018 ₹ 6,126.72 lakhs is due from one customer (31 March, 2017 ₹ 3,819.27 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.
- (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, 2018	As at 31 March, 2017
Balance at the beginning of the year	1,370.65	966.42
Less: reversal of provision due to write off	302.11	-
Less: amount collected and hence reversal of provision	-	75.02
Add: provision made during the year	488.23	479.25
Balance at the end of the year	1,556.77	1,370.65

- (v) Loans are secured by first paripassu charge on stock (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 20).

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

13: Cash and bank balances

13.1 Cash and cash equivalents

- a. Balances with banks in current accounts
 - b. Cash on hand
 - c. Term deposits with original maturity of less than 3 months
- Total Cash and cash equivalents as per Balance Sheet**

Bank overdrafts and cash credit facility (secured)

Cash and cash equivalents as per Statement of cash flows

13.2 Other bank balances

- a. In other deposit accounts - original maturity more than 3 months and less than 12 months
- b. In earmarked accounts:
 - i. Balances held for unpaid / unclaimed dividend accounts
 - ii. Bank deposits as margin money against bank guarantees - original maturity more than 3 months and less than 12 months

Total other bank balances

As at 31 March, 2018	As at 31 March, 2017
996.38	506.16
3.92	5.59
1,892.31	11.04
2,892.61	522.79
(14.59)	(248.85)
2,878.02	273.94
154.64	149.85
167.33	146.21
124.61	116.71
446.58	412.77

14: Other assets

(Unsecured, considered good)

Non-current

Capital advances
Deposit with public bodies
Value Added Tax (VAT) credit receivable
Claims receivable from public bodies
Prepaid lease rental
Prepaid expenses
Total

Current

Statutory dues receivable from government authorities

Service tax credit receivable
Cenvat credit receivable
Goods and Service Tax receivable
Custom duty
Export benefit receivable
Inventory recoverable
Advances recoverable
Advances to suppliers
Advances to employees
Others
Prepaid lease rental
Prepaid expenses
Total

As at 31 March, 2018	As at 31 March, 2017
58.66	85.59
116.21	99.66
-	476.50
665.46	529.70
2,233.12	2,326.55
209.61	121.69
3,283.06	3,639.69
-	263.68
-	188.46
5,783.72	-
14.40	12.74
1,062.32	1,051.22
2,662.53	1,792.86
1,717.71	2,265.63
224.16	228.07
527.45	290.35
89.74	89.74
196.81	157.31
12,278.84	6,340.06

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

15: Assets classified as held for sale

Leasehold land

As at 31 March, 2018	As at 31 March, 2017
1,264.90	576.30
1,264.90	576.30

footnote:

The Group intends to surrender the leasehold land which it no longer intends to utilise in the next 12 months. The Group is currently in discussion with appropriate authorities in this direction. No impairment loss was recognised on reclassification of the assets as held for sale nor as at reporting date, as the management expects that the fair value (estimated based on the surrender value) less cost to surrender is higher than the carrying amount.

16: Share capital

Authorised share capital :

500,000,000 (31 March, 2017 500,000,000) equity shares of ₹ 1 each with voting rights

150,000,000 (31 March, 2017 150,000,000) preference shares of ₹ 10 each

Issued and subscribed capital comprises:

Issued shares

194,470,890 (31 March, 2017 194,470,890) equity shares of ₹ 1 each

Subscribed and fully paid up

194,468,890 (31 March, 2017 194,468,890) equity shares of ₹ 1 each

Forfeited shares

2,000 (31 March, 2017 2,000) equity shares of ₹ 1 each

As at 31 March, 2018	As at 31 March, 2017
5,000.00	5,000.00
15,000.00	15,000.00
1,944.71	1,944.71
1,944.69	1,944.69
0.02	0.02
1,944.71	1,944.71

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

Balance at 31 March, 2017

Movements during the year

Balance at 31 March, 2018

Number of shares	Amount of share capital
19,44,68,890	1,944.69
-	-
19,44,68,890	1,944.69

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:

Tata Chemicals Limited

As at 31 March, 2017

As at 31 March, 2018

Number of fully paid equity shares	Amount of share capital
9,73,41,610	973.42
9,73,41,610	973.42

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

d. Details of shares held by each shareholder holding more than 5% shares in the Company:

	Number of fully paid equity shares	% Holding
Tata Chemicals Limited		
As at 31 March, 2017	9,73,41,610	50.06%
As at 31 March, 2018	9,73,41,610	50.06%
Rakesh Jhunjunwala		
As at 31 March, 2017	1,93,35,820	9.94%
As at 31 March, 2018	1,88,05,820	9.67%

e. As per records of the Company as at 31 March, 2018, no calls remain unpaid by the directors and officers of the Company.

17: Other equity

	As at 31 March, 2018	As at 31 March, 2017
General reserve	17,649.93	17,649.93
Securities premium reserve	8,793.88	8,793.88
Retained earnings	81,284.11	73,332.65
Foreign currency translation reserve	(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	0.39	0.39
	1,17,112.65	1,09,171.72

17.1: General reserve

	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of year	17,649.93	17,649.93
Balance at the end of year	17,649.93	17,649.93

17.2: Securities premium reserve

	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of year	8,793.88	8,793.88
Balance at the end of year	8,793.88	8,793.88

17.3: Retained earnings

	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of year	73,332.65	51,059.61
Movements		
Adjustment relating to acquisition - post obtaining control	-	(1,569.93)
Other comprehensive income (Net of taxes)	174.98	(51.35)
Profit attributable to the owners of the Company	16,761.22	29,745.77
Transfer from equity instruments through Other Comprehensive Income	(196.96)	-
Payment of dividend on equity shares - Final	(7,292.58)	(4,861.72)
Payment of distribution tax on equity shares	(1,495.20)	(989.73)
Balance at the end of year	81,284.11	73,332.65

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

17.4: Capital redemption reserve

Balance at beginning of year

Balance at the end of year

Capital redemption reserve is created out of profits on redemption of capital.

As at 31 March, 2018	As at 31 March, 2017
8,151.77	8,151.77
8,151.77	8,151.77

17.5: Capital Reserve

Balance at beginning of year

Balance at the end of year

Capital reserve includes profit on amalgamation of entities.

As at 31 March, 2018	As at 31 March, 2017
1,243.10	1,243.10
1,243.10	1,243.10

17.6: Reserve for equity instruments through Other Comprehensive Income

Balance at beginning of year

Additions during year

Transfer to retained earnings

Balance at the end of year

As at 31 March, 2018	As at 31 March, 2017
0.39	0.01
(196.96)	0.38
196.96	-
0.39	0.39

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.

17.7: Foreign currency translation reserve

Balance at beginning of year

Additions during year

Transfer during year

Balance at the end of year

As at 31 March, 2018	As at 31 March, 2017
-	-
(10.53)	-
-	-
(10.53)	-

These comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries.

18: Non-controlling interest

Balance at beginning of year

Movements

Additional investment

Share of profit / (loss)

Balance at the end of year

As at 31 March, 2018	As at 31 March, 2017
43.06	374.74
127.10	(292.88)
(59.53)	(38.80)
110.63	43.06

footnote:

- During the previous year, the Group acquired the balance 19,421 shares of ₹ 10/- each of Zero Waste Agro Organics Limited (ZWAOL) for a consideration of ₹ 1,948.84 lakhs. As a result, ZWAOL has become a wholly owned subsidiary.
- During the previous year, the Groups's wholly-owned subsidiary Metahelix Life Sciences Limited ("Metahelix") has entered in an arrangement with Indonesian local partner. Metahelix Life Sciences Limited ("Metahelix") holds 65.77% shares in the entity named PT Metahelix Lifesciences Indonesia. In the current year, both the partners have made additional investment in PT Metahelix Lifesciences Indonesia as per relevant terms of agreement.

19: Non-current borrowings

Secured -at amortised cost

Secured loan from banks (refer note (ii))

Secured loan from other corporate bodies (refer note (iii))

Finance lease obligation (refer note (iii))

As at 31 March, 2018	As at 31 March, 2017
100.00	211.17
72.24	69.86
20.34	38.55

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Unsecured -at amortised cost

Term loan from bank (refer note(ii))

Loan from the Council of Scientific and Industrial Research (refer note(ii))

Sales tax deferral under a state government scheme (refer note(i))

Total

As at 31 March, 2018	As at 31 March, 2017
1,200.00	1,500.00
24.98	41.64
570.22	578.71
1,987.78	2,439.93

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 ₹ 7.78 lakhs over the period stretching from 1 April, 2018 to 31 March, 2027. The amount outstanding is free of interest.

The balance outstanding as at 31 March, 2018 is ₹ 578.00 lakhs (31 March, 2017 ₹ 588.18 lakhs) of which ₹ 7.78 lakhs (31 March, 2017 ₹ 9.47 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, 2018

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks 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 6 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%
Secured loan from other corporate bodies 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 of the Company, 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%
Unsecured term loan from bank Owed by Rallis India Limited	1,500.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium period 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%
Loan from the Council of Scientific and Industrial Research 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 ₹ 8.32 lakhs has been classified under note 21 Other current financial liabilities). The same is repayable along with interest in 7 annual installments.	3.00%

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

As at 31 March, 2017

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks 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, 2017 is ₹ 183.50 lakhs (of which ₹ 122.33 lakhs has been grouped under note 21 other current financial liabilities) which is repayable in balance 18 monthly installments.	9.75%
	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, 2017 is ₹ 200.00 lakhs (of which ₹ 50.00 lakhs has been classified under note 21 other current financial liabilities) repayable in balance 16 equated quarterly installments of ₹ 12.50 lakhs each.	7.50%
Secured loan from other corporate bodies Owed by Metahelix Life Sciences Limited	69.86	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 of the Company, 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, 2017 is ₹ 79.68 lakhs (of which ₹ 9.82 lakhs has been classified under note 19 Other current financial liabilities)	2.00%
Unsecured term loan from bank Owed by Rallis India Limited	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. The balance outstanding as at 31 March, 2017 is ₹ 1,500 lakhs of which ₹ Nil has been grouped under note 21 Other current financial liabilities, which are payable in next 12 months.	9.30%
Loan from the Council of Scientific and Industrial Research Owed by Metahelix Life Sciences Limited	41.64	Term loan from Council of Scientific and Industrial Research: The balance payable as on 31 March, 2017 is ₹ 41.63 lakhs. The same is repayable along with interest in 7 annual installments.	3.00%

(iii) Finance lease obligation:

Secured by the assets leased. The borrowing is fixed interest rate debt (8.40%) with repayment periods not exceeding 4 years. The balance outstanding as at 31 March, 2018 is ₹ 28.82 lakhs (31 March, 2017 ₹ 38.55 lakhs) of which ₹ 8.48 lakhs (31 March, 2017 ₹ Nil lakhs) has been grouped under note 21 other current financial liabilities, which are payable in next 12 months.

20: Current borrowings

Current interest-bearing loans and borrowings

Secured

Loans repayable on demand from banks (refer footnote (i))

Bank overdrafts and cash credit facility

Unsecured

Term loan from bank (refer footnote (ii))

Total

As at 31 March, 2018	As at 31 March, 2017
14.59	248.85
-	1,000.00
14.59	1,248.85

footnotes:

- These loans are secured by first paripassu charge on stock (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).
- During the previous year term loan includes ₹ 1,000.00 lakhs owed by Metahelix Life Sciences Ltd. from HDFC Bank Ltd repayable on 14 May, 2017 which was obtained in 2016-17. It has been repaid during the year.
- The weighted average effective interest rate on the bank loans is 8.47% p.a. (for 31 March, 2017 8.14% p.a.).

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

21: Other financial liabilities

Non-current

Security deposits

Total

Current

(a) Current maturity of long-term borrowings (refer note 19)

Term loan from bank - secured

Secured - others

Term loan from bank- unsecured

Finance lease obligation

Unsecured - others

(b) Interest accrued but not due on borrowings

(c) Unclaimed dividends (refer footnote)

(d) Derivative liabilities

Forward exchange contracts for hedging

(e) Others

Creditors for capital purchases and others

Customer deposits

Amount due to customers

Total

As at 31 March, 2018	As at 31 March, 2017
606.56	558.29
606.56	558.29
111.17	172.33
25.22	9.82
300.00	-
8.48	-
16.11	28.30
22.69	20.76
167.65	146.53
-	59.02
249.11	188.64
1,405.81	1,252.66
6,704.08	6,121.28
9,010.32	7,999.34

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 ₹ 0.19 lakhs (31 March, 2017 ₹ 0.19 lakhs).

22: Provisions

Non Current

(a) Supplemental pay (refer note c below)

(b) Gratuity (refer note c below)

(c) Compensated absences (refer note c below)

Total

Current

(a) Supplemental pay

(b) Gratuity (refer note c below)

(c) Compensated absences (refer note c below)

(d) Other Provisions (refer note a and b below)

Total

As at 31 March, 2018	As at 31 March, 2017
1,431.68	1,542.22
12.72	-
144.15	140.47
1,588.55	1,682.69
195.66	196.09
124.51	222.05
854.04	739.52
277.32	243.82
1,451.53	1,401.48

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 ₹ 227.32 lakhs (31 March, 2017 ₹ 193.82 lakhs). The movement during the year is as under:

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening balance as at 1 April	193.82	193.82
Additional provisions made during the year	33.50	-
Total	227.32	193.82
Payments made adjusted against above sum	-	-
Closing balance as at 31 March	227.32	193.82

(b) Provision for contingencies for claims in business operation

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening balance as at 1 April	50.00	50.00
Additional provisions made during the year	-	-
Total	50.00	50.00
Payments made adjusted against above sum	-	-
Closing balance as at 31 March	50.00	50.00

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 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 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, 2018	As at 31 March, 2017
Reconciliation of deferred tax		
(a) Deferred tax assets	2,078.14	2,364.98
(b) Deferred tax liabilities	-	-
Deferred tax assets (Net) (a-b)	2,078.14	2,364.98
(a) Deferred tax liabilities	5,813.63	5,862.82
(b) Deferred tax assets	1,761.02	880.40
Deferred tax liabilities (Net) (a-b)	4,052.61	4,982.42

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

23: Deferred tax balances

2017-18 -Deferred tax liabilities/ (assets) in relation to:	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets (Net)				
Allowance 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
	2,364.98	(286.84)	-	2,078.14
Deferred tax liabilities (Net) (a-b)				
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)	-	(190.10)
Long term capital loss on sale of equity instrument	-	(553.36)	-	(553.35)
Property, plant and equipment	5,835.22	(49.36)	-	5,785.85
Others	27.60	0.26	-	27.86
	4,982.42	(917.95)	(11.88)	4,052.61

2016-17 -Deferred tax assets and liabilities in relation to:	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets (Net)				
Allowance for doubtful debts and advances	202.12	130.89	-	333.01
Defined benefit obligation	61.61	(6.64)	-	54.97
On unused tax losses	1,437.98	229.99	-	1,667.97
Difference between WDV as per books and income tax	(190.39)	9.57	-	(180.82)
On intangible assets	(652.11)	(181.25)	-	(833.36)
Unused tax credit	-	1,323.21	-	1,323.21
	859.21	1,505.77	-	2,364.98
Deferred tax liabilities (Net) (a-b)				
Allowance for doubtful debts and advances	(1,474.49)	814.64	-	(659.85)
Defined benefit obligation	(210.61)	(9.94)	-	(220.55)
Provision for sales return	(297.81)	297.81	-	-
Difference between WDV as per books and income tax	5,561.58	273.64	-	5,835.22
Others	0.17	27.43	-	27.60
	3,578.84	1,403.58	-	4,982.42

footnote:

There are no material deferred tax expense on unrecognised tax losses.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

24: Trade payables

- (i) Total outstanding dues of micro enterprises and small enterprises
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises
- (ii) Other payables

As at 31 March, 2018	As at 31 March, 2017
481.21	783.92
47,840.38	28,012.11
4,740.09	4,064.34
53,061.68	32,860.37

25: Other current liabilities

- Provident fund and other employee deductions
- Goods and Service Tax payable
- Excise duty payable
- Value Added Tax/Central Sales Tax payable
- Tax deducted at source
- Other taxes (other than income tax payable)
- Advance received from customers
- Payable to employees
- Other liabilities
- Total**

As at 31 March, 2018	As at 31 March, 2017
194.71	159.75
316.25	-
-	208.14
-	225.26
185.76	184.85
91.94	53.39
7,585.56	7,404.05
68.51	66.43
145.83	246.43
8,588.56	8,548.30

26: Revenue from operations

- Sales of products
- Sales of services
- Other operating income
- Total**

For the year ended 31 March, 2018	For the year ended 31 March, 2017
1,79,206.37	1,73,956.35
53.24	69.83
1,586.72	2,794.12
1,80,846.33	1,76,820.30

27: Other income

- a) **Interest income**
 - Interest Income on bank deposits carried at amortised cost
 - Interest income on security deposits carried at amortised cost
- b) **Dividend income**
 - Dividend from current investment in mutual fund carried at FVTPL
 - Dividend from equity instruments measured at FVTOCI
- c) **Other non-operating income**
 - Insurance claim
 - Rental Income
 - Miscellaneous income
- d) **Other gains and losses**
 - Net gain on foreign currency transactions and translation
- Total**

For the year ended 31 March, 2018	For the year ended 31 March, 2017
94.17	38.31
114.03	89.37
462.54	566.07
1.63	1.62
20.01	16.69
123.66	111.72
479.93	455.54
21.53	-
1,317.50	1,279.32

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

28: Cost of materials consumed

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Inventory at the beginning of the year	12,097.26	10,051.44
Add: Purchases	92,899.59	74,458.05
	1,04,996.85	84,509.49
Less: Inventory at the end of the year	21,991.83	12,097.26
Cost of raw material and components consumed	83,005.02	72,412.23
Packing material consumed	7,172.45	7,000.85
Total	90,177.47	79,413.08

29: Purchases of stock in trade

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Agri inputs	20,178.15	10,996.48
Total	20,178.15	10,996.48

30: Changes in Inventory of finished goods, stock-in-trade and work-in-progress

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Opening stock		
Finished goods - own manufactured	20,224.20	21,642.78
Stock-in-trade	2,268.41	3,766.12
Work-in-progress (including intermediate goods)	3,458.39	3,136.79
	25,951.00	28,545.69
Closing stock		
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
	33,617.11	25,951.00
Changes in excise duty on inventory of finished goods	(1,582.83)	65.70
Movement in inventory recoverable	(869.67)	427.79
Net (increase)/decrease	(10,118.61)	3,088.18

31: Employee benefits expenses

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salaries, wages and bonus	14,457.95	12,937.85
Contribution to provident and other funds (refer note 38)	824.28	751.78
Staff welfare expenses	1,207.70	1,082.16
Total	16,489.93	14,771.79

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

32: Finance costs

Interest on bank overdrafts and loans
Finance charges paid under finance leases
Total

For the year ended 31 March, 2018	For the year ended 31 March, 2017
430.53	729.67
2.81	0.44
430.53	729.67

33: Depreciation and amortisation expense

Depreciation of property, plant and equipment (refer note 4)
Depreciation of investment property (refer note 5)
Amortization of intangible assets (note 6.2)
Total

For the year ended 31 March, 2018	For the year ended 31 March, 2017
3,882.75	3,929.73
8.10	7.93
740.23	817.13
4,631.08	4,754.79

34: Other expenses

Freight, handling and packing
Travelling and conveyance
Power and fuel
Brand equity contribution
Repairs and maintenance
 Plant and equipment
 Property
 Others
Stores and spares consumed
Rates and taxes
Commission
Insurance charges
Rent (refer note 37)
Bank charges
Director fees & commission
Bad trade receivables
Less: allowance for doubtful debts written back
Allowance for doubtful debts
Allowance for doubtful advances
Loss on sale of property, plant and equipment (Net)
Selling expenses
Advertisement and promotion
Legal and professional fees
Net loss on foreign currency transactions and translation
Other expenses (refer note 44)
Total

For the year ended 31 March, 2018	For the year ended 31 March, 2017
7,344.69	5,505.15
2,067.02	1,917.99
5,542.26	4,276.41
206.00	197.12
805.65	687.03
178.10	165.78
563.86	479.59
528.29	464.74
673.32	785.36
90.40	44.94
316.30	263.29
2,181.63	1,890.50
230.73	189.94
473.97	405.30
302.11	-
(302.11)	-
488.23	404.23
2.57	-
6.35	74.21
3,097.92	3,243.68
3,522.19	3,034.29
1,512.75	1,297.26
-	357.22
6,089.15	6,038.33
35,921.38	31,722.36

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

35: Earnings per share

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit for the year attributable to owners of the Company used in the calculation of basic/diluted earnings per share	16,761.22	29,745.77
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	8.62	15.30

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, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Agri Inputs	177,496.85	174,641.95	21,903.08	22,075.69
Others	3,349.48	2,178.35	513.05	133.56
Total for continuing operations	180,846.33	1,76,820.30	22,416.13	22,209.25

Other income	1,317.24	1,279.32
Exceptional items	-	15,839.16
Central administration cost and director fees & commission	(600.58)	(603.51)
Finance costs	(430.53)	(729.67)
Profit before tax	22,702.26	37,994.55

Note:

- Segment revenue consist of sales of products including excise duty.
- Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (31 March, 2017 ₹ 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.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Segment assets and liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017
Segment assets		
Agri Inputs	1,73,912.63	1,35,467.68
Others	2,034.09	2,032.34
Total segment assets	1,75,946.72	1,37,500.02
Assets classified as held for sale	1,264.90	576.30
Unallocated	22,647.54	35,194.77
Total assets	1,99,859.16	1,73,271.09

Particulars	As at 31 March, 2018	As at 31 March, 2017
Segment liabilities		
Agri Inputs	71,990.52	51,006.16
Others	174.41	110.41
Total segment liabilities	72,164.93	51,116.57
Unallocated	8,526.24	10,995.03
Total liabilities	80,691.17	62,111.60

Details of capital expenditure incurred

Particulars	As at 31 March, 2018	As at 31 March, 2017
Agri Inputs	5,430.42	3,812.79
Others	14.87	444.73
Unallocated	-	-
Total	5,445.29	4,257.52

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, 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, 2018	For the year ended 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
India	1,31,255.55	1,29,873.38	74,668.75	74,754.63
Asia (Other than India)	33,633.38	33,645.91	-	-
North America	5,430.90	3,157.47	-	-
South America	4,470.52	2,678.16	-	-
Africa	3,014.28	2,524.32	-	-
Europe	482.48	1,509.26	-	-
Australia	919.26	567.85	-	-
	1,79,206.37	1,73,956.35	74,668.75	74,754.63

* Non-current assets exclude those relating to financial assets and deferred tax assets.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2017-18 and 2016-17.

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 Statement of Profit and Loss during the year is ₹ 762.04 lakhs (31 March, 2017 ₹ 620.61 lakhs) net of amount recovered from employees ₹ 5.11 lakhs (31 March, 2017 ₹ 16.73 lakhs). Disclosures in respect of non-cancellable leases are given below:

Amounts recognised as an expense

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Minimum lease payments	762.04	620.61
Total	762.04	620.61

Non-cancellable operating lease commitments

Particulars	As at 31 March, 2018	As at 31 March, 2017
Not later than 1 year	639.50	615.41
Later than 1 year and not later than 5 years	690.42	864.43
Later than 5 years	-	-
Total	1,329.92	1,479.84

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	Future value of minimum lease payments		Present value of minimum lease payments	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Not Later than one year	9.78	11.41	9.35	11.36
Later than one year and not later than five years	23.79	31.12	19.47	25.54
Later than five years	-	2.44	-	1.65
	33.57	44.97	28.82	38.55
Less: interest element of minimum lease payments	(4.75)	(6.42)	-	-
Present value of minimum lease payments	28.82	38.55	28.82	38.55

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 2018 ₹ 408.76 lakhs (31 March 2017 ₹ 365.23 lakhs).

Notes to the consolidated financial statements for year ended 31 March, 2018
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) and a supplemental pay scheme (a life long pension). The gratuity scheme covers substantially all regular employees, while supplemental pay plan covers certain former executives. In the case of the gratuity scheme, the Group contributes funds to Gratuity Trust, which is irrevocable, while the supplemental pay scheme is 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, 2018	For the year ended 31 March, 2017
Discount rates	7.40% to 7.78% p.a.	7.00% to 7.29% 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)*	8.61 Years	8.86 Years
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	6 Years to 13 Years	7 Years to 15 Years

*Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Amount recognised in 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, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Service cost:				
Current service cost	321.35	257.84	-	-
Net interest expense	17.06	20.09	126.72	136.13
Components of defined benefit costs recognised in profit or loss	338.41	277.93	126.72	136.13
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	105.36	(70.42)	-	-
Actuarial (Gain)/Losses arising from changes in demographic assumptions	(6.67)	-	-	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	(106.48)	152.40	(48.85)	82.12
Actuarial (Gain)/Losses arising from experience adjustments	(146.45)	(76.78)	(38.25)	(19.96)
Components of defined benefit costs recognised in Other Comprehensive Income	(154.24)	5.20	(87.10)	62.16
Total	184.17	283.13	39.62	198.29

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the 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, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Present value of funded defined benefit obligations	2,983.93	2,856.39	1,627.34	1,738.31
Fair value of plan assets	2,855.19	2,638.24	-	-
Funded Status [Deficit/(Surplus)]	128.74	218.15	1,627.34	1,738.31
Additional provision created	8.49	3.90	-	-
Net liability arising from defined benefit obligation	137.23	222.05	1,627.34	1,738.31

Movements in the present value of the defined benefit obligation are as follows

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Opening defined benefit obligation	2,856.39	2,487.99	1,738.31	1,693.16
Current service cost	321.35	257.83	-	-
Interest cost	207.19	200.65	126.72	136.13
Remeasurement (Gain)/Losses:				
Actuarial (Gain)/Losses arising from changes in demographic assumptions	(6.67)	-	-	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	(103.99)	170.89	(48.85)	82.12
Actuarial (Gain)/Losses arising from experience adjustments	(146.17)	(76.54)	(38.25)	(19.95)
Benefits paid	(144.17)	(184.43)	(150.59)	(153.15)
Closing defined benefit obligation	2,983.93	2,856.39	1,627.34	1,738.31

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Movements in the fair value of the plan assets are as follows

Particulars	Gratuity		Supplemental pay	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Opening fair value of the plan assets	2,638.24	2,287.75	-	-
Interest income	190.15	180.77	-	-
Remeasurement gain (loss):				
Return on plan assets (excluding amounts included in net interest expense)	(105.36)	88.42	-	-
Actuarial gain/(loss)	2.08	0.50	-	-
Contributions from the employer	274.25	265.23	-	-
Benefits paid	(144.17)	(184.43)	-	-
Closing fair value of plan assets	2,855.19	2,638.24	-	-

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"), HDFC Standard Life Insurance Company Limited ("HSLIC") and Kotak Life Insurance.

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, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Cash and cash equivalents	8.65	2.57	-	-
Equity investments categorised by industry type:				
Consumer industry	-	0.13	-	-
Manufacturing industry	1.86	1.61	-	-
Financial institutions	0.71	0.57	-	-
IT and telecom	0.14	0.15	-	-
Subtotal	2.71	2.46	-	-
Debt investments categorised by issuers credit rating:				
Sovereign	667.08	766.37	-	-
AAA	1,330.95	1,243.94	-	-
AA+ and below	70.41	31.64	-	-
Subtotal	2,068.44	2,041.95	-	-
Investment funds with insurance Group				
Unit linked	-	282.44	-	-
Traditional / non unit linked	775.39	79.66	-	-
	775.39	362.10	-	-
Others - LIC managed fund	-	229.17	-	-
Total	2,855.19	2,638.25	-	-

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 ₹ 323.55 lakhs (increase by ₹ 369.46 lakhs) (31 March, 2017: decrease by ₹ 337.33 lakhs (increase by ₹ 386.80 lakhs).
2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 251.27 lakhs (decrease by ₹ 223.99 lakhs) (31 March, 2017: increase ₹ 259.49 lakhs (decrease by ₹ 230.06 lakhs).

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All amounts are in ₹ lakhs unless otherwise stated

3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 38.44 lakhs (decrease by ₹ 38.94 lakhs) (31 March, 2017: increase ₹ 41.03 lakhs (decrease by ₹ 41.55 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.

The Group expects to make a contribution of ₹ 184.50 lakhs (31 March, 2017 ₹ 282.05 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, 2018 as follows:

Particulars	Defined benefit obligations
As at 31 March	
2019	395.85
2020	267.22
2021	374.99
2022	380.36
2023	407.33
Thereafter	1,958.58

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 2018 and 31 March 2017.

The details of provident fund and plan asset position are given below:

Particulars	As at 31 March, 2018	As at 31 March, 2017
Plan assets as period end	7,112.52	6,177.40
Present value of funded obligation	6,764.91	5,832.66
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Guaranteed rate of return	8.65%	8.65%
Discount rate for remaining term to maturity of investments	7.78%	7.29%
Expected rate of return on investments	7.99%	8.05%

As at 31 March, 2018, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 7,112.52 lakhs and ₹ 6,764.91 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.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

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 ₹ 213.29 lakhs (31 March, 2017 ₹ 202.21 lakhs) has been recognised in the statement of profit and loss on account of provision for long-term employment benefit.

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, 2018	As at 31 March, 2017
Debt (i)	2,463.35	3,899.23
Cash and bank balances	(3,339.19)	(935.56)
Net debt	(875.84)	2,963.67
Total equity	1,19,167.99	1,11,159.49
Net debt to equity ratio	-0.73%	2.67%

(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 provides the fair value measurement hierarchy of the Group's financial assets that are measured at fair value or where fair value disclosure is required as at 31 March, 2018:

Particulars	Total	Carrying Amount			Total	Fair value measurement using		
		FVTPL	FVTOCI	Amortised cost		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets								
Cash and cash equivalents	2,892.61	-	-	2,892.61	2,892.61	-	-	2,892.61
Bank balances other than above	446.58	-	-	446.58	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 (current & non-current)	941.82	-	-	941.82	941.82	-	-	941.82
Other non current financial assets	58.65	-	-	58.65	58.65	-	-	58.65
Trade receivables	39,967.30	-	-	39,967.30	39,967.30	-	-	39,967.30
Other current financial assets	561.71	171.02	-	390.69	561.71	-	171.02	390.69

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

Particulars	Total	Carrying Amount			Total	Fair value measurement using		
		FVTPL	FVTOCI	Amortised cost		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities								
Non-current borrowings	1,987.78	-	-	1,987.78	1,987.78	-	-	1,987.78
Current borrowings	14.59	-	-	14.59	14.59	-	-	14.59
Trade payables	53,061.68	-	-	53,061.68	53,061.68	-	-	53,061.68
Other current financial liabilities	9,010.32	-	-	9,010.32	9,010.32	-	-	9,010.32

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The following table provides the fair value measurement hierarchy of the Group's financial assets that are measured at fair value or where fair value disclosure is required as at 31 March, 2017:

Particulars	Total	Carrying Amount			Total	Fair value measurement using		
		FVTPL	FVTOCI	Amortised cost		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets								
Cash and cash equivalents	522.79	-	-	522.79	522.79	-	-	522.79
Bank balances other than above	412.77	-	-	412.77	412.77	-	-	412.77
Non-current investments	1,870.06	-	1,870.06	-	1,870.06	0.76	1,828.60	40.70
Current investments	22,052.25	22,052.25	-	-	22,052.25	-	22,052.25	-
Loans (current & non-current)	802.93	-	-	802.93	802.93	-	-	802.93
Other non current financial assets	60.84	-	-	60.84	60.84	-	-	60.84
Trade receivables	26,374.23	-	-	26,374.23	26,374.23	-	-	26,374.23
Other current financial assets	66.67	-	-	66.67	66.67	-	-	66.67
Financial liabilities								
Non-current borrowings	2,439.93	-	-	2,439.93	2,439.93	-	-	2,439.93
Current borrowings	1,248.85	-	-	1,248.85	1,248.85	-	-	1,248.85
Trade payables	32,860.37	-	-	32,860.37	32,860.37	-	-	32,860.37
Other current financial liabilities	7,999.34	59.02	-	7,940.32	7,999.34	-	59.02	7,940.32

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

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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
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

Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening balance	40.70	40.70
Remeasurement recognised in OCI	-	-
Purchases	337.64	-
Sales	-	-
Closing balance	378.34	40.70

The Group determined the fair value measurements of investments –unquoted categorized in Level 2 based on price agreed in a sale transaction between unrelated parties.

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.

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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, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
In US Dollars (USD)	201.64	122.44	205.73	117.25
In Australian Dollars (AUD)	0.01	-	18.11	-
In Euro (EUR)	-	-	0.59	0.46
In Japanese Yen (JPY)	4,939.75	1,120.50	-	-
In Great Britain Pound (GBP)	0.03	-	-	0.06

Particulars	Liabilities (INR)		Assets (INR)	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
In US Dollars (USD)	13,141.86	7,940.23	13,408.43	7,603.84
In Australian Dollars (AUD)	0.34	-	906.06	-
In Euro (EUR)	-	-	47.47	31.87
In Japanese Yen (JPY)	3,038.19	649.89	-	-
In Great Britain Pound (GBP)	2.54	-	-	4.85

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, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	13.32	(16.02)
Decrease in exchange rate by 5%	(13.32)	16.02

Particulars	AUD impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	45.29	-
Decrease in exchange rate by 5%	(45.29)	-

Particulars	EUR impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	2.37	1.59
Decrease in exchange rate by 5%	(2.37)	(1.59)

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Particulars	JPY impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	(151.91)	(32.50)
Decrease in exchange rate by 5%	151.91	32.50

Particulars	GBP impact	
	As at 31 March, 2018	As at 31 March, 2017
Increase in exchange rate by 5%	(0.13)	0.24
Decrease in exchange rate by 5%	0.13	(0.24)

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, 2018			As at 31 March, 2017		
	Number of contracts	₹ lakhs	Foreign currency in lakhs	Number of contracts	₹ lakhs	Foreign currency in lakhs
Receivables	1	411.32	USD 6.31	-	-	-
Payable	4	2,997.14	JPY 4,873.00	2.00	649.91	JPY 1,120.50

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.

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At the end of reporting period, the Group had the following long-term variable interest rate borrowings:

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-current variable interest rate borrowings	1739.99	1922.05
Non-current fixed interest rate borrowings	138.55	149.62

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period as mentioned in note 19, 20 and 21.

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.

In addition, during the previous year, the Group 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 has been released during the current year on 5 October, 2017. The Group's maximum exposure in this respect is ₹ Nil lakhs as at 31 March, 2018 (as at 31 March, 2017: ₹ 4,560.30 lakhs) as disclosed in contingent liabilities (refer note 41).

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	5+ years	Total	Carrying amount
As at 31 March, 2018					
Borrowings including future interest payable	452.58	1,804.70	510.06	2,767.34	2,454.87
Trade payables	53,061.68	-	-	53,061.68	53,061.68
Other financial liabilities	8,549.34	-	-	8,549.34	8,549.34
	62,063.60	1,804.70	510.06	64,378.36	64,065.89

Notes to the consolidated financial statements for year ended 31 March, 2018
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Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying amount
As at 31 March, 2017					
Borrowings including future interest payable	1,436.64	1,989.29	960.83	4,386.76	3,899.23
Trade payables	32,860.37	-	-	32,860.37	32,860.37
Other financial liabilities	7,788.89	-	-	7,788.89	7,788.89
	42,085.90	1,989.29	960.83	45,036.02	44,548.49

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, 2018	As at 31 March, 2017
Tata Chemical Ltd.	India	50.06%	50.06%

2. List of subsidiaries

Name of subsidiaries	Country	Holding	
		As at 31 March, 2018	As at 31 March, 2017
Direct			
Rallis Chemistry Exports Ltd.	India	100.00%	100.00%
Metahelix Life Science Ltd.	India	100.00%	100.00%
Zero Waste Agro Organics Ltd.	India	100.00%	100.00%
Indirect			
PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-17)	Indonesia	65.77%	65.77%

3. 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, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Holding Company				
Tata Chemical Ltd. *	(401.64)	3,570.07	636.99	574.17
Subsidiaries of Tata Sons Ltd.				
Tata Africa Services (Nigeria) Ltd.	478.29	564.04	-	-

* 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.

4. Service transactions

Particulars	Services rendered		Services received	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Holding Company				
Tata Chemical Ltd.	74.19	110.69	0.89	-
Investor of Holding Company				
Tata Sons Ltd.	-	-	229.71	354.02
Subsidiaries Tata Sons Ltd.				
Tata AIG General Insurance Co. Ltd.	-	-	19.22	19.77

Notes to the consolidated financial statements for year ended 31 March, 2018
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Particulars	Services rendered		Services received	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Tata Consultancy Services Ltd.	-	-	314.56	187.82
Ecofirst Services Limited	-	-	4.93	-
Advinus Therapeutics Ltd.*	6.93	12.97	20.58	95.99
TC Travels & Services Ltd.	-	-	0.12	-
Tata Teleservices Limited	-	-	14.06	-
Tata Capital Financial Services Ltd.	-	-	1.58	11.67
Tata Capital Forex Ltd.	-	-	-	4.91
Tata Africe Services (Nigeria) Limited	-	-	0.26	-
Infiniti Retail Ltd.	-	-	-	4.59

*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.

5. Investment transactions

Particulars	Purchase of investement		Sale of investement	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Impetis Biosciences Limited (w.e.f. 05.10.2017)	337.63	-	-	-
Advinus Therapeutics Ltd.	-	-	1,828.60	-

6. Other -Dividend payments

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Holding Company		
Tata Chemical Ltd.	3,650.31	2,433.54
Subsidiaries of Tata Sons Ltd.		
Ewart Investments Limited	2.81	1.88

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, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Holding Company				
Tata Chemical Ltd.	-	112.05	17.79	458.00
Investor of Holding Company				
Tata Sons Ltd.	-	-	-	198.18
Subsidiaries Tata Sons Ltd.				
Tata Africa Services (Nigeria) Ltd.	-	177.05	-	-
Tata AIG General Insurance Co. Ltd.	0.44	0.73	-	-
Tata Consultancy Services Ltd.	-	-	6.67	29.18
Advinus Therapeutics Ltd.	-	12.97	-	-
Tata Teleservices (Maharashtra) Limited	-	-	0.24	-

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The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken other than guarantee disclosed 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.

During the previous year, 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 has been released during the current year on Dt. 5 October, 2017. The Group's maximum exposure in this respect is ₹ NIL as at 31 March, 2018 (31 March, 2017: ₹ 4,560.30 lakhs,) as disclosed in contingent liabilities (refer note 41).

7. Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Short term Benefits	704.46	731.98
Post-Employment benefits (PF and Superannuation)	25.68	23.05

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. The same excludes gratuity and compensated absence.

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.

Guarantees

During the previous year, 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. The Group's maximum exposure in this respect is ₹ Nil lakhs at 31 March, 2018 (31 March, 2017: ₹ 4,560.30 lakhs).

Guarantees issued by bank on behalf of the Group as on 31st March, 2018 is ₹ 273.40 lakhs (As at 31st March, 2017 ₹ 165.21 lakhs) these are covered by the charge created in favour of the said Group's bankers by way of hypothecation of stock and debtors

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, 2018	As at 31 March, 2017
Sales tax	1,372.84	1,950.30
Excise duty	525.70	433.03
Customs duty	144.10	144.10
Income tax	9,411.76	11,756.32
Service tax	60.26	90.81
Property cases	-	47.36

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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.

Amount in respect of other claims

Nature of claim	As at 31 March, 2018	As at 31 March, 2017
Matters relating to employee benefits	103.11	103.11
Others (claims related to contractual disputes)	500.82	456.91

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 could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period.

42: Commitments

- (i) Estimated amount of contract with minimum commitment for plant activity ₹ 3,399 lakhs (31 March 2017 ₹ 1,030.00 lakhs).
- (ii) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 525.94 lakhs as at 31 March, 2018 (31 March, 2017: ₹ 317.82 lakhs) and Intangible assets is ₹ 89.05 lakhs as at 31 March, 2018 (31 March, 2017: ₹ 48.28 lakhs) against which advances paid aggregate ₹ 53.50 lakhs as at 31 March, 2018 (31 March, 2017: ₹ 84.59 lakhs).
- (iii) Capital commitment towards investment in PT. Metahelix Lifesciences Indonesia ₹ 119.76 lakhs (31 March 2017 ₹ Nil).
- (iv) During the previous year, the Company exercised its call option on 19,421 equity shares of Zero Waste Agro Organics Limited ("ZWAOL") on 23 November, 2016 at an aggregate cost of ₹ 1,948.84 lakhs. The commitments in the form of put option granted to the erstwhile owners of 73,645 equity shares in ZWAOL stand extinguished.
- (v) During the previous year 2015-16, the Company had agreed to assign its leasehold rights in a property at Turbhe Navi Mumbai, for a gross consideration of ₹ 21,393.00 lakhs to Ikea India Private Limited. The arrangement was subject to the Company obtaining necessary approvals under various regulations in respect of which the Company was liable to make payment aggregating to ₹ 9,778.19 lakhs against which the Company was entitled for reimbursement of ₹ 4,400.19 lakhs.
- (vi) For lease commitments refer note no 37.

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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, 2018	For the year ended 31 March, 2017
On Property, plant and equipment	91.65	145.05
On items which have been expensed during the year		
- Materials	163.79	283.05
- Employee benefits expense	1,701.27	1,527.21
- Professional fees	244.53	197.11
- Consumables	125.94	97.50
- Finance costs	1.05	0.14
- Travelling expenses	108.75	95.82
- Rent	38.28	39.78
- Depreciation and amortisation expense	400.71	515.73
- Others	379.67	367.98
Expenses - External agency	20.85	77.89
Total	3,276.49	3,347.26

During the year the Group has also incurred ₹ 43.58 lakhs (31 March, 2017 ₹ Nil) 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, 2018 is ₹ 1,234.39 lakhs (31 March, 2017 ₹ 1,198.74 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).

44: Other expenses include Auditors' Remuneration as under:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
To statutory auditors		
For audit	57.81	100.06
For limited review of quarterly results	15.00	30.00
For taxation matters	5.00	25.76
For other services	5.52	67.20
Reimbursement of expenses	2.18	4.08

Recoverable taxes which is being claimed for set-off as input credit has not been included in the expenditure above. Auditors' Remuneration for the previous year represents for erstwhile auditors'.

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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, 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
Parent Rallis India Ltd.	98.92%	1,17,884.68	84.71%	14,148.59	48.75%	(15.85)	84.78%	14,132.74
Subsidiaries (Group's share) Indian Metahelix Life Sciences Ltd.	9.19%	10,957.24	14.34%	2,395.59	20.39%	(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
Foreign PT. Metahelix Lifesciences Indonesia	0.09%	110.63	-0.36%	(59.53)	-	-	-0.36%	(59.53)
Total Eliminations/ Adjustments	-9.55%	(11,376.19)	0.14%	22.89	-	(10.53)	0.07%	12.36
Exchange differences on translation of foreign operations	-0.01%	(10.53)	-	-	-	-	-	-
Total	100.00%	1,19,167.99	100.00%	16,701.69	67.61%	(32.51)	100.00%	16,669.18

b) As at and for the year ended 31 March, 2017

Name of the entity in the Group	As at 31 March, 2017		For the year ended 31 March, 2017		For the year ended 31 March, 2017		For the year ended 31 March, 2017	
	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
Parent Rallis India Ltd.	101.24%	1,12,539.72	89.55%	26,603.40	91.98%	(46.88)	89.55%	26,556.52
Subsidiaries (Group's share) Indian Metahelix Life Sciences Ltd.	7.71%	8,568.28	10.89%	3,233.61	8.48%	(4.32)	10.89%	3,229.29
Zero Waste Agro Organics Ltd.	1.28%	1,425.50	0.02%	6.13	-1.02%	0.52	0.02%	6.65
Rallis Chemistry Exports Ltd.#	-0.02%	(16.94)	0.00%	0.91	-	-	0.00%	0.91
Foreign PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-17)	0.04%	43.06	-0.14%	(42.97)	-	-	-0.14%	(42.97)
Total Eliminations/ Adjustments	-10.26%	(11,400.13)	-0.32%	(94.11)	0.57%	(0.29)	-0.32%	(94.40)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
Total	100.00%	1,11,159.49	100.00%	29,706.97	100.00%	(50.97)	100.00%	29,656.00

*Net assets = total assets minus total liabilities

less than 0.01%

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

46: Disclosure pursuant to Section 186 of the Companies Act, 2013

(a) Details of investments 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

There are no purchase and sale transactions during the previous year. Hence no disclosure is required.

(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	-
	Year ended 31 March, 2017	-	4,560.30	-	4,560.30

47: During the previous year, the Group had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30, March 2017 on the details of SBN held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination wise SBNs and other notes as per the notification is given below

Particulars	SBNs	Other Demonetisation Notes	Total
Closing cash in hand as on 8 November, 2016 *	6.64	2.33	8.97
(+) Permitted receipts	-	11.65	11.65
(-) Permitted payments	0.04	10.73	10.77
(-) Amount deposited in Banks	6.60	0.01	6.61
Closing cash in hand as on 30 December, 2016	-	3.24	3.24

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated the 8 November, 2016.

*The above balance includes cash in hand of ₹ 2.25 lakhs relates to SBN, held by employees as at 8 November, 2016 which was accounted and deposited on 19 November, 2016.

48: During the previous year, exceptional item comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai. The profit is net of costs including a premium levied, under the repealed Urban Land (Ceiling and Regulation) Act, 1976 which has been paid under protest.

Notes to the consolidated financial statements for year ended 31 March, 2018
All amounts are in ₹ lakhs unless otherwise stated

- 49:** Prior period figures have been audited by a firm of Chartered Accountants other than B S R & Co. LLP
- 50:** Consequent to the issuance of "Guidance Note on Division II -Ind AS Schedule III to the Companies Act ,2013 ", certain items of financial results have been regrouped/reclassified.
- 51:** During the year ended 31 March, 2018, the Board of Directors of the Group has 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 approval of the National Company Law Tribunals.
- 52: Subsequent event**
The Board of Directors at its meeting held on 26 April, 2018 has recommended a dividend of ₹ 2.50 per equity share (31 March, 2017 ₹ 3.75 per equity share), subject to shareholders approval at annual general meeting.

As per our attached report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

ANIRUDDHA GODBOLE
Partner
Membership No. 105149

Mumbai, 26 April, 2018

PRAKASH R. RASTOGI
(DIN: 00110862)

R. MUKUNDAN
(DIN: 00778253)

Y. S. P. THORAT
(DIN: 02652734)

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 Ltd.

BHASKAR BHAT
(DIN: 00148778)

Chairman

V. SHANKAR
(DIN: 01385240)

Managing Director &
Chief Executive Officer

ASHISH MEHTA
(M. No. 53039)

Chief Financial Officer

P. S. MEHERHOMJI
(M. No. F4302)

Company Secretary

Mumbai, 26 April, 2018



FINANCIAL STATISTICS

Year-end Financial Position	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Fixed Assets	37,554	37,313	36,608	33,977	40,775	39,866	40,243	36,761	26,478	18,766
Deferred Tax Asset/(Liability)	(4,053)	(4,982)	(3,579)	(3,252)	(3,301)	(2,864)	(1,308)	(323)	535	1,016
Investments	38,969	53,403	30,497	23,162	21,878	19,348	18,094	15,193	14,028	13,615
Net Non current Assets	8,523	9,002	12,138	13,025	8,577	5,133	7,227	8,470	-	-
Total	80,994	94,736	75,664	66,911	67,929	61,483	64,256	60,101	41,040	33,397
Current Assets	86,867	53,815	50,089	55,198	41,008	38,749	35,657	33,877	32,450	34,727
Current Liabilities	47,855	33,855	30,324	31,884	33,629	29,654	32,990	34,406	30,400	25,914
Net Current Assets	39,012	19,959	19,765	23,313	7,380	9,095	2,668	(529)	2,050	8,813
TOTAL CAPITAL EMPLOYED	1,20,006	1,14,695	95,430	90,225	75,308	70,578	66,924	59,572	43,090	42,210
Capital	-	-	-	-	-	-	-	-	-	8,800
- Preference	-	-	-	-	-	-	-	-	-	-
- Equity	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,296	1,198
Total	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,296	9,998
Reserves	1,15,940	1,10,595	89,890	80,742	69,380	60,204	53,420	48,391	40,983	24,869
Less: Miscellaneous Expenditure	-	-	-	-	-	-	-	-	-	713
Net Worth	1,17,885	1,12,540	91,835	82,687	71,324	62,149	55,365	50,336	42,279	34,155
Borrowings	15	10	208	4,277	1,642	-	3,122	972	161	2,455
- Short term	2,107	2,146	3,387	3,261	2,341	8,429	8,437	8,265	650	5,600
- Long term	2,121	2,155	3,595	7,538	3,983	8,429	11,559	9,236	811	8,055
Total	1,20,006	1,14,695	95,430	90,225	75,308	70,578	66,924	59,572	43,090	42,210
TOTAL SOURCES										
Summary of Operations										
Revenue from operations	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	89,271
Other Income	893	1,051	466	172	576	1,145	750	3,436	2,882	2,262
Total Income	1,52,487	1,50,090	1,39,138	1,59,804	1,62,720	1,42,130	1,25,430	1,14,758	94,734	91,533
Expenses										
Materials consumed	86,701	79,601	73,702	88,453	93,334	83,419	70,893	62,824	50,339	50,557
Personnel cost	12,565	11,401	10,245	10,354	8,869	7,784	8,033	6,958	7,498	7,274
Excise duty	1,752	10,468	9,868	10,369	10,272	9,480	7,882	8,230	6,000	7,291
Finance Cost	329	267	792	479	805	1,251	1,037	332	267	326
Depreciation	4,057	4,218	3,783	4,459	3,597	2,881	2,711	1,716	1,831	2,295
Other expenses	27,957	24,042	24,231	25,116	24,938	19,979	18,146	16,340	13,580	13,190
Total	1,33,361	1,29,997	1,22,620	1,39,229	1,41,816	1,24,794	1,08,702	96,400	79,515	80,932
Profit before tax and prior year adjustment and exceptional item	19,126	20,094	16,518	20,575	20,904	17,335	16,728	18,357	15,219	10,601
Exceptional item: Cessation Cost	-	-	-	-	-	-	1,719	-	-	-
Exceptional item: Sale of Turbhe Plant	-	15,839	-	-	-	-	-	-	-	-
Profit before tax	19,126	35,933	16,518	20,575	20,904	17,335	15,009	18,357	15,219	10,601
Tax	4,977	9,329	3,902	6,034	6,268	5,397	4,870	5,736	5,116	3,472
Profit after tax	14,149	26,603	12,616	14,542	14,636	11,938	10,139	12,621	10,104	7,129
Other comprehensive income (net of taxes)	(16)	(47)	32	-	-	-	-	-	-	-
Total comprehensive income	14,133	26,557	12,648	14,542	14,636	11,938	10,139	12,621	10,104	7,129
IMPORTANT RATIOS										
Current Assets : Liabilities	1.8	1.6	1.7	1.7	1.2	1.3	1.1	1.0	1.1	1.3
Debt : Equity	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.0	0.2
PBT/Turnover %	12.6	13.5	11.9	12.9	12.9	12.3	13.4	16.5	16.6	11.9
Return (PBIT) on Capital Employed %	16.2	17.8	18.1	23.3	28.8	26.3	26.5	31.4	35.9	25.9
Dividend (per share)	3.8	3.8	2.5	2.5	2.4	2.3	2.2	2.0	18.0	16.0
Earnings (per share)*	14	14	6	7	8	6	5	65	52	53
Net Worth (per share)*	61	58	47	43	37	32	28	259	326	212

Previous years figures have been regrouped, wherever necessary.
 * Earnings Per Share and Net Worth per share for 2012 is after stock split.

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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 our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
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

RALLIS INDIA LIMITED
Corporate Identity No. 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 SEVENTIETH ANNUAL GENERAL MEETING of the Company, to be held on Monday, the 2nd July, 2018 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 the following resolutions:

*I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements, Board's and Auditors' Reports for the Financial Year ended 31st March, 2018		
2.	Adoption of Audited Consolidated Financial Statements and Auditors' Report for the Financial Year ended 31st March, 2018		
3.	Declaration of dividend for the year 2017-18 on Equity Shares		
4.	Re-appointment of Mr. R. Mukundan, who retires by rotation		
Special Business			
5.	Appointment of Mr. John Mulhall as Director		
6.	Payment of Commission to Non- Whole-time Directors of the Company		
7.	Ratification of Cost Auditors' remuneration		

Signed this _____ day of _____ 2018

Signature of Shareholder: _____

Signature of Proxy holder _____

Affix
Revenue
Stamp

NOTES:

1. This form of Proxy, in order to be effective, should be duly completed 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 SEVENTIETH ANNUAL GENERAL MEETING of the Company.

The year in retrospect



Directors' Visit - Model Tribal School (Dahej)



Jal Dhan - Latur



Award by IMC RBNQA for Innovative Best Practice - Rallis Samrudh Krishi®



Registered Office:

156/ 157 15th Floor Nariman Bhavan
227 Nariman Point Mumbai 400 021
CIN: L36992MH1948PLC014083
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