RALLIS INDIA LIMITED

June 9, 2020

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: **500355**

National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex Bandra (E)
Mumbai – 400 051
Symbol: **RALLIS**

Dear Sir/Madam,

Sub: Annual Report under Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in furtherance to our letters dated May 22, 2020 and June 6, 2020, wherein the Company had informed that the 72nd Annual General Meeting ('AGM') of the Company will be held on **Friday, July 3, 2020 at 3.00 p.m. (IST)** via two-way Video Conference / Other Audio Visual Means only, in accordance with the General Circular issued by Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020.

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2019-20, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent.

The same is also available on the website of the Company at https://www.rallis.co.in/AnnualReports.htm.

This is for your information and records.

Thanking you,

Yours faithfully,
For Rallis India Limited

Yash Sheth
Company Secretary

Encl: As above

RALLIS INDIA LIMITED
A TATA Enterprise

Accelerating Farm Prosperity

72nd Annual Report **2019-20**

What's Inside

72nd Annual General Meeting
Friday, July 3, 2020 at 3.00 p.m. (IST)
Through Video Conference facility

About the Report

Our Approach to the Adoption of Integrated Reporting

The Integrated Report <IR> embraces the holistic reporting approach as suggested by the International Integrated Reporting Council (IIRC) and the Securities and Exchange Board of India's (SEBI) circular dated February 6, 2017. While <IR> is not yet statutorily mandated, Rallis India Limited (Rallis) has voluntarily commenced its <IR> journey as part of its constant endeavour towards transparency and disclosures beyond statutory norms. <IR> enhances and enriches reporting primarily due to its (i) wider focus on creating value for all stakeholders and (ii) utilisation and interlinkages of multiple capitals in the value creation process.

Scope and Boundary of Reporting and Reporting Period

The Report covers financial and non-financial information and activities of Rallis for the period April 1, 2019 to March 31, 2020. While the financial information has been audited by B S R & Co., LLP, Chartered Accountants, the non-financial information are assured by Ernst & Young Associates LLP. The assurance certificate is available on the Company's website at **https://www.rallis.co.in/AssuranceStatement.htm**.

Reporting Principles

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

Forward-looking Statements

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

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

To view / download this report online and for any other information log on to **https://www.rallis.co.in/AnnualReports.htm**

Accelerating Farm Prosperity

Our business strategy and value system keep farmers at the centre and empower them with knowledge about best practices, superior crop yield, and new ways to augment their income. For the past 7 decades, we have been meeting their composite needs across the lifecycle of crops.

As more and more farmers come under the Rallis umbrella of innovative agri-inputs and continuous learning, we continue to drive farm prosperity and maximise value creation.

Through science and technology, including digital technology, we develop new products and services that help farmers increase their yield and support India's agricultural growth. With this approach, we not only contribute to food security and improved nutrition for a rising population, but also address concerns about the sustainability of modern agriculture.

OUR SUPPLY CHAIN

Crop Care

3,812
Dealers

47,377
Retailers

28
Depots

12
Regional Offices

Seeds

2,600
Dealers

40,000
Retailers

18
Depots

16
Regional Offices

70*
Export Locations

1,610*
Number of Employees

8.73*
Man-Hours/ Employee Spent on Safety Training (Coverage is 100%)

OUR FINANCIAL SCORECARD

*(For the year ended March 31, 2020)***

₹ 2,252 crore
Revenue

₹ 259 crore
EBITDA

₹ 237 crore
Operating Profit-PBT (AEI)

₹ 9.51
Earnings Per Share

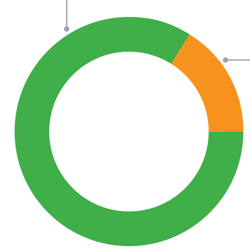
*Aggregate for Crop Care and Seeds
** Consolidated

Serving Farmers through Science

Rallis India Limited ('Rallis' or 'the Company') is a subsidiary of Tata Chemicals Limited and a part of the US$ 113 billion Tata Group. With business presence in Agri-Sciences, we supply farmers with innovative products across the agricultural value chain and impart knowledge on the safe and optimal use of these products.

We are one of India's leading crop care companies, providing agricultural solutions to more than 5 million farmers across 80% of the nation's districts. Our products are manufactured through our in-house research and development, and in association with global innovators. We have nearly 7 decades of experience of servicing rural markets with the most comprehensive portfolio of products and solutions.

Business Divisions



1. Crop Protection
   a. Domestic Formulation
   b. International Business Division (AI, Formulation and Contract Manufacturing)
2. Crop Nutrition
   a. Soil Conditioners (GeoGreen)
   b. Plant Growth Nutrients
   c. Foliar Application and Fertigation

**Revenue % for the year ended March 31, 2020*

Our Mission

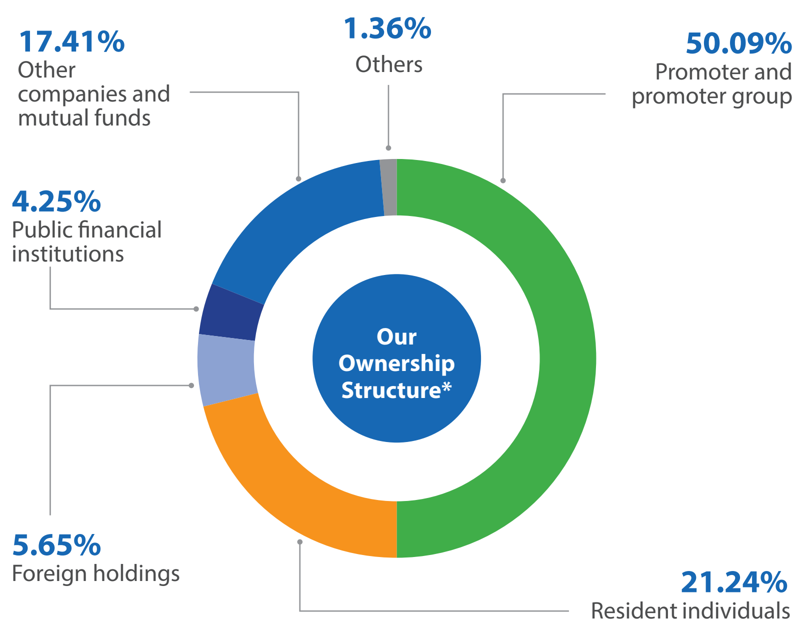
Serving Farmers through Science

Our Vision

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

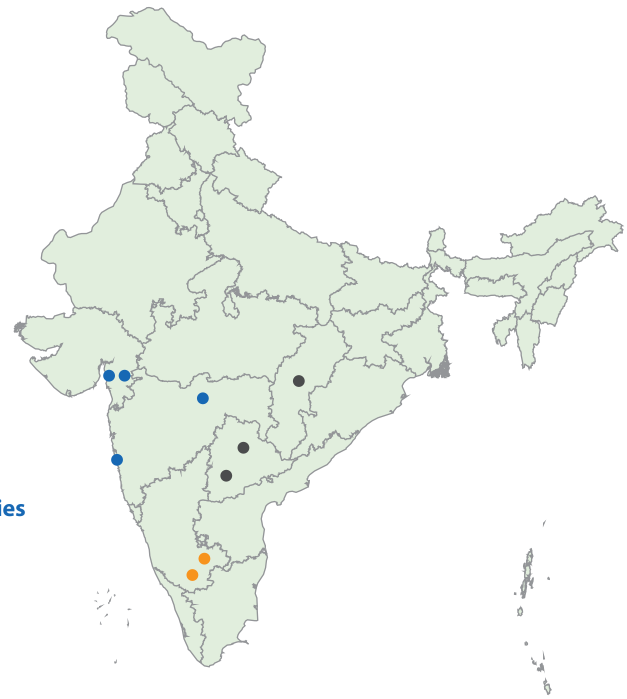
Our Values

- Safety
- Passion
- Integrity
- Customer Centricity
- Excellence



** as on March 31, 2020*

OUR FACILITIES



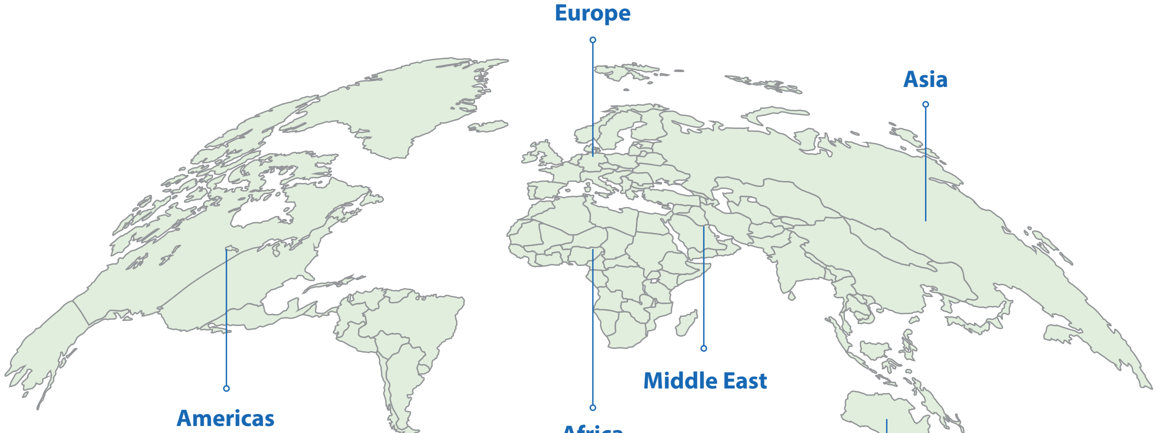
Manufacturing Facilities
- Ankleshwar, Gujarat
- Dahej, Gujarat
- Lote, Maharashtra
- Akola, Maharashtra

Processing and Drying Plants (Seeds)
- Malkajgiri District, Telangana
- Medak District, Telangana
- Durg District, Chhattisgarh

Innovation Centres
- Rallis Innovation Chemistry Hub (RICH), Bengaluru
- Agri-Biotech R&D Facility, Bengaluru

Map not to scale. For illustrative purposes only.

OUR GLOBAL MARKETS



Map not to scale. For illustrative purposes only.

Chairman's Message

Dear Shareholders,

It gives me pleasure to present to you the Rallis India Limited Annual Report 2019-20. While this was a year of extreme economic challenges for the world, a situation aggravated almost beyond measure by the unprecedented Covid-19 pandemic, your Company continued to play on its strengths and posted a stable financial performance.

The macro-economic factors that caused a slowdown in FY 2019-20 will continue in FY 2020-21, with the first half of Calendar Year (CY) 2020 completely dominated by the pandemic and the consequent lockdowns, and the US-China trade war still going on, two years after it began.

China's crackdown on polluting industries and safety incidents in chemical parks impacted supplies of critical inputs, and MNCs have been redrawing their supply strategies. In this scenario, India scaled higher to become the 5th largest economy in the world. It aspires to emerge as a US$ 5 trillion economy by CY 2024 and become the 3rd largest in the world. Although, it now appears that all national and global growth estimates may have to be revised in view of the pandemic.

During the year, delayed and unseasonal rainfall led to a flood-like situation across the country, adversely impacting the Kharif season but favourably impacting the Rabi season with good groundwater levels. The latest advance estimates for FY 2019-20 for total foodgrain production in India is estimated at record 295 million tonnes, higher by 10 million tonnes over the previous year.

Boosting agricultural growth is very important for India to achieve the US$ 5 trillion goal and ensuring food security. The Government has initiated actions, as per recommendations of various task forces, for doubling farmers' income by 2022. The Union Budget 2020-21 provides a 16-point action plan for fundamental development in agriculture and allied sectors.

Covid-19 developments

The Covid-19 outbreak from China was declared a pandemic by World Health Organisation in the last quarter of the financial year, causing a social and economic turbulence. We have taken actions to ensure safety, health and well-being of the larger Rallis family, our employees and their respective families. Your Company has supported the initiatives of various Central and State Government agencies and has also manufactured sanitizers to meet the growing demand. Rallis and Rallites have also extended their full-fledged support to various Tata Group initiatives on this front.

Rallites across the country have effectively adapted to the 'work from home' culture in preparation for the upcoming Kharif season. Initially, all our units were shut down, but we resumed operations after the Government of India declared agriculture to be an essential service. We have taken necessary precautions to protect all our employees.

While the Company management does foresee certain challenges in its supply chain activities, this may not have a significant impact on its operations in the coming season. The management is well aware of the fact that the current business environment may pose challenges in the near term, but it also provides opportunities in the short, medium, and long term.

On behalf of the Board and all our stakeholders, I appreciate the spirit of Rallites in upholding their social commitments in these testing times, as always.

Performance review

Consolidated revenue from operations at ₹ 2,252 crore reflects 13.5% year-on-year (YoY) growth over the previous year. EBITDA grew by 7.7% to reach ₹ 259 crore, and PAT at ₹ 184 crore recorded 18.7% YoY growth over the previous year. Sales spillover of the delayed Kharif and favourable Rabi crop season stoked demand and supported growth. The Company deployed several market-conducive strategies to expand the domestic business and foster strong growth in exports. Our stable performance was also backed by multiple levers, including dealer addition and planned capacity expansion.

Future growth agenda

India has come a long way in achieving self-sufficiency in food and is emerging as an important player in global trade of agricultural commodities. This is in spite of our relatively low productivity, compared to the global benchmark. One of the major reasons for this low productivity is the gap in adopting appropriate agriculture technologies, compared to leading agricultural economies. Seeds and Crop Protection are important elements driving agricultural productivity. This headroom for growth reflects the potential for Rallis not only in India but also overseas. Keeping this in mind, Rallis has coined its mission of 'Serving Farmers through Science', and our Vision is that 'We aspire to be among the top 3 leading enterprises by 2025 in the chosen areas within farm inputs and chemistry led-businesses'.

The near-term priority of Rallites is 'Repositioning Rallis for Leadership' and our growth strategy has been planned accordingly. The following elements reflect our growth agenda, while serving our customer, the farmer, for many years to come.

- Sustain current business by leveraging brand and manufacturing strength
- Investment for enhancing capacities and capabilities in manufacturing and R&D
- Agility across the organisation to enhance value offering to current and potential partners

The Board and the Tata Group are fully supportive of this growth agenda. Rallites are focussed to 'synergise, simplify and scale' and drive growth across the Company's business divisions, consisting of Domestic Crop Care, Seeds, and International Crop Protection Business.

The merger of our Metahelix Life Sciences Limited with the Company, seed business migration to SAP ECC 6, investment in research, manufacturing and digital initiatives such as Sales Force Automation, Dealer Management System, e-enabled HR Systems and Laboratory Information Management Systems, are some of the actions already initiated during the year.

Going ahead

The Covid-19 pandemic may have an extended impact, but as I mentioned earlier, this means opportunities as well as challenges. The Board, through its engagement with the management, will guide the Company in recalibrating its growth strategy to address these challenges and to make use of the new opportunities. On behalf of the Board, we seek support from each and every stakeholder to bring prosperity to one and all.

Before I conclude, I wish to thank all my Board Members, regulatory authorities, our management and employees and the larger stakeholder fraternity for their guidance and support.

Regards,

Bhaskar Bhat
Chairman

Business Review

CROP CARE

We are an agri-science Company engaged in developing and manufacturing of products and solutions to improve farm yield, soil health and farmers' income. Our Domestic Crop Care business comprises crop protection and crop nutrition which includes soil conditioners, plant growth nutrients and foliar and fertigation applications. In the International business, we are into the manufacturing and marketing of technical grade pesticides, bulk and branded formulations and chemistry-led contract manufacturing.

Highlights of FY 2020

- Revenue from domestic business stood at ₹ 1,167 crore in FY 2019-20 as against ₹ 998 crore in FY 2018-19
- Revenue from international business stood at ₹ 721 crore in FY 2019-20 as against ₹ 650 crore in FY 2018-19
- Registered growth in fungicides, insecticides and herbicides, driven by new launches
- Enjoyed enhanced market reach by adding a number of retailers and distributors

Key Focus Areas

Domestic Business

- Manufacturing and supplying of products across each stage of the crop cycle for enhancing agricultural yield, thereby increasing farmers' income
- Filling crop pest management gap with new product launches through R&D investments and strategic alliances
- Providing crop nutrition through plant growth nutrients, soil conditioners, and foliar application

International Business

- Strengthening alliances/partnerships, broadening product base and branded molecules
- Leveraging formulation development track record
- Building new partnerships and tie-ups with global innovators to expand business
- Accelerating the contract manufacturing portfolio
- Focussing on registrations in Latin America, North America, and Asia to increase revenue

Innovation Turnover Index (ITI)

- ITI of Fungicide increased from 6% in the previous year to 13% during the year, indicating how Rallis is bringing a proper balance to its current portfolio through innovation
- ITI of Insecticide portfolio grew from 13% to 20%, with strong entry in stem borer granule segment of paddy

We are also maximising our low-cost manufacturing advantage and nurturing customer relationships to continue to be known as a reliable supplier of top quality products.

SEEDS

Our R&D is focussed on coming up with quality hybrid seeds across a range of crops, and developing traits and technologies for better crop protection and improved productivity. The Company's hybrid seed solutions are sold under the 'Dhaanya' brand. Our agri-biotech research is currently focussed on herbicide tolerant (HT) and insect resistant (IR) traits in maize and cotton. Apart from this, the agri-biotech research team is engaged in marker assisted breeding in multiple crops to complement the conventional crop breeding research activities.

Highlights of FY 2020

- Revenue stood at ₹ 364 crore in FY 2019-20 as against ₹ 336 crore during FY 2018-19, an increase of 8.3%
- Seed procurement prices jumped with increase in Minimum Support Price
- Launched innovative products to fill portfolio gaps and enhance presence across segments
- Minimised production failures and enhanced quality delivery with improved planning

Performance across Six Capitals

FINANCIAL CAPITAL

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

Consolidated

Turnover	EBITDA	PAT	ROCE
₹ **2,252** crore	₹ **259** crore	₹ **184** crore	**16.3%**
RONW			
13.1%			

MANUFACTURED CAPITAL

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

4 Manufacturing Plants	**9,401** MT Technical grade crop care products manufactured	**16,833** KL/MT Formulations manufactured
• **Gujarat:** Ankleshwar and Dahej	**5,109** MT	**6,578** MT
• **Maharashtra:** Lote and Akola	**4,293** MT	**10,255** MT

Seeds Processing and Drying Plants	**2** Telangana	**1** Chhattisgarh

INTELLECTUAL CAPITAL

Intellectual capital consists of our research activities and database, proprietary processes and formulations, patented products, and any other intangible, knowledge-based asset on which we build our product development.

2 Innovation Centres	₹ **34** crore Investment in R&D
• Rallis Innovation Chemistry Hub (RICH), Bengaluru	₹ **18** crore
• Agri Biotech R&D Facility, Bengaluru	₹ **16** crore

Innovation Index

16% Crop Care

12.6% Seeds

HUMAN CAPITAL

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

73
Number of employees covered under management development programme

90%
Employee engagement score (Internal Survey)

₹ **1.4** crore
Turnover per employee

Male: **1,560**
Female: **50**
Gender diversity

NATURAL CAPITAL

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

3,24,555 KL
Fresh Water consumption

7,324 MWH
Utilisation of renewable energy

SOCIAL AND RELATIONSHIP CAPITAL

Social capital represents our engagement with the communities around us and investment in their progress. We continue to build on the ethos of the Tata Group by going beyond the regulations and maximising our impact. We have mapped our social interventions with the United Nations Sustainable Development Goals (SDGs). Relationship capital represents our focus on building long-term and trust-based relations with our business partners. We work closely with them to build their capacities, share knowledge and invest in product innovation to match their requirements.

2,45,888
Number of beneficiaries through CSR outreach

53/48
Net Promoter Score (Crop Care/ Seeds)

13 Million
Number of contacts with farmers

Business Model

RESOURCES (INPUT)

	Unit of Measurement	FY 2018-19	FY 2019-20	YoY Change (%)
FINANCIAL CAPITAL				
Total Capital Employed	₹ crore	1,348	1,498	11.13
Total Capex Incurred	₹ crore	47	79	68.09
MANUFACTURED CAPITAL				
Akola	KL	7,584	8,796	15.98
Ankleshwar	KL	5,879	7,377	25.48
Lote	MT	3,574	5,752	60.94
Dahej	KL	4,028	4,311	7.03
INTELLECTUAL CAPITAL				
Investment in Research & Development	₹ crore	33.80	34.00	0.59
R&D Expenditure (as % of Revenue)	%	1.70	1.51	↓
Technical Collaborations	Nos.	19	21	10.53
Patents Filed	Nos.	1	-	-
IT-Related Investments	₹ crore	2.90	2.98	2.75
Employees in R&D	Nos.	170	172	1.18
HUMAN CAPITAL				
Functional diversity				
Top Management and Leadership	Nos.	16	13	(18.75)
Sales and Marketing	Nos.	620	654	5.48
Manufacturing	Nos.	456	598	31.14
Corporate Functions, R&D	Nos.	382	345	(9.69)
Gender diversity				
Female	Nos.	46	50	8.70
Male	Nos.	1,428	1,560	9.24
Total		**1,474**	**1,610**	**9.23**
Training, Learning and Development				
Total Training	Hours	44,472	53,352	19.97
Investment Per Person	₹	8,006	9,514	18.84
SOCIAL AND RELATIONSHIP CAPITAL				
CSR Spend	₹ crore	4.35	4.64	6.67
Social Focus Areas	-	Water Conservation, Education, Tribal Model Village, Farmer Safety	Water Conservation, Education, Tribal Model Village, Farmer Safety	-
National Campaigns aligned with CSR	-	Farmer Safety, Water Conservation	Farmer Safety, Water Conservation	-
Number of contacts with farmers	Nos. million	13	13	-
Pan-India dealer				
Crop Care	Nos.	3,667	3,812	3.95
Seeds	Nos.	2,450	2,600	6.12
Pan-India retailers				
Crop Care	Nos.	40,432	47,377	17.18
Seeds	Nos.	42,800	40,000	(6.50)
NATURAL CAPITAL				
Investments in Environmental Conservation/Biodiversity	₹ lakh	300	423	41.00
Renewable Energy Capacity	KW	8,437	4,050	(52.00)

VALUE CREATION APPROACH

GOVERNANCE

Mission, Vision, Values, Tata Code of Conduct, Tata Business Excellence Model, Quality Policy, Whistle Blower Policy, Policy on Prevention of Sexual Harassment at Workplace (POSH), Code of Corporate Disclosure Practices, Board of Directors and Committees

KEY ASPECTS

- Stakeholder Engagement
- Risks and Opportunities
- Strategy and Resource Allocation

BUSINESS VALUE CHAIN

CROP CARE

Research and development
Leveraging expertise in science and knowledge of customers and the market to develop superior, viable and environmentally sustainable products.

Raw material sourcing, processing and manufacturing
Procuring quality raw materials from long-term suppliers.

Packaging
Making available products in multiple pack sizes to meet diverse customer requirements.

Marketing and farmer education
Enabling demand generation through on-field product demonstration, campaigns, and brand promotion activities.

Distribution and logistics
Reaching 80% of India's districts through our strong network of dealers and retailers to take innovative offerings to farmers.

Farmer support services
Initiating services using digital technology to enable farmers to access timely information on weather, market prices and crop environment.

SEEDS

Research and development
Developing hybrid seeds in crops like paddy, maize, millet, cotton, and vegetables through conventional breeding. Research team also engaged in development of Genetically Modified traits in select crops.

Seed production, processing and packaging
Parent seeds to be used as input in production of hybrid seeds by engaging farmers in multiple agriculture seasons under varying agro-climatic conditions. Hybrid seeds are processed and packed at Company-owned facilities and through exclusive third-party arrangements.

Distribution and logistics
The 'Dhaanya' brand seeds reach farmers through depots, distributors and retailers. Surplus inventory of parent seeds and hybrid seeds are stored in leased cold storage facilities in and around the processing units.

Marketing and farmer education
Demand generation initiatives focus on on-field Pre-Season Activities (PSA) and Product Differentiation Activities (PDA). Brand promotion activities undertaken through digital and conventional media.

Farmer support services
Besides knowledge sharing and addressing queries through face-to-face contacts, farmers are connected through telephonic conversation, including toll-free customer care platforms.

SUPPORT FUNCTIONS

- Human Resource
- Corporate Sustainability and Corporate Social Responsibility
- Corporate Strategy
- Research and Development
- Information Technology and Digital
- Finance and Accounts
- Legal and Secretarial
- Internal Audit
- Administration
- Business Excellence

OUTPUT

FUNGICIDES

Key Products: 5,860 MT
Contaf, Contaf Plus, Taqat, Ergon, TATA Master, Sultaf

Production: **6,943 MT** (FY 2019-20)
6,755 MT (FY 2018-19)

YoY Change: **2.78%**

HERBICIDE

Key Products: 3,587 MT
TATA Metri, Tarak, TATA Panida, Panida Grande, Sartaj, Fateh

Production: **7,510 MT** (FY 2019-20)
6,119 MT (FY 2018-19)

YoY Change: **22.73%**

INSECTICIDES

Key Products: 7,859 MT
TATA Asataf, Applaud, Takumi, Hunk, Nagata, Origin, Reeva 5, Sedna, Sonic Flo, TATA Mida, Zeeny, Rilon, Anant, Summit

Production: **13,713 MT** (FY 2019-20)
11,738 MT (FY 2018-19)

YoY Change: **16.83%**

TOTAL PRODUCTION

Production: **28,166 MT** (FY 2019-20)
24,612 MT (FY 2018-19)

YoY Change: **14.44%**

PLANT GROWTH NUTRIENTS

Key Products: 3,468 MT
Ralligold WP, Ralligold Gr, TATA Bahaar, Uphaar, Solubor, Glucobita, Tracel, Surplus

OUTCOMES (Consolidated)

	Unit of Measurement	FY 2018-19	FY 2019-20	YoY Change (%)
FINANCIAL CAPITAL				
Net Sales	₹ crore	1,984	2,252	13.51
EBITDA	₹ crore	241	259	7.65
PAT	₹ crore	155	184	18.71
EPS	₹/Share	7.99	9.51	18.96
Dividend (On Face Value of ₹ 1 each)	₹/Share	2.5	2.5	-
Net Worth	₹ crore	1,286	1,409	9.56
Market Capitalisation (As on March 31, 2020)	₹ crore	3,187	3,417	7.22
ROCE	%	16.7	16.3	↓
ROE	%	12.1	13.1	↑
Working Capital	Days	110	108	-
MANUFACTURED CAPITAL				
Fungicide Sales	KL	2,503	2,508	0.20
Fungicide Sales	MT	3,439	3,945	14.71
Herbicide Sales	KL	1,452	1,798	23.83
Herbicide Sales	MT	4,241	4,539	7.03
Insecticide Sales	KL	4,265	4,520	5.98
Insecticide Sales	MT	6,896	8,295	20.29
Seed Sales	MT	14,596	14,451	(0.99)
Average Plant Utilisation	%	82.4	84	↑
INTELLECTUAL CAPITAL				
Innovation turnover index				
Crop Care	%	10	16	↑
Seeds	%	16.40	12.60	↓
New products developed	Nos	12	7	(41.67)
New molecules developed	Nos.	Nil	4	-
Patents granted	Nos.	0	1	-
Products in pipeline	Nos.	53	92	73.58
Molecules in pipeline	Nos.	10	15	50.00
Ratio of R&D expenses to sales	%	1.7	1.51	↓
HUMAN CAPITAL				
Turnover per employee	₹ crore	1.35	1.40	3.70
Fatality	Nos.	1	0	-
TRIFR	Injuries/Million man-hours	0.33	0.19	(42.42)
Attrition rate	%	18.13	17.63	↓
Employee engagement score				
Crop Care	%	79 ^	92 ^ ^	↑
Seeds	%	73 ^	86^ ^	↑
People trained under management development programmes	Nos.	51	73	43.14
Employees covered under safety training programmes	%	100	100	-
Training days per employee	Man days	4.43	4.52	2.03
SOCIAL AND RELATIONSHIP CAPITAL				
Lives impacted by CSR interventions	Nos.	1,53,000	2,45,888	60.71
Students covered under education programme	Nos.	8,600	8,821	2.57
Evaluation of strategically important suppliers (% of target achieved)	%	100	100	-
Customer Satisfaction Index Score (For farmers)				
Crop Care	Net Promoter Score	35	53	51.43
Seeds		41	48	17.07
Customer complaints/resolution				
Crop Care	Nos./%	63/97%	27/93%	-
Seeds	Nos./%	2140/100%	3309/100%	-
Supplier Satisfaction Index				
Crop Care	%	96.97	98.23	↑
Seeds	%	90	90	-
Grievance resolution time				
Crop Care	Days (DF & IBD)	20 & 60	20 & 60	-
Seeds	Days	18	29	-
NATURAL CAPITAL				
Energy generated from renewable sources	%	20.8	31.96	↑
Fresh water consumption	KL	3,45,123	3,24,555	(5.96)
Water recharge	MCM	1.21	1.97	62.81
Water discharged	KL	88,450	93,717	5.95
Water recycled	%	35.50	28.66	↓
Green Manufacturing Index	Score	79	80	1.27
Solid waste utilisation	%	27	63	↑
GHG Emissions (CO_2)	$mtCO_2$/MT Produced	1.88	1.70	(9.57)

Note:
TRIFR: Total Recordable Injury Frequency Rate
IBD: International Business Division
^: (External Survey)
DF: Domestic Formulation
RICH: Rallis Innovation Chemistry Hub
^^ : (Internal Survey)
MCM: Million Cubic Metre
KL: Kilolitre
MT: Metric Tonne
↓↑: Indicates change from previous year

Strategic Focus Areas

Building on our legacy and strengths, we have redrawn our strategy of 'Repositioning Rallis for Leadership'. We remain focussed on attaining our vision 'to be among the top 3 leading enterprises by 2025' in the chosen areas within farm inputs and chemistry-led businesses.

CROP CARE DIVISION

Domestic Business

Having a wider portfolio across and within crops is a key differentiator for achieving growth in the domestic market, because of India's varied agro-climatic conditions and food needs. We have a wide range of products that are rejuvenated at regular intervals through our own manufacturing of active ingredients (AIs) and sourcing of AIs and formulated products through partnerships. Our branded domestic crop protection business consists of Crop Protection Chemicals (Insecticide, Fungicide, and Herbicide), Plant Growth Nutrients, and Soil Conditioners. We have redefined our strategy related to institutional business, where we sell active ingredients or bulk formulated products to institutional partners.

Growth strategy

- Intense demand generation activities to utilise and enhance brand image
- Expanding business in geographies and crop segments where we have limited presence
- Promoting synergy with seeds business
- Introducing new products through own manufactured and sourced AIs
- Digital initiatives to improve internal processes and value offering to farmers
- Intensifying engagement with trade partners for greater value creation
- Adopting emerging new trade channels

International Business

Our International business is an important lever for balancing the risk of monsoon-dependent domestic business and it also helps in achieving greater economies of scale. We have adopted a two-pronged strategy for our International business – building B2B partnerships for AIs being manufactured; and leveraging chemistry knowledge to develop partnerships for contract manufacturing of crop protection and other adjacent chemistry products.

Growth strategy

- Increasing and building capacity of current products and new AIs to meet demands of existing and potential new customers
- Investment in registration of AIs and formulations to further grow the volume of AIs being manufactured at own facilities
- Increasing footprint in high potential geographies of the Americas, Europe, Africa, and Asia Pacific
- Building capacities and capabilities to expand contract manufacturing opportunities that are emerging out of the global supply chain scenario
- Developing branded sales business in select geographies with local partnerships

SEEDS DIVISION

A wider crop portfolio helps in de-risking the seeds business. We have a strong presence through the 'Dhaanya' branded products in hybrid paddy, hybrid maize and hybrid millet. We are gaining a foothold in cotton by accelerating growth. Dedicated sales teams have been created for the vegetable business. We are also looking at other crops that can unlock even greater value from our marketing investments.

Growth strategy

- Leveraging strong position in the Kharif market of paddy, maize and millet
- Speeding up the growth momentum of cotton across markets
- Driving growth through own and in-licensed portfolio
- Promoting synergy with crop protection business
- Continuous portfolio rejuvenation with market-relevant products
- Intensifying demand generations and leveraging the Dhaanya brand equity
- Strengthening the non-Kharif portfolio through own research and in-licensing
- Intensifying engagement with trade partners for greater value creation
- Adopting emerging new trade channels

SUPPLY CHAIN

Crop Care

Supply chain is an important cost lever for Rallis. Cost-effective procurement and manufacturing and an efficient logistics process will continue to remain our focus area.

Growth strategy for enhancing supply chain efficiencies:

- Continued investment in business sustainability to ensure global standard in Safety, Health & Environment
- Backward integration for reducing cost
- Developing alternative domestic sources for import substitution
- Adopting cutting-edge process chemistry technologies for operational efficiency
- Modernising manufacturing facilities
- Having a cost-effective logistics model
- Leveraging IT tools for efficiencies in manufacturing and procurement processes
- Enhancing and building capacities to meet domestic, export, and contract manufacturing demands

Seeds

Seeds supply chain is characterised by a longer cycle time. An efficient planning process is critical for optimising cost and ensuring availability of the right quality and quantity of seeds.

Growth strategy for enhancing supply chain efficiencies:

- Diversified production location
- Continuing with an asset-light model with investment in hyper-critical areas
- Strengthening relationship with organisers and grower farmers
- Leveraging technology for hybrid seed production management
- Production research for faster stabilisation and optimisation of hybrid seed production process

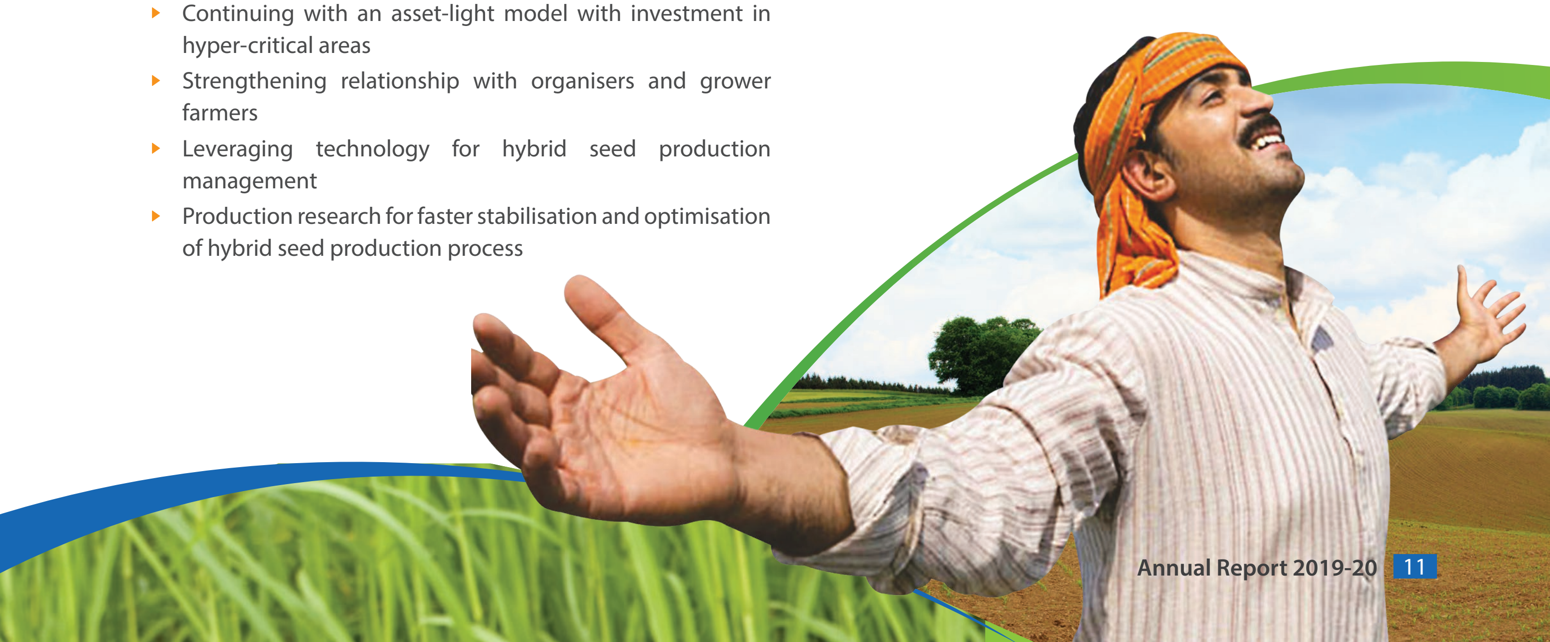
RESEARCH AND DEVELOPMENT

Crop Care and Seeds

R&D is at the core of our growth agenda. To fortify it, we have initiated building an integrated research infrastructure at Bengaluru to accommodate R&D activities of Crop Care and Seeds.

Strategy for Research & Development

- Developing cost-effective process for off-patent AIs
- Developing eco-friendly, cost-effective and high-efficacy formulations
- Product stewardship and portfolio lifecycle management
- Developing GM traits, including herbicide tolerant and insect resistant traits
- Marker assisted breeding to further enhance the value of hybrid portfolio
- Adopting advanced tools for cycle time optimisation in conventional breeding



Risk Management Framework

We are constantly exposed to several strategic, macro-economic, environmental, and other factors that can pose a threat to our long-term plans and profitability. These risks are addressed through our robust framework linked to long-term strategic plans, with the objective of ensuring business continuity and sustained value creation. We always strive to remain a Zero Surprise, risk-controlled organisation.

KEY RISKS AND THEIR PROFILING

RISK	POTENTIAL IMPACT	MITIGATION STRATEGY
Regulatory Risk	Our business involving crop protection and seeds is subject to stringent and changing regulations. Our contract manufacturing activities across diverse countries are also subject to a high degree of statutory compliance. Any shortcoming in following these regulatory norms may lead to cancellation of licences, business disruptions, penalties and damage to reputation.	Our business policies involve stringent monitoring systems to ensure adherence to various regulatory requirements. There is a continuous focus on infotech enablement of monitoring systems to maximise coverage Further, we have a credible track record of compliance and always aim to go beyond the legal requirements.
Climate Risk	Our businesses are vulnerable to extreme climate phenomena. Droughts, natural calamities, uneven or excess rainfall tend to hinder agricultural activities, which in turn, impacts our offtake. It may lead to loss of revenues and potentially impact profitability.	Though we cannot eliminate this risk, our efforts are to minimise its impact. We have initiated the practice of territory categorisation as per rainfall into 'good', 'semi' and 'scarce' regions to develop relevant strategies. We have invested in predictive solutions based on weather forecasts to ensure better planning.
Business Development Risk	Our inability to reach out to more farmers, getting products registered in global markets, improving the product slate and maintaining strong customer relationships may lead to stagnation of business.	In the domestic market, we have been strengthening our distributor and retail networks to widen our reach and penetration. We continuously evaluate untapped geographies to enhance our reach. In the global markets, we leverage our quality and cost advantages to get more product registrations. We put a strong emphasis on customer relationship management in terms of the quality and reliability of products and services. Our R&D team is also continuously exploring new products to improve the freshness index.
Supply Chain Management Risk	We have dependency on a few vendors for key inputs.	We have been progressively strengthening the procurement process by diversifying the vendor base and also planning backward integration for key products.

RISK	POTENTIAL IMPACT	MITIGATION STRATEGY
Cyber Security Risk	Our business requires extensive work on IT platforms. Additionally, we also undertake contract manufacturing, where data confidentiality is important. All the digital data and IT systems are prone to cyber-attacks. Inability to protect data and systems may impact our competitiveness and confidentiality, apart from causing business disruption and damage to our reputation.	VAPT is conducted every year to identify any potential cyber-security risk and take appropriate action. We also have an NGFW in place that helps in detecting and protecting our network from advanced cyber-attacks. We have NDAs signed with our third-party vendors. There is continuous focus on updating Business Continuity and Disaster Recovery Plans.
Environment Health and Safety Risk	Our business involves handling and storage of hazardous chemicals, which are a potential risk to human beings and the environment. Any lag in adopting necessary safety standards may impact the health and safety of people.	We have adopted globally accepted best manufacturing practices and have invested in various safety systems and processes. In addition, we follow RC guidelines, PSM and Behaviour-Based Safety within the organisation. We strive to look beyond regulatory compliance and have certifications like ISO 9001, ISO 14001, OHSAS 18001/ ISO 45001, ISO 17025 and Responsible Care Logo. This ensures safe production and distribution of our products with least impact on our various stakeholders.
Covid-19 Risk	Imports constitute a significant share of our key inputs, while exports constitute one-third of our turnover. The Covid-19 pandemic can lead to disruption in supply chain management and manufacturing processes that may impact business goals and profitability.	We have been engaged in exploring alternative vendors for key inputs and rescheduling plant maintenance work to minimise the impact of Covid-19 lockdown on the supply chain and manufacturing processes. There is also an added focus on exploring new opportunities in sales.
Seeds Production Risk	Our business related to seeds is subject to production risks, involving weather, pests, diseases, availability of proper and sufficient agriculture land and growers.	We are constantly exploring new production locations and automating the operations. Moreover, we are engaged with growers in providing crucial information / solutions to maximise yields.

VAPT: Vulnerability Assessment & Penetration Testing

NGFW: Next Generation Fire Wall

NDA: Non-Disclosure Agreement

RC: Responsible Care

PSM: Process Safety Management

Materiality Matrix

We identify our most important sustainability issues, opportunities and risks for our business through two lenses: the importance of these issues to our stakeholders and their impact on our business. Once our materiality matrix shows all the issues material to our business and their prioritisation in relation to each other, we develop strategic measures to resolve them.

KEY MATERIAL ISSUES

ENVIRONMENT
- Water intensity
- Energy efficiency
- Waste generation

SOCIAL
- Community engagement
- Customer education
- Health and safety
- Farmer safety

BUSINESS
- Product stewardship
- Grievance mechanism
- Supply performance
- Public policy advocacy

The Materiality Principle

We conduct a formal materiality analysis every year to prioritise the issues that have the most impact on the economy, society and environment, and most influence the decision-making of our stakeholders.

Our Materiality Process

Identifying

We engage with our stakeholders to identify key issues faced by them, their business priorities and action areas

Mapping

We map these material issues and align them with internal business priorities

Addressing

We address these material issues by identifying key action areas and coming up with strategic responses to resolve them

Engaging with Stakeholders

Interaction with all our stakeholders helps us recognise important trends and developments in society; we take those into account when designing our business and making strategic decisions. Frequent and open dialogues with the stakeholders keep us well prepared to seize opportunities and counter risks.

PROFILING OF RISKS

STAKEHOLDERS	RELEVANT MATTERS	METHODS TO ENGAGE WITH STAKEHOLDERS
Investors	▸ Share price appreciation ▸ Sustained dividends ▸ Profitability ▸ Governance ▸ Business strategy ▸ Market share	▸ We communicate with our investors about our performance and outlook during analyst meets and conference calls, and through quarterly results and media releases ▸ We have a strong legacy of fair, transparent and ethical governance practices ▸ We remain committed to creating sustainable value by way of strong governance
Customers and Partners	▸ Quality of products ▸ Consistent delivery and services ▸ Long-term business security	▸ **Crop Protection:** MD's Elite Club, Baghidhari Sabha, Distributor Meet, Anubandh Retailer Meet ▸ **Seeds Business:** Dhaanya Regal Club, Milaap, Milan ▸ **Customer Connect Programmes:** RSK Mega Event, Crop Seminar, Farmer Meet Through the above programmes, we understand market needs and strengthen our portfolio; ensure product availability through digitisation and improved planning and capacities; and develop better engagement through periodic surveys of customers and business partners
Suppliers	▸ Timely payment ▸ Ease of doing business ▸ Transparency in selection process	▸ We meet all our suppliers at Samagam, our Annual Supplier Meet. We also understand their satisfaction level by conducting periodic satisfaction surveys ▸ By automating vendor registration and by implementing digital technologies, we resolve the problems faced by our suppliers and save their valuable time
Employees	▸ Career growth ▸ Reward & recognition ▸ Safe and conducive workplace ▸ Learning & development	▸ We connect with our employees regularly through performance reviews, websites, intranet, employee engagement initiatives, internal newsletters, union meetings, skip meetings, TGIF, and others ▸ We take regular feedback from employees on matters important to them and provide relevant training ▸ At the time of hiring, our key focus is always on maintaining diversity ▸ Successfully implemented WFH (Work From Home) during the Covid-19 pandemic, ensuring safety and security of all employees, as well as business continuity
Communities	▸ Inclusive development through initiatives in sustaining livelihood, creating infrastructure, education, health and maintaining clean and safe environment	▸ We understand the needs of socially backward communities around us and take the required actions based on our key focus areas in education and skill development ▸ We also focus on reducing consumption of energy and water and generating wealth from waste to protect bio-diversity
Government and Regulatory Bodies	▸ Complying with legal and regulatory authorities ▸ Advocacy ▸ Contribution to exchequer	▸ Through advocacy meetings, our memberships in industry bodies, seminars and media releases, we engage with the Government and regulatory bodies ▸ By investing in better technologies and addressing regional issues in partnership with the Government, we aim to overcome challenges of compliance with environment and regulatory authorities.

Going Digital to do More

We are progressing with our 5-year digital vision to serve 5 million+ farmers. Through these initiatives, we are meaningfully enhancing farm productivity by enabling higher yields and better-quality produce at optimised cost, and encouraging efficient use of agri-inputs.

Rallis Samrudh Krishi Programme (RSK), the online agri-solutions platform, provides holistic agro-advisory services from seeds to harvest, including digital technology-enabled agronomy and weather information services.

KEY ENABLERS OF RSK

Sampark App

A mobile app ensuring better engagement with farmers, better visibility on reach mechanisms and insights gathering. The app assists in getting data with respect to demand creation activities and customer databases.

Rallis Krishi Samadhan

A mobile app that provides relevant information regarding agri-solutions. It is a one-stop solution for farmers' needs with features like customised package of practice, weather information, mandi information, crop solutions, complaint/query resolution, and personalised advisory through farm visits.

Digital activities in FY 2019-20

Through Sampark:

- Connected with 100% crop advisers
- Provided information on pest forecast for key crops, short- and medium-term weather, season progress information, and farm-specific information such as crop health and yield forecast

Through Rallis Krishi Samadhan:

- Resolved 1,100 queries and 11 complaints

Rallis Samrudh Krishi Framework

Through a 3-point agenda, we work closely with farmers, building a stronger association with them

1. Adding more touch-points: Connecting with farmers through Dr Vishwas Helpline, Rallis Krishi Samadhan App, Voice Blast campaigns, Crop & Geography specific advisory via SMS. Added digital presence on Facebook and YouTube.
2. Technology-backed forecast: Providing advance forecasts related to weather and pest/disease, used by farmers to take informed decisions. These inputs are utilised for internal planning such as stock positioning, forecasting and demand generation activities, and for enhancing internal process efficiencies.
3. Seeking regular feedback: As part of continuous improvement, we seek feedback on products and services through Net Promoter Score studies that is shared with relevant teams to improve our performance.

Making a Difference

Our products are meant to help farmers deal with climate vagaries, pest attacks, and get the best quality crop possible at the time of harvest. Here are the stories of three happy farmers who benefited from Rallis products and have spread the word among their fellow cultivators.

Rajesh
Village - Ballambha
State - Punjab

After 30-35 days of planting the paddy, I used TATA Zygant on the crop. Soon after, it exhibited good tillering and stem borer control, with no pest infestation. As a result, the crop remained lush green and healthy till the time of harvesting. I have been recommending this product to my fellow farmers so that their crop also stays healthy and pest-free.

Pilli Vishnu
Village - Hebbal
State - Karnataka

The products I was using prior to Zygant had no stem borer control. But with the use of Zygant, we witnessed excellent stem borer control, displaying the superiority of this product. Also, after its application, there were more tillers in the crop. Upon my recommendation, my fellow farmers purchased nearly 100 packs of this product and have been happy and satisfied.

Ramakrishna
Village - Ulenoor Camp
State - Karnataka

Ayaan is, indeed, an outstanding product. After I used it on my crop, the paddy became healthier and produced good quality grains. There was no sheath blight infestation, nor any other disease. Use of fewer chemicals also led to good yield and disease control. I have decided to use Ayaan for my next crop, too.

To view the video testimonials, please visit
https://www.rallis.co.in/rallis_tube.asp

Route to Innovation

We invest in science and technology-led innovation to manufacture safe, superior, and sustainable products and solutions across the agricultural value chain. These solutions not only enhance farm yield and farmer income, but also bring down the production cost.

Today, we have emerged as the preferred partner for innovators with proven capabilities due to our strong R&D and execution prowess. Through innovation, we continue to drive agricultural productivity and yield enhancement and offer an entire suite of agri-inputs. The value created through innovative technologies helps us grow market share and deliver what customers want in every season.

Rallis Innovation Chemistry Hub (RICH)

Being Department of Scientific and Industrial Research (DSIR)-recognised and National Accreditation Board for Testing and Calibration Laboratories (NABL)-accredited, the R&D facility is mainly for addressing the issue of various types of pests that affect farm productivity. Through new solution development and introduction (NSDI), we fulfil farmers' urgent needs and continue on the path of aggressive business growth and sustainability.

Our mission to create customer-driven agricultural solutions has led to the introduction of several new generic molecules, new formulations and pre-mixtures. With a growing research team and expanding capabilities across chemistry and formulation, RICH assists in expanding the Rallis product basket. In addition to RICH, we are setting up a new R&D facility in Bengaluru to further drive growth with a significant step-up in crop protection, crop nutrition and seeds research.

Key activities and initiatives under RICH

To support domestic and international businesses in:

- Process development and improvement in crop protection active ingredients and new formulations
- Identification and development of new crop protection formulations
- Plant growth promoters and nutrients
- Long-term stability testing
- Lab scale-up and readiness for technology transfer for active ingredients and formulations

R&D Manpower

We have strengthened our R&D manpower at Bengaluru, thereby widening our scope of research with a healthy pipeline of new formulations and active ingredients.

Product development: Crop Protection

- Testing of formulations for dose-optimisation under different agro-climatic conditions
- Generating field efficacy studies in association with State Agriculture Universities / Indian Council of Agricultural Research (ICAR) institutes under regulatory requirements for new registrations
- Providing technical support to channel partners, sales and marketing teams

New formulations introduced

- **Zygant:** Granular insecticide formulation for soil application to manage stem borer insect infesting paddy crop. Gained popularity among farmers due to excellent efficacy and special phytotonic effect to improve > 10% higher yield
- **Ayaan:** A novel fungicide combination formulation, broad-spectrum and systemic and contact in action. First time introduced in India for management of rice sheath blight disease on paddy crop; offers excellent disease management and yield improvement of paddy
- **Sarthak:** A fungicidal combination formulation proven to be highly effective against late and early blight of potato, chilli powdery mildew, and anthracnose diseases with long duration of control

Product development: Crop Nutrition

- Developing innovative and research-based Crop Nutrition products focussed on WSF (water-soluble fertiliser) crop nutrients
- Evaluating alternative mycorrhizal formulations for existing product improvement

Innovation: Seeds

- **Rapid Generation Advancement** technique successfully demonstrated results in saving at least 30 days of crop duration and significant field space
- **Genomic selection in maize** initiated which will facilitate development of a competitive pipeline of products to address the Q3/Q4 requirements
- **RNAi-based pest control**, a proposed novel idea, won the top award in iNNCOTECH event of TCL. It's a game changer in controlling insect pests being cost effective and most environment-friendly
- Rallis developed the **D-one app** to collect data on a real-time basis. It uses the mobile phones to capture the data at field level and analyse centrally in real time. This has helped save time and improve data accuracy besides being cost effective
- **Meta Research Management** system is a pioneering software that organises and analyses all the research trial data, interprets using appropriate tools, generating automated statistical reports and also provides operational and legal evidence of research activities which can be shared for protection of plant varieties under the Protection of Plant Variety Protection (PVP) & Farmer's Rights Act (FRA), 2001
- A total of **59 Plant Variety Protection (PVP)** in seeds have been filed so far

Innovation Turnover Index (ITI)

We are focussing on new product introductions in the domestic market to increase market share and achieve revenue growth. The Innovation Turnover Index (ITI), our internal benchmark representing revenues from new products introduced in the past four years has been improving. During FY 2019-20, it has increased to over 16%, compared to 10% in the previous year. Incrementally, we plan to introduce two new products every year for supporting domestic business growth. The seeds ITI showed a score of 12.6% during the year under review.

High-Performance Culture

Our employees are among our most important stakeholders. While adding diversity and inclusiveness to the organisation, we nurture a high-performance culture to build future leadership. At Rallis, we institutionalise our policies to provide the right growth opportunities and ensure health, safety, engagement and well-being of our employees.

Learning & Development

Under Learning & Development, 40% of intervention is achieved digitally through virtual instructor-led training or e-Learning, while the balance is through the Assessment Development Centre. Eight customised e-Learning modules are executed on our e-Learning portal, and more are planned to strengthen our competitiveness in chemical manufacturing. In the Seeds division of Rallis, Learning & Development has been a key driver; it includes soft skills and functional training, and customised training on professional and managerial effectiveness. Parichay, an online induction, and Aarambh, a National Induction Programme, are conducted for new recruits.

Health and Safety

Health and Safety is an integral part of our operations. Putting renewed focus on Process Safety Management, Behaviour-Based Safety and Road Safety, we carried out a Process Risk-Based Management Study for all our technical plants. Based on the findings / recommendations, corrective actions are in progress to enhance process safety in manufacturing plants. As part of our stakeholder engagement, several Farmer Safety Programmes were carried out in Maharashtra, training thousands of farmers and school children in the safe use of pesticides. Safety, Health, Environment Sustainability Committee of the Board was also constituted during the year to focus more on safety and environment.

Employee Engagement Surveys

Leveraging Employee Engagement Surveys, we ascertain employee satisfaction level within the organisation. The score of Employee Engagement Survey in Crop Care division improved from 79% to 92%, while in Seeds division it jumped from 73% to 86%. This is a significant milestone underlining our employees' connect with the organisation and their trust and orientation towards Company policies, practices, and leadership.

Employee Appraisals

Employee Appraisals adjudge performance on annual goals and behavioural attributes, based on Tata Leadership Practices (TLPs). The Company conducts annual performance assessment and feedback, and Key Result Areas (KRAs) are set based on the Balanced Score Card. Employees are also encouraged to undertake stretched targets and additional projects to enhance their performance.

Succession Planning

Through our Succession Planning process, our intention is to identify successors for critical positions to ensure unhindered growth. Factors like future roles and responsibilities, past performance, strengths, weakness and potential work level fit are considered to identify the successors.

KEY STATISTICS

	Turnover per Employee (₹ crore)	Training coverage	Internal Customer Satisfaction Index (ICSI)
FY 2017-18	1.56	89	76
FY 2018-19	1.35	81	77
FY 2019-20	1.40	90	81

Aiding Social Uplift

Giving back to society is an integral part of our corporate culture. Through our localised approach to community development, we aim to contribute to inclusivity and the holistic well-being of the less privileged. Our CSR work empowers them by committing financial and volunteer support and improving their lives.

HOLISTIC IMPACT OF OUR CSR ACTIVITIES

₹ **4.64** crore Aggregate CSR Spend	**8,821** Student beneficiaries	**5,134** Students belonging to Affirmative Action (AA) Group	**404** Villages from 6 states benefited
2,45,888 Villagers benefited, with 64,152 in AA Group	**7,829** Volunteering hours contributed by employees	**23,460** Beneficiaries touched	**629** Volunteers

OUR PILLARS OF CSR

Education

Through our educational initiative RUBY (Rallis Ujjwal Bhavishya Yojana), we focus on providing education to Senior Secondary students at 34 schools in 4 states, benefiting 8,821 students, of which 58% belong to AA communities. We make these students focus on e-learning, English literacy programme, soft skills, and experiment-based science intervention. We work with Special children and support 17 teachers in various subjects like English, Science, Maths, Remedial and Physiotherapist for Special children.

We help teachers with capability building and improving the academic performance of students. We also provide infrastructure support such as installing RO plants and play equipment, among others.

Key Impact:

- Confidence level and self-esteem of students increased
- Attendance and academic performance increased
- Maximum number of students secured **80%** to **100%** results

Skill Development

Enhancing youth employability with RUBY

- **Rallis scholarship scheme:** In collaboration with Vidyasaarathi-NSDL, we initiated scholarship schemes to support technical students from economically backward families.
- **Partnership with ITI:** We signed MoU with ITI Vaghra (Gujarat) and Girls ITI Akola (Maharashtra) to enhance skill-sets of ITI students. This will focus on organising soft skills, safety training, industrial visits, guest lecturers for ITI trainees and capacity building for teachers.
- **Reinstating science:** In collaboration with PJ Chheda Educational Institute, we re-initiated Science stream in Dahej for Class XI and XII students. We provided soft skills training and career orientation sessions.
- **Imparting skill training:** We set up a Women's Skill Training Centre in collaboration with Light of Life Trust, at Dhasai, near Mumbai. This imparts skills in tailoring, beauty courses, computer, business planning, spoken English and short-term courses like jewellery making and toran making.

Key Impact:

- Trained **486** trainees at Dhasai centre (**52%** are gainfully engaged)
- Supported **95** students under scholarship, mainly from ITI sector
- Trained **201** students from AA group (**40%** are gainfully engaged)

Water Conservation

Jal Dhan, a rainwater conservation programme in Maharashtra, focusses on increasing water availability in water-stressed regions for domestic and agricultural use. It reduces the force of runoff rainwater, increases aquifer levels and constructs storage and recharge infrastructure.

Key Impact:

- Benefited **2 lakh+** villagers
- Harvested **1.97** MCM water in 2019 monsoon
- Freed **50** villages from water tankers
- Increased farmer income with rise in crop production
- Saved women from fetching water
- Increased groundwater level
- Recharged tube wells and borewells

*Million Cubic Meter **(MCM)***

The Seeds division also installed 6 RO plants to provide safe drinking water. Through this, we benefited 6 villages from 4 states and impacted more than 13,300 villagers.

Farmer Awareness

We enhanced the knowledge of farmers about safe ways of using pesticides through our 'You are Safe' initiative which is an holistic programme that covers:

- Spreading awareness among farming community about precautions to be taken during and after spraying
- How to safely dispose the container
- Encouraging use of safety kit and providing safety kits to farmers

Key Impact:

- **25,430** Farmers covered
- **9,546** Safety kits distributed
- **293** Villages covered
- **7** Districts covered in Maharashtra

Model Tribal Village

We initiated a Model Tribal Village intervention, focussing on holistic development and empowerment of tribals through basic infrastructure, education, health, capacity building and economic development.

Key Impact:

- Benefited **3,300** tribals from 8 villages around Mumbai
- Improved academic performance of children by **25%** and attendance by **90%**; sensitised parents about importance of education, especially of the girl child
- Reduced diarrhoea, anaemia and malnutrition; eradicated scabies; trained women to prepare nutrition-rich food; increased utilisation of toilets; enabled delivery of babies in hospital
- Stopped female migration by **100%**, male migration by **20%**; made kitchen garden a potential income source; increased family incomes by **25%**; supported livelihood of **85%** families

Sustainability and Environment Leadership

Supporting sustainability ambitions is a priority for us, as they connect with our core purpose of creating shared value for all stakeholders. Through our comprehensive sustainability framework, we seek to respond to emerging key issues, which goes hand in hand with our corporate strategy.

At Rallis, we brought about a systematic improvement in achieving environment neutrality and other sustainability goals across the value chain. We have embedded a wide spectrum of environmental pre-requisites in our strategies and practices across our four manufacturing plants at Ankleshwar and Dahej in Gujarat, and Lote and Akola in Maharashtra. Today, these sustainability strategies have become constituents of our generic corporate strategy.

SUSTAINABILITY STEPS

Water Conservation

Treated waste water (KL)

	Fresh water used	Recycling from treated waste water	Discharged to common effluent plant
FY 2018-19	3,45,123	49,720	88,450
FY 2019-20	3,24,555	38,275	93,717

Analysis: *Saved 20,568 KL of fresh water used, as we recycled and reused treated waste water*

Rainwater harvested

Groundwater recharged by Jal Dhan programme

	Rainwater harvested - MCM
FY 2018-19	1.21
FY 2019-20	1.97

Analysis: *Rainwater harvested increased YoY*

Million Cubic Meter ***(MCM)***

Reducing carbon footprint

Absolute energy consumption

FY 2019-20	FY 2019-20	FY 2018-19	YoY Saving
3,22,21,830 KWH Electricity used	**1,130** KWH/MT of production	**1,257** KWH/MT of production	**127** KWH/MT of production

Analysis: *Reduced absolute energy consumption and reduced energy intensity*

Saplings planted	
26,439	FY 2018-19
18,347	FY 2019-20

Emission Intensity (TCQ per tonne reduced)

CO_2 emission MT/ MT of production	
1.88	FY 2018-19
1.70	FY 2019-20
0.18	Saving

Analysis: *CO_2 emissions reduced YoY; reduction in CO_2 emission was 0.18 MT*

Making Use of Renewable Energy

	Energy used (MWH)	Energy efficiency (MWH/MT of production)
FY 2018-19	**3,850**	**0.16**
FY 2019-20	**7,324**	**0.25**
Difference	**3,474**	**0.09**

Analysis: *Energy used from renewable sources increased YoY; Energy efficiency per MT of production improved*

Outlook

Effective implementation of key strategies will enable us to achieve long-term sustainable growth and maximise value creation, besides accelerating farm prosperity. Our focus is on investing more in science and technology and increasing reach in the most promising markets. With a wider, more innovative product portfolio, we shall be better equipped to withstand the challenges ahead of us in the short to medium term. Being a player in agriculture, one of the world's most essential sectors, we foresee growth in the long term.

The year has been a challenging one due to the ongoing economic slowdown. Further, vagaries in monsoon, currency fluctuation, ban on certain molecules in India and abroad, dumping of certain molecules from China and the novel coronavirus pandemic added to the challenges.

However, we benefited from better realisation in domestic and international business. Momentum was gained with the sales spillover of the delayed Kharif and better Rabi crop season, propelled by higher reservoir levels and healthy soil moisture content. A good Rabi harvest supported by favourable prices is crucial to sustain farm sentiments.

Expanding capabilities

We continued to expand capabilities across chemistry and formulations. We strived to achieve deeper market penetration by widening our distribution network, supporting them with enhanced incentives and digital technology, maintaining the R&D drive and ensuring alternative product delivery mechanisms. We also worked towards expanding our contract manufacturing footprint and increasing capacity due to rising demand for these products, while focussing on new products to tap the growing opportunity.

Moving forward

Even as the Covid-19 pandemic may impact sales, the positive momentum will be carried into the Kharif season of 2020. Going forward, we will maintain our tradition of providing innovative crop solutions and launching new products, enabling growers to get better and superior quality of yield with effective pest management and control of crop diseases. We will join hands with global innovators to introduce new molecules in the domestic market and support domestic business growth.

Our depth of manufacturing and operational experience and knowledge of process chemistry will support our agenda for expanding our contract manufacturing partnerships and adding new products to our portfolio to grow our International business.

Board of Directors

Mr. Bhaskar Bhat
Chairman,
Non-Executive Non-Independent Director 2

Mr. Bhat has a B.Tech degree in mechanical engineering from IIT Madras and a postgraduate diploma in management from IIM, Ahmedabad. He was awarded the Distinguished Alumnus Award of IIT Madras in 2008.

Mr. Bhat has extensive experience and expertise in sales and marketing. He started his career as a management trainee with Godrej & Boyce Manufacturing Company. In 1983, he joined the Tata Watch Project (initiated at Tata Press), which later became Titan Watches, and now Titan Company. At Titan, Mr. Bhat has handled sales and marketing, HR, international business and various general managerial assignments. He then took over as Managing Director of the Company on April 1, 2002, and held the position till his superannuation on September 30, 2019. Subsequently, he was appointed as a Non-Executive Non-Independent Director of the Company with effect from October 1, 2019.

He was appointed on the Board of Rallis in October 2015 and became Chairman in December 2015.

Dr. C. V. Natraj
Non-Executive Independent Director 1 2 5 6

Dr. C. V. Natraj is a Ph.D. in Chemistry from the Indian Institute of Science, Bangalore. He also has post-doctoral research experience in biochemistry from the University of Michigan, Ann Arbor. Dr. Natraj has more than 30 years of experience in research. He headed the research function as Director on the Board of Hindustan Lever Limited and later went on to lead the Corporate Research function for Unilever as Senior Vice-President. He is also the Technical Advisor to the Indian Institute of Science.

He was appointed to the Board of Rallis in July 2016.

Ms. Padmini Khare Kaicker
Non-Executive Independent Director 1 2 6

Ms. Padmini Khare Kaicker is a Chartered Accountant from the Institute of Chartered Accountants of India, a Certified Public Accountant (USA) and a Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India. She is the Managing Partner of B.K. Khare & Co., one of the leading Indian accounting firms. She has a wide and varied experience in the areas of audit, taxation, corporate finance, risk management, corporate governance, M&A and restructuring.

She serves on the Boards of several companies and has been a Director on the Board of Rallis since July 2016.

Dr. Punita Kumar- Sinha 3 4
Non-Executive Independent Director

Dr. Punita Kumar-Sinha holds a Ph.D. and a Master's Degree in Finance from the Wharton School, University of Pennsylvania, an MBA degree from Drexel University and a Degree in Chemical Engineering from the IIT New Delhi. She is also a CFA Charter holder. She has 31 years of experience in fund management in emerging markets. She is also on several Boards and has numerous years of experience in the field of corporate governance.

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

She was inducted on the Board of Rallis in March 2014.

Mr. R. Mukundan 1 2 3 4 5
Non-Executive Non-Independent Director

An engineer from IIT Roorkee, Mr. R. Mukundan joined the Tata Administrative Service in 1990, after completing an MBA from FMS, Delhi University. He is also an alumnus of the Harvard Business School. During his career with the Tata Group, he has held various responsibilities across the chemical, automotive and hospitality sectors. Mr. Mukundan also serves as the Managing Director & CEO on the Board of Tata Chemicals.

He was appointed on the Board of Rallis in December 2009.

Mr. Sanjiv Lal 3 4 5 6
Managing Director & CEO

Mr. Sanjiv Lal is a Chemical Engineering Graduate from the IIT New Delhi.

Mr. Lal was the Chief Operating Officer of the India Chemicals Business of Tata Chemicals. After he joined Tata Chemicals in 2004, he has handled its Agri Retail Business, headed the organisational transformation and business excellence function, headed the information technology function and was also nominated as the Joint Managing Director to IMACID, a JV in Morocco. Before joining Tata Chemicals, Mr. Lal worked with Hindustan Unilever for 21 years in various functions.

Mr. Lal was appointed on the Board of the Company as Managing Director & CEO on April 1, 2019.

Board Committees

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Safety, Health, Environment and Sustainability Committee
6. Risk Management Committee

Chairperson (blue) Member (orange)

Senior Leadership

Sanjiv Lal
Managing Director & CEO

S. Nagarajan
Chief Operating Officer

Ashish Mehta
Chief Financial Officer

Dr. Rajashekhar Khinnavar
Vice President - Manufacturing

Dr. S. Mallikarjunappa
Vice President - Research & Development

Dr. V Ramanathan
Chief - Technology & Innovation - Seeds Division

Dr. Ravindra R. Joshi
Vice President - Technology Transfer

Sukhbir Singh Malik
Vice President - Domestic Sales

B Yogesh
Chief - Sales, Marketing & Supply Chain - Seeds Division

Subhra Jyoti Roy
Vice President - International Business

Siddheswar Mallick
Vice President - Marketing & Crop Nutrition

Ashwani Kumar Mahajan
Head - Supply Chain

Alok Chandra
Vice President - Human Resources & Corporate Sustainability

Coomie N. Kapadia
Head - Internal Audit

Yashaswin Sheth
Company Secretary

Corporate Information

AUDITORS
B S R & Co. LLP
Chartered Accountants

REGISTERED OFFICE
23rd Floor, Lodha Excelus
New Cuffe Parade,
Off Eastern Freeway,
Wadala, Mumbai - 400 037
Tel. No.: +91 22 6665 2700
E-mail address: investor_relations@rallis.co.in
Website: www.rallis.co.in

SHARE TRANSFER AGENTS
TSR Darashaw Consultants Private Limited
6, Haji Moosa Patrawala,
Industrial Estate,
20 Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011
Tel. No.: +91 22 6656 8484
Fax No.: +91 22 6656 8494
E-mail address: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Statutory Reports

Board's Report

To the Members of Rallis India Limited

Your Directors are pleased to present the Seventy Second (72nd) Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2020.

Financial Results

(₹ in crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2020	Year ended March 31, 2019*	Year ended March 31, 2020	Year ended March 31, 2019*
Revenue from operations	**2,251.50**	1,983.61	**2,251.82**	1,983.96
Other Income	**34.33**	30.61	**34.33**	30.65
	2,285.83	**2,014.22**	**2,286.15**	**2,014.61**
Profit before finance cost, depreciation and tax	**295.47**	269.90	**293.69**	271.59
Finance costs	**6.11**	5.25	**6.11**	5.25
Depreciation	**61.51**	46.07	**61.51**	46.08
Profit before exceptional items and tax	**227.85**	218.58	**226.07**	220.26
Exceptional items	**11.42**	-	**11.42**	-
Profit before tax	**239.27**	**218.58**	**237.49**	**220.26**
Provision for tax	**69.07**	68.76	**69.07**	68.76
Deferred tax	**(15.26)**	(4.37)	**(15.26)**	(3.28)
Profit for the year	**185.47**	**154.19**	**183.69**	**154.78**
Profit for the year attributable to:				
- Owners of the Company	**185.47**	154.19	**184.85**	155.38
- Non-controlling interests	**-**	-	**(1.16)**	(0.60)
Other comprehensive income ('OCI')	**(1.84)**	(1.45)	**(1.88)**	(1.48)
Total comprehensive income	**183.63**	**152.74**	**181.81**	**153.30**
Profit for the year	**183.63**	**152.74**	**182.97**	**153.90**
Balance of Profit brought forward from previous year	**822.96**	**728.83**	**908.22**	**812.84**
	1,006.59	**881.57**	**1,091.19**	**966.74**
Appropriations				
Transfer from equity instruments through OCI	**-**	(1.41)	**-**	(1.41)
Others	**0.28**	-	**0.28**	0.09
Leases (Ind AS 116) transition effect	**(1.11)**	-	**(1.11)**	-
Dividend on equity shares	**(48.62)**	(48.62)	**(48.62)**	(48.62)
Dividend distribution tax	**(9.99)**	(9.99)	**(9.99)**	(9.99)
Transfer to reserve for equity instruments through OCI	**(0.01)**	1.41	**0.02**	1.41
Balance Profit carried forward to balance sheet	**947.14**	**822.96**	**1,031.77**	**908.22**

Note:

** Previous year figures have been recast/restated.*

Dividend

The Directors are pleased to recommend a dividend of ₹ 2.50 per share (i.e. 250%) on the Equity Shares of the Company of ₹ 1 each for the year ended March 31, 2020 (previous year ₹ 2.50 per share). If the dividend, as recommended above, is declared by the Members at the ensuing Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 48.62 crore (previous year ₹ 58.61 crore including dividend distribution tax).

Dividend Distribution Policy

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

Accordingly, the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which aims to maintain a balance between profit retention and a fair, sustainable and consistent distribution of profits among its Members. The Policy is attached as **Annexure A** to this Report and is also available on the website of the Company under the 'Investor Relations' section at the link - https://www.rallis.co.in/DDPolicy.htm.

Emergence of Covid-19

Towards the end of the financial year, the World Health Organisation (WHO) declared Covid-19 a pandemic and the outbreak, which infected millions, has resulted in deaths of a significant number of people globally. Covid-19 is seen having an unprecedented impact on people and economies worldwide.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. It is focussed on controlling the fixed costs, maintaining liquidity and closely monitoring the supply chain to ensure that the manufacturing facilities operate smoothly.

The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19 pandemic. The operations were disrupted at certain manufacturing facilities and depots of the Company, as a result of which goods worth ₹ 16.04 crore could not be despatched to the domestic market. Further, international shipments were also disrupted due to absence of transportation facilities in the last week of March 2020 resulting in lower shipment of ₹ 53.18 crore.

In order to support the Central and State Governments and the community at large, the Company has supplied hand sanitizers, N95 face masks, dry food kits, etc. In addition to this, voluntary contributions by the Company as well as its employees were also made to the Tata Community Initiatives Trust for contribution towards the said purpose.

The Company operates its business in conformity with the highest ethical and moral standards and employee centricity. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of its employees at all its plant locations, various branch offices and the head office. The plants were able to coincide the planned annual maintenance shutdown period with the lockdown period to some extent which helped the Company to minimise production loss. The office based employees were allowed to work from home by providing adequate digital and other assistance. The Company observed all the government advisories and guidelines thoroughly and in good faith.

Share Capital

The paid-up Equity Share Capital as on March 31, 2020 was ₹ 19.45 crore. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights.

Transfer to Reserves

The Board of Directors have decided to retain the entire amount of profits for FY 2019-20 in the profit and loss account.

Scheme of Amalgamation

Amalgamation of Metahelix Life Sciences Limited ('Metahelix'), a wholly owned subsidiary of the Company, with the Company

During the year under review, applications/petitions were filed with the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai and Bengaluru Benches for sanction of the Scheme of Merger by Absorption of Metahelix with the Company ('Scheme'). The NCLT, Mumbai and Bengaluru Benches, sanctioned the Scheme vide their Orders passed on December 20, 2019 and November 11, 2019 respectively. The certified copies of the Orders passed by NCLT Mumbai and Bengaluru Benches were filed with the respective jurisdictional Registrar of Companies and accordingly, Metahelix has merged with the Company effective February 1, 2020. Pursuant to the Scheme, the business of Metahelix was transferred and vested into the Company with Appointed Date as April 1, 2019 and has been classified as Seeds division of the Company. Accordingly, the financials for the year ended March 31, 2019 have been recast to reflect the impact of the merger on the standalone audited financial statements of the Company.

Amalgamation of Zero Waste Agro Organics Limited ('ZWAOL'), a wholly owned subsidiary of the Company, with the Company

During the year under review, NCLT, Mumbai Bench, sanctioned the Scheme of Amalgamation of ZWAOL with the Company vide its Order dated February 20, 2020. The certified copy of the Order of NCLT is awaited. Upon filing of the said Order with the Registrar of Companies, Mumbai, Maharashtra, the Scheme of Amalgamation will be made effective from the Appointed Date i.e. April 1, 2017. Pending the filing of the certified copy of the Order with the Registrar of Companies, the Company has given effect of the merger in its standalone audited financial statements for the year ended March 31, 2020 as per the guidance set out in Ind AS Transition Facilitation Group Clarification Bulletin 14 (Issue 4). Accordingly, the financials for the year ended March 31, 2019 have also been recast to reflect the impact of the merger on the standalone audited financial statements of the Company.

Company's Performance

The Company's consolidated revenue from operations for FY 2019-20 was ₹ 2,251.82 crore compared to ₹ 1,983.96 crore in the previous year, an increase of 13.5% over the previous year. The Company's profit before exceptional items and tax on a consolidated basis was ₹ 226.07 crore during the year compared to ₹ 220.26 crore in the previous year, an increase of 2.6% over the previous year. The Company earned a net profit after tax of ₹ 183.69 crore, higher by 18.7% as against a net profit after tax of ₹ 154.78 crore in the previous year.

The Company's standalone revenue from operations for FY 2019-20 was ₹ 2,251.50 crore, an increase of 13.5% over the previous year's revenue of ₹ 1,983.61 crore. The Company earned a net profit after tax of ₹ 185.47 crore, higher by 20.3%, as against a net profit after tax of ₹ 154.19 crore in the previous year.

Business Operations

A. Crop Care

During the year under review, the Domestic Crop Care business achieved a revenue of ₹ 1,167 crore as against ₹ 998 crore during FY 2018-19, a growth of 17%. The International Business Division achieved a revenue of ₹ 721 crore during the year as against ₹ 650 crore during FY 2018-19, a growth of 11%.

1. Crop Protection:

Domestic Formulation:

Agriculture is the primary source of livelihood for about 58% of India's population. Gross Value Added ('GVA') by agriculture, forestry and fishing is estimated at ₹ 18.55 lakh crore (US$ 265.51 billion) in FY 2018-19. The share of agriculture and allied sectors in the GVA of the country at current prices has declined from 18.2% in FY 2014-15 to 16.5% in FY 2019-20. The decline has been mainly due to a decrease in the share of GVA of crops from 11.2% in FY 2014-15 to 10% in FY 2017-18. The 2nd advance estimates released by the Department of Agriculture Cooperation and Farmers Welfare estimated total foodgrain production in India of 291.95 Metric Tonne ('MT') in FY 2019-20 as against 284.95 MT in the previous fiscal (as per 4th advance estimate).

The 2019 annual rainfall over the country as a whole was 109% of its Long Period Average ('LPA') value for the period 1961-2010. The rainfall during monsoon (June to September) across the country was 110% of its LPA. The seasonal rainfall during the North East ('NE') monsoon season i.e. October to December over the NE Monsoon core region of the south peninsula was 109% of its LPA. During this season, among the four large geographical regions of the country, Central India and South Peninsular India received 129% and 116% of its LPA rainfall respectively, while Northwest India received 98% and East & Northeast India received 88% of its LPA rainfall. On an average, about 20% of the area of the country faced deficient or scanty rainfall during the monsoon season.

Further, the total live storage in 123 important reservoirs in different parts of the country during the week ended March 12, 2020 was 93.510 Billion Cubic Meter ('BCM') (55% of the storage capacity at full reservoir level) against 60.235 BCM during the corresponding date of the previous year and 63.066 BCM which is the average storage of the last 10 years. Storage during the year was nearly 155% of the last year's storage and 148% of the average of the last ten years. There are 116 reservoirs having storage of over 80% across the country.

India is a vast nation with high growth potential for the crop protection industry on the back of its diverse agro-climatic conditions as well as the country's increasing impetus on improvements in agricultural productivity. India's capability in low cost manufacturing, availability of technically trained resources, seasonal domestic demand, overcapacity, better price realisation and a strong presence in generic pesticide manufacturing are the major factors boosting the crop care chemicals growth.

During FY 2019-20, Indian agriculture experienced erratic, delayed and extended monsoon behaviour which resulted in modification of crop calendar. Apart from that, the industry also experienced supply constraints and increased raw material cost for many key ingredients. The disease infestation was moderate to high in key crop segments such as Chilli, Downey and Powdery Mildew of Grapes, late blight of Potato, Grape Scab, etc. resulting in higher consumption of fungicides on those crops. In Kharif season, Blast and Brown Planthopper ('BPH') on rice registered low to moderate infestation resulting in reduced consumption in this segment. However, Rabi paddy experienced high blast infestation in states like Telangana, Andhra Pradesh and West Bengal. Delayed withdrawal of monsoon and high disease pressure impacted not only productivity but also cash flow of farmers of Chilli, Kharif Paddy, Grapes, Potato and other vegetables. Delay in regulatory approvals resulted in delay in new product launches and sudden changes in government policies in few states especially for co-marketed products impacted volumes. Overall, purchasing power of the farmers depicted an upward trend led by higher Minimum Support Price ('MSP') in rice, wheat, sugarcane, spices, pulses and supply side dynamics. Higher onion/potato prices and timely payment of sugarcane led to better cash flow to farmers in Maharashtra and in the Western region of Uttar Pradesh. On the other hand, Madhya Pradesh, Rajasthan, Haryana, Punjab and Central Maharashtra faced excessive and unseasonal rains during the period October to November 2019, which damaged the Kharif crops such as soybean, cotton, pulses, etc. in these states, leading to a weak demand.

The demand for agri inputs is set to rise in the long term due to less penetration, rising labour cost, increased irrigation facility, credit availability and higher farmer income.

The Indian crop protection market for insecticides was projected to witness a growth of approximately 8% during FY 2019-20. Insecticides remain the most used crop protection chemical with around 55% share followed by fungicides and herbicides contributing 20% and 18% share, respectively, of the crop protection market in India. Increase in new pests like fall army worm is driving the need for adoption of insecticides in niche crops like maize. This, coupled with the increased emphasis on food safety, is creating a shift towards the adoption of safer and more expensive crop protection chemicals. With good climatic conditions prevailing throughout the major crop seasons in the country, the usage level of insecticides has been low to moderate. Crops such as paddy, cotton, pulses, maize, chilli and vegetables are the key contributors to insecticides market in the country. During the year, the Company introduced two new products, namely Zygant (Paddy-Stemborer) and Cameo (Paddy-BPH). The key products like Zygant, Cameo, Summit, Takumi, Rilon, Tafgor, etc. were the main contributors towards the growth of the Company in this category. The driver of growth has segments like Stem Borer, BPH, Thrips and Lepidopteran Insects.

In the Fungicides category, the Company registered 9% top line revenue growth and major contributors included brands like Ayaan, Sarthak, Contaf Plus, Taqat and Master. The segments where Fungicide portfolio registered good growth were grain shine segment of Paddy, Blight and Anthracnose of Chilli and Downey mildew and powdery mildew of Grapes. The Company introduced two new products - Ayaan (Paddy-Sheathblight/Grain shine) and Sarthak (Chilli and vegetables).

The Herbicide application in sugarcane was affected due to flood like situations in Maharashtra and Karnataka. Broad spectrum herbicides usage witnessed a dip in soybean crop due to continuous rainfall in early crop establishment period. However, usage of fop chemistry increased at a later stage. The liquidation of wheat herbicide was affected due to rains in Northern India, whereas the maize herbicides registered a good growth. The good growth in paddy herbicides was due to buoyant rabi season in South India.

The Company introduced two new herbicides, namely Trimbo in maize and Impeder in wheat crop to strengthen its herbicide portfolio. With a strong presence in pre-emergent segments and crops like sugarcane and paddy, the herbicide portfolio registered a growth of 7% over the previous year.

International business:

The preliminary view of the crop protection market is estimated to have increased by 0.4% to reach a total value of US$ 57.79 billion during the calendar year 2019 compared to US$ 57.56 billion during the calendar year 2018, wherein the overall agrochemical market has grown to US$ 65.59 billion in 2019 from US$ 65.09 billion in 2018. Consumption of agrochemicals increased in Latin America ('LATAM'), particularly in Brazil and Argentina and also in Eastern Africa on account of beneficial weather conditions. Inventory pressure in LATAM decreased substantially. However, excessive flooding impacted markets in North American Free Trade

Agreement states ('NAFTA'), particularly mid-west in the USA during the first half, leading to lower consumption of agrochemicals and high inventory levels, while South East Asia and Australia got impacted by severe drought.

China continued to remain under pressure owing to environmental stringencies leading to price increase of intermediates and Active Ingredients ('AI'). The Company also experienced selling pressure in USA owing to US-China trade wars with increased tariff for imports of Chinese goods.

In terms of crop acreages, cotton depicted a significant increase in acreage at 35.1 million hectares and corresponding global production shot up by 7.2% over 2018. Similarly, while wheat acreage increased marginally up to 217.7 million hectares, a significant jump was observed in overall production by 4.4%. On the contrary, a decrease in planting area of 34.6 million hectares was witnessed in rape oilseed, and the global production was down by 7.7%.

In terms of market performance, a growth of 17.6% was witnessed in LATAM, whereas a negative growth of 10.3% was observed in NAFTA. Asia and Europe recorded a de-growth of 1.6% and 6.2% respectively.

Significant growth was recorded in North America and LATAM, particularly in Brazil and USA. The Company also gained 6 new registrations in strategic overseas markets. Partnership models with strategic customers that were adopted during the year helped the Company in its growth journey through leveraging each other's strengths. IBD continues its focus on developmental activities in key geographies of LATAM, South East Asia, Europe and African markets.

2. Crop Nutrition:

Soil Conditioners (GeoGreen)

The Company's organic fertilisers GeoGreen addresses soil health challenges faced by Indian agriculture by providing organic carbon as it is essential for all biological properties of soil which in turn balances physical and chemical properties of the soil for maintaining soil health.

The Company has GeoGreen, GeoGreen Granule and GeoGreen P Plus in the organic fertiliser portfolio and are planning to augment the portfolio by launching GeoGreen K Plus in Kharif 2020. During the year, the business achieved achieved a revenue growth of 13%.

Plant Growth Nutrition

Rallis' Plant Growth Nutrition portfolio consists of bio fertilisers, bio stimulants and secondary and micronutrients categories. During the year, the Company registered a revenue growth of 23% over the previous year. Robust pipelines of products are being built to ensure future growth of the business. The Company is all set to launch two new products in Kharif 2020, one in each of bio stimulants and secondary and micronutrients New Stock-keeping Units introduced by the Company in secondary and micronutrients categories were appreciated by the customers.

In order to service farmers in a better way and to create demand for its brands, the Company rolled out Territories - Crops - Windows - Product/s fit initiative. In this regard, large scale demonstrations, agronomy support and field visits were planned and successfully executed during the year.

Foliar Application and Fertigation

The Company successfully launched its water soluble fertilisers portfolio during the year and is currently promoting Potassium Nitrate, Mono Ammonium Potash, Mono Potassium Phosphate, Potassium Sulphate and Calcium Nitrate across various states in India. The Company's efforts in bringing new products in crop specific and stage specific nutrients yielded positive results. Additionally, products for vegetables, onion and potato (foliar types) are planned for launch in Kharif 2020 and products for grapes (fertigation type) and apple (foliar type) would be launched in H2/Rabi 20-21. The growth of fertigation in high value commercial crops is expected to provide support to the Company's growth plans in water soluble fertilisers, crop specific and stage specific nutrients.

Simultaneously, the Company is also building its capability and new product pipeline to prepare itself for the future.

B. Seeds

During the year, Metahelix Life Sciences Limited ('Metahelix'), a wholly owned subsidiary of the Company, which was merged has been classified as the Seeds division of the Company. Post the merger, a common ERP platform (SAP ECC6) was operationalised. Consequent to the strategy of consolidating all seeds sales through Metahelix since the beginning of FY 2019-20, the Seeds business was carried out only by Metahelix.

During the year under review, the Seeds business of the Company achieved a revenue of ₹ 364 crore as against ₹ 336 crore during FY 2018-19, an increase of 8.3%. The Company continued to focus on its cotton business. Scaling up of new launches in millet allowed the Company to regain its position from the setback experienced in the last two years. Vegetable business was restructured as a separate line of business with a dedicated sales and marketing team and the Company is focussed on driving business growth in future. Additionally, the Company also progressed well in its genetically modified traits development activity in targeted crops.

Commodity prices were attractive throughout the year. As far as the industry is concerned, fall army worm incidents continued to impact farmer sentiments, leading to lower hybrid acreage in maize. However, overall, the year saw good performance in cotton. After two challenging years, vegetables witnessed an early promise, but low produce prices dampened the overall demand. On the seeds production front, major maize hybrid seed production during Rabi season was severely impacted by unseasonal rains and the positive environment of commercial paddy impacted the overall acreage of paddy hybrid seed production in Rabi.

The Ministry of Agriculture and Farmers Welfare had, vide their notification dated March 24, 2020, fixed the maximum selling price of BG II version of cotton hybrid at ₹ 730 per packet and reduced the trait value to 'NIL'. In this regard, the research focussed seed industry players expect such change to act as a hurdle in the continued development as well as in accessing new technology pertaining to seeds.

As seed is the earliest input in which the farmers invest with majority of sales happening during the beginning of the year i.e. in the first quarter, the Covid-19 pandemic has led to challenges in processing as well as last-mile delivery across the seed industry in FY 2020-21.

Farmer Engagement

The Company believes in empowering the farmers and providing them with necessary aid to skillfully engage them in agricultural activities. During the year, through its Farmer Engagement Programme in both Crop Care as well as the Seeds division, the Company undertook the following initiatives:

- **Rallis Samrudh Krishi ('RSK'):** Through the RSK initiatives, higher crop yield is facilitated by providing best farm, latest technologies and digital interventions to the farmers. Mobile apps like Rallis Krishi Samadhan and Sampark have also been introduced to garner better engagement with the farmers
- **Samrudh Krishi ('SK'):** The Samrudh Krishi ('SK') was initiated in the year 2011-12 in Nasik, Maharashtra as a unique agro-advisory Programme with an aim to support grape growers. It focusses on developing and nurturing long-term relationships with farmers by providing end-to-end solutions to their crops
- **Drishti:** In order to address the critical needs of farmers on account of inaccurate information around the uncertain and dynamic factors impacting the agri produce, the Company leverages a remote sensing and artificial intelligence enabled predictive advisory service, Drishti

  Through the Drishti platform, the Company has piloted providing weather related and Pest /Disease related advance forecast, which the farmers have used to make informed decisions on their farming interventions. The Company is also using the inputs for internal planning like stock positioning, forecasting and demand generation activities. These inputs help the Company to enhance its internal process efficiencies.
- **Demand Generation Activities in the Seeds Division:** The objective of this initiative is to help the Indian farmers overcome farming challenges by imparting scientific knowledge on best agricultural practices. Programmes such as Pre-Season Activities ('PSA'), Product Differentiation Activities ('PDA') and Off-Season Activities ('OSA') are conducted to engage the farmers

A detailed description of the above initiatives undertaken by the Company has been provided in the Management Discussion and Analysis Report, forming part of the Annual Report.

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 made available to Members seeking information at any time. They are also available on the website of the Company at https://www.rallis.co.in/SFS.htm.

The Consolidated Financial Statements reflect the operations of PT Metahelix Lifesciences Indonesia only.

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

During the year under review, Metahelix, a wholly owned subsidiary of the Company, merged with the Company with effect from February 1, 2020. Further, during the year under review, the Mumbai Bench of NCLT also approved the merger of ZWAOL, a wholly owned subsidiary of the Company, with the Company. However, the certified copy of the Order is awaited. The Company does not have any associate or joint venture companies as on March 31, 2020.

A report on the financial position of the subsidiary companies as per the Companies Act, 2013 ('the Act') is provided in Form AOC-1 which is attached to the financial statements.

Performance of Subsidiaries

(1) PT Metahelix Lifesciences Indonesia ('PT Metahelix')

PT Metahelix was a step-down subsidiary of the Company with Metahelix holding 65.77%. Post the Merger of Metahelix with the Company, PT Metahelix has become a direct subsidiary of the Company with effect from February 1, 2020.

The total equity of PT Metahelix stood at US$ 10,00,000 as on March 31, 2020 with holding of US$ 4,90,000 by the Company and US$ 5,10,000 by the Joint Venture Partner.

PT Metahelix continued to have difficulties in the operations during FY 2019-20 due to lower yield levels and change in the Government policies. All commercial operations of the PT Metahelix have been stopped from January 1, 2020 and there are no employees on the rolls of the Company.

During the year under review, PT Metahelix achieved revenue from operations of ₹ 0.32 crore as against ₹ 1.23 crore during FY 2018-19. During the year, sales of mainly Maize as a grain (instead of seeds) was made for clearing the inventory and unsaleable inventory was written off. Appropriate action will be initiated for closure of the Company in due course.

(2) Rallis Chemistry Exports Limited ('RCEL')

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

Credit Ratings

There were no changes in the credit ratings of the Company. As on March 31, 2020, the Company had a short term credit rating of CRISIL A1+ and a long term rating of CRISIL AA+/Stable by CRISIL for bank loan facilities aggregating to ₹ 400 crore.

Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not made any investment. Further, the Company has not given any loans or corporate guarantee or provided any security during the year.

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

Fixed Deposits

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2020.

Related Party Transactions

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

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

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned/repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Related Party Transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. All the Related Party Transactions under Ind AS-24 have been disclosed at note no. 39 to the standalone financial statements forming part of this Annual Report.

The Company has a policy on Related Party Transactions in place which is in line with the Act and the Listing Regulations and the same is also available on the Company's website at https://www.rallis.co.in/Related_Party_TransactionsPolicy.htm.

Risk Management

The Company has in place a Risk Management framework to identify, evaluate and monitor business risks and challenges across the Company, that seek to minimise the adverse impact on business objectives and capitalise on opportunities. The Company's success as an organisation largely depends on its ability to identify such opportunities and leverage them while mitigating the risks that arise while conducting its business.

A Risk Management Committee of the Board of Directors chaired by Dr. C. V. Natraj, an Independent Director, has been constituted to identify elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks as well as identify new and emergent risks. The Committee informs the Board, on a timely basis, about risk assessment and minimisation procedures which in the opinion of the Committee may threaten the existence of the Company, if any. A Risk Management Policy has also been adopted based on this framework.

The Company also maintains a Risk Register, which is 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.

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

Internal Financial Controls

The Company's internal financial control systems are commensurate with the nature of its business and the size and complexity of its operations. The internal control procedures have been planned and designed to provide reasonable assurance of compliance with various policies, practices and statutes in keeping with the organisation's pace of growth and achieving its 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 department. Post-audit reviews are also carried out to ensure that audit recommendations are implemented. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. The ultimate objective being, a Zero Surprise, Risk Controlled Organisation.

During the year, two external firms viz. Ernst & Young, LLP and Mahajan and Aibara & Co., were engaged to assist the Internal Auditor of the Company with the audit processes and procedures. Independence of the Internal Auditors is ensured by way of direct reporting to the Audit Committee.

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

Directors and Key Managerial Personnel

Appointment and Cessation:

During the year, the term of Mr. P. R. Rastogi and Dr. Y. S. P. Thorat as Independent Directors of the Company ended on June 29, 2019. The Board of Directors places on record their sincere appreciation for the contributions made by Mr. Rastogi and Dr. Thorat during their tenure as Independent Directors of the Company.

Mr. John Mulhall, Non-Executive Director of the Company, resigned from the Board on June 29, 2019. The Board places on record its sincere appreciation for Mr. Mulhall's contribution and guidance provided during his tenure as a Director and a Member on various Committees of the Board.

The Members at the Annual General Meeting held on June 28, 2019 re-appointed Dr. Punita Kumar-Sinha as an Independent Director of the Company for a second term commencing from June 30, 2019 upto March 25, 2024 by passing a Special Resolution.

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 by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A resolution seeking Members' approval for his re-appointment forms part of the Notice.

Independent Directors:

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

Dr. Natraj, Dr. Sinha and Ms. Kaicker have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of science and technology, digitalisation, human resources, strategy, auditing, tax and risk advisory services, financial services, corporate governance, etc. and that they hold highest standards of integrity.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Details of Familiarisation Programme for the Independent Directors are provided separately in the Corporate Governance Report.

Key Managerial Personnel ('KMP'):

In terms of the provisions of Sections 2(51) and 203 of the Act, the following are the KMPs of the Company:

Mr. Sanjiv Lal, Managing Director & CEO

Mr. Ashish Mehta, Chief Financial Officer

Mr. Yashaswin Sheth, Company Secretary

Governance Guidelines:

The Board of the Company has adopted Governance Guidelines on Board Effectiveness. The Guidelines cover aspects related to composition and role of the Board, Chairperson 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. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

During the year under review, the Board has also identified the list of core skills, expertise and competencies of the Board of Directors as are required in the context of the businesses and sectors applicable to the Company and mapped with each of the Directors on the Board. The same is disclosed in the Report of Corporate Governance forming part of the Annual Report.

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

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

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

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

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

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

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

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

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

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

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

Governance and Compliance

The Secretarial and Legal functions of the Company ensure maintenance of good governance within the organisation. They assist the business in functioning smoothly by being compliant at all times and providing strategic business partnership in the areas including legislative expertise, corporate restructuring, regulatory changes and governance.

During the year under review, the Company has implemented an online compliance management system for monitoring the compliances across its various plants and offices.

Constitution of Safety, Health, Environment and Sustainability Committee

In order to have a dedicated group of members to monitor and regulate the safety standards at its various plants as well as to attain growth in a sustainable environment, the Company has formed a Safety, Health, Environment and Sustainability Committee of the Board on January 16, 2020, with Dr. C. V. Natraj, an Independent Director, as the Chairman of the Committee.

During the year, 1 (one) Safety, Health, Environment and Sustainability Committee meeting was held, details of which are provided in the Corporate Governance Report.

Shifting of Registered Office

During the year, the Company shifted its registered office from 15th Floor, Nariman Bhavan, 227 Nariman Point, Mumbai - 400 021 to 23rd Floor, Lodha Excelus at New Cuffe Parade, Off Eastern Freeway, Wadala, Mumbai - 400 037 with effect from September 1, 2019.

Remuneration Policy

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

Board and Committee Meetings

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

a. Details of Board Meetings

During the year under review, 7 (seven) Board Meetings were held, details of which are provided in the Corporate Governance Report.

b. Composition of Audit Committee

During the year under review, the Audit Committee comprised 3 (three) Members out of which 2 (two) were Independent Directors and 1 (one) was a Non-Executive Non-Independent Director. During the year, 6 (six) Audit Committee Meetings were held, details of which are provided in the Corporate Governance Report.

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

c. **Composition of Corporate Social Responsibility (CSR) Committee**

As on March 31, 2020, the Committee comprised 3 (three) Members out of which 1 (one) was Independent Director and 2 (two) were Non-Independent Directors. During the year under review, 2 (two) CSR Committee Meetings were held, details of which are provided in the Corporate Governance Report. Mr. Sanjiv Lal, Managing Director & CEO, was inducted as a Member of the CSR Committee, effective April 1, 2019.

Details on other committees including their composition, Number of meetings held and terms of reference are given in the Corporate Governance Report.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

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 for the year ended March 31, 2020:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Social Responsibility

Corporate Social Responsibility ('CSR') and Affirmative Action ('AA') continued to be integral part of the business journey of the Company. The Company has developed its own Sustainability Model focussing on various CSR and AA initiatives. The leadership team at the Company has been very supportive, sensitive and encourages the team to work for inclusive growth through its CSR & AA initiatives.

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

The Company's CSR initiatives are woven around the Company's focus areas, which includes Natural Resource Management ('NRM'), Education including Farmer Safety Awareness, Skill Development and developing Model Tribal Village under AA.

Employees are one of the key stakeholders and support the CSR and AA initiatives by active participation through volunteering. During the year under review, the Company has achieved more than 7,800 volunteering hours through various activities in which 629 employees actively participated.

Under NRM, the Company has focussed on water conservation through rainwater harvesting ('Jal Dhan'), recharging ground water and soil conservation. Jal Dhan benefits have reached more than 2 lakh villagers and harvested 1.97 Million Cubic Meter water during FY 2019-20.

Under soil conservation, the Company has focussed on 'Greening', principally through afforestation and tree plantation drives. More than 98,000 tree saplings have been planted and sustained by the Company.

In Education, the Company has focussed on Science, English, Information Technology and Health and Hygiene, along with support for educational infrastructure. The Company has been engaged in capacity building of school teachers and has provided necessary trainings to teachers. The Company has also supported schools by providing teachers, especially in the stream of Science and English. During FY 2019-20, 17 teachers have been provided at various schools in Gujarat and Maharashtra. The Company has branded its educational interventions as 'RUBY' (Rallis Ujjwal Bhavishya Yojana).

The Company has also initiated scholarship support to students from economically weaker section through Vidyasaarathi portal managed by NSDL (National Securities Depository Limited – CSR wing). During FY 2019-20, 95 students were identified for scholarship support through Vidyasaarathi portal from Gujarat, Maharashtra and Andhra Pradesh.

In 'You are Safe', intervention focus is on educating farmers and students from Agri background on safety during usage of Pesticides. During the year under review, the Company spread the awareness among more than 25,400 farmers and more than 5,972 students from 7 districts of Maharashtra, which are spread across 17 Tehsils and 293 Villages.

The Company, under its AA Programme, focussed on converting a backward Tribal Village into a Model Tribal Village. This initiative is focussed on tribal areas around Mumbai in Maharashtra. During the year under review, the Company reached 8 Tribal villages catering to more than 3,300 Tribals.

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

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

Salient features of the CSR Policy:

Rallis is committed to improve the quality of lives of people in the community it serves through long term stakeholder value creation.

Rallis pledges itself to care for and serve the community by:

1. Designing, evolving and implementing a sustainable, replicable and scalable development model that leads to measurable socio-economic development of the community and ecological development in its area of influence.
2. CSR initiatives shall focus on the following sectors: Natural Resource Management, Rural Development, Skill and Education Enhancement, Farmer and Road Safety.
3. Play a significant role in promotion of inclusive growth through empowerment of farmers, women and socially and economically weaker sections of society.
4. Leverage our intimacy to rural India.
5. Involving the community in all stages of the process, in the true spirit of participatory development.
6. Having focussed and transparent processes, that provides for equal opportunity, while improving the quality of life.
7. Partnering and networking with government development agencies, Corporate bodies and NGOs to implement appropriate community development Programmes.
8. Actively involving the employees in volunteering for Community Development Programmes to provide them opportunities to contribute to the society and environment.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder. The Company has also constituted an Internal Committee to redress complaints received regarding sexual harassment. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this policy. The said policy is available on the website of the Company at https://www.rallis.co.in/POSH.htm.

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.

During the year under review, the Company received one complaint which was investigated and appropriate action was taken. No complaint is pending as at the end of the financial year.

Vigil Mechanism/Whistleblower Policy

The Company has a Vigil Mechanism and a Whistleblower Policy in place to enable its Directors, employees and its stakeholders to report their concerns, if any. The said Policy provides for (a) adequate safeguards against victimisation of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of the Company.

The Company believes in the conduct of the affairs of its constituents by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in line with the Tata Code of Conduct ('Code'). All the stakeholders are encouraged to raise their concerns or make disclosures on being aware of any potential or actual violation of the Code, policies or the law.

Details of the Vigil Mechanism and Whistleblower policy are made available on the Company's website at https://www.rallis.co.in/WBPolicy.htm.

As an additional aid, the Company, under the Code, provides access to 'Integrity Matters', an independent third party operated free phone and web-based facility for its Directors and the employees across all the locations.

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 on June 23, 2017, pursuant to the provisions of the Act and the Rules made thereunder, B S R & Co. LLP, Chartered Accountants ('BSR') (Firm Registration No. 101248W/W-100022), were appointed as Statutory Auditors of the Company from the conclusion of the 69th AGM held on June 23, 2017 till the conclusion of the 74th AGM to be held in the year 2022.

The Audit Report of BSR on the Financial Statements of the Company for FY 2019-20 is a part of the Annual Report. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

(2) Cost Auditors:

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

In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), being eligible, to conduct Cost Audits relating to Insecticides (Liquid, Solid and Technical Grade), Fertilisers, Chemicals (Plastics and Polymers) and Drugs and Pharmaceuticals of the Company for the year ending March 31, 2021. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The remuneration payable to Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Act and Rules therein. The Members are therefore requested to ratify the remuneration payable to D. C. Dave & Co. as set out in the Notice of the 72nd AGM of the Company.

(3) Internal Auditors:

Ernst & Young LLP and Mahajan & Aibara LLP were appointed by the Board of Directors to assist the Internal Auditor of the Company with the audit processes and internal audit reviews for the Company for FY 2019-20.

(4) Secretarial Auditors:

In terms of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Parikh & Associates, a firm of Company Secretaries in Practice (CP No. 327), have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure D.** There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in their Report.

Reporting of Frauds by Auditors

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

Annual Return

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

The extract of the Annual Return of the Company can also be accessed on the website of the Company at https://www.rallis.co.in/MGT2020.htm.

Secretarial Standards of ICSI

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Particulars of Employees and Remuneration

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

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

Management Discussion and Analysis, Business Responsibility and Corporate Governance Report

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

Acknowledgements

The Directors hereby acknowledge the dedicated and loyal services rendered by the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, Government authorities, business partners, shareholders and other stakeholders without whom the overall satisfactory performance would not have been possible.

On behalf of the Board of Directors

Bhaskar Bhat
Chairman

Bengaluru, May 5, 2020

Annexure A to the Board's Report

DIVIDEND DISTRIBUTION POLICY

1. About the Company

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

2. Objectives of the Policy

2.1 Securities and Exchange Board of India (hereinafter referred to as 'SEBI') has, by its Notification dated 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 payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Based on the above, the Company will endeavour to maintain the steady level of dividend per share over the medium term.

5.3 Circumstances under which the shareholders of the Company may or may not expect dividend:

The Shareholders may ordinarily expect dividend if the Company has made profits during the current year. Recommending dividend out of profits of previous financial years or out of retained earnings shall be at the discretion of the Board, subject to the compliance with the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time. The Board may not recommend a dividend if:

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

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

5.4 Financial Parameters for declaring dividend:

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

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

5.5 Internal and External Factors for declaring dividend:

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

Internal Factors:

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

External Factors:

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

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

5.6 Manner in which the retained earnings shall be utilised:

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

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

5.7 Dividend Range:

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

6. Review of Policy

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

7. Disclosures

Rallis shall disclose the Dividend Distribution Policy in the Board's Report forming part of the Annual Report. This Policy shall also be disclosed on the website of the Company at www.rallis.co.in. 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

Bengaluru, May 5, 2020

Annexure B to the Board's Report

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

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

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

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Key principles governing this remuneration policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors ('ID') and Non-Independent Non-Executive Directors ('NED') may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) and commission within regulatory limits
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives)
- Overall remuneration should be reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration
- Overall remuneration practices should be consistent with recognised best practices
- Quantum of sitting fees may be subject to review on a periodic basis, as required
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/Board Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organised by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

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

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:
  - o Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent).

- 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 recognised best practices; and
- Aligned to any regulatory requirements.

• 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 optimisation, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through reimbursements 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

Bengaluru, May 5, 2020

Annexure C to the Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR Policy, including overview of projects or Programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or Programmes.	The Company is committed to improve quality of lives of people in the community it serves through long-term stakeholder value creation, with special focus on empowerment of communities in rural India. The Company's CSR initiatives focus on Natural Resources Management (Water, Soil Health, Public Healthcare and Sanitation), Employability through skills building and education and Farmer Safety. CSR activities of the Company are implemented by the in-house CSR team, through participatory approach involving beneficiaries, NGOs and other community partners. Interventions are aligned with Tata Group Focus Initiatives. 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: https://www.rallis.co.in/CSR_Policy.htm
2.	The Composition of the CSR Committee.	1. Mr. R. Mukundan (Chairman) 2. Dr. Punita Kumar-Sinha 3. Mr. Sanjiv Lal
3.	Average net profit of the Company for last three financial years.	₹ 231.53 crore
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 4.63 crore
5.	Details of CSR spent for the financial year. (a) Total amount to be spent for the financial year: (b) Amount unspent, if any: (c) Manner in which the amount spent during the financial year is detailed below:	 ₹ 4.63 crore (The Company has spent ₹ 4.64 crore during financial year 2019-20) Nil The manner in which the amount is spent is annexed.
6.	In case the Company has failed to spend the two percent 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's 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.

On behalf of the Board of Directors

	Sanjiv Lal	**R. Mukundan**
Mumbai, May 5, 2020	Managing Director & CEO	Chairman - CSR Committee

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

(₹ in lakh)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or Programmes (a) Local area or other (b) Specify the state and district where projects or Programmes were undertaken	(5) Amount outlay (budget) project or Programmes-wise	(6) Amount spent on the projects or Programmes (a) Direct expenditure on projects or Programmes (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 rooftop harvesting)	1. Rural Development 2. Ensuring Environment Sustainability	Watershed Programme in Maharashtra. Villages covered from Latur, Akola, Raigad Districts	68.00	162.61	162.61	Direct	N.A.
2	RUBY project - Education (Career guidance Soft skill, IT, Science and English intervention, Educational support to unprivileged students) and Volunteering initiatives	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	86.00	92.00	92.00	Direct besides Scholarship	Scholarship through Vidyasaarathi – NSDL portal
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 Akola and Mumbai in Maharashtra	15.00	12.91	12.91	Through Implementing agency	Light of Life Trust
4	Greening Project Afforestation (Conserving soil and water, increasing groundwater level, green cover)	Ensuring Environment Sustainability	Greening /tree saplings at different locations	1.00	1.27	1.27	Direct	N.A.
5	Rural Development, Healthcare and Sanitation (including marathon and St. Jude)	Healthcare and Sanitation Rural Development	Developing model village, construction of toilets, health interventions, support to cancer patients	60.00	110.62	110.62	Direct, except Jawhar project	All India Institute of Local Self Governance and Pehl
6	Farmer Safety	1. Education, Rural Development	'You are Safe' Programme in Maharashtra	10.00	30.32	30.32	Direct	N.A.
7	C – SAFE	Rural Development	Rural Development Programme towards Sustainable agriculture	200.00	17.59	17.59	Direct	N.A.
8	Covid - 19 Relief work	Rural Development, Health	Supporting in Covid relief work	0.00	14.00	14.00	Direct	N.A.
9	Salary and admin cost	5% of total expenditure		23.00	23.14	23.14	-	N.A.
			GRAND TOTAL	**463.00**	**464.46**	**464.46**		

Annexure D to the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(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, to the extent 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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 March 31, 2020 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, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the 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, 2018; **(Not applicable to the Company during the audit period)**

(vi) Other laws specifically applicable to the Company namely

  1) The Insecticides Act, 1968 and Rules, 1971

  2) The Seeds Act, 1966 and Rules, 1968

  3) The Fertilisers (Control) Order, 1985

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

i. During the year under review, the Company merged its wholly owned subsidiary, Metahelix Life Sciences Limited with itself with effect from February 1, 2020 upon filing of the Orders of the National Company Law Tribunal ('NCLT'), Mumbai Bench and NCLT Bengaluru with the jurisdictional Registrar of Companies.

ii. During the year, the NCLT also sanctioned merger of Zero Waste Agro Organics Limited, a wholly owned subsidiary, for which certified copy of Order of NCLT is awaited.

For Parikh & Associates
Company Secretaries

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488B000204048

Place: Mumbai
Date: May 5, 2020

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

'Annexure A'

To,

The Members,
Rallis India Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488B000204048

Place: Mumbai
Date: May 5, 2020

Annexure E to the Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[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	August 23, 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	23rd Floor, Lodha Excelus, New Cuffe Parade, Off Eastern Freeway, Wadala, Mumbai - 400 037 Tel. No.: +91 22 6665 2700 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 Consultants Private Limited 6, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011. Tel. No.: +91 22 6656 8484 Fax No.: +91 22 6656 8494 E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products/services	NIC Code of the products/services	% to total turnover of the Company
1.	Agri Inputs	3808	98.79

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Tata Chemicals Limited Bombay House, 24 Homi Mody Street Fort, Mumbai - 400 001.	L24239MH1939PLC002893	Holding Company	50.06	2(46)
2.	PT Metahelix Lifesciences Indonesia^ Jl. Batu Tulis Raya No. 17 PAV, Kel. Kebon, Kelapa, Kec. Gambir, Jakarta Pusat, Indonesia.	Not Applicable	Subsidiary Company	65.77	2(87)(ii)
3.	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)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
4.	Rallis Chemistry Exports Limited# 156/157 15th Floor, Nariman Bhavan, 227 Nariman Point, Mumbai - 400 021.	U74990MH2009PLC193869	Subsidiary Company	100	2(87)(ii)

^ The Company holds 65.77% post the merger of Metahelix Life Sciences Limited with the Company.

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

** During the year, the National Company Law Tribunal, Mumbai Bench ('NCLT') sanctioned the merger of Zero Waste Agro Organics Limited, a wholly owned subsidiary, with the Company. The certified copy of the Order of NCLT is awaited.*

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholers	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals /Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government / State Governments	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	9,74,16,610	0	9,74,16,610	50.09	9,74,16,610	0	9,74,16,610	50.09	0.00
(d) Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
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**	**0.00**
(2) Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter and Promoter Group (A)	**9,74,16,610**	**0**	**9,74,16,610**	**50.09**	**9,74,16,610**	**0**	**9,74,16,610**	**50.09**	**0.00**
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds /UTI	2,63,40,413	1,110	2,63,41,523	13.55	2,91,83,199	0	2,91,83,199	15.01	1.46
(b) Financial Institutions /Banks	3,00,267	24,600	3,24,867	0.17	1,19,802	22,350	1,42,152	0.07	(0.09)
(c) Central Government / State Governments	0	8,01,150	8,01,150	0.41	0	8,01,150	8,01,150	0.41	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	1,09,12,523	0	1,09,12,523	5.61	91,01,323	0	91,01,323	4.68	(0.93)
(f) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholers	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(i) Foreign Portfolio Investors (Corporate)	77,75,464	0	77,75,464	4.00	95,11,666	0	95,11,666	4.89	0.89
(ii) Alternative Investment Funds	4,78,728	0	4,78,728	0.25	43,000	0	43,000	0.24	(0.01)
Sub-Total (B) (1)	**4,58,07,395**	**8,26,860**	**4,66,34,255**	**23.98**	**4,79,58,990**	**8,23,500**	**4,87,82,490**	**25.08**	**1.32**
(2) Non-Institutions									
(a) Bodies Corporate	68,08,917	21,000	68,29,917	3.51	46,18,318	19,500	46,37,818	2.38	(1.13)
(b) Individuals -									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,19,70,307	9,12,085	2,28,82,392	11.77	1,87,47,550	7,54,665	1,95,02,215	10.03	(1.74)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,99,60,036	0	1,99,60,036	10.26	2,32,78,778	0	2,32,78,778	11.97	1.71
(c) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other (specify)									
(i) Trusts	16,000	0	16,000	0.01	26,866	0	26,866	0.01	0.01
(ii) Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
(iii) IEPF Suspense A/c	7,29,680	0	7,29,680	0.38	8,24,113	0	8,24,113	0.42	0.04
Sub-total (B) (2)	**4,94,84,940**	**9,33,085**	**5,04,18,025**	**25.93**	**4,74,95,625**	**7,74,165**	**4,82,69,790**	**24.82**	**(1.11)**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**9,52,92,335**	**17,59,945**	**9,70,52,280**	**49.91**	**9,54,54,615**	**15,97,665**	**9,70,52,280**	**49.91**	**0.00**
TOTAL (A)+(B)	**19,27,08,945**	**17,59,945**	**19,44,68,890**	**100.00**	**19,28,71,225**	**15,97,665**	**19,44,68,890**	**100.00**	**0.00**
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	**19,27,08,945**	**17,59,945**	**19,44,68,890**	**100.00**	**19,28,71,225**	**15,97,665**	**19,44,68,890**	**100.00**	**0.00**

(ii) Shareholding of Promoters (including Promoter Group)

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding 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**

** Part of Promoter Group*

(iii) Change in Promoters' (including Promoter Group) Shareholding

Sl. No.	Name of the Shareholder	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.	**Tata Chemicals Limited**				
	At the beginning of the year	9,73,41,610	50.06	9,73,41,610	50.06
	At the end of the year	9,73,41,610	50.06	9,73,41,610	50.06
2.	**Ewart Investments Limited***				
	At the beginning of the year	75,000	0.04	75,000	0.04
	At the end of the year	75,000	0.04	75,000	0.04

** Part of Promoter Group*

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

(iv) Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Rakesh Jhunjhunwala (various accounts)**				
	At the beginning of the year	1,79,80,820	9.25	1,79,80,820	9.25
	Bought during the year	1,31,98,070	6.79	3,11,78,890	16.03
	Sold during the year	(1,18,73,070)	(6.11)	1,93,05,820	9.93
	At the end of the year	1,93,05,820	9.93	1,93,05,820	9.93
2.	**SBI Magnum Taxgain Scheme (various accounts)**				
	At the beginning of the year	56,44,397	2.90	56,44,397	2.90
	Bought during the year	6,68,892	0.34	63,13,289	3.25
	Sold during the year	0	0.00	63,13,289	3.25
	At the end of the year	63,13,289	3.25	63,13,289	3.25
3.	**Reliance Capital Trustee Company Limited (various accounts)**				
	At the beginning of the year	25,52,528	1.31	25,52,528	1.31
	Bought during the year	32,37,969	1.67	57,90,497	2.98
	Sold during the year	(1,60,506)	(0.08)	56,29,991	2.90
	At the end of the year	56,29,991	2.90	56,29,991	2.90
4.	**Tata Mutual Fund (various accounts)**				
	At the beginning of the year	55,30,500	2.84	55,30,500	2.84
	Bought during the year	6,35,000	0.33	61,65,500	3.17
	Sold during the year	(6,68,500)	(0.34)	54,97,000	2.83
	At the end of the year	54,97,000	2.83	54,97,000	2.83
5.	**HDFC Life Insurance Company Limited (Formerly HDFC Standard Life Insurance Company Limited)**				
	At the beginning of the year	75,29,137	3.87	75,29,137	3.87
	Bought during the year	71,61,649	3.68	1,46,90,786	7.55
	Sold during the year	(94,39,681)	(4.85)	52,51,105	2.70
	At the end of the year	52,51,105	2.70	52,51,105	2.70
6.	**Franklin India Smaller Companies Fund**				
	At the beginning of the year	41,83,258	2.15	41,83,258	2.15
	Bought during the year	0	0.00	41,83,258	2.15
	Sold during the year	0	0.00	41,83,258	2.15
	At the end of the year	41,83,258	2.15	41,83,258	2.15

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	**Steinberg India Emerging Opportunities Fund Limited**				
	At the beginning of the year	16,00,000	0.82	16,00,000	0.82
	Bought during the year	14,74,300	0.76	30,74,300	1.58
	Sold during the year	0	0.00	30,74,300	1.58
	At the end of the year	30,74,300	1.58	30,74,300	1.58
8.	**ITPL - Invesco India (various accounts)**				
	At the beginning of the year	28,79,885	1.48	28,79,885	1.48
	Bought during the year	17,02,056	0.87	45,81,941	2.35
	Sold during the year	(17,40,243)	(0.89)	28,41,698	1.46
	At the end of the year	28,41,698	1.46	28,41,698	1.46
9.	**UTI Mutual Fund (various accounts)**				
	At the beginning of the year	12,92,986	0.66	12,92,986	0.66
	Bought during the year	2,29,330	0.12	15,22,316	0.78
	Sold during the year	(81,578)	(0.04)	14,40,738	0.74
	At the end of the year	14,40,738	0.74	14,40,738	0.74
10.	**Janhavi Nilekani**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	14,24,000	0.73	14,24,000	0.73
	Sold during the year	0	0.00	14,24,000	0.73
	At the end of the year	14,24,000	0.73	14,24,000	0.73
11.	**Lok Prakashan Limited**				
	At the beginning of the year	13,71,180	0.71	13,71,180	0.71
	Bought during the year	0	0.00	13,71,180	0.71
	Sold during the year	0	0.00	13,71,180	0.71
	At the end of the year	13,71,180	0.71	13,71,180	0.71
12.	**Bajaj Allianz Life Insurance Company Limited**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	17,08,108	0.88	17,08,108	0.88
	Sold during the year	(3,94,205)	(0.20)	13,13,903	0.68
	At the end of the year	13,13,903	0.68	13,13,903	0.68
13.	**Axis Mutual Fund Trustee Limited (various accounts)**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	12,68,347	0.65	12,68,347	0.65
	Sold during the year	0	0.00	12,68,347	0.65
	At the end of the year	12,68,347	0.65	12,68,347	0.65
14.	**Ishares Core Emerging Markets Mauritius Co**				
	At the beginning of the year	17,93,890	0.92	17,93,890	0.92
	Bought during the year	30,41,120	1.56	48,35,010	2.49
	Sold during the year	(37,83,253)	(1.95)	10,51,757	0.54
	At the end of the year	10,51,757	0.54	10,51,757	0.54
15.	**Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Manufacturing Equity Fund**				
	At the beginning of the year	8,39,715	0.43	8,39,715	0.43
	Bought during the year	0	0.00	8,39,715	0.43
	Sold during the year	0	0.00	8,39,715	0.43
	At the end of the year	8,39,715	0.43	8,39,715	0.43

Note:

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

2) *The date wise increase/decrease in shareholding of the top 10 shareholders is available on the website of the Company at www.rallis.co.in under the 'Investor Relations' section.*

(v) Shareholding of Directors and Key Managerial Personnel

Name of the Director	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
At the end of the year	4,831	0.002	4,831	0.002

Note:

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

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

V. Indebtedness

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

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	54.68	12.17	-	66.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.11	0.09	-	0.20
Total (i+ii+iii)	**54.79**	**12.26**	**-**	**67.05**
Change in Indebtedness during the financial year				
Addition	8.50	-	-	8.50
Reduction	(12.53)	(3.03)	-	(15.56)
Net Change	**(4.03)**	**(3.03)**	**-**	**(7.06)**
Indebtedness at the end of the financial year				
i) Principal Amount	50.59	9.17	-	59.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.17	0.06	-	0.23
Total (i+ii+iii)	**50.76**	**9.23**	**-**	**59.99**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to the Managing Director

(₹)

Sl. No.	Particulars of Remuneration	Mr. Sanjiv Lal Managing Director & CEO
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,24,38,360
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	17,94,076
	(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. (Performance based*)	1,42,50,000
5	Others, please specify	-
	Total	**2,84,82,436**
Ceiling as per the Act (@5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		**11.97 crore**

** Commission is for FY 2019-20, which will be paid during FY 2020-21.*

B. Remuneration to Other Directors

1. Independent Directors

(₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. C. V. Natraj	Mrs. Padmini Khare Kaicker	Dr. Punita Kumar-Sinha	Mr. Prakash R. Rastogi	Dr. Y. S. P. Thorat	
1	Fee for attending Board/Committee Meetings	4,20,000	4,00,000	2,20,000	1,20,000	40,000	**12,00,000**
2	Commission	34,00,000	34,00,000	22,50,000	8,00,000	4,00,000	**1,02,50,000**
3	Others, please specify	-	-	-	-	-	-
Total (B1)		**38,20,000**	**38,00,000**	**24,70,000**	**9,20,000**	**4,40,000**	**1,14,50,000**

Note: Dr. Y. S. P. Thorat and Mr. Prakash R. Rastogi ceased to be Independent Directors of the Company with effect from June 29, 2019.

2. Other Non-Executive Directors

(₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Bhaskar Bhat	Mr. R. Mukundan	Mr. John Mulhall	
1	Fee for attending Board/Committee Meetings	2,20,000	**	**	2,20,000
2	Commission	22,50,000*	**	**	22,50,000
3	Others, please specify	-	-	-	-
Total (B2)		**24,70,000**	**-**	**-**	**24,70,000**
Total Managerial Remuneration (B1) + (B2)					**1,39,20,000**
Total Sitting Fees					14,20,000
Total Commission					1,25,00,000
Ceiling as per the Act (@ 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					**2.39 crore**

* *Mr. Bhat is eligible to receive commission from the Company for FY 2019-20 in view of his superannuation from Titan Company Limited as the Managing Director and CEO effective September 30, 2019.*

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

Note:

1) *Mr. John Mulhall ceased to be Non-Executive Director of the Company with effect from June 29, 2019.*

2) *Ceiling limits are for FY 2019-20. Commission is for FY 2019-20, which will be paid during FY 2020-21.*

C. Remuneration to Key Managerial Personnel other than MD /Manager /WTD

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Ashish Mehta, Chief Financial Officer	Mr. Yashaswin Sheth, Company Secretary
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	79,25,901	68,45,370
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	6,49,853	21,600
	(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	**85,75,754**	**68,66,970**

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					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

On behalf of the Board of Directors

Bhaskar Bhat
Chairman

Bengaluru, May 5, 2020

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:

During the year, the Company continued its effort towards conservation of energy and took the following steps for the said purpose:

- Installation of energy efficient Screw Compressor.
- All motors under new procurement were purchased with IE-3 ('International Effeciency') standard.
- Conventional light replacement plan was implemented with LED light in the area of flood light and plant with glass fitting.
- 450 Kilo Volt Ampere Reactive ('KVAR') Harmonic Panel was installed and power factor was maintained above 0.995.
- Energy bill reduction initiative was taken by maintaining unity power factor and low distribution losses by introducing shunt capacitor bank at high rated KW motors.
- High rated KW motors were connected with variable frequency drive ('VFD') for the Agitated Thin Film Dryer ('ATFD') equipments.
- Star-Delta convertor was installed for RVD motors.
- On-load tap changer ('OLTC') transformer was installed.
- Condensate recovery systems to reuse water for enhancement of boiler efficiency and reduce water consumption.
- Atomisation - Interlocks of temperature controller with cooling tower fan motor panel.
- Installation of Orchid make automatic packing machine to reduce energy consumption.

The Company's efforts on energy management were acknowledged by the International Certification ISO-50001 for two of its units, Dahej and Ankleshwar. This is an exceptional achievement as far as the chemical industry is concerned.

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

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

- Installation of 4 Megawatt ('MW') solar power plant at its unit in Dahej, Gujarat. Ankleshwar and Dahej units availed a rebate of 3,085 Megawatt hour ('MWh') /annum during the year from the solar power plant.
- Installation of solar power system for Admin Green Building at Ankleshwar.
- Reduction in carbon dioxide emissions of approximately 10,084 Metric Tonne ('MT') on generation of 47,594 MT of steam, as compared to usage of furnace as a result of commissioning 8 Tonnage per hour ('TPH') Briquette fire boiler at Dahej, SEZ Plant.

(iii) Capital Investment on Energy Conservation Equipments:

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

During the year, the Company has invested ₹ 195 lakh as capital investment on energy conservation equipment including air compressor and IE-3 series energy efficient motors, LED lamps, etc.

(B) Technology Absorption

(i) Efforts made towards Technology Absorption:

(a) Three actives herbicide combination formulation were also developed for customised solutions to be most effective in heavy weed pressure situation.

(b) During the year, the Company developed processes to achieve high purity of four Active Ingredients ('AIs') as against two AIs in the previous year of which pilot scale trials have been completed for one of the compounds at the manufacturing unit and formulation development for further advancement stage activities.

(c) Efforts were made towards digital transformation journey of the R&D activities for lab and field activities.

(d) A unique crop nutrition formulation was developed for micronutrient fertiliser, which can be used as foliar application in many crops.

(e) Further, efforts were made to develop crop nutrients viz. two crop-specific foliar fertilisers formulations and four formulations of growth-stage specific fertigation products for fruits and vegetables, which are all set to be commercially launched in FY 2020-21.

(f) The Company witnessed its Innovation Turnover Index i.e. revenues from products newly introduced in the last four years to be 16% in the Crop Care division and 12.6% in the Seeds Division.

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

(a) Process development of four AIs was completed achieving the cost target and specifications.

(b) Technology transfer of one AI process from laboratory phase to piloting phase was supported.

(c) Focussing on building expertise in Flow Chemistry in order to transforming from batch processes to continuous process.

(d) Backward integration of one key raw material for import substitution was successfully completed.

(e) Label claim expansion approval was obtained for four formulations on nine crops.

(f) During the year, nine dossier has been submitted to Central Insecticides Board and Registration Committee under various categories of new registration.

(g) In terms of commercialisation of products, during FY 2019-20, three formulations have been commercialised:

i) **Zygant:** Ready to granular insecticide formulation for soil application to manage stem borer insect infesting paddy crop. This is the first time granular formulation of Flubendiamide, which has been developed and launched in India by Rallis. Zygant has gained popularity among farmers due to its excellent efficacy, as well as its special phytotonic effect to improve > 10 % higher yield.

ii) **Ayaan:** A fungicide combination formulation, which is a novel, broad spectrum and systemic and contact in action. Introduced for the first time in India for the management of rice sheath blight disease on paddy crop. It offers excellent disease management and yield improvement of Paddy.

iii) **Sarthak:** A fungicidal combination formulation proven to be highly effective against late blight and early blight of Potato, Chilly powdery mildew and anthracnose diseases with long duration of control.

Both Ayaan and Sarthak formulations are well accepted by the farmers in terms assured disease control and higher yield.

iv) Six products were registered in India for the domestic market.

v) Six new international registrations were also obtained in five countries.

(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 crore)

	2019-20	2018-19
Capital expenditure	**1.30**	1.56
Revenue expenditure*	**32.70**	32.22
Total R&D Expenditure	**34.00**	33.78
Total R&D Expenditure as a percentage of net sales (excluding excise duty)	**1.51%**	1.70%

** Included in the above is an amount of ₹ 0.10 crore (Previous Year ₹ 0.19 crore) paid to an external agency.*

(C) Foreign Exchange Earnings and Outgo

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

(₹ in crore)

	2019-20	2018-19
1. Foreign Exchange Earned	**678.28**	638.65
2. Foreign Exchange Outgo	**517.75**	459.83

On behalf of the Board of Directors

Bhaskar Bhat
Chairman

Bengaluru, May 5, 2020

Annexure G to the Board's Report

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

Disclosure of Managerial Remuneration

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2019-20 as well as the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary is as under:

Name of Director/ Key Managerial Personnel	Ratio to median remuneration	% increase in remuneration over previous year
Non-Executive Directors		
Mr. Bhaskar Bhat	3.60:1	*
Dr. C. V. Natraj	5.57:1	34.51
Ms. Padmini Khare Kaicker	5.54:1	22.58
Dr. Punita Kumar-Sinha	3.60:1	11.26
Mr. Prakash R. Rastogi	1.34:1	**
Dr. Y. S. P. Thorat	0.64:1	**
Executive Directors		
Mr. Sanjiv Lal, Managing Director & CEO	41.54:1	#
Key Managerial Personnel		
Mr. Ashish Mehta, Chief Financial Officer	-	17.09
Mr. Yashaswin Sheth, Company Secretary	-	@

Note:

1. *Remuneration includes sitting fees and commission for Non-Executive Directors. Commission relates to the financial year ended March 31, 2020, which will be paid during FY 2020-21.*
2. *Mr. R. Mukundan, Non-Executive Director, being in the whole-time employment of Tata Chemicals Limited, the Holding Company, draws remuneration from it and hence the above details are not applicable to him.*

* *Mr. Bhat is eligible to receive commission from the Company for FY 2019-20 in view of his superannuation from Titan Company Limited as the Managing Director and CEO effective September 30, 2019. Hence, the percentage increase in remuneration is not applicable.*

** *As Mr. Prakash R. Rastogi and Dr. Y. S. P. Thorat ceased to be Independent Directors with effect from June 29, 2019, the percentage increase in remuneration is not comparable.*

As Mr. Sanjiv Lal was appointed as the Managing Director & CEO of the Company effective April 1, 2019, the percentage increase in his remuneration is not applicable.

@ *Since Mr. Yashaswin Sheth's remuneration of previous year is only for part of the year, the percentage increase in his remuneration is not comparable.*

B. Percentage increase in the median remuneration of employees in FY 2019-20: 3.30%

C. Number of permanent employees on the rolls of the Company as on March 31, 2020: 1,610

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

Particulars	% change in Remuneration
Average increase in salary of employees (other than managerial personnel)	9.9
Average increase in remuneration of managerial personnel	#

As Mr. Sanjiv Lal was appointed as the Managing Director & CEO of the Company effective April 1, 2019, his remuneration is not comparable for the purpose of calculating aforesaid average increase in remuneration.

E. Affirmation:

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

On Behalf of the Board of Directors

Bhaskar Bhat
Chairman

Bengaluru, May 5, 2020

Management Discussion and Analysis

Global Economy

The global economy in Calendar Year ('CY') 2019 has seen one of the slowest growth rates since the 2008 financial crisis. The International Monetary Fund ('IMF') estimates that the global GDP ('Gross Domestic Product') may have registered 2.9% growth in CY 2019, significantly lower than 3.6% in CY 2018, and that there will be a negative growth of 3% in CY 2020. A slowdown had been anticipated early in the financial year, because of the US-China trade relations, concerns over Brexit and the consequent stress on the global manufacturing and trade. Country-specific shocks such as liquidity crisis in the Indian banking sector and flooding in eastern Africa pulled down the performance of emerging market economies. Climate-related disasters, ranging from hurricanes in the Caribbean to drought and bushfires in Australia also affected global business sentiments.

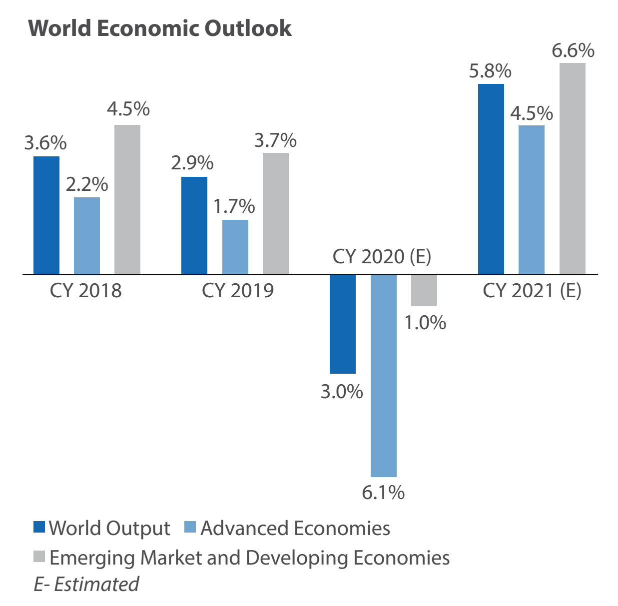
The biggest calamity was the outbreak of coronavirus in the beginning of CY 2020, which grew from a local problem in China to a global pandemic in a matter of weeks in early CY 2020. Lockdowns in most of the affected countries saved lives but were a huge blow to economic activities and the impact will be felt for a long time to come. To counter the losses and prevent a complete economic breakdown, governments and central banks around the world have unleashed unprecedented amounts of fiscal and monetary support. Nonetheless, warning of a recessionary effect was issued by top analysts.

Outlook

A global economic recovery depends to a great extent on the pandemic being brought under control, containment measures being scaled back and trade and manufacturing activities being gradually restored without causing a second wave of contagion. The IMF estimates the world economy to decline by 3% in CY 2020 followed by a recovery and growth of 5.8% in CY 2021. The shape and speed of recovery in the United States ('US') and China will be the key to determining the nature and traction of the global economic recovery.

The US is likely to exhibit negative economic growth of 5.9% in CY 2020 after recording a positive growth of 2.3% in CY 2019. The Euro area is expected to exhibit an even more significant decline of 7.5% in CY 2020 as against growth of 1.2% in CY 2019. Emerging and Developing Asia is forecast to degrow overall by 1% in CY 2020 against the 3.7% growth it recorded in CY 2019. As for China, though it is affected by the trade dispute with the US, its economy is estimated by the IMF to grow by 1.2% in CY 2020, and it is also projected to have the best rate of recovery at 9.2% in CY 2021.

(Source: IMF World Economic Outlook, January 2020)



(Source: IMF World Economic Outlook, April 2020)

Indian Economy

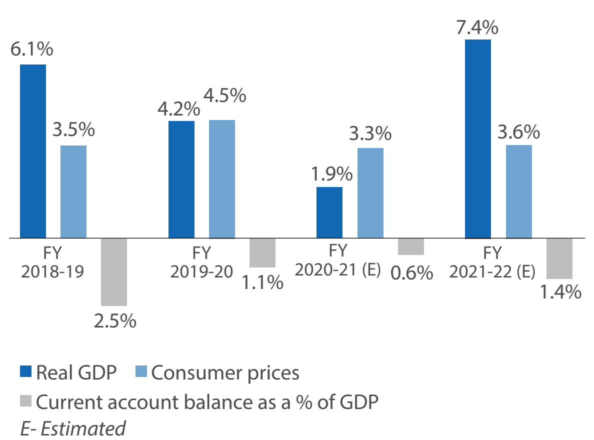
The Indian economy registered a growth of 4.2% in Financial Year ('FY') 2019-20, much lower than the 6.1% in FY 2018-19 *(Source: IMF)*. Wage stagnation, job losses, rising rural unemployment rates, stressed non-banking financial companies and decline in credit growth caused a sharp drop in domestic demand. On the supply side, excess idle production capacity and lower private investments further dragged down economic activity. The Government of India undertook initiatives such as liberalising sectors to attract foreign direct investments, upfront capital infusion in public sector banks to alleviate liquidity concerns and reducing corporate tax rates to revive private investments.

Following the Covid-19 outbreak, India implemented one of the strictest nationwide lockdowns in the world early on, in order to keep the infection numbers under control. This has resulted in mass unemployment in the lower income segment and staff downsizing across sectors. The restriction on free movement of goods and people disrupted supply chains and nearly wiped out the demand for non-essential goods and services. The Government of India announced ₹ 1.7 lakh crore relief package to help India's marginalised population tackle the challenges caused by the Covid-19 pandemic. This included direct cash transfer benefits to more than 8.7 crore Indian farmer families, free food and gas distribution, social and security measures for the organised sector and medical covers for health workers. The Reserve Bank of India ('RBI') provided a monetary stimulus by slashing the repo rate to 5.15%, a cut of 135 basis points in FY 2019-20, to boost demand and private consumption.

Outlook

Amidst the Covid-19 crisis, Fitch Ratings lowered India's economic growth estimate for FY 2020-21 to 0.8%, citing a fall in consumer spending and fixed investment and disruption in economic activities. However, it expects a sharp rebound in India's growth to 6.7% in FY 2021-22. Besides, favourable international oil prices are likely to keep India's inflation rates within manageable bounds and lower its current account and fiscal deficit.

Indian Economic Outlook

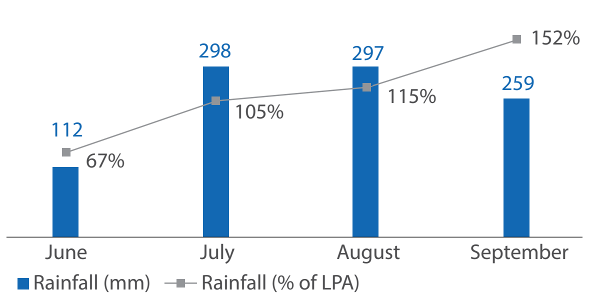


(Source: IMF World Economic Outlook, April 2020)

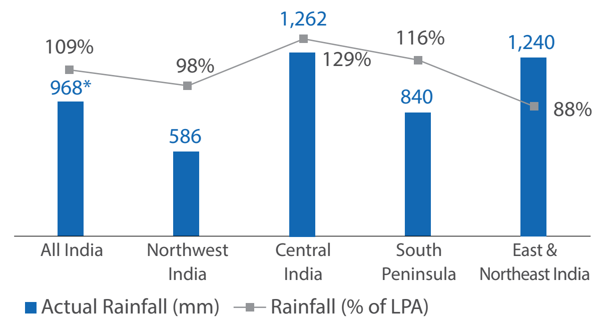
Impact of Climatic Change on Agricultural Production

According to the India Meteorological Department ('IMD'), CY 2019 was India's seventh warmest year since nation-wide records commenced in CY 1901. India's annual rainfall in CY 2019 was 109% of the Long Period Average ('LPA') rainfall (in the 50 years from 1961-2010), as against only 91% of the LPA in CY 2018.

Monthly Monsoon season rainfall in India in CY 2019



Monsoon season (June to September) rainfall in India



**All India rainfall is the weighted average of the regions mentioned.*

(Source: India Meteorological Department)

Production of most crops was estimated to be higher in FY 2019-20 than their average annual production on account of the favourable monsoon during the year. The 2nd Advance Estimates released by the Department of Agriculture Cooperation and Farmers Welfare, estimated the total Foodgrain production in India at a satisfactory level of 291.95 Million Tonnes ('MT') in FY 2019-20. This was 7 MT higher than the country's output at 284.95 MT (as per the 4th Advance Estimates) in FY 2018-19 and 26.20 MT higher than the previous five years' average production.

- Paddy recorded estimated production of 117.47 MT in FY 2019-20 compared to 115.60 MT in FY 2018-19
- Wheat recorded 106.21 MT output in FY 2019-20, which was 2.61 MT higher than the FY 2018-19 production
- Pulses outperformed five years' average production of 20.26 MT by 2.76 MT and recorded the FY 2019-20 output at 23.02 MT

The Government of India has announced several pro-farmer initiatives to double farmers' income by 2022 and provide growth impetus to the agriculture sector. These include the Pradhan Mantri Kisan Maan Dhan Yojana ('PM-KMY'), Pradhan Mantri Kisan Samman Nidhi ('PM-KISAN'), the e-NAM portal to promote 'One Nation One Market', Direct Cash Benefit Transfer, and growth impetus to horticulture.

Foodgrains Production in India (in MT)

Crop	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Cereals	268.93	257.35	253.54	251.98
Pulses	23.02	24.02	23.95	23.13
Foodgrains	291.95	281.37	277.49	275.11
Oilseeds (lakh tonnes)	341.90	315.02	298.82	312.76
Cotton (lakh bales)	**348.90 (170 Kg bales)**	**325.77 (180 Kg bales)**	**339.15**	**300.87**

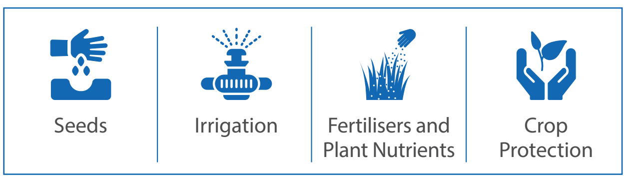
(Source: Second Advance Estimates by the Government)

The share of agriculture and allied sectors in the Gross Value Added ('GVA') of the country at current prices has declined from 18.2% in FY 2014-15 to 16.5% in FY 2019-20. Despite the decline, it continues to be the largest source of livelihood for about 58% of India's population and its growth ensures inclusive economic growth of the country.

Industry Overview

The global agricultural input market is expanding rapidly on account of growing food demand from a world population that is estimated to reach ~10 billion by 2050. The rising population, coupled with declining arable land, is significantly changing farming practices to achieve higher yield per acreage. Crop care and crop protection markets worldwide are adapting to these changing needs and playing an important role in improving farm productivity, environmental sustainability and farmer prosperity.

Segments of Agricultural Inputs Industry



Seeds Industry

As per Phillips McDougall's report, the global commercial seeds market was valued at US$ 41.6 billion in CY 2018, marginally higher than US$ 41.4 billion recorded in CY 2017. Farmers are increasingly buying enhanced seed varieties and better agricultural inputs to increase yield, reduce crop damage and improve disease resistance. The industry is well poised to grow with the backdrop of higher demand for grains, oil and vegetables; necessity to increase farm productivity; farmers' willingness to pay for better quality seeds; increasing seed replacement ratio production of quality seeds appropriate to agro-climatic zones and higher demand for nutritional food items. The Government of India is also making sustained efforts to address region-specific constraints, formulating pro-farmer policies, increasing subsidies and focussing on the use of high-yielding varieties.

(*Source: https://www.seedworld.in/pdf/SeedWorld2019-Report.pdf*)

The Indian seed market was valued at US$ 4.1 billion in CY 2018 and is estimated to grow at a compounded rate of 14.2% to become a US$ 9.1 billion industry by CY 2024. Boosted by an increasing demand for quality seeds in the country and overseas, India's seed industry is witnessing a strong growth spurt. The sector is dominated by field crops such as maize, cotton, paddy, wheat and millets. Within these, grain seeds represent more than 50% share of the total seed production.

- India ranks 2nd largest worldwide in cotton production; it is one of the most cultivated crops in the country. Extensive adoption of BT cotton seeds accounting for more than 90% of total cotton production helped India to register record high levels of production since CY 2002. There exists a significant export opportunity for Indian cotton seeds, as more countries are opening up to genetically modified ('GM') cultivation
- Production of maize in India is set to grow on account of increasing demand for livestock feed and ethanol production and enhanced investments in maize by global seed companies
- The Government is promoting the cultivation of hybrid paddy through schemes such as the National Food Security Mission ('NFSM'), Bringing Green Revolution to Eastern India ('BGREI') and Rashtriya Krishi Vikas Yojana ('RKVY')

Irrigation Industry

Only 20% of the total cultivated land globally is irrigated, but it contributes 40% of the entire food produced worldwide. Irrigated farming is twice as productive as conventional methods per unit of land. Since agriculture has 70% share of water withdrawals globally, efficient and effective water management continues to be a core factor in sustainable farming operations. This has made irrigation a key priority for several economies.

(*Source: https://www.worldbank.org/en/topic/water-in-agriculture)*

Additionally, population growth, urbanisation, industrialisation and impact of climate change on rainfall make it imperative to have superior farm water use efficiency and are triggering a higher demand for irrigated agriculture. The Government of India, in a bid to enhance agricultural irrigation, is undertaking several flagship initiatives such as Pradhan Mantri Krishi Sinchayee Yojana ('PMKSY'), Accelerated Irrigation Benefits Programme, Bharat Nirman Programme, Participatory Irrigation Management, Interlinking of Rivers ('ILR') Programme and Command Area Development and Water Management. These schemes target expanding the irrigated cultivable area, achieving efficient farm-water use and higher utilisation of technology-driven solutions in precision irrigation.

Plant Nutrient Industry

The effective use of fertilisers provides plants with the nutrients that trigger their growth, quality, and yield. Fertilisers have played a key role in the success of India's green revolution and in attaining Foodgrain self-sufficiency despite the country's decreasing area under cultivation and climate-related challenges.

India is the 2nd largest consumer of fertilisers globally and the market was valued at ₹ 6,258 billion in CY 2019. It is expected to grow at a compound annual growth rate ('CAGR') of 12.2% from CY 2019 to CY 2024 to reach ₹ 11,116 billion. The growth would be driven by higher yield requirements due to increasing urbanisation and decreasing arable land; low penetration of fertilisers in many Indian states; Government and non-government awareness campaigns to educate farmers on the benefits of fertilisers; and farmers' enhanced awareness as well as willingness and purchasing capacity to spend on fertilisers. *(Source: www.imarcgroup.com)*

The Indian bio-stimulants market is projected to be a US$ 180.9 million industry by 2023, up from US$ 71.2 million in 2017, implying a CAGR of 16.8%. Bio-stimulants increase crop yield, improve efficiency of water usage and enhance crop quality. The need to improve yield per hectare and rising demand for organic food has attracted significant investments to this sector. Multi-nutrients for soil health are becoming an increasingly important factor as crop quality and quantity are affected by a decline in soil productivity and biological degradation. India's micro-nutrient market was valued at ₹ 19 billion in FY 2018-19 and is expected to grow at a CAGR of 8% to 9%.

Crop Protection Industry

Crop protection chemicals play a critical role in maintaining and enhancing agricultural output by minimising plant diseases, weeds and pest damages to crops. The global crop protection industry stood at US$ 65.59 billion in CY 2019, recording a growth of 0.8% over CY 2018 level of US$ 65.09 billion. Brazil and Argentina have been the biggest markets for crop protection worldwide.

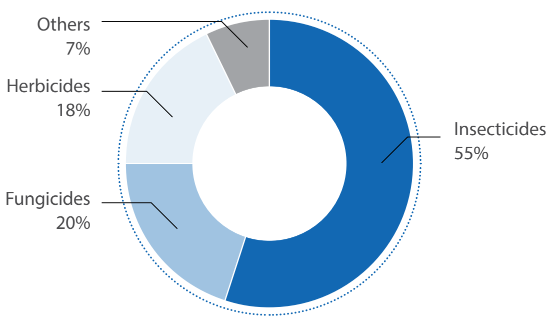
Global Crop Protection Industry Breakup

Crop Protection Segment	CY 2018 (US$ billion)	CY 2019 (US$ billion)	Growth in (%)
Crop Protection	57.56	57.79	0.4
Non-Crop Protection	7.53	7.80	3.6
Total Crop Protection	**65.09**	**65.59**	**0.8**

India is the 4th largest producer of crop protection chemicals in the world after the US, Japan and China and yet crop yield per hectare in the country is lower than that of global averages. Backed by the significant growth headroom as the country attempts to improve farm yield, India's Crop Protection industry is projected to grow at a CAGR of 4.7% during FY 2020-25.

Crop protection products are broadly classified as insecticides, herbicides, fungicides and bio-pesticides.

Segment-wise Breakup of Indian Crop Protection Market



The Indian pesticides market, valued at ₹ 197 billion in CY 2018, is projected to grow at a CAGR of 8.1% during FY 2019-24 to reach ₹ 316 billion by CY 2024. Low-cost manufacturing, availability of a technically skilled workforce, adequate capacity, competitive global pricing and a strong presence in generic pesticide manufacturing have enabled India to become the world's 5th largest exporter of pesticides. With India's own pesticide penetration being significantly lower at 0.6 kg/ha compared to 5-7 kg/ha in US and 11-12 kg/ha in Japan, there is a lot of scope for enhanced offtake, supported by Government initiatives such as low-interest farm loans and awareness enhancing campaigns on safe and judicious pesticides practices. (*Source: FICCI & CARE Ratings Report)*

Company Overview

Rallis India Limited, a Tata Enterprise since 1964, has been serving Indian farmers since decades and is a pioneer in the agricultural inputs industry. It established India's first crop protection active ingredient manufacturing plant and a dedicated crop protection research centre nearly 50 years ago. The Company has created a distinct identity for itself with its extensive research & development ('R&D') capabilities, delivering innovative products, positively impacting the livelihood of millions of farmers in India.

The Company has cautiously expanded from being a pesticide manufacturer to a more diversified player with relevant presence in the agricultural value chain. It has widened its product portfolio and today, caters to all critical agri-input needs such as:

- Soil conditioners
- Hybrid seeds
- Plant growth nutrients
- Plant protection chemicals

It has established four state-of-the-art manufacturing facilities in Gujarat and Maharashtra:

- Ankleshwar, Gujarat
- Dahej, Gujarat
- Lote, Maharashtra
- Akola, Maharashtra

The Company has also built adequate seed processing and packing facilities through its own capacity as well as exclusive partnerships (two facilities in Telangana and one in Chhattisgarh). It has also set up the Rallis Innovation Chemistry Hub ('RICH'), an R&D facility for organic synthesis and formulation development in Bengaluru, which contributes significantly to all the business division of the Company. The R&D lab of the Seeds division (erstwhile Metahelix Life Sciences Limited), also located in Bengaluru, is undertaking cutting-edge technology development in the agri-biotech arena.

Business Operations

The Company's business operations are divided into Crop Care and Seeds.

A. Crop Care division

a. Crop Protection

i. Domestic Formulations business

ii. International business

b. Crop Nutrition

i. Soil Conditioners (GeoGreen)

ii. Plant Growth Nutrients and Micro-nutrients

iii. Foliar Application and Fertigation Crop Nutrients

In the Crop Care division, Rallis manufactures and supplies products for each stage of the farming cycle with a sharp focus on enhancing agricultural yield and improving farmer income. The Company accomplishes this goal by facilitating an integrated crop management system.

The Crop Protection business consists of Domestic Formulations business and International business. Under Domestic Formulations, the Company provides a range of insecticides, fungicides and herbicides, developed to suit Indian crops' requirements. The International business is engaged in the marketing of own-manufactured technical-grade crop protection chemicals as well as branded formulations. Owing to its strong technical knowhow in process chemistry, low-cost advantage and deep customer relationships, Rallis has won contract manufacturing business from leading global players.

The Crop Nutrition business of the Company consists of Soil Conditioners (GeoGreen), Plant Growth Nutrients and Foliar Application and Fertigation products. These specialised solutions provide plants with the necessary growth nutrients that enable farmers to enhance the quality of crops and achieve superior yield.

B. Seeds division (Pursuant to the merger of Metahelix Life Sciences Limited with the Company)

During the year under review, Metahelix Life Sciences Limited ('Metahelix'), a wholly-owned subsidiary, was merged with the Company. Inherent strengths of Metahelix such as product portfolio breadth, emerging and popular Dhaanya seed brand, established supply chain and demand generating abilities will contribute to synergy between the Company's Crop Care and Seed businesses to further strengthen their respective market positions.

Farmer Engagement

Rallis Samrudh Krishi ('RSK')

The Company, through its RSK initiatives, facilitates higher crop yield by bringing best farm practices and latest technologies and digital interventions to farmers. The initiative helps the participants to sustainably increase farm productivity, achieve higher yield at a lower cost and make informed decisions on various aspects of crop management.

Highlights of RSK Initiatives during FY 2019-20

RSK shifted from a product-centric approach to a solution-based approach with the objective of enhancing farm productivity and farm income by establishing superior connect with Indian farmers. It strives to achieve this objective by following a three-pronged end-to-end solution approach that involves:

- Improving yield
- Enhancing produce quality
- Optimising cost of cultivation

Leveraging RSK Platform to augment Rallis' Digital Integration

The Company is leveraging its RSK platform to digitally integrate its internal resources, such as sales and marketing teams, with its external customers such as farmers, channel partners and vendors. This strategy of weaving a digital thread throughout the organisation to the end consumer will enable the Company to have a deeper reach and more significant impact. The Company has undertaken a series of initiatives to accomplish this such as Rallis Krishi Samadhan, Sampark, Samrudh Krishi and Drishti.

Rallis Krishi Samadhan: The Company launched a mobile app to establish direct engagement with its end consumer, the farmer. The app is primarily used to communicate pre-harvest and post-harvest related information, including product listing, customised package of practice, weather information, market information and query resolution. It goes one step further and also provides personalised advisory through farm visits. The service is currently available in 10 regional languages which increases its reach.

Sampark: This is a mobile app launched to support on-field crop advisers of the Company with the goal of creating better engagement with farmers. The app assists the Company in gathering crucial on-ground data for accurate insights, enabling it to provide superior crop advisory services to the farmers.

Samrudh Krishi ('SK')

The Company started Samrudh Krishi ('SK') initiative back in FY 2011-12 in Nashik, Maharashtra as a unique Agro-advisory Programme with an aim to support grape growers. It is targeted to develop and nurture the long-term relationship with farmers by providing end-to-end solutions to their crop. From pruning to crop harvest, it delivers good agricultural practices with expertise in crop protection, nutrition and canopy management.

- It has enabled registered farmers to increase crop yield by 20% and rise in exportable quality grapes by 3% of the yield.
- Starting with 383 farmers, SK now provides services to more than 1,000 customers.
- From FY 2012-13 to FY 2019-20, a total of 12,800 acres have been covered under SK advisory services and has been appreciated by MRDBS (Maharashtra Rajya Draksh Bagayatdar Sangh)-Pune & Director-NRCG-Pune in Public Forums.
- In FY 2017-18, the Company signed a Memorandum of Understanding with the National Research Centre for Grapes (Indian Council of Agricultural Research) to further support grape growers through digital interventions such as weather forecast, pest prediction and advisory.

Drishti: The agricultural industry is severely impacted by many dynamic factors such as weather and soil conditions, crop health and pest attacks. Lack of accurate information around these uncertain factors may result in the loss of farm productivity. To address this critical need, the Company launched a remote sensing and Artificial Intelligence-enabled predictive advisory service, Drishti. It enables informed decision-making and error reduction and provides customised services to farmers from rain-fed areas. The information gathered is also utilised by business teams for internal planning such as stock positioning, forecasting and demand generation activities.

- The Company, during the year, continued to provide information such as pest forecast for key crops; short and medium-term weather and season progress information and farm-specific information such as crop health and yield forecast through the platform
- The Company's Seeds division benefited from the Drishti platform by using the farm-specific information to monitor its hybrid seed production plots

Demand Generation activities in the Seeds Division

The Company promotes its Dhaanya branded seeds through several programmes, such as Pre-Season Activities ('PSA'), Product Differentiation Activities ('PDA') and Off-Season Activities ('OSA') to skilfully engage farmers through the agricultural inputs they use.

- PSA includes village-level meetings and mega-events to increase awareness of crop pests, diseases, preventive measures and to educate farmers on the benefits of high-quality seeds
- PDA offers a great opportunity to the Company to engage farmers in scientific experiments by organising live demonstrations of harvesting, weighing, and high-density planting, enabling the participant farmers to make better decisions
- Under OSA, the Company interacts with farmers during the lean period, discussing the latest development in farming practices and important learnings to be carried into the upcoming season.

The Company engages with more than 20,000 growers to ensure the production of high-quality seeds. It has also started the Twitter handle @respectfarmer to address farmers' needs more comprehensively. These efforts have yielded good results and have significantly increased 'Dhaanya' brand awareness during the year.

Business Overview

Overall Business Performance

The Company registered a revenue growth of 13.5% from ₹ 1,984 crore in FY 2018-19 to ₹ 2,252 crore in FY 2019-20. This was primarily driven by volume growth of 12% across domestic and international businesses even though the Company witnessed pricing pressure in some of the major technicals in the international markets.

During the year, the Company incurred total capital expenditure ('capex') of ₹ 78.6 crore, which was utilised mainly for expansion of the Metribuzin plant and development of a new formulations plant at Dahej. It has planned a total capex of ₹ 800 crore for the next five years to enhance capacities for formulations and new active ingredients and achieve backward integration. This will enable the Company to cater to growing demand, improve manufacturing cost efficiency and reduce import dependency.

A. Crop Care

The Crop Care division delivered a revenue growth of 13%, primarily led by 12% volume growth. The commodity prices of key crops such as paddy, maize and soybean exhibited a rising trend in CY 2019, improving farmers' purchasing capacity. Farmers' higher purchasing power, coupled with the Company's strengthened product portfolio, new product introductions, commercial excellence, trade policy revision and enhanced channel reach led to growth in this division during the year.

a. Crop Protection

The Crop Protection business registered a growth of 16% in FY 2019-20 with both domestic and international business delivering encouraging results.

> ***A capex plan of ₹ 800 crore for the next five years will enable the Company to cater to growing demand, improve manufacturing cost efficiency and reduce import dependency.***

Key highlights of the Crop Protection business in FY 2019-20:

- **Insecticides:** The Insecticides business performed well at 21% revenue growth during the year, primarily driven by the good performance of new products, Zygant and Cameo, along with the scale-up of existing products such as Rilon, Takumi and Summit

- **Fungicides:** The Fungicides business revenue grew by 9% during the year owing to good traction in the new launches, Ayaan and Sarthak as well as the scale-up in existing products, Master, Taqat, Contaf Plus and Ergon

- **Herbicides:** The Herbicides business registered a growth of 16%, exhibiting a mixed performance. There was lower offtake in sugarcane, soybean and wheat on account of the flood-like situation and untimely rainfall. The buoyant Rabi season boosted sales of paddy herbicides in South India

- **New Product Launch:**

  o The Company introduced 3 in-house products – Ayaan, Sarthak and Zygant and 3 co-marketing products – Trimbo, Cameo and Impeder during the year, contributing significantly to the division's growth in FY 2019-20

  o The good market response to Zygant, Ayaan and Sarthak has enabled the Company to improve its market share in paddy, chilli and vegetables

  o Cameo, a strong paddy pesticide; Trimbo, a post-emergence maize herbicide; and Impeder, a wheat herbicide, were well accepted by the market

- **Improving Working Capital Efficiency:** The revised trade terms with the distributors rolled out last year were well accepted by the channel partners. The sales growth was achieved along with improved collection performance

- **Enhancing Distribution Reach and Engagement:** The Company is also refreshing its distribution channels by adding new distributors, revitalising channel policies and improving the relationship between the Company and existing distributors to grow the domestic business

- **International business**

  The International business continued to register growth amidst certain headwinds. It grew by 11% in FY 2019-20. The division's sales were impacted towards the end of FY 2019-20 due to the logistical constraints caused by the Covid-19 outbreak

Key highlights of the International business in FY 2019-20:

- Witnessed good volume growth in Business to Business ('B2B') sales
- Completed Herbicide Phase I expansion in June 2019 and started commercial production. Phase II expansion of similar capacity is expected to be commercialised in the first half of FY 2020-21
- A multi-purpose plant is being established to augment contract manufacturing capacity
- New registration activities are being ramped up to further strengthen the Company's presence in South-East Asian countries and Africa

b. Crop Nutrition

The Company's Crop Nutrition business delivered a satisfactory performance in FY 2019-20 with both Soil Conditioners (GeoGreen) and Plant Growth Nutrition ('PGN') businesses exhibiting strong revenue and profit growth during the year.

i. Soil Conditioners (GeoGreen)

The Company's Soil Conditioner business outperformed the industry growth in FY 2019-20 with revenue growth of 13%, which was primarily led by 10% volume growth. Improved services, superior performance over the competition and consistent quality enabled GeoGreen to become a popular brand among the farming communities across India.

ii. Plant Growth Nutrition

The Company's Plant Growth Nutrition ('PGN') business exhibited strong performance during the year on the back of new product launches, good market presence and channel and sales team incentivisation. This business grew by 23% in FY 2019-20. The Company launched 5 innovative products in the water-soluble fertilisers category during the year, with potential market size of more than ₹ 1,000 crore.

iii. Foliar Application and Fertigation

The Company is planning to launch Foliar Nutrition and Fertigation products in Kharif 2020. The Foliar Nutrition portfolio includes products catering to vegetables, onion, potato and apple, whereas the Fertigation portfolio consists of products primarily catering to grape cultivation.

B. Seeds division

The Seeds division delivered a satisfactory growth of 8.3% in FY 2019-20, backed by strong volume growth witnessed in bajra (pearl millet) and superior price realisation for paddy and millets.

The Seeds business delivered a satisfactory growth of 8.3% in FY 2019-20, backed by strong volume growth witnessed in Bajra (Pearl Millet) and superior price realisation for paddy and millets.

- During the year, the Company witnessed a significant jump in its seed procurement prices due to increased minimum support price ('MSP') for paddy and increased commodity prices of maize, millets and cotton. Despite the price increases, the Company was able to maintain its gross margins
- The Company continues to undertake product development initiatives to further diversify into Rabi season products, such as fruits and vegetables. It is also utilising its strong R&D capabilities to develop and launch innovative products, coupled with in-licensing business model adoption. This will help it fill portfolio gaps and enhance its presence across all businesses and seasons
- Additionally, the Company is minimising production failures and enhancing quality delivery. This is being achieved through improved planning, backed by data-based decision-making and more rigorous tech-enabled scientific testing methods at its NABL accredited (first in the Seeds industry) quality lab

Covid-19 Impact

The Company is in the midst of unprecedented times due to the worldwide spread of Covid-19. The Ministry of Home Affairs vide order No. 40-3/2020 dated March 24, 2020 notified the first ever nationwide lockdown in India to contain the virus outbreak. The Company's operations were disrupted at certain manufacturing facilities and depots, as a result of which goods worth ₹ 16.04 crore could not be despatched to the domestic market. International shipments were also disrupted due to the absence of transportation in the last week of March 2020, resulting in lower shipment of ₹ 53.18 crore.

Towards the end of the financial year, the Company timed its maintenance-related shutdown with the lockdown period. After completing critical maintenance jobs, the Company resumed its operations gradually from April 27, 2020. However, capacity utilisation was hampered due to the non-availability of labour and logistical constraints on imports and exports.

Until the contagion is fully controlled, Rallis is focussing on the safety of its employees, stakeholders and operations. It is thankful to the Government of India for supporting the agri-input industry and declaring it as an essential industry. The agriculture sector is expected to display resilience amidst the challenging scenario and is encouraged by the positive monsoon predictions. The Company is adapting to the new working conditions by focussing on supply chain, cash position, optimal capital expenditures and calibrated fixed costs.

Review of Financial Performance

Standalone performance for the year ended March 31, 2020

Analysis of the Standalone Profit and Loss Statement

	FY 2019-20 ₹ in crore	FY 2018-19 ₹ in crore	Change in (%)
Revenue from operations (Net)	2,252	1,984	13.5
Other income	34	31	12.2
Cost of materials consumed	1,389	1,171	18.6
Power and fuel	59	64	(7.1)
Freight, handling and packing	78	72	8.6
Employee benefits expenses	199	180	10.9
Depreciation and amortisation expenses	62	46	33.5
Finance costs	6	5	16.4
EBITDA	261	239	9.1
Profit after tax	185	154	20.3

Income

The total income of the Company increased by 13.5% from ₹ 2,014 crore in FY 2018-19 to ₹ 2,286 crore in FY 2019-20. This comprises revenue from operations and other income.

Revenue from operations increased by 13.5% from ₹ 1,984 crore in FY 2018-19 to ₹ 2,252 crore in FY 2019-20, primarily led by strong volume growth in both domestic and international businesses. Other income increased by 12.2% from ₹ 31 crore in FY 2018-19 to ₹ 34 crore in FY 2019-20. The increase was largely contributed by Dividend and Fair Valuation income from current investments.

Expenses

The Company's total expenses increased by 14.6% from ₹ 1,796 crore in FY 2018-19 to ₹ 2,058 crore in FY 2019-20. Major expense items comprise the cost of materials consumed, purchase of stock-in-trade, power and fuel, freight, handling and packing, employee benefits, depreciation and amortisation expenses and finance costs.

Cost of materials consumed increased by 18.6% from ₹ 1,171 crore in FY 2018-19 to ₹ 1,389 crore in FY 2019-20, because of an increase in major raw material prices.

Power and fuel expenses decreased by 7.1% from ₹ 64 crore in FY 2018-19 to ₹ 59 crore in FY 2019-20, mainly due to the decrease in prices of utilities.

Freight, handling and packaging expenses increased by 8.6% from ₹ 72 crore in FY 2018-19 to ₹ 78 crore in FY 2019-20. The increase is mainly due to increase in sales volumes and higher stock transfers as compared to previous year.

Employee benefit expenses increased by 10.9% from ₹ 180 crore in FY 2018-19 to ₹ 199 crore in FY 2019-20. The increase is on account of annual increment, new recruitments and actuarial valuation.

Depreciation and amortisation expenses increased by 33.5% from ₹ 46 crore in FY 2018-19 to ₹ 62 crore in FY 2019-20. The Company has adopted Accounting Standard Ind AS 116, effective April 1, 2019, using a modified retrospective approach. As per the newly adopted standards, all long-term leases are considered as a right-of-use asset and, accordingly, depreciation is charged to profit and loss account instead of lease rent. This resulted in an additional impact of ₹ 13.90 crore in the depreciation and amortisation expenses.

Profitability

As a result of the impact of the nationwide lockdown to contain Covid-19, as explained above, the overall revenue of the Company was impacted. Therefore, EBIDTA margins dropped by 46 bps from 12.1% in FY 2018-19 to 11.6% in the year under review.

PAT increased by 20.3% from ₹ 154 crore in FY 2018-19 to ₹ 185 crore in FY 2019-20. This includes Exceptional Items comprising profit on the sale of flats (net of costs).

Analysis of the Standalone Balance Sheet

Non-Current Assets

Particulars	FY 2019-20 ₹ in crore	FY 2018-19 ₹ in crore	Change in (%)
Property, plant and equipment	361	370	(2.4)
Right-of-use asset	26	0	-
Capital work-in-progress	29	13	123.3
Investment property	0	6	-
Goodwill on amalgamation	196	196	-
Other intangible assets	10	10	(0.2)
Intangible assets under development	47	38	24.1
Financial assets			
I. Investments	4	4	-
II. Loans	9	7	34.6
III. Other financial assets	1	0	83.3
Income tax assets (net)	110	75	46.3
Other non-current assets	42	32	32.2
Total non-current assets	**834**	**749**	**11.3**

Non-current assets of the Company increased by 11.3% from ₹ 749 crore as on March 31, 2019 to ₹ 834 crore as on March 31, 2020. As per the adopted Accounting Standard Ind AS 116, all long-term leases are considered as a right-of-use asset, which increased non-current assets by ₹ 26 crore. Increase in capital work-in-progress is on account of capital expenditure made towards expansion plans, mainly at Dahej, Gujarat, but not yet capitalised.

Working Capital

Particulars	FY 2019-20 ₹ in crore	FY 2018-19 ₹ in crore	Change in (%)
Current assets			
Inventories	699	673	3.9
Financial assets			
I. Investments	299	105	183.2
II. Trade receivables	450	448	0.4
III. Cash and cash equivalents	46	40	14.5
IV. Bank balances other than (iii) above	2	4	(45.4)
V. Loans	0	1	(100.0)
VI. Other financial assets	6	5	41.1
Other current assets	106	134	(20.4)
Assets classified as held for sale	4	0	-
Total current assets	**1,613**	**1,410**	**14.4**
Current liabilities			
Financial liabilities			
I. Borrowings	50	53	(6.3)
II. Trade payables	637	535	19.2
III. Other financial liabilities	103	107	(3.3)
- Provisions	17	16	5.0
- Income tax liabilities (net)	24	4	453.2
- Other current liabilities	120	99	21.1
Total current liabilities	**951**	**814**	**16.8**
Working capital	**662**	**596**	**11.1**

Working Capital

Working capital (net current assets) of the Company increased by 11.1% from ₹ 596 crore as on March 31, 2019 to ₹ 662 crore as on March 31, 2020. Despite the macro-economic and industry-specific challenges, the Company managed cash flows efficiently to ensure tight control over

Despite the macro-economic and industry-specific challenges, the Company managed cash flows efficiently to ensure tight control over working capital.

working capital. The working capital cycle stood at 107 days as against 110 days in the previous year. The current ratio was at a comfortable level of 1.70.

The key elements of the current assets comprise investment, inventory, trade receivables, cash and cash equivalents and bank balances. Investments increased by 183% from ₹ 105 crore as on March 31, 2019 to ₹ 299 crore as on March 31, 2020.

Inventory

Inventory increased by 3.9% from ₹ 673 crore as on March 31, 2019 to ₹ 699 crore as on March 31, 2020. Inventory cycle improved from 124 days as on March 31, 2019 to 113 days as on March 31, 2020. Higher inventory levels were on account of the Government-led lockdown towards the end of March 2020 and the build-up of some raw materials to meet next season's demands.

Trade receivables

Trade receivables remained almost at a similar level as the previous year, while debtor turnover improved from 82 days as on March 31, 2019 to 73 days as on March 31, 2020. Creditors increased by 19.2% due to favourable payment terms negotiated during the year. Creditor turnover ratio increased from 98 days to 103 days.

Net cash flows

The Company generated net cash flows of ₹ 18 crore as on March 31, 2020 compared to ₹ (23) crore as on March 31, 2019. Its net cash flows from operating activities as on March 31, 2020, were ₹ 338 crore against ₹ 79 crore in the previous year.

Capital Employed

Particulars	FY 2019-20 ₹ in crore	FY 2018-19 ₹ in crore	Change in (%)
Equity			
Equity share capital	19	19	-
Other equity	1,391	1,266	9.8
Total equity	**1,410**	**1,286**	**9.7**
Liabilities			
Non-current liabilities			
Financial liabilities			
I. Borrowings	27	16	69.3
II. Other financial liabilities	6	6	0.6
III. Provisions	26	22	17.2
IV. Deferred tax liabilities (net)	27	15	78.5
V. Other non-current liabilities	-	-	-
Total non-current Liabilities	**86**	**60**	**45.0**
Total	**1,496**	**1,345**	**11.2**

Capital employed increased by 11.2% to ₹ 1,496 crore as on March 31, 2020. The Company's return on capital employed stood at 16.3% as on March 31, 2020 as against 16.7% as on March 31, 2019. The marginal decline in returns was due to an increase in the capital employed. Capital employed comprises net worth and non-current liabilities.

The net worth of the Company increased by 9.7% from ₹ 1,286 crore as on March 31, 2019 to ₹ 1,410 crore as on March 31, 2020. It comprises equity share capital divided into 19,44,68,890 equity shares of ₹ 1 each and reserves and surplus of ₹ 1,391 crore. The Company's return on net worth as on March 31, 2020, improved to 13% from 12% recorded on March 31, 2019.

The Company's non-current liabilities increased by 45% as on March 31, 2020. It includes non-current borrowings, provisions and deferred tax liabilities (net). Borrowings comprise ₹ 9 crore term-loan from bank availed for the solar power plant at Dahej, Gujarat.

The Company's debt to equity ratio as on March 31, 2020 stood at 0.07 compared to 0.06 as on March 31, 2019 indicating its low leverage.

Consolidated performance for the year ended March 31, 2020

Analysis of the Consolidated Profit and Loss Statement

Particulars	FY 2019-20 ₹ in crore	FY 2018-19 ₹ in crore	Change in (%)
Revenue from operations			
Rallis India Limited			
- Consolidated	2,252	1,984	13.5
Rallis India Limited			
- Standalone	2,252	1,984	13.5
Rallis Chemistry Exports Ltd.	-	-	-
PT Metahelix Life Sciences Indonesia	0.32	1.23	(73.9)
EBITDA			
Rallis India Limited			
- Consolidated	259	241	7.6
Rallis India Limited			
- Standalone	261	239	9.1
Rallis Chemistry Exports Ltd.	-	-	-
PT Metahelix Life Sciences Indonesia	(2)	(1.10)	(81.8)
PAT			
Rallis India Limited			
- Consolidated	184	155	18.7
Rallis India Limited			
- Standalone	185	154	20.3
Rallis Chemistry Exports Ltd.	-	-	-
PT Metahelix Life Sciences Indonesia	(2.3)	(1.18)	(94.9)

PT Metahelix Lifesciences Indonesia ('PT Metahelix'), an Indonesian subsidiary of Metahelix, became a direct subsidiary of Rallis due to the merger of Metahelix with the Company. All commercial operations of PT Metahelix have been stopped, effective January 1, 2020, in light of the continued challenging environment, lower yield levels and government policy changes.

During FY 2019-20, PT Metahelix achieved revenue from operations of ₹ 0.32 crore, as against ₹ 1.23 crore during FY 2018-19. Current year sales were mainly maize as grain (instead of seeds) for clearing the inventory and unsold inventory has been written off. Appropriate action will be initiated for the closure of the company in due course.

Key Financial Ratios

Standalone	
1.	Interest Coverage Ratio was at 38 compared to 43 for the previous year. The Company continues to have a high interest coverage ratio despite an increase in interest cost during the year, indicating stronger financial health and capability of meeting interest obligations.
2.	Debt to Equity Ratio was at 0.07 as compared to the previous year's 0.06. A very low debt to equity ratio indicates a strong ability to repay its debt obligations.
3.	Return on Net Worth ('RONW') increased from 12% to 13% over the previous year due to an increase in profit after tax from ₹ 154 crore in FY 2018-19 to ₹ 185 crore in FY 2019-20. The Company achieved higher RONW despite the higher net worth on account of the increase in reserves and surplus by ₹ 124 crore.
Consolidated	
1.	Debt to Equity ratio stood at 0.07 as on March 31, 2020, as against 0.06 as on March 31, 2019. The Company's very low debt to equity ratio indicates a strong financial position to repay its debt obligations.
2.	RONW increased from 12% to 13% over the previous year due to an increase in profit after tax from ₹ 155 crore to ₹ 184 crore. This was despite an increase in net worth due to the increase in reserves and surplus by ₹ 124 crore.

Opportunities & Outlook

India's under-penetration of crop protection products consumption per hectare, limited availability of land and irrigation and farmers' enhanced awareness about best farming practices present significant long-term growth opportunities to the country's crop protection and seeds industry.

On the global front, India is well poised to capture a higher market share of crop protection business on account of low-cost advantage, improved manufacturing capacities, strong research and development capabilities and the rising global preference for India as a manufacturing and supply chain hub.

> ***With crop protection aided farm productivity improvements in India and the increasing global demand, Rallis is well poised to grow in the domestic and international markets.***

The Covid-19 outbreak with its disruptive effects on global manufacturing and trade would continue to pose challenges for the Company's operations in FY 2020-21, and it may affect offtake of the Company's products and exert pressures on its margins. However, following the Government's declaration of agriculture as an essential service, the Company has resumed its operations and does not foresee material impact of supply chain constraints on its business due to the relaxing of lockdown norms. In light of the positive monsoon predictions, the Company has swiftly adopted the 'work from home' culture that will enable it to tap opportunities in the upcoming Kharif season. It is equipped and ready to capture the opportunities emanating from the global trade dynamic shifting in favour of India.

With crop protection aided farm productivity improvements in India and the increasing global demand, the Company is well poised to grow in the domestic and international markets. It would continue to leverage its brand, domain expertise, deep geographical reach, extensive distribution network, manufacturing and R&D capabilities and comprehensive product portfolio to cater to essential farmer demands around the world.

A. Crop Care

a. Crop Protection

The Company continues to focus on developing novel formulations, enriching its wide product portfolio and strengthening the relationship with its long-term existing customers. It targets a more balanced contribution of Domestic and International businesses to the overall revenues over the next 3 to 5 years.

b. Crop Nutrition

i. Soil Conditioners (GeoGreen): Growth of the Company's soil conditioner brand, GeoGreen, would be primarily driven by:

- The Government's initiatives to boost higher utilisation of organic fertilisers
- Increasing awareness among farmers about product benefits
- Best-in-class products in the industry

ii. Plant Growth Nutrient, foliar nutrients and fertigation products portfolio will continue to expand with emerging needs of the farmers.

B. Seeds

In the Seeds division, the Company will continue to leverage 'Dhaanya' brand equity and further bolster its strong position in Kharif products. It intends to grow in the non-Kharif markets by drawing upon in-house research capabilities, in-licensing of products, enhancing engagement with existing trade partners and adopting new trade channels.

Risks & Concerns

Rallis has established a robust and comprehensive framework for the identification and mitigation of risks. The Company has also constituted a Risk Management Committee of the Board that periodically reviews the Company's performance against the identified risks. It strives to identify new and emerging risks that may severely impact the Company's competitive position and profitability and it formulates strategies to mitigate such risks within time-bound plans.

The Company's Internal Audit department plays a critical role in co-ordinating with various department heads to ensure strict adherence to processes established for key business risk identification. It recommends corrective actions to improve the Company's processes pertaining to risk identification and risk handling and ensures adequate mitigating measures are in place.

The Company continuously reviews emerging risks such as global consolidation in the crop protection industry, regulatory changes and a probable ban on select active ingredients. These risks are also opening up new opportunities for the Company to grow and it continues to focus on developing novel, effective and compliant products and formulations to tap these emerging opportunities.

Research & Development

The Company's R&D facility, **Rallis Innovation Chemistry Hub ('RICH'),** is both DSIR-recognised and NABL-accredited. It plays a critical supporting role in achieving aggressive growth in both Domestic and International businesses, while maintaining the sustainability of the organisation with new solution development and introduction ('NSDI').

The Chemistry Hub focusses on four key functions: Process Chemistry, Formulation Development, Product Development and Regulatory Affairs. These areas comprise R&D activities such as crop protection active ingredients improvement; new crop protection formulations identification and development plant growth promoters and nutrients; efficacy evaluations of new and improved formulations and product registration for market introductions.

Seeds division R&D facilities continued to strengthen the product pipeline across targeted crops. Its work includes agri-biotechnology related activities at its Bengaluru research centre and conventional breeding activities at research stations covering multiple agro-climatic conditions around India. The R&D team continued to gain value from research partnerships with global institutions.

A. Crop Care - Key R&D highlights of FY 2019-20

I. Process Chemistry

- Successfully completed the process development with desired cost and specification for intended active ingredients
- Continued its supportive role in formulation development, registration activities and demonstrating pilot-scale trials at manufacturing units
- The process developed by the department is being introduced into the NSDI process for further developmental activities

II. Formulation Development

- Successfully conducted piloting and technology transfer to manufacturing units for commercialisation of formulations for both domestic and international territories
- Made significant progress in developing formulations in Crop Protection and Crop Nutrition businesses in line with the Company goals
- Continued to focus on recipe developments for Crop Protection and Crop Nutrition business as per NSDI process
- Initiated long-term stability testing needed for product conformity, lab scale-up and readiness for technology transfer of formulations to manufacturing units
- Continued to focus on improving existing formulations and preparation of sample requirement for field bio-efficacy studies and demonstrations

III. Regulatory Affairs (Domestic and International business)

- Six products were registered in India for the domestic market and label claim expansion approval was obtained on four products for nine crops. Nine dossiers were submitted under various categories of new registration

- The dossier has been submitted to the Central Insecticides Board and Registration Committee for leading products like Origin for Black Gram and Tomato; Taqat for Cumin & Tomato and Epic for Coffee crops as label claim expansion
- Six new International registrations obtained in five countries

IV. Product Development

a. Crop Protection

The Company launched three new formulations:

- **Zygant** is a granular insecticide formulation targeted at paddy crop protection. It has gained popularity among farmers due to its excellent efficacy and ability to improve crop yield by 10%.
- **Ayaan** is a novel fungicide combination formulation, introduced for the first time in India with excellent disease management and yield improvement of paddy.
- **Sarthak** is a fungicidal combination formulation, proven to be highly effective for potato and chilli crop protection, with long control duration and it has been well accepted by the farmer community

b. Crop Nutrition

RICH initiated innovative and research-based Crop Nutrition product development in FY 2019-20 to grow in the non-regulated crop nutrition business and cater to the demand gap for water-soluble fertilisers ('WSF'). A number of products are expected to be commercialised under the AQUAFERT brand for cotton, apples, potato, onion, vegetables and grapes.

The Chemistry Hub is also focussed on backward integration for reducing import dependency on key raw materials as well as improving impurity profile. It is developing capabilities in the Flow Chemistry area for cost-effective process development of crop protection products and intermediates.

The RICH focus is on developing eco-friendly, sustainable and safe-to-handle products without losing their efficacy. It offers customised Package of Practice ('PoPs') for farmers and conducts awareness programmes on quality crop protection products and their safe handling. These initiatives have delivered good results in improved crop yield and enhanced farmer incomes.

The Company has established the Innovation Turnover Index ('ITI') that indicates the contribution of new products to the overall revenue. It exhibited a significant growth during the year, standing at 16% in FY 2019-20 as against 10% in FY 2018-19. During the year, the Company registered 6 products in India for the domestic market and obtained 6 new international registrations in 5 countries. ITI for the fungicides and insecticides improved from 6% and 13% in FY 2018-19 to 13% and 20% respectively in FY 2019-20, backed by strong growth of newly launched products.

The Company intends to expand its product portfolio for key functions and strengthen its Crop Nutrition business. It will initiate timely field bio-efficacy studies and digital data collation to support NSDI process for fast registration of new formulations.

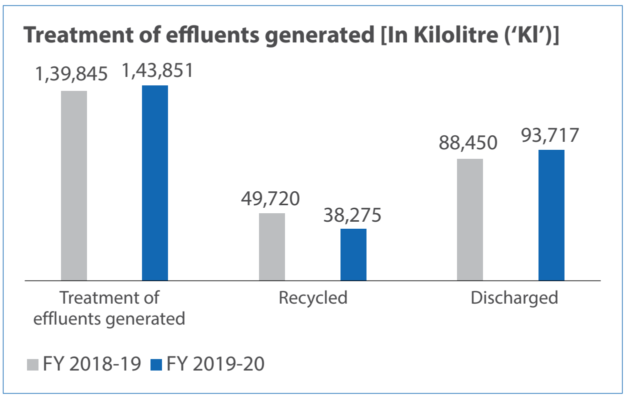
B. Seeds - Key R&D highlights of FY 2019-20

- The Seeds R&D division runs a breeding programme across multiple crops and has a well-established pipeline that includes nursery and trials of new seeds. It has set a 5-year evaluation plan, where the Company monitors the performance of each stage in the pipeline periodically for its commercial viability
- It has developed a platform to encourage employees to share innovative ideas and solutions. Potential ideas are identified by the panel of experts and are sponsored for further development
- During the year, genetically modified ('GM') traits were developed for maize and cotton having insecticides and herbicides tolerance under the biotechnology programme. Products are under regulatory trial and this would be followed by field trials and lab data generation
- It achieved good progress in evaluating and establishing proof of concept in seeds 'gene-editing' technology during the year
- The Seeds R&D division continues to support requirements of multiple internal departments such as breeding, seeds supply chains and seeds quality control. It assists in improving operational efficiency and explores new opportunities in the seeds business

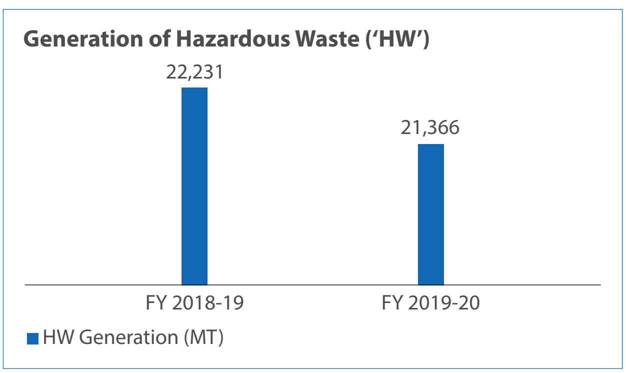
Safety, Health and Environment

Safety, health and environment ('SHE') are always key focus areas for the Company, as it strives for sustainable growth. The Company has implemented robust safety standards and norms; it has also instituted a robust system for strict adherence to safety practices. The leadership team is committed to ensuring the safety of all stakeholders who handle the Company's products regularly. It achieves this objective by continuously developing and meeting higher benchmarks of using safer chemistry and processes to produce environment-friendly formulations. Adhering to and surpassing these higher standards has helped the Company get re-certification of the 'Responsible Care' logo by the Indian Chemical Council ('ICC').

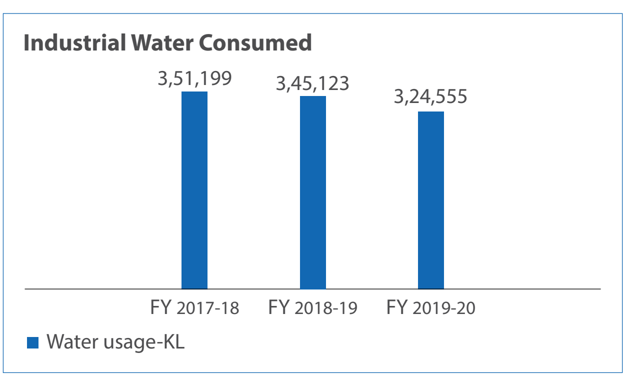
The Company works to reduce the environmental impact of its activities through initiatives such as reducing the generation of hazardous waste and effluents and improving water intensity across all manufacturing plants to reduce water consumption. It is making steady progress, as can be seen in the following demonstrations:



Analysis: Effluents generated reduced YoY; effluents recycled increased, while effluents discharged decreased



Analysis: Generation of hazardous waste reduced YoY



Analysis : 20,568 KL water Consumption reduced YoY

Rallis places utmost importance on the well-being and safety of the farmers who use the Company's products regularly. It actively participates in promoting safe use of crop protection chemicals.

The Company promotes three-layered safety standards, comprising behavioural safety, process safety and road safety. The workforce across all organisational hierarchies is encouraged to adhere to behaviour safety norms through concepts such as 'Safety Gallery'. This is an innovative approach the Company has undertaken to remind everyone of the various safety practices and measures as they enter or exit the Company premises. Considering a significant number of its employees work on-field, the Company has implemented a set of road safety rules and guidelines to ensure their well-being, with an emphasis on the non-negotiable attributes of health and safety practices and standards. At Rallis, 'Safety is a condition of employment rather than a choice.'

Farmer Safety

Rallis is a 'Responsible Care' Company that acknowledges the hazardous nature of its crop protection products. It places utmost importance on the well-being and safety of the farmers who use the Company's products regularly. The Company objectives go beyond generating profits; it actively participates in promoting safe use of crop protection chemicals. Its safety awareness programmes, such as 'You are Safe', educate Indian farmers about the best field practices on the appropriate use and safe handling of its products. During FY 2019-20, the Company conducted the 'You are Safe' campaign in 7 districts in Maharashtra, covering 293 villages and 25,430 farmers. It also distributed 9,546 safety kits during the year among farmers.

Human Resources

The Company has established a robust Human Resources ('HR') system that nurtures a conducive and productive work culture. It emphasises on the freedom to express views, competitive pay structure, performance-based reward system and growth opportunities, and internal job postings within the organisation for career options for the employees. It has well-documented and disseminated employee-friendly policies to enhance transparency, create a sense of teamwork and trust among employees and align employee interests with organisational strategic goals. These policies assist in holistic HR development and play a key role in right talent on-boarding, talent retention, and leadership development.

As part of the Tata Group, the Company has developed well-designed and documented policies such as whistle-blower policy and POSH ('Prevention of Sexual Harassment') policy in order to prevent discrimination and harassment and discourage any wrong practices. The Company ensures equal access to opportunities in the areas of recruitment, training and upgradation, professional development and advancement, regardless of gender, age, racial/ethnic background, religion or social status. The Company adheres to the Tata Code of Conduct to strengthen core Tata values of excellence and leadership.

The Company conducts several functional capability building training programmes to upgrade employee knowledge and ensure their holistic growth. In FY 2019-20, ~90% of the Company's employees have undergone these trainings. Programmes conducted are in the areas of operations, sales and marketing, big data, planning and logistics, and procurement and digital productivity tools. Skill-based behavioural training is given to various departments. The flagship 'Arjun Training programme' has been revamped to assist the Company's frontline sales employees of Crop Care division to excel in selling and commercial skills.

The Company has undertaken appropriate steps to ensure synergy between itself and the newly merged Seeds division (Erstwhile Metahelix) by integrating all HR policies, processes and employee work levels. It has extended the HRMS module to the Seeds division to meet this objective with special emphasis on digitising workforce management and achieving alignment across all the divisions.

Total employees on the rolls of the Company for the year ended March 31, 2020 were 1,610.

Business Excellence

The Company endeavours to strengthen its operational efficiency and effectiveness by pursuing a culture of continuous improvement and excellence. It has consistently followed the journey of excellence under TBEM ('Tata Business Excellence Model') and won the prestigious JRDQV Award in 2011. The TBEM model assesses the Company on its processes and results parameters to identify its level of maturity and improvement.

At Rallis, business excellence is based on four pillars:

- Assessment
- Continuous Improvement
- Capability Building
- Recognition

It is a journey from 'pockets of excellence' to 'excellence everywhere'. Rallis has regularly moved up the maturity and excellence scale. As per the Integrated Assessment conducted in FY 2019-20, the Company has demonstrated its urge to continually improve. It is comfortably placed in the Emerging Industry Leaders category and is on the cusp of entering the Industry Leaders category.

The Company conducts an intensive internal assessment, ROCK ('Ralliites on Continuous Karma'), encompassing all locations and functions to boost its excellence journey. A group of business excellence assessors/evangelists, developed within the Company, looks at functions and locations and suggests scope for improvements. The feedback is shared across departments and high-scoring functions and locations are recognised. Over time, the Company has developed around 18 external and 48 internal assessors. Rallis has been a part of the parent company, Tata Chemicals Limited's integrated assessment process, which is carried out usually every two years, and the next assessment falls due in 2021. In FY 2019-20, the continuous improvement efforts got a new dimension through a capability building programme related to Six Sigma and participation of Senior Leaders in Subject Matter Expert Assessors' programme.

Innovation is central to the level of excellence achieved by the Company over the 169 years of its existence. It continues its journey to accomplish further innovations across its business model, products, processes and people. It regularly participates in the Group forum 'Tata Innovista'.

The Company is geared up to move to the next level of excellence by leveraging the Drishti platform. Drishti, one

Rallis business excellence journey

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

452	553	500+	602	600+	609	600+	611	622	626
2005 • TBEM Series Adoption Award	**2007** • RBNQA Award for Excellence • TBEM Active Promotion Award	**2008** • CII Exim Award for Significant Achievement	**2011** • JRDQV Award	**2012** • CII EXIM prize	**2013** • TBEM	**2015** • CII EXIM prize	**2017** • TBEM	**2018** • TBEM	**2019** • TBEM

of the key digital enablers of the Rallis Samrudh Krishi programme, empowers farmers with data and information and assists them in taking prompt and informed agricultural decisions. Drishti has now been extended to the seed production farms.

The Company has an online digital platform and knowledge management portal on its intranet platform for empowering employees to communicate innovative ideas and share knowledge. To strengthen manufacturing and process control, it implemented DWM ('Daily Work Management'), a visual management concept based on Statistical Quality Control, in all areas of importance and got encouraging results. Customer-oriented business strategies, operational efficiencies, and operational sustainability support the Rallis business excellence journey.

Corporate Sustainability and Affirmative Action

Sustainability has always been the cornerstone of the Company's business strategy. The Company has developed its own Sustainability Model, with a clear focus on Corporate Social Responsibility ('CSR') and Affirmative Action ('AA') initiatives. Its CSR activities are mainly in the areas of natural resource management ('NRM'), education, model tribal village, farmer safety, skill development and disaster management.

The Company gives equal attention to the AA programme to empower socially disadvantaged and marginalised sections of society (Scheduled Castes and Scheduled Tribes) through initiatives that promote education, employability, entrepreneurship, etc.

Jal Dhan

The Company commenced Jal Dhan and Jal Mitra programmes in 2013 to promote efficient water management in villages that face a severe water crisis by adopting various tools and techniques. The project restores existing water bodies and related infrastructure, builds newer water structures and analyses dams to improve water availability. The positive impact has been seen in terms of an increase in groundwater levels, water availability throughout the year, conserving time and effort and enabling farmers to go for second and third crops, thus increasing incomes and improving livelihoods.

Sustainability has always been the cornerstone of the Company's business strategy. Rallis has developed its own Sustainability Model, with a clear focus on CSR and AA initiatives.

Tribal Model Village

The Company initiated the Tribal Model Village intervention for the holistic development of tribals, thus helping them overcome social disadvantages primarily through 5 focus areas: Basic Infrastructure, Education, Health, Capacity Building, and Economic Development.

The Tribal Model Village is a participatory and collaborative programme where the Company, in association with various NGOs and tribal communities, undertakes a scientifically-driven need assessment study. Based on the study outcomes, the model is designed to address the majority of United Nations Sustainable Development Goals ('SDGs') and has time-bound exit plans to ensure self-sustainability of the tribal communities. These efforts have yielded good results in areas pertaining to education, health, livelihood, etc.

RUBY (Education Initiative)

The Company conducts various educational programmes through RUBY ('Rallis Ujjwal Bhavishya Yojana'), to encourage higher participation of children in formal education. It selects students from Government schools that lack adequate infrastructure and modern learning tools. It is involved with 34 schools from 4 states and has benefited 8,821 students so far.

The Company supports and sponsors training programmes for teachers from English, Science, Physiotherapy and Remedial Therapy backgrounds to augment capabilities of the Government-led educational institutions and improve the academic performance of students. It also provides educational infrastructure support. The RUBY intervention has been appreciated by society, especially by school authorities and parents, and results show higher admission rates and improvement in the passing percentage of students over the years.

TARA (Women's Empowerment)

The Company expanded its scope of CSR activities under TARA with a key focus on enhancing livelihood opportunities for tribal and underprivileged women. During the year, the Company started the Women Skill Training Centre at Dhasai near Mumbai in partnership with Light of Life Trust ('LOLT') to impart various income-generating courses. During FY 2019-20, a total of 486 women were trained under this initiative.

The Company also signed a Memorandum of Understanding with the Industrial Training Institute ('ITI') Vaghra (in Gujarat) and Girls ITI Akola (in Maharashtra) for enhancing the skill-set of ITI students through soft skills and safety training and industrial visits, along with capacity building training for teachers. It provided scholarships to 95 students from these ITIs in FY 2019-20.

For more information on the CSR and Sustainability initiatives, you may refer to the Business Responsibility Report forming part of the Annual Report.

Information and Communications Technology

The Company has pursued digital transformation to optimise its functional and operational efficiency. It has emphasised on building and strengthening its Information and Communication Technology ('ICT') capabilities over the past few years.

During the year, the Company undertook several initiatives to drive automation and digitisation of its key business areas. It identified Sales & Marketing, Finance, Supply Chain, Procurement, Manufacturing, Quality Assurance ('QA') and R&D as the key areas for these initiatives. Efforts were also aligned to upgrade the network, connectivity and bandwidth across all locations.

During the year, the Company successfully completed the integration of its Seeds division (Erstwhile Metahelix) with its Enterprise Resource Planning ('ERP') system, including augmenting the system with the latest servers. Several functional upgrades were also completed, especially in the area of Product Costing and Profitability Analysis. A gap analysis was completed for a few functional areas and BW system. The Company also implemented and integrated an industry-leading supplier portal to further strengthen its sourcing process.

With a fully integrated IT enterprise system in place, the Company seamlessly caters to all its business functions. It further endeavours to adopt cutting-edge technology solutions to improve its decision-making efficiency and accuracy. Some of these new-edge technology solutions comprise predictive analytics, mobile apps and Software as a Service ('SaaS') platforms.

Internal Control Systems and Adequacy

The Company has established robust internal control systems by instituting comprehensive documentation for all its financial and operating functions. The procedures are developed and deployed to ensure proper maintenance of accounting records that, in turn, ensures reliable financial reporting, adequate and timely compliance with regulations, eliminating unauthorised use of assets and accurate monitoring of the Company's operations. The Company has implemented ERP systems with the aim of maximising automated control transactions and digitising all critical control processes. The Internal Audit Function conducts periodic verification of IT-enabled controls for its smooth and accurate operations.

The Company's Audit Committee Charter, headed by 'Head – Internal Audit', defines the scope of work, requirements, accountability, independence and reporting responsibilities of the Internal Audit Function. The Head – Internal Audit reports functionally to the Chairperson of the Audit Committee and administratively to the Managing Director & CEO and carries a responsibility of Internal Audit, Risk Management and Ethics Functions.

The Audit Committee of the Board approves the internal audit plan at the beginning of each fiscal year. This internal audit plan is aligned with critical business risks and it extends to reviewing and documenting key process risks as well. The scope and coverage of audits include ensuring operating guidelines, and the reliability of financial and operational information and adherence to statutory compliances. It periodically recommends scope for improvements in monitoring and operational efficiency. The Audit Committee monitors and reviews internal audit observations, compliance with accounting standards, risk management and control systems and profitability.

Ernst & Young LLP and Mahajan & Aibara LLP were appointed by the Board of Directors to conduct internal audit reviews for FY 2020-21, including special assignments for the Company. They undertake meetings with the auditees to ensure adequacy and adherence to the control system, identify control gaps and recommend corrective measures to improve internal controls of the Company. They review existing design, tests of Internal Controls over Financial Reporting for scope in audit areas and for other key processes/functions to support/ enable the compliance of processes and Director's certification under Section 134 of the Companies Act, 2013.

In FY 2019-20, the Company implemented the Legatrix system to ensure robust monitoring of all types of compliances. It also extended the SAP platform to the Seeds division, effective February 1, 2020.

Cautionary Statements

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

Corporate Governance Report

> *No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people and is achieved by fair and honest means.*
>
> **- JRD Tata**

1. Company's Philosophy on the Code of Governance

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

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

The Company is committed to the Tata Code of Conduct ('TCoC') which articulates values and ideals that guide and govern the conduct of the Tata companies. The Company has adopted the TCoC for its employees, including the Managing Director, which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors including Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ('the Act'). The Company's Corporate Governance philosophy is also reinforced through adoption of the Code of Conduct for Prevention of Insider Trading, Code of Corporate Disclosure Practices and the Tata Business Excellence Model. The Company has also adopted the Guidelines on Board Effectiveness to fulfill its responsibilities towards its stakeholders.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable [including relaxations granted by the Securities and Exchange Board of India ('SEBI') in the wake of Covid-19], with regard to Corporate Governance and the same is disclosed in this Report.

2. Board of Directors

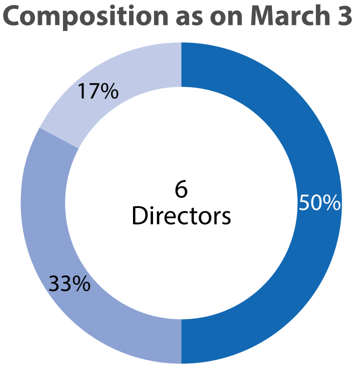
Composition

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

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected. The Board composition is in conformity with Section 149 of the Act and Regulation 17 of the Listing Regulations.

As on March 31, 2020, the composition of the Board of Directors was optimum and as under:

Board Composition as on March 31, 2020



- 3 Independent Directors including 2 Women Directors (i.e. 50% of the total strength)
- 2 Non-Independent Non-Executive Directors
- 1 Executive Director (Managing Director & CEO)

None of the Directors is related to each other and there are no inter-se relationships between the Directors.

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

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

None of the Directors hold office in more than 20 companies and in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-Executive Directors serve as Independent Director in more than 7 listed companies as required under the Listing Regulations. The Managing Director & CEO does not serve as an Independent Director in any listed company.

Category and Attendance of Directors

The composition and categories of Directors as on March 31, 2020 as also the number of Directorships/Chairpersonships and Committee positions held by them in other public limited companies and the names of the listed entities where they hold Directorship and the category of such Directorship are given below:

Sr. No.	Name of the Director	No. of Directorships in other public limited companies*		No. of committee positions in other public limited companies**		Directorship in other listed entities	
		Chairperson	Member	Chairperson	Member	Name of the Listed entity (including debt listed)	Category of Directorship
Non-Independent, Non-Executive Directors							
1.	Mr. Bhaskar Bhat (Chairman) DIN: 00148778	1	4	-	5	Titan Company Limited	NINED
						Tata Chemicals Limited	NINED
						Trent Limited	NINED
						Bosch Limited	ID
2.	Mr. R. Mukundan DIN: 00778253	-	2	-	1	Tata Chemicals Limited	MD & CEO
						Tata International Limited	NINED
3.	Mr. John Mulhall% DIN: 08101474	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Independent, Non-Executive Directors							
4.	Dr. Punita Kumar-Sinha DIN: 05229262	-	5	1	5	SREI Infrastructure Finance Limited	ID
						JSW Steel Limited	ID
						Infosys Limited	ID
5.	Dr. C. V. Natraj DIN: 07132764	-	1	-	1	Tata Chemicals Limited	ID
6.	Ms. Padmini Khare Kaicker DIN: 00296388	-	4	3	1	Tata Chemicals Limited	ID
						Tata Cleantech Capital Limited	ID
						Kotak Mahindra Investments Limited	ID
7.	Mr. Prakash R. Rastogi^ DIN: 00110862	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8.	Dr. Y. S. P. Thorat^ DIN: 00135258	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Non-Independent, Executive Directors (MD & CEO)							
9.	Mr. Sanjiv Lal# DIN: 08376952	-	1	-	-	-	-

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

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

** *Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in all public limited companies as required under Regulation 26(1)(b) of the Listing Regulations.*

\# *Mr. Sanjiv Lal was appointed as the Managing Director & CEO by the Members of the Company on June 28, 2019 with effect from April 1, 2019.*

^ *Dr. Y. S. P. Thorat and Mr. Prakash R. Rastogi ceased to be Independent Directors of the Company with effect from June 29, 2019 upon completion of their tenure.*

% *Mr. John Mulhall ceased to be Non-Executive Director of the Company with effect from June 29, 2019 upon resignation.*

The Seventy First (71st) Annual General Meeting ('AGM') of the Company for the Financial Year ('FY') 2018-19 was held on June 28, 2019. All the Directors of the Company were present at the 71st AGM.

The Company held 7 Board Meetings during FY 2019-20 and the gap between two Meetings did not exceed 120 days. The necessary quorum was present for all the Board Meetings. The details of Meetings attended by the Directors during the year are given below:

Name of the Director	Attendance at the Meetings held on							No. of Meetings attended	Attendance (%)
	April 25, 2019	June 28, 2019	July 18, 2019	October 22, 2019	December 12, 2019	January 16, 2020	March 17, 2020		
Mr. Bhaskar Bhat	✓	✓	✓	✓	✓	✓	✓	7	100
Mr. Prakash R. Rastogi^	✓	✓	N.A.	N.A.	N.A.	N.A.	N.A.	2	100
Dr. Y. S. P. Thorat^	LOA	✓	N.A.	N.A.	N.A.	N.A.	N.A.	1	50
Dr. Punita Kumar-Sinha	✓	✓	✓	✓	✓	✓	✓	7	100
Dr. C. V. Natraj	✓	✓	✓	✓	✓	✓	✓	7	100
Ms. Padmini Khare Kaicker	✓	✓	✓	✓	✓	✓	✓	7	100
Mr. John Mulhall%	✓	✓	N.A.	N.A.	N.A.	N.A.	N.A.	2	100
Mr. R. Mukundan	✓	✓	✓	✓	✓	✓	✓	7	100
Mr. Sanjiv Lal	✓	✓	✓	✓	✓	✓	✓	7	100

LOA – Leave of absence, N.A. - Not Applicable

^ *Dr. Y. S. P. Thorat and Mr. P. R. Rastogi ceased to be Independent Directors of the Company with effect from June 29, 2019 upon completion of their tenure.*

% *Mr. John Mulhall ceased to be Non-Executive Director of the Company with effect from June 29, 2019 upon resignation.*

Shareholding of Directors as on March 31, 2020:

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

Board Procedure

The annual calendar of the 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 Company Secretary tracks and monitors Board and Committee proceedings to ensure that the Terms of Reference/Charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The agenda and related information is circulated through a highly secure web-based application, which can be accessed electronically. This has reduced paper consumption, thereby enhancing the sustainability efforts of the Company. Video conferencing facility is provided to facilitate Directors who are unable to attend the Meeting in person. In compliance with the relaxations granted by the Ministry of Corporate Affairs due to outbreak of Covid-19, the Company has also conducted its Board and Committee Meetings through video conferencing, without any physical presence of Directors and attendees, to adhere to the social distancing norms.

At Board Meetings, the Managing Director & CEO apprises the Board on the overall performance of the Company to enable the Board to discharge its responsibilities effectively and take informed decisions. The Board also, *inter alia*, reviews the strategy, annual business plan and capital expenditure budgets, quarterly, half-yearly and annual financial results, compliance reports on all laws applicable to the Company, EHS (Environment, Health and Safety) performance, people process matters, minutes of Board Meetings of subsidiaries and minutes of Meetings of Committees of the Board. In addition, the Board is kept informed of all major events, including information listed under Part A of Schedule II to the Listing Regulations. Based on the agenda, members of the senior leadership are invited to attend the Board Meetings, which brings in requisite accountability and provides developmental inputs.

Code of Conduct

Code of Conduct reflects the core values of the Company. It gives guidance and support needed for ethical conduct of business and compliance of laws. The Company has adopted the Tata Code of Conduct applicable to all its employees, including the Managing Director & CEO which is available on the website of the Company at https://www.rallis.co.in/TCOC.htm.

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

All Board Members and Senior Management Personnel [as per Regulation 26(3) of the Listing Regulations] have affirmed compliance with the applicable Code of Conduct. A declaration to this effect signed by the Managing Director & CEO forms part of this Report.

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

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

Independent Directors

The Company currently has 3 Non-Executive Independent Directors which comprise 50% of the total strength of the Board of Directors.

Dr. Y. S. P. Thorat and Mr. P. R. Rastogi ceased to be Independent Directors of the Company with effect from June 29, 2019 upon completion of their tenure.

All Independent Directors of the Company have been appointed as per the provisions of the Act and the Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to Independent Directors. As required by Regulation 46 of the Listing Regulations, the terms and conditions of their appointment are disclosed on the Company's website at https://www.rallis.co.in/TCAID.htm.

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

Meetings of Independent Directors

During the year, separate Meetings of Independent Directors of the Company were held on April 25, 2019 and March 17, 2020 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Attendance during the year

Name of the Member	No. of Meetings attended	Attendance (%)
Dr. C. V. Natraj	2	100
Dr. Punita Kumar-Sinha	2	100
Ms. Padmini Khare Kaicker	2	100
Dr. Y. S. P. Thorat (ceased with effect from June 29, 2019)	0	-
Mr. Prakash R. Rastogi (ceased with effect from June 29, 2019)	1	100

Dr. C. V. Natraj chaired both the Meetings.

Familiarisation 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 familiarisation programme for its Independent Directors, with the objective of familiarising them with the Company, its operations, strategies and business model, nature of the industry and environment in which it operates, functions, policies and procedures of the Company and its subsidiaries, the regulatory environment applicable to it, the CSR projects undertaken by the Company and also the roles, rights and responsibilities of Independent Directors so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. The Board is provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

During the year under review, one of the Independent Directors visited the Rallis Innovation & Chemistry Hub (RICH) at Bengaluru and met the leadership team there.

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

Re-appointment of Director

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

Key Skills, Expertise and Competencies of the Board

The Board of the Company comprises eminent personalities and leaders in their respective fields. These members bring in the required skills, competence and expertise to the Board. These Directors are nominated based on well-defined selection criteria. Nomination and Remuneration Committee ('NRC') considers, *inter alia*, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

1 Mr. Bhaskar Bhat	3 Dr. C. V. Natraj	5 Mr. R. Mukundan
2 Dr. Punita Kumar-Sinha	4 Ms. Padmini Khare Kaicker	6 Mr. Sanjiv Lal

Board and Director evaluation and criteria for evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. During the year under review, 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 exercise was led by the Chairman of the NRC along with the Chairman of Board.

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

Board Evaluation	Evaluation of Individual Directors	Committee Evaluation
• Board Structure - qualifications, experience and competencies • Board Diversity • Meetings – regularity, frequency, agenda, discussion and recording of minutes • Functions – strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest • Independence of management from the Board, access of Board and management to each other • Succession plan and professional development	• Professional qualifications and experience • Knowledge, skills and competencies • Fulfillment of functions, ability to function as a team • Attendance • Commitment, contribution, integrity and independence In addition to the above, the Chairman of the Board Meetings is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer Meetings, impartiality and ability to keep shareholders' interests in mind	• Mandate and composition • Effectiveness of the Committee • Structure of the Committee • Meetings – regularity, frequency, agenda, discussion and dissent, recording of minutes • Independence of the Committee from the Board and contribution to decisions of the Board

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

3. Audit Committee

Terms of reference

The Audit Committee functions in accordance with Section 177 of the Act, Regulation 18 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the Audit Committee, *inter alia*, includes:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Discuss and review with the management the annual/half-yearly/quarterly financial statements and the auditor's report thereon, before submission to the Board for approval
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern
- Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgements made
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors
- Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process
- Review with the management, performance of the statutory and internal auditors
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit
- Evaluate internal financial controls and risk management systems
- Scrutinize inter-corporate loans and investments
- Review the utilisation of loans and/or advances from/investment by the Company in the subsidiary Companies, exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower
- 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

- Approve transactions, including any subsequent modifications, of the Company with related parties
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Review the functioning of the Whistle Blower Mechanism
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements, including the Tata Code of Conduct for the Company and its subsidiaries
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, atleast once in a financial year and verify that the systems for internal controls are adequate and are operating effectively
- Oversee financial reporting controls and process for subsidiary companies
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate
- Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Act and any other function as is mentioned in the terms of reference of the Audit Committee.

Further, pursuant to Regulation 18(2)(c) of the Listing Regulations, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other Independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

Meetings Held

During the year under review, 6 Meetings of the Audit Committee were held on April 25, 2019; July 17, 2019; September 23, 2019; October 22, 2019; January 16, 2020 and March 17, 2020.

Composition and Attendance during the year

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

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

Name of the Member	Category	No. of Meetings attended	Attendance (%)
Ms. Padmini Khare Kaicker, Chairperson	ID	6	100
Dr. C. V. Natraj	ID	6	100
Mr. R. Mukundan (appointed with effect from June 30, 2019)	NINED	5	100
Mr. Prakash R. Rastogi (ceased with effect from June 29, 2019)	ID	1	100
Mr. John Mulhall (ceased with effect from June 29, 2019)	NINED	1	100

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

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

During the year under review, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems, related party transactions, functioning of the Whistleblower mechanism and implementation of the TCoC for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. The Chairperson of the Committee briefs the Board about the significant discussions at the Audit Committee Meetings. The minutes of each Audit Committee Meeting are placed at the next Meeting of the Board.

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

Ms. Padmini Khare Kaicker, Chairperson of the Audit Committee, was present at the AGM of the Company held on June 28, 2019.

4. Nomination and Remuneration Committee

Terms of reference

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter as adopted by the Board. The NRC is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. Further, the Committee is also responsible for formulating policies as to remuneration, performance evaluation, Board diversity, etc. in line with the Act and the Listing Regulations. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience
- Support the Board in matters related to the setup, review and refresh of the Committees
- Recommend to the Board the appointment or re-appointment of Directors
- Recommend to the Board the appointment of Key Managerial Personnel ('KMP') and executive team members
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company
- Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team
- Review matters related to voluntary retirement and early separation schemes for the Company
- Provide guidelines for remuneration of Directors on material subsidiaries
- Oversee familiarisation programmes for Directors
- Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning
- Perform other activities related to the charter as requested by the Board from time to time.

Meetings Held

During the year under review, 4 Meetings of the NRC were held on April 25, 2019; June 28, 2019; September 23, 2019 and March 17, 2020.

Composition and Attendance during the year

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

Name of the Member	Category	No. of Meetings attended	Attendance (%)
Dr. C. V. Natraj, Chairman	ID	4	100
Mr. Bhaskar Bhat	NINED	4	100
Mr. R. Mukundan	NINED	4	100
Ms. Padmini Khare Kaicker (appointed with effect from June 30, 2019)	ID	2	100
Mr. Prakash R. Rastogi (ceased with effect from June 29, 2019)	ID	2	100

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

Necessary quorum was present at the above Meetings. Dr. C. V. Natraj, Chairman of the NRC, was present at the AGM of the Company held on June 28, 2019.

Remuneration of Directors

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

The principles governing the Company's Remuneration Policy is provided in the Board's Report. Policy is uploaded on the website of the Company at https://www.rallis.co.in/RPOD.htm.

Details of remuneration for FY 2019-20

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 April 1 each year. The NRC recommends commission payable to the Managing Director & CEO out of the profits for the financial year within the overall ceilings stipulated in the Act. Specific amount payable as commission is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year and performance of the individual.

Mr. Sanjiv Lal

The aggregate value of salary, perquisites and commission paid to Mr. Sanjiv Lal, Managing Director & CEO, during FY 2019-20 is ₹ 2,84,82,436 comprising:

Salary	: ₹ 1,24,38,360
Perquisites and allowances	: ₹ 17,94,076
Commission for FY 2019-20, payable during FY 2020-21	: ₹ 1,42,50,000
Period of Agreement	: April 1, 2019 to March 31, 2024 (5 years)
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	: There is no separate provision for payment of severance fees.

Non-Executive Directors:

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

In terms of the Members' approval obtained at the AGM of the Company held on July 2, 2018, commission is paid to Non-Executive Directors, as applicable, at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Act. The distribution of commission among the Non-Executive Directors is recommended by the NRC and approved by the Board. The commission is distributed on the basis of their attendance and contribution at the Board and Committee Meetings and is paid after the Annual Financial Statements are adopted by the Members at the AGM. The Company also reimburses any expenses incurred by the Directors for attending Meetings.

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

(₹)

Name of Director	Sitting Fees paid during FY 2019-20	Commission for FY 2018-19, paid during FY 2019-20	Commission for FY 2019-20, payable during FY 2020-21
Mr. Bhaskar Bhat	2,20,000	*	22,50,000*
Mr. Prakash R. Rastogi^	1,20,000	28,00,000	8,00,000
Dr. Y. S. P. Thorat^	40,000	30,00,000	4,00,000
Dr. Punita Kumar-Sinha	2,20,000	20,00,000	22,50,000
Dr. C. V. Natraj	4,20,000	25,00,000	34,00,000
Ms. Padmini Khare Kaicker	4,00,000	28,00,000	34,00,000
Mr. John Mulhall	**	**	**
Mr. R. Mukundan	**	**	**
Total	**14,20,0000**	**1,31,00,000**	**1,25,00,000**

* *In line with the internal guidelines, no commission was paid to Mr. Bhaskar Bhat, Non-Executive Director of the Company, for FY 2018-19 as he was in full-time employment with other Tata company. However, Mr. Bhat is eligible to receive commission from the Company for FY 2019-20 in view of his superannuation from Titan Company Limited as the Managing Director and CEO effective September 30, 2019.*

** *Mr. R. Mukundan and Mr. John Mulhall are in whole-time employment of Tata Chemicals Limited, the holding company, and draw remuneration from it. Further, Mr. John Mulhall ceased to be Non-Executive Director of the Company with effect from June 29, 2019 upon resignation.*

^ *Dr. Y. S. P. Thorat and Mr. Prakash R. Rastogi ceased to be Independent Directors of the Company with effect from June 29, 2019 upon completion of their tenure.*

The Company has not granted any stock options to its Directors.

Succession Plan

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee works along with the Human Resource team of the Company for a structured leadership succession plan.

Retirement Policy for Directors

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

5. Stakeholders Relationship Committee

Terms of reference

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders. The Committee ensures cordial investor relations, oversees the mechanism for redressal of investors' grievances and specifically looks into various aspects of interest of shareholders. The Committee specifically looks into redressing shareholders'/investors' complaints/grievances pertaining to share transfers/transmission, non-receipts of annual reports, non-receipt of declared dividend and other allied complaints. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

The terms of reference of the SRC includes:

- Review statutory compliance relating to all security holders
- Consider and resolve the grievances of security holders of the Company, including complaints related to transfer/transmission of securities, non-receipt of annual report/declared dividends/notices/balance sheet, issue of new/duplicate certificates, general Meetings, etc.
- Review measures taken for effective exercise of voting rights by shareholders
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund
- Oversee compliances in respect of transfer of shares to the Investor Education and Protection Fund, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as applicable from time to time
- Review the various measures and initiatives taken by the Company for reducing the quantum of

unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

- Oversee and review all matters related to the transfer of securities of the Company
- Approve issue of duplicate certificates of the Company
- Review movements in shareholding and ownership structures of the Company
- Ensure setting of proper controls, review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agents and oversee performance of the Registrar and Share Transfer Agents
- Recommend measures for overall improvement of the quality of investor services.

Meetings Held

During the year under review, 2 Meetings of the SRC were held on July 18, 2019 and January 16, 2020.

Composition and Attendance during the year

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

Name of the Member	Category	No. of Meetings attended	Attendance (%)
Dr. Punita Kumar-Sinha, Chairperson	ID	2	100
Mr. R. Mukundan (appointed with effect from June 30, 2019)	NINED	2	100
Mr. Sanjiv Lal (appointed with effect from April 1, 2019)	MD & CEO	2	100
Dr. Y. S. P. Thorat (ceased with effect from June 29, 2019)	ID	N.A.	N.A.

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

Necessary quorum was present at the above Meetings. Dr. Punita Kumar-Sinha, Chairperson of the SRC, was present at the AGM held on June 28, 2019.

Name, designation and address of Compliance Officer

Mr. Yashaswin Sheth
Company Secretary
Rallis India Limited
23rd Floor, Lodha Excelus,
New Cuffe Parade, Off Eastern Freeway,
Wadala, Mumbai - 400 037
Tel : + 91 22 6665 2700
Email: investor_relations@rallis.co.in

Status of Investor Complaints

Status of Investor Complaints as on March 31, 2020 as reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints pending as on April 1, 2019	:	0
Received during the year	:	4
Resolved during the year	:	4
Pending as on March 31, 2020	:	0

The complaints have been resolved to the satisfaction of the shareholders. The correspondence identified as investor complaints are letters received through statutory/regulatory bodies.

6. Corporate Social Responsibility Committee

Terms of reference

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

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

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at https://www.rallis.co.in/CSR_Policy.htm. The Annual Report on CSR activities for FY 2019-20 forms a part of the Board's Report.

Meetings Held

During the year under review, 2 Meetings of the CSR Committee were held on June 11, 2019 and February 18, 2020.

Composition and Attendance during the year

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

Name of the Member	Category	No. of Meetings attended	Attendance (%)
Mr. R. Mukundan, Chairman (appointed with effect from June 30, 2019)	NINED	1	100
Dr. Punita Kumar-Sinha (appointed with effect from June 30, 2019)	ID	1	100
Mr. Sanjiv Lal (appointed with effect from April 1, 2019)	MD & CEO	2	100
Dr. Y. S. P. Thorat (ceased with effect from June 29, 2019)	ID	1	100
Mr. Prakash R. Rastogi (ceased with effect from June 29, 2019)	ID	0	-
Mr. John Mulhall, Chairman (ceased with effect from June 29, 2019)	NINED	1	100

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

Necessary quorum was present at the above Meetings.

Mr. John Mulhall ceased to be the Chairman of CSR Committee with effect from June 29, 2019. He was present at the AGM of the Company held on June 28, 2019.

7. Risk Management Committee

Regulation 21 of the Listing Regulations mandates top 500 listed entities, determined on the basis of market capitalisation as at the end of the immediate previous financial year, to constitute a Risk Management Committee ('RMC').

Terms of reference

The terms of reference of the RMC includes:

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

Meetings Held

During the year under review, 3 Meetings of the RMC were held on June 11, 2019; September 23, 2019 and February 18, 2020.

Composition and Attendance during the year

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

Name of the Member	Category	No. of Meetings attended	Attendance (%)
Dr. C. V. Natraj, Chairman	ID	2*	66.67
Mr. Sanjiv Lal (appointed with effect from April 1, 2019)	MD & CEO	3	100
Ms. Padmini Khare Kaicker	ID	3	100
Mr. John Mulhall (ceased with effect from from June 29, 2019)	NINED	1	100

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

** In addition, Dr. C. V. Natraj attended one Meeting over audio conference.*

The Chief Operating Officer, the Chief Financial Officer and Head - Internal Audit are permanent invitees to the Meeting of RMC. Business and Operation Heads are invited to the Meetings when required. The Company Secretary acts as the Secretary to the Committee.

The Company has a well-defined risk management framework in place. The risk management framework of the Company is given in detail in the Board's Report.

8. Safety, Health, Environment and Sustainability Committee

During the year under review, the Board, at its Meeting held on October 22, 2019, had constituted a Safety, Health, Environment and Sustainability Committee ('SHES') comprising Dr. C. V. Natraj as Chairman, Mr. Sanjiv Lal and Mr. R. Mukundan as Members of the Committee. Further, Chief Operating Officer, Vice-President – HR and Corporate Sustainability and Vice President – Manufacturing are permanent invitees to the Committee.

Terms of Reference

- Review and monitor the sustainability, safety, health and environmental policies and activities of the Company on behalf of the Board to ensure that the Company is in compliance with appropriate laws and legislation
- Encourage, assist, support and counsel management in developing short and long term policies and standards to ensure that the principles set out in the sustainability, safety, health and environmental policies are being adhered to and achieved
- Review periodic report by management on safety, sustainable development, environmental, sustainability and health issues and long term goals
- Provide guidance to management to ensure that all long term and short term strategic proposals made to the Board include SHES implications
- Review and recommend to the Board the annual budget for the SHES Audit plans and related improvement plans and report regularly to the Board on Committee findings, recommendations, and any other matters the Committee deems appropriate. The Committee shall maintain minutes and other records of its activities
- Review benchmarking of the policies, systems and monitoring processes of the Company against global best practices
- Investigate, or cause to be investigated, any extraordinary negative sustainability, environment, health and safety performance or issues of asset integrity which can impact safety, health, environment and sustainability where appropriate
- Ensure integration of Safety, Health and Environment considerations into business planning and decision making without compromise in pursuit of commercial advantage.

During the year under review, 1 Meeting of the SHES Committee was held on February 18, 2020.

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

Name of the Member	Category	No. of Meeting attended	Attendance (%)
Dr. C. V. Natraj, Chairman	ID	0*	-
Mr. R. Mukundan	NINED	1	100
Mr. Sanjiv Lal	MD & CEO	1	100

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

** Dr. C. V. Natraj attended the Meeting over audio conference.*

9. Subsidiary Companies

Regulation 16 of the Listing Regulations defines a 'material subsidiary' to mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In addition to the above, Regulation 24 of the Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this provision, material subsidiary means 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.

There is no subsidiary which falls under the above definitions of unlisted material subsidiary for the financial year ended March 31, 2020. The minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review on a quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board. The other requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with. The Company has adopted a Policy on Material Subsidiaries and the same is displayed on the Company's website at the weblink: https://www.rallis.co.in/Material_SubsidiariesPolicy.htm.

10. General Body Meetings

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

Day, Date and Time	Location	Special Resolutions
Friday, June 28, 2019 at 3.00 pm	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020	Re-appointment of Dr. Punita Kumar-Sinha (DIN: 05229262) as an Independent Director of the Company for a period of 5 years effective June 30, 2019 upto March 25, 2024
Monday, July 2, 2018 at 3.00 pm		There was no matter that required passing of Special Resolution
Friday, June 23, 2017 at 3.00 pm		

All resolutions moved at the last AGM were passed by the requisite majority of Members.

No Extraordinary General Meeting of the Members was held during the year. During the year under review, no resolution was put through by Postal Ballot. Further, no special resolution is being proposed to be passed through Postal Ballot.

11. Disclosures

Related Party Transactions: During the year under review, there were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, their subsidiaries, the Directors, the KMP, the management or relatives or other designated persons, that may have a potential conflict with the interests of the Company at large. Declarations have been received from the Senior Management Personnel to this effect.

All related party transactions entered into during the year were on arms' length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. The Company has adopted a Related Party Transactions Policy in accordance with the Act and the Listing Regulations and the same is displayed on the Company's website at https://www.rallis.co.in/Related_Party_TransactionsPolicy.htm.

Policy on Archival is available on the website at https://www.rallis.co.in/AP.htm.

Policy on Preservation of Documents as required under Regulation 9 of the Listing Regulations is available on the website at https://www.rallis.co.in/POPOD.htm.

Policy on Determination of Materiality for disclosures of Events or information as per Regulation 30 of the Listing Regulations is available on the website of the Company at https://www.rallis.co.in/PODOM.htm.

The **Dividend Distribution Policy** as per Regulation 43A of the Listing Regulations is available on the website of the Company at https://www.rallis.co.in/DDPolicy.htm.

Statutory Compliance, Penalties and Strictures: The Company is in compliance with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to the capital markets. No penalty or strictures were imposed on the Company by these authorities during the last three years.

CEO/CFO Certification: The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the financial year ended March 31, 2020.

Whistleblower Policy and Vigil Mechanism: The Company has a Vigil Mechanism and a Whistleblower Policy in place to enable its Directors, employees and its stakeholders 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 victimisation 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. The policy is available on the website of the Company at https://www.rallis.co.in/WBPolicy.htm.

Code of Conduct for Prevention of Insider Trading: The Company has adopted the Tata Code of Conduct for Prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Code'). The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company.

Mr. Ashish Mehta, Chief Financial Officer ('CFO') is the Compliance Officer for ensuring compliance with and for the effective implementation of the Regulations and the Code across the Company.

The Company has also adopted a Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ('UPSI') by the Company to enable the investor community to take informed investment decisions with regard to the Company's shares. The CFO has been designated as the Chief Investor Relations Officer to ensure timely, adequate, uniform and universal dissemination of information and disclosure of UPSI.

As per the Code, the Company has also adopted Policy on Enquiry in case of leak or suspected leak of UPSI and Policy for Determination of Legitimate Purposes. The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at https://www.rallis.co.in/CCDC.htm.

During the year under review, with a view to simplify and improvise the compliances under the Listing Regulations, read with the Code, the Company introduced an 'Employee Self Service Compliance Module', a digital platform for carrying out all the compliances under the Regulations and the Code.

Accounting treatment in preparation of Financial Statements: The Financial Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

Details of utilisation of funds: The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement.

Acceptance of recommendation of all Committees: In terms of the Listing Regulations, there have been no instances during the year when recommendations of any of the Committees were not accepted by the Board.

Fees paid to Statutory Auditor: A total fee of ₹ 1.13 crore was paid by the Company and its subsidiaries, on a consolidated basis, for all services to B S R & Co. LLP, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

Prevention, Prohibition and Redressal of Sexual Harassment at Workplace: As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has constituted an Internal Committee ('IC') to redress complaints received regarding sexual harassment. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary and trainees) are covered under this policy. 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.

During the year under review, the Company received one complaint which was investigated and appropriate action was taken. No complaint is pending as on the end of the financial year.

Legal Compliance Management Tool: Compliance and adherence to the law has always been an integral part of the Company's functioning and continues to remain one of the top priorities. The Company's actions are reflected by its ideologies and doing business legally and ethically is a part of the Company's day-to-day working.

During the year, the Company has put an online legal compliance management tool in place, which monitors compliance with all the laws which are applicable to the Company. The Board periodically reviews the compliance reports of all laws applicable to the Company.

Green Initiative: As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to the Members at their e-mail address previously registered with the Depository Participants ('DPs') and Registrar and Share Transfer Agent ('RTA'). Members who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Members who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number.

Compliance with mandatory and non-mandatory requirements of Listing Regulations: The Company has complied with all mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46 (2) relating to dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations is as under:

- The Non-Executive Chairman maintains a separate office for which the Company is not required to reimburse expenses
- Half-yearly financial performance of the Company is sent to all shareholders
- The financial statements of the Company are with unmodified audit opinion
- The Internal Auditor reports to the Audit Committee.

12. 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 thereunder are approved and taken on record by the Board of Directors of the Company within one month of the close of the relevant quarter/half year. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed viz. NSE Electronic Application Processing System ('NEAPS') of the National Stock Exchange of India Limited ('NSE') and BSE Online Portal of The BSE Limited ('BSE'). The results are also published within 48 hours in Business Standard (in English) and Mumbai Lakshadweep (in Marathi) and also displayed on the Company's website: www.rallis.co.in

ii) The Company publishes the audited annual results within the stipulated period of sixty days from the close of the financial year as required by the Listing Regulations. The annual audited results are also uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively, published in the newspapers and displayed on the Company's website.

iii) The Company periodically meets or has conference calls with institutional investors and analysts. Official news releases and presentations made to institutional investors and analysts are uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively and posted on the Company's website.

iv) Comprehensive information about the Company, its business and operations and press releases can be viewed on the Company's website. The 'Investor Relations' section on the website gives information relating to financial results, annual reports, shareholding pattern and presentations made to analysts and at the AGM. Information about unclaimed dividends and details of Equity Shares required to be transferred to the IEPF Demat account are also available in this section.

Members also have the facility of raising their queries/complaints through the Shareholder Query Form available under 'Investor Information' in the 'Investor Relations' section of the website.

v) The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with NSE through NEAPS and with BSE through BSE Online Portal. The Shareholding Pattern is also displayed on the Company's website under the 'Investor Relations' section.

vi) Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Online Portal. They are also displayed on the Company's website under the 'Investor Relations' section.

vii) The Company sends an annual reminder to shareholders who have not claimed their dividends. Reminder letters are also sent to those shareholders whose Unclaimed Dividends/Shares are liable to be transferred to the IEPF accounts.

viii) The Company has uploaded the names of the members and the details of the unclaimed dividend by the members on its website. The members can log in and find out whether their dividend for any of the years is outstanding.

ix) Letters and Reminders to Shareholders for unclaimed shares/dividends:

In addition to the statutory requirement, a voluntary reminder for unclaimed shares and unpaid dividend is also sent to the shareholders as per records every year.

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

13. General Shareholder Information

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs ('MCA') is L36992MH1948PLC014083.

Annual General Meeting date, time and venue	:	Friday, July 3, 2020 at 3.00 p.m. (IST) through Video Conference only as per the General Circular dated May 5, 2020 issued by the MCA
Financial Calendar	:	April 1 to March 31
Date of book closure	:	Friday, June 19, 2020, to Friday, June 26, 2020 (both days inclusive for the purpose of AGM and dividend)
Dividend payment date	:	On or after Tuesday, July 7, 2020
Last date for receipt of Proxy Forms	:	In terms of the relaxations granted by the MCA, the facility for appointment of proxies by Members will not be available for the ensuing AGM
Listing on Stock Exchanges	:	The Company's Equity Shares are listed on the following Stock Exchanges: **BSE** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 **NSE** Exchange Plaza, 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 FY 2019-20 and FY 2020-21.
Stock Code on BSE	:	500355
Stock Code on NSE	:	RALLIS
Demat International Security Identification Number ('ISIN') in NSDL and CDSL for Equity Shares	:	INE613A01020

Market Information:

Market price data: High/low, number, value of shares traded and number of trades during each month of FY 2019-20:

Month	BSE (in ₹)					NSE (in ₹)				
	High	Low	No. of Shares traded	Value of Shares traded (in Lakh)	No. of trades	High	Low	No. of Shares traded	Value of shares traded (in Lakh)	No. of trades
April 2019	167.00	146.00	3,85,662	606.01	8,389	167.00	146.00	48,73,476	7,615.57	83,086
May 2019	161.20	139.10	11,97,909	1,739.38	7,669	162.00	140.05	47,06,435	6,863.72	37,520
June 2019	155.00	140.55	1,55,444	228.69	4,544	154.00	140.60	12,96,809	1,915.97	35,988
July 2019	165.60	146.65	5,45,329	855.82	13,913	166.00	146.10	50,96,944	8,041.85	89,386
August 2019	161.50	150.25	1,20,821	189.97	3,875	161.60	150.20	14,15,600	2,228.52	36,774
September 2019	178.45	154.20	3,43,443	582.04	10,210	178.90	153.20	35,61,895	6,029.70	79,739
October 2019	178.00	160.50	2,36,501	397.13	9,111	178.90	159.05	33,15,957	5,582.60	69,265
November 2019	194.25	165.40	5,65,689	1,031.98	19,826	194.40	165.00	65,77,299	11,881.29	1,07,356
December 2019	186.20	166.70	1,64,494	288.64	8,601	186.45	166.60	23,68,634	4,159.66	56,489
January 2020	246.80	169.00	18,66,614	4,077.79	57,826	246.60	168.60	2,13,34,743	46,626.38	3,59,075
February 2020	255.60	212.80	10,44,696	2,471.23	38,837	256.00	212.50	1,25,47,888	29,726.40	2,78,697
March 2020	235.70	127.10	5,31,102	1,044.98	21,906	236.00	125.00	74,84,137	14,797.66	1,95,007

The performance of the Company's average monthly share price data in comparison to broad-based indices like BSE Sensex and Nifty in FY 2019-20 are given below:

Month	Rallis Share Price – BSE	BSE Sensex	Rallis Share Price – NSE	Nifty
April 2019	158.29	38,861.48	158.31	11,666.45
May 2019	147.06	38,574.60	147.24	11,592.02
June 2019	147.73	39,538.37	147.98	11,839.02
July 2019	155.08	38,649.97	155.14	11,523.11
August 2019	157.37	37,149.35	157.41	10,976.50
September 2019	167.09	37,545.06	167.11	11,124.29
October 2019	166.84	38,741.85	166.90	11,490.21
November 2019	176.53	40,513.09	176.63	11,964.13
December 2019	174.25	41,054.45	174.31	12,096.88
January 2020	205.59	41,360.95	205.70	12,183.07
February 2020	232.65	40,674.32	232.72	11,934.47
March 2020	192.15	32,254.45	192.23	9,426.31

Registrar and Transfer Agent:

Members may correspond with the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited ('TSR'), quoting their folio numbers/DP ID and Client ID at the following addresses:

TSR Darashaw Consultants Private Limited

6, Haji Moosa Patrawala Ind. 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 TSR:

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 TSR:

TSR Darashaw Consultants Private Limited
503, Barton Centre, (5th Floor),
84, Mahatma Gandhi Road, Bengaluru - 560 001.
Tel.: +91 80 2532 0321 | Fax: +91 80 2558 0019
Email: tsrdlbang@tsrdarashaw.com

TSR Darashaw Consultants Private Limited
Tata Centre, 1st Floor,
43, J. L. Nehru Road, Kolkata - 700 071.
Tel.: +91 33 2288 3087 | Fax: +91 33 2288 3062
Email: tsrdlcal@tsrdarashaw.com

TSR Darashaw Consultants Private Limited
2/42, Sant Vihar, Ansari Road,1st Floor,
Darya Ganj, New Delhi - 110 002.
Tel.: +91 11 2327 1805 | Fax: +91 11 2327 1802
Email: tsrdldel@tsrdarashaw.com

TSR Darashaw Consultants Private Limited
Bungalow No. 1, "E" Road, Northern Town,
Bistupur, Jamshedpur - 831 001.
Tel.: +91 657 242 6616 | Fax: +91 657 242 6937
Email: tsrdljsr@tsrdarashaw.com

Agent of TSR:

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

Share Transfer System:

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company. This will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

The Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date. During the year, the Company accepted those transfer requests pertaining to securities held in physical form which were lodged for transfer before April 1, 2019 and were returned due to objections.

In view of the aforesaid amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.

Secretarial Audit and other certificates:

- M/s. Parikh & Associates, Practicing Company Secretaries, have conducted the Secretarial Audit of the Company for FY 2019-20. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made thereunder, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report as an Annexure
- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by Ms. Sonali V. Bhuta, Company Secretary in practice, certifying due compliance of share transfer formalities by the Company
- Ms. Sonali V. Bhuta, Company Secretary in practice, carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL)
- In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Ms. Jigyasa N. Ved of M/s. Parikh & Associates, Practicing Company Secretary, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2020

- Ms. Jigyasa N. Ved of M/s. Parikh & Associates, Practicing Company Secretary, has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/MCA or any such statutory authority.

Distribution of shareholding as on March 31, 2020:

Holding of Nominal Value: ₹ 1

Sr. No.	Range	Number of Shares	Amount (₹)	% to Capital	Number of Shareholders	% to Total Holders
1	1 to 500	51,52,217	51,52,217	2.65	50,385	88.48
2	501 to 1,000	25,69,778	25,69,778	1.32	3,280	5.76
3	1,001 to 2,000	23,83,208	23,83,208	1.23	1,587	2.79
4	2,001 to 3,000	14,45,910	14,45,910	0.74	552	0.97
5	3,001 to 4,000	8,69,380	8,69,380	0.45	241	0.42
6	4,001 to 5,000	9,77,756	9,77,756	0.50	207	0.36
7	5,001 to 10,000	25,38,864	25,38,864	1.31	347	0.61
8	Greater than 10,000	17,85,31,777	17,85,31,777	91.80	346	0.61
	Total	**19,44,68,890**	**19,44,68,890**	**100.00**	**56,945**	**100.00**

Shareholding pattern as on March 31, 2020:

Sr. No.	Category of Shareholders	Number of Shares	Percentage (%)
1	Tata Companies	9,74,16,610	50.09
2	Government/Other Public, Financial Institutions and Insurance Companies	99,02,473	5.09
3	Foreign Institutional Investors and Foreign Companies	95,11,666	4.89
4	Non-Resident Individuals	14,73,849	0.76
5	Other Bodies Corporate & Trust	46,64,684	2.40
6	Nationalised Banks and Mutual Funds	2,92,18,369	15.02
7	Foreign Bank and Other Banks	1,06,982	0.06
8	Alternative Investment Funds	43,000	0.02
9	IEPF Suspense A/c	8,24,113	0.42
10	Individuals	4,13,07,144	21.24
	Total	**19,44,68,890**	**100.00**

Dematerialisation of shares and liquidity:

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

(%)

Shares held in	2019-20	2018-19	2017-18
Physical form	**0.82**	0.90	0.98
Electronic form with NSDL	**92.93**	91.02	90.47
Electronic form with CDSL	**6.25**	8.08	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:

Commodity price risk and hedging activities: The Company purchases a variety of commodities related to raw materials and finished products and the associated commodity price risks is managed through commercial negotiation with customers and suppliers. The Company does not have any exposure hedged through Commodity derivatives.

Foreign exchange risk and hedging activities: During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts. The details of foreign currency exposure are disclosed in Note No. 38 to the Standalone Financial Statements.

Credit Rating:

CRISIL has given the credit rating of CRISIL AA+/STABLE for long term and CRISIL A1+ for short term financial instruments of the Company.

Transfer to Investor Education and Protection Fund:

(a) Transfer of unclaimed dividend

Members are hereby informed that under the Act, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more, to the credit of the Investor Education and Protection Fund ('the IEPF'). Accordingly, a Final Dividend of ₹ 11,85,455 for FY 2011-12 and an Interim Dividend of ₹ 9,84,298 declared during the FY 2012-13 aggregating to a total Dividend of ₹ 21,69,753, which remained unpaid or unclaimed was transferred to the IEPF Authority in FY 2019-20.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2012-13 and thereafter –

Financial Year	Date of Declaration		Dividend per share (₹)		Last date for claiming unpaid	
	Interim Dividend	Final Dividend	Interim Dividend	Final Dividend	Interim Dividend	Final Dividend
2012-13	-	24-06-2013	-	1.3	-	14-07-2020
2013-14	21-10-2013	30-06-2014	1	1.4	18-11-2020	25-07-2021
2014-15	16-10-2014	29-06-2015	1	1.5	12-11-2021	25-07-2022
2015-16	-	24-06-2016	-	2.5	-	22-07-2023
2016-17	-	23-06-2017	-	3.75 (including 1.25 special dividend)	-	22-07-2024
2017-18	-	02-07-2018	-	2.5	-	01-08-2025
2018-19	-	28-06-2019	-	2.5	-	26-07-2026

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s) are requested to make their claim to TSR Darashaw Consultants Private Limited, Registrar and Transfer Agent, well in advance of the above due dates.

It may be noted that unclaimed dividend for FY 2012-13 declared on June 24, 2013 can be claimed by the Members by July 14, 2020. Unclaimed Interim Dividend declared on October 21, 2013 can be claimed by the Members by November 18, 2020.

(b) Transfer of shares to IEPF

Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 86,515 Equity Shares of face value of ₹ 1 each to the demat account of the IEPF Authority during FY 2019-20.

The Company had sent individual notice to all the Members whose shares were due to be transferred to the IEPF Authority and had also published newspaper advertisement in this regard. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company at https://www.rallis.co.in/UnclaimedShares.htm.

(c) Claim from IEPF Authority

Members/Claimants whose shares and unpaid/unclaimed dividends, sale proceeds of fractional shares, etc. have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in e-Form IEPF-5 (available at www.iepf.gov.in) and sending duly signed physical copy of the same to the Company along with requisite documents as prescribed in the instruction kit of e-Form IEPF-5. Link to e-Form IEPF-5 is also available on the website of the Company at https://www.rallis.co.in/UnclaimedShares.htm. No claims shall lie against the Company in respect of the dividend/shares so transferred.

(d) Details of unclaimed dividend on the website

As per the IEPF Rules, the Company has uploaded the information in respect of unclaimed dividends as on the date of the previous AGM i.e. June 28, 2019 (71st AGM) on its website at https://www.rallis.co.in/UnclaimedDividend.htm. The same is also available on the website of IEPF at www.iepf.gov.in.

Plant locations:

(i) GIDC Estate, Plot No. 3301, Ankleshwar - 393 002, Dist. Bharuch, Gujarat

(ii) GIDC Estate, Plot No. 2808, Ankleshwar - 393 002, Dist. Bharuch, Gujarat

(iii) GIDC Estate, Plot No. 3000, Ankleshwar - 393 002, Dist. Bharuch, Gujarat

(iv) C 5/6, MIDC Industrial Area, Phase III, Shivani, Akola - 444 104, Maharashtra

(v) Plot No. D-26, Lote Parashuram, MIDC, Near Hotel Vakratunda, Taluka Khed, Dist. Ratnagiri - 415 722, Maharashtra

(vi) Plot Nos. Z/110 and Z/112, Dahej SEZ Part - II, P.O. Lakhigam, Taluka Vagra, Dist. Bharuch - 392 130, Gujarat

(vii) Plot No. C44, Port Road, Dahej, Dist. Bharuch - 392 130, Gujarat

(viii) Survey No.25/1, Gundlapochampally Village, Medchal Mandal, Medchal Malkajgiri Dist. - 500 100, Telangana

(ix) Survey No. 318, 321/2, 322, 322/2, Kokkonda Village, Mulugu Mandal, Medak Dist. - 502 336, Telangana

(x) Kh. 1287, 1288 & 1290, PH No. 37, Semeriya Village, Ahiwara Taluk, Durg Dist. - 491 332, Chhattisgarh

Investor correspondence address:

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

OR

TSR Darashaw Consultants Private Limited
Unit: Rallis India Limited
6, Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011

To,
The Members of Rallis India Limited

Declaration by the Managing Director & CEO

I, Sanjiv Lal, Managing Director & CEO of Rallis India Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2020.

Sanjiv Lal
Managing Director & CEO

Mumbai, May 5, 2020

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, 2020, 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Jigyasa N. Ved
FCS: 6488 CP: 6018
UDIN: F006488B000204015

Mumbai, May 5, 2020

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 focusses 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 the Company embed balance in our engagement with all stakeholders, keeping the community at the core of whatever we do.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L36992MH1948PLC014083
2. **Name of the Company:** Rallis India Limited
3. **Registered address:** 23rd Floor, Lodha Excelus, New Cuffe Parade, Off Eastern Freeway, Wadala, Mumbai - 400 037
4. **Website:** www.rallis.co.in
5. **E-mail id:** investor_relations@rallis.co.in
6. **Financial Year reported:** 2019-2020
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

   Agri Inputs; National Industrial Classification (NIC) Code: 3808
8. **Three key products/services that the Company manufactures/provides (as in balance sheet):**

   The Company principally manufactures 'Agri Inputs', comprising crop protection products, plant growth nutrients, organic compost and seeds and provides agri-solutions under its **Rallis Samrudh Krishi®** ('RSK') initiative.
9. **Total number of locations where business activity is undertaken by the Company:**

   (a) **Number of International Locations (5 major):** Nil

   (b) **Number of national locations:** The Company's manufacturing operations are situated at five locations, viz. Ankleshwar and Dahej in Gujarat, Lote and Akola in Maharashtra and Kokanda in Andhra Pradesh.
10. **Markets served by the Company:**

    The markets for the Company's products are across India. Globally, it serves markets in Asia, Latin America and Africa, with some sales in Europe.

Section B: Financial Details of the Company

(₹ in crore)

Sr. No.	Particulars	Standalone	Consolidated
1.	**Paid-up Capital**	19.45	19.45
2.	**Total Turnover (Revenue from operations)**	2,251.50	2,251.82
3.	**Total profit after taxes**	185.47	183.69
4.	**Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax**	The Company's total CSR spending is ₹ 4.64 crore for FY 2019-20, which is more than 2% of the average net profit of the Company for the last three financial years.	

5. **List of activities in which expenditure in 4 above has been incurred:**

   (a) Water harvesting (Jal Dhan)

   (b) Safe drinking water (Jal Mitra)

   (c) Farmers Safety 'You are Safe' campaign

   (d) Model Tribal Village Development (Rural Development, Health and Sanitation)

   (e) Education (RUBY) programme

   (f) Environment (Greening)

   (g) Skill Development (TARA) Initiative

Tata Group Affirmative Action ('AA') Policy:

The Company works towards inclusion of socially disadvantaged and marginalised sections of society (Scheduled Castes and Scheduled Tribes). The AA interventions focus on Education, Employment, Employability, Entrepreneurship and Essential Enablers.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/Companies?**

   Yes, the Company has 2 subsidiaries as on March 31, 2020. Of which, 1 is an Indian subsidiary and the other, a foreign subsidiary.

2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(ies).**

   - Former Subsidiary of the Company, Metahelix Life Sciences Limited ('Metahelix'), which has merged with the Company with effect from February 1, 2020 had its own CSR activities in its area of operations
   - The National Company Law Tribunal, Mumbai Bench ('NCLT'), has sanctioned the merger of a subsidiary, Zero Waste Agro Organics Limited with the Company. However, certified copy of the Order passed by the NCLT is awaited. Similarly, Rallis Chemistry Exports Limited has applied to the Registrar of Companies for removal of its name from the Register of Companies, the approval for which is awaited
   - PT Metahelix Lifesciences Indonesia, a foreign subsidiary which has become a direct subsidiary consequent to the merger of Metahelix with the Company
   - Operations of subsidiaries are not at a scale that can support CSR activities.

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 the distributors of the Company continued their participation in Jal Dhan initiatives in Maharashtra. They participate and help in identifying the location, interaction with the community people, monitoring the progress of the project and provide their valuable feedback to further strengthen the project (less than 30%).

Section D: BR Information

1. **Details of Director/Directors responsible for BR:**

   (a) **Details of Director/Directors responsible for implementation of the BR policy/policies:**

      1. **DIN Number:** 08376952
      2. **Name:** Mr. Sanjiv Lal
      3. **Designation:** Managing Director & CEO

   (b) **Details of the BR head:**

      1. **Name:** Mr. Alok Chandra
      2. **Designation:** Vice President - Human Resources & Corporate Sustainability
      3. **Tel. No.:** +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 ('NVGs') 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 marginalised.
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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and intent of the Tata Code of Conduct ('TCoC') and all applicable national laws are captured in the policies articulated by the Company. In addition, they reflect the purpose and intent of the United Nations Global Compact, international standards such as Responsible Care Logo, ISO 14001 and OHSAS 18001/ISO 45001.								
4	Has the policy been approved by the Board? If yes, has it been signed by Managing Director/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The Tata Code of Conduct is available at: https://www.rallis.co.in/TCoC.htm. Rallis Environment Health & Safety Policy is available at: https://www.rallis.co.in/EHS_Policy.htm. Rallis Quality Policy is available at: https://www.rallis.co.in/QualityPolicy.htm. Rallis CSR Policy is available at: https://www.rallis.co.in/CSR_Policy.htm. Rallis Whistle Blower Policy is available at: https://www.rallis.co.in/WhistleblowerPolicy.htm.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(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 3 months, 3-6 months, annually, more than 1 year)**

   3-6 Months.

   (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   Yes, the Company publishes BR Report as a part of its Annual Report. This BR Report is uploaded on the Company's website at the web link: https://www.rallis.co.in/BRR2020.htm.

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.**

   No.

2. **Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Policy covers not only the Company but also its Associates. The Tata Code of Conduct ('TCoC') (available on https://www.rallis.co.in/TCoC.htm) serves as the ethical roadmap for all Tata companies. All suppliers, partners and joint ventures are expected to adopt TCoC or a joint code of conduct incorporating all elements of the TCoC. TCoC is 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.

3. **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 11 stakeholder complaints were received in FY 2019-20. All of them have been satisfactorily resolved during the year.

Stakeholder wise Concerns received during FY 2019-20	
Anonymous	1
Contract Employee	0
Employee	2
Non-Employee	8
Vendor	0

Concern Analysis		
Status	In FY 2019-20, the Company received and addressed 11 concerns	In FY 2018-19, the Company received and addressed 3 concerns
Open	NIL	NIL

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   During the year, three products were launched for the benefit of Indian farming community viz. Zygant, Ayaan and Sarthak.

   1. **Zygant:** A ready to use granular insecticide formulation for soil application to manage stem borer insect infesting paddy crop.

      This is the first time granular formulation of Flubendiamide developed and launched in India, by Rallis.

      Zygant has gained popularity among farmers due to its excellent efficacy as well as its special phytotonic effect to achieve a higher yield of >10%.

   2. **Ayaan:** A fungicide combination formulation, which is a novel, broad spectrum and systemic and contact in action.

      It has been introduced for the first time in India for the management of rice sheath blight disease on paddy crop.

      It offers an excellent disease management and yield improvement of paddy.

   3. **Sarthak:** A fungicidal combination formulation proven to be highly effective against late blight and early blight of potato, chilli powdery mildew, leaf spot and anthracnose diseases with long duration of control. It is an unique crop nutrition formulation developed for micronutrient fertiliser, which is easy to use as foliar application in many crops.

      Two crop-specific foliar fertilisers formulations, four formulations of growth-stage specific fertigation products for fruits and vegetables were developed and are ready to be launched commercially.

The Company has supported customers through a digital move 'DRISHTI' for pest prediction and recommendations of the Company.

Maize PoP with popular hybrid on 1 acre was also demonstrated with >10% higher yield during summers.

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 Kilowatt hour ('KWh') and utility specific consumptions.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

One initiative of the Company, 'SRI' (System for Rice Intensification), to educate farmers has not only improved the productivity of rice, but has also potentially saved almost 50% water in rice production.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

As a Responsible Care Company, sourcing is covered under distribution code, which addresses efforts towards sustainable sourcing. The Company has initiated efforts in reducing the carbon footprint in sourcing and supply chain. Few examples are:

- The Company is trying to develop domestic sources as alternatives for imported raw material, which is expected to help in reducing the lead time as well as carbon footprint
- The Company is also accepting deliveries in higher truck/tanker loads wherever storage capacity permits to reduce the number of trips
- Exporting of key products has been shifted from drums to jumbo bags. This has increased volume per consignment and optimum utilisation of container space. The sourcing team has been working on developing alternate vendors for import substitutes to reduce particular country/ import dependence. Till date, reduction in import dependence has been successfully achieved thus by lead time and carbon footprint for more than 50% imported items
- Outbound logistics has also been concentrating more on consolidation of supplies by maximum transport space utilisation and thus reducing the number of trips and logistics cost.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company has a vendor development programme, which encourages local contractors and service providers and offers them opportunities. Additionally, the Company has also promoted skills and livelihood development in the neighbouring community through various training and community development programmes. Under the TATA AA programme, the Company provides support to people from socially backward community background, including from the Scheduled Caste/Scheduled Tribe 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'. It is a long-term plan 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.

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

1. **Please indicate the total number of employees:** 1,610 employees as on March 31, 2020.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 4,032 employees as on March 31, 2020.

3. **Please indicate the number of permanent women employees:** 50 employees as on March 31, 2020.

4. **Please indicate the number of permanent employees with disabilities:** 1 employee as on March 31, 2020.

5. **Do you have an employee association that is recognised by management:** Yes, Rasayanki Kamdar Sangh, Ankleshwar.

6. **What percentage of your permanent employees are members of this recognised employee association:** 4.9% employees as on March 31, 2020.

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, 2020.

   (ii) Sexual harassment: One complaint received, investigated and appropriate action taken during the financial year. No complaint is pending as on March 31, 2020.

   (iii) Discriminatory employment: No complaints as on March 31, 2020.

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, 2020.

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

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, the Company has mapped its stakeholders as part of its stakeholder engagement process.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

   Yes, the Company has identified the communities which are disadvantaged, vulnerable and require focussed intervention.

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

   While developing its CSR strategy, the Company has ensured that all communities benefit from the CSR activities, with special focus on groups that are socially and economically marginalised, including rural unemployed youth, women, scheduled castes and tribes. The Company focusses on 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 recognised that basic needs like potable water, water for irrigation, electricity, sanitation, farmer safety, etc. require immediate attention.

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 its 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?**

   The Company did not receive any complaint pertaining to human rights violation.

Principle 6 - Businesses should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

   The Company's Environment Health and Safety ('EHS') Policy focusses on preventing/minimising adverse environmental impacts, so far as is reasonably practicable, through continual improvements in environment management systems, processes, practices and effective environment management and mitigation strategies, responding sensitively to the environmental concerns of the communities and taking necessary measures for implementing product stewardship practices. While the EHS Policy is applicable to the Company and its employees, the Company is committed to enhance awareness on environment sustainability, focussing on '3R' i.e. Reduce, Reuse and Recycle amongst its employees, associates and supply chain partners through effective engagement, communication, consultation and training.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No. If yes, please give hyperlink for webpage, etc.**

   Yes, the Company has adopted Tata Group's Climate Change Policy to guide organisational efforts towards mitigating and adapting to climate change. The Company is aligning itself with India's commitment to combating Climate Change i.e. Intended Nationally Determined Contributions ('INDC') and Tata Group climate change initiatives. In this direction, the Company has a long-term plan to achieve the following:

   - Maximising use of Renewable energy
   - Reduction in specific energy consumption
   - Planting two lakh saplings on 100% survival basis by FY 2021-22
   - Maximising use of bio mass for generating thermal energy in each unit

   The Tata Group's Climate Change Policy is available at: https://www.rallis.co.in/Climate_Change_Policy.htm.

3. **Does the Company identify and assess potential environmental risks? Yes/No**

   Yes, the Company makes all efforts to identify the environmental aspects and manage the same along with its impact and continually improve its environmental performance, driven by its EHS Policy. All the manufacturing plants of the Company are certified to ISO-14001 Environmental Management Systems ('EMS') standard. Two of the Company's manufacturing units at Gujarat, Ankleshwar and Dahej are certified for ISO-50001. As a 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 the Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Yes/No. If yes, please give hyperlink for web page, etc.**

   Yes, under its long- term Sustainability plans, the Company has initiated a number of green initiatives, including setting up solar power generation, moving to biomass fuelled boilers, etc. For more information, visit: https://www.rallis.co.in/Greening.htm.

   Sunshine (Solar) Plant at Dahej is part of the long-term sustainability plan of '50% power generation using renewable source of energy'. Rallis has set up a 4.4 Megawatt peak ('MWp') Solar Power Plant at Dahej that established connectivity with the national grid on December 24, 2015.

   Power generated from the solar plant is used by manufacturing units of the Company and Group companies through grid. Based on the climatic simulation data, 'Sunshine' is expected to generate around 7.5

million units per annum. During the year, the Company signed a Memorandum of Understanding ('MoU') with TATA Motors Sanand and Gujarat Energy Transmission Corporation Limited ('GETCO') to supply leftover power through grid. This is expected to enhance utilisation of power generated by Solar Plant within the group companies.

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, all manufacturing plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal as per their Regulatory consents/authorisations.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.**

   As on March 31, 2020, there were no pending show cause or legal notices received from CPCB or SPCB, to the best of the Company's knowledge and understanding.

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 a part of the following associations:

   i. Crop Life India

   ii. Crop Care Federation of India (CCFI)

   iii. Pesticides Manufacturers & Formulators Association of India (PMFAI)

   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, from time to time, the Company takes 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 its Sustainability Model, the Company has 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 organisations.

   The Company implements education interventions under its RUBY ('Rallis Ujjwal Bhavishya Yojana') initiative, where focus is placed on improving the quality of education and soft skill building by imparting training, exposure and informal education to students and initiated scholarship scheme for students from economically weaker section through Vidyasaarathi portal which is managed by National Securities Depository of India Limited, with a view to enhancing employability.

   Under CSR initiatives, various educational activities have been taken up across locations, focussing on holistic development of students and providing educational aids to deprived students. The Company is also engaged in developing 4 Government aided schools into Model Schools.

   During FY 2019-20, the Company has covered 34 schools under its Education projects, benefiting over 8,800 students, of which 5,100 were from the background deserving AA.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

   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, NGOs, experts or through Tata Group focus initiatives. Volunteering by the employees is focussed on and this is engrained into the team at Rallis.

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

The Company carries out an impact assessment every third year. As the same was carried out last year, the Company has not conducted any impact assessment during the year.

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 ₹ 4.64 crore, which is more than the 2% of the average net profit of the Company for the last three financial years. The key CSR projects are focussed on the following:

i. Natural Resource Management (Rainwater harvesting and conservation)
ii. Education
iii. Model Tribal Village
iv. Greening
v. Skill
vi. Farmer Safety

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

Under Natural Resource Management projects, the main thrust is to combat the impact of climate change in rain-fed areas, through activities relating to rainwater harvesting, soil conservation, 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, focussing on harvesting rainwater to make villagers water sufficient, motivate small farmers to opt for second crop from available water and focussing on overall development of villagers. Water conservation work focusses 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 FY 2019-20 was in 65 villages, 19 tehsils and 8 districts of Maharashtra.

Through the Jal Dhan project, more than 2,00,377 people have benefited across Maharashtra, out of which 56,854 belongs to Affirmative community. The positive impact has been seen by way of increase in groundwater 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 focussed on afforestation, to increase groundwater level and soil conservation. So far the Company has planted more than 98,000 saplings with 90% survival rate.

Under Model tribal village initiative, in FY 2019-20, Rallis has worked in 8 villages to convert them into model villages. Tribal model village concept focusses on basic amenities, capacity building, education, economic empowerment, health and entitlements. Under health intervention, Rallis conducts health camp and health awareness sessions 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 the Company's 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 the Company has constructed rainwater 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?**

   The product and packaging related customer complaints as received during the year are listed below. All complaints were resolved and addressed:

Complaint Type	Domestic	International	Total	% Resolution
External	48	21	69	100
Internal	8	-	8	100
Total	**56**	**21**	**77**	**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 and has complied with the requirements of The Insecticides Act, 1968; Insecticide Rules, 1971; The Fertiliser (Control) Order, 1985; The Seeds Act, 1966; Seeds Rules, 1968; The Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 on respective product labels.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   In the last five years, no case has been filed against the Company, and there is no pending case as on the end of the financial year, regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

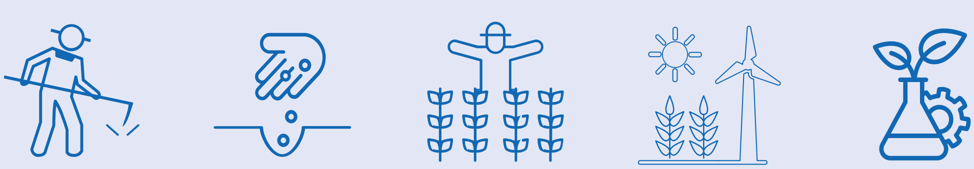
4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

   The Company carries out farmers and channel partners' satisfaction survey once every two years. Current survey concluded in March 2020 where an in-depth feedback was sought from over 3,000 farmers and over 500 channel partners. The Company also employed Net Promoter Score Survey as a tool to collect customer feedback. Over 24,000 farmers were contacted across 18 key states and feedback was sought on the Company's Products and Services.

Financial Statements

Standalone Financial Statements

Consolidated Financial Statements



Independent Auditors' Report
To the Members of Rallis India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rallis India Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (adjustment for sales return, rebates, discounts and incentives) (Refer note 3.16 and 45)

The Key Audit Matter	How the matter was addressed in our audit
As disclosed in Note 3.16 and 45 to the standalone financial statements, revenue is measured based on transaction price, which is the consideration, after deduction of estimated sales returns, rebates, discounts and incentives. Estimation of sales returns involves significant judgement and estimates. The estimation is dependent on various internal and external factors. These factors include, for example, climatic conditions, the length of time when a sale is made and when the sales return takes place, some of which are beyond the control of the Company The recognition and measurement of rebates, discounts and incentives involves significant judgement and estimates, particularly the expected level of claims of each of the customers. Assumption of level of customer wise claims for rebates, discounts and incentives relates to estimating which of the Company's customers will ultimately be subject to a related rebate, discount and / or incentive	Our audit procedures included following: - Understanding the process followed by the Company to determine the amount of accrual of sales returns, rebates, discounts and incentives; - Assessing the accounting policies of the Company regarding accounting for sales returns, rebates, discounts and incentives as against the criteria given in the accounting standards; - Testing the Company's key internal controls related to the development of assumption of expected returns based on experience, of level of customer wise claims for rebates, discounts, incentives and related accruals; - Testing the Company's process and key internal controls over the accrual of sales returns, rebates, discounts and incentives. Selecting samples of revenue transactions and marketing circulars. Rechecking accrual for rebates, discounts and incentives calculated in accordance with the eligibility criteria mentioned in the marketing circular;

The Key Audit Matter	How the matter was addressed in our audit
Evaluating the assumption of expected returns based on experience and level of customer wise claims for rebates, discounts and incentives underlying the estimate of accrual involves challenging auditor judgment. We identified the evaluation of accrual for sales returns, rebates, discounts and incentives as a key audit matter.	- Checking completeness and accuracy of the data used by the Company for accrual of sales returns, rebates, discounts and incentives and also checking the accrual for a selected sample of sales; - Examining historical trend of claims to assess the assumptions and judgements used by the Company in accrual of sales returns, rebates, discounts and incentives. Evaluating the Company's ability to accurately estimate the accrual for sales returns, rebates, discounts and incentives. Comparing historically recorded accruals to the actual amount of sales returns, rebates, discounts and incentives.

Impairment testing of other intangible assets and intangible assets under development (Refer note 3.14 and 6(a) and 6(b))

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of the intangible assets and intangible assets under development represents 10.31% of the Company's total assets. **Impairment testing of goodwill** As disclosed in Note 3.14 and 6(a) to the standalone financial statements, the Company tests goodwill for impairment annually, or more frequently when there is an indication that the cash generating unit to which goodwill has been allocated may be impaired. We identified the annual impairment assessment as a key audit matter because the assessment process is complex and judgmental by nature and is based on assumptions on: - projected future cash inflows; - expected growth rate; - discount rate; - perpetuity; - sensitivity analyses; - expected profitability; and - future market and / or economic conditions **Other intangible assets and intangible assets under development** The Company applies for product registrations in different countries to sell its products. As disclosed in Note 3.14 and 6(b) to the standalone financial statements, the Company capitalizes costs incurred to apply for product registrations. The impairment assessment is based on each product registrations value in use. The measurement of value of intangible assets involves significant judgments and estimates in the Company's annual impairment assessment, the significance and magnitude of the costs capitalised and likelihood of obtaining product registration. We identified the measurement of value of intangible assets as a key audit matter.	Our audit procedures in respect of impairment testing of goodwill included the following: - Obtaining an understanding of the Company's process of determining the recoverable amounts of cash generating units to which the goodwill is allocated. - Evaluating the model used in determining the value in use of the cash generating units. Involving valuation expert who assisted us to evaluate the model and assumptions used around the key drivers of the valuations. Assessing the cash generating unit's current year actual results in comparison with prior year forecasts to assess forecast accuracy; - Assessing the Company's assumptions in the model, including growth rate, rate of discounting, in comparison to economic and industry forecast; and - Focusing on the adequacy of the Company's disclosures on key assumptions used for impairment testing of goodwill. Our audit procedures in respect of impairment testing of other intangible assets and intangible assets under development included the following: - Obtaining an understanding of the Company's process of determining likelihood of product registration, future benefits expected from each product registration using discounted future cash flows; - Comparing the Company's assessment with the past trend of product registrations awarded; - Assessing the discounted cash flow model; - Evaluating the assumptions and methodologies used by the Company; and - Focusing on the adequacy of the Company's disclosures on key assumptions used for impairment testing of intangible assets and intangible assets under development.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) 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 changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

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

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

    i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements;

ii. The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision for foreseeable losses on derivative contracts – Refer Note 22 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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

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

Aniruddha Godbole
Partner
Membership No: 105149
UDIN : 20105149AAAABT7684

Mumbai
May 05, 2020

Annexure A to the Independent Auditors' Report – March 31, 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and we are informed that no material discrepancies were noticed on such verification and the same have been dealt with in the 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 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 to the standalone financial statements, except the following:

Land / Building	No of cases	Leasehold / Freehold	Gross block (₹ in lakhs)	Net block (₹ in lakhs)	Remarks
Building	12	Freehold	2.83	0.76	The agreements were not available for verification.
Building	2	Freehold	57.35	23.72	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	Leasehold	1	-	The agreement was not available for verification.
Land	1	Leasehold	1,623.05	1,434.57	The plot has been allotted and is in the possession of the Company. The lease deeds have 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 Duty of customs, Provident fund, Employees' State Insurance, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income tax and Profession tax have generally been regularly deposited during the year with the appropriate authorities, though there have been slight delays in few cases. As explained to us, the Company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Income-tax, Duty of customs, Goods and Services tax, Cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable. Also, refer note 40 to the standalone financial statements.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Duty of customs, Duty of excise, Sales tax, Service tax, Value added tax and Goods and Services tax as at March 31, 2020, which have not been deposited with the appropriate authorities on account of any dispute, *except as stated below*:

(₹ in lakhs)

Name of Act	Nature of Dues	Amount Demanded	Amount not Deposited Under Dispute	Period to which amount relates	Forum where dispute is pending
Sales Tax and Value Added Tax	Tax, Penalty and Interest	604.78	518.42	2000-01, 2001-02, 2005-06 to 2010-11, 2012-13 to 2014-15	Joint Commissioner (Appeals)
		46.33	41.92	2006-07, 2007-08, 2009-10, 2010-11, 2013-14, 2015-16	Additional Commissioner
		433.27	141.41	1992-93, 1998-99, 1999-00, 2001-02, 2003-04, 2007-08 to 2014-15, 2016-17, 2017-18	Deputy Commissioner
		15.27	9.63	2003-04, 2014-15	Assistant Commissioner
		146.9	102.47	1992-93, 2001-02, 2009-10, 2011-12, 2012-13, 2015-16	Tribunal
		20.77	18.79	1990-91, 1996-97, 1997-98, 2001-02, 2002-03, 2012-13	Commercial Tax Officer
The Central Excise Act, 1944	Tax, Penalty and Interest	29.61	29.61	1999-00, 2001-02,	Deputy Commissioner
		0.61	0.50	1996-97, 1998-99	Tribunal
The Finance Act, 1994	Tax, Penalty and Interest	6.74	6.74	2006-08, 2010-11	Assistant Commissioner
		19.45	19.45	2010-2016	Superintendent of Excise and Customs
		10.23	10.23	2005-06 to 2009-10	Joint Commissioner
Customs Act, 1962	Tax	144.10	144.10	1999-00	Tribunal
Good and Service Tax	Tax, Penalty and Interest	13.00	13.00	2017-18	Superintendent of Excise and Customs
Income Tax Act, 1961	Income Tax	1,609.90	1,609.90	AY 2012-13	ITAT

(₹ in lakhs)

Name of Act	Nature of Dues	Amount Demanded	Amount not Deposited Under Dispute	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,074.94	859.94	AY 2013-14	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2,676.35	2,140.47	AY 2014-15	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	1,215.61	970.61	AY 2016-17	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	1,203.72	958.72	AY 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	274.14	219.14	AY 2018-19	Commissioner of Income Tax (Appeal)

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

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

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

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

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

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

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

Aniruddha Godbole
Partner
Membership No: 105149
UDIN : 20105149AAAABT7684

Mumbai
May 05, 2020

Annexure B to the Independent Auditors' Report – 31 March 2020

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

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Rallis India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

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

Aniruddha Godbole
Partner
Membership No: 105149
UDIN : 20105149AAAABT7684

Mumbai
May 05, 2020

Standalone Balance Sheet as at March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	4 (a)	**36,077.50**	36,975.86
b) Capital work-in-progress	4 (a)	**2,875.71**	1,287.69
c) Right-of-use asset	4 (b)	**2,644.04**	-
d) Goodwill on amalgamation	6 (a)	**19,582.31**	19,582.31
e) Investment property	5	**12.82**	549.86
f) Other intangible assets	6 (b)	**966.09**	968.35
g) Intangible assets under development	6 (b)	**4,694.65**	3,782.88
h) Financial assets			
i) Investments	7	**379.69**	378.84
ii) Loans	8	**907.06**	673.99
iii) Other financial assets	9	**76.51**	42.17
i) Income-tax assets (Net)	10.1	**11,002.26**	7,519.64
j) Other non-current assets	14	**4,205.12**	3,178.53
Total non-current assets		**83,423.76**	74,940.12
Current assets			
a) Inventories	11	**69,920.02**	67,322.58
b) Financial assets			
i) Investments	7	**29,867.42**	10,548.14
ii) Loans	8	**-**	93.33
iii) Trade receivables	12	**45,001.83**	44,820.94
iv) Cash and cash equivalents	13.1	**4,585.56**	4,003.78
v) Bank balances other than (iii) above	13.2	**213.34**	389.81
vi) Other financial assets	9	**648.54**	460.54
c) Other current assets	14	**10,636.53**	13,369.24
		1,60,873.24	**1,41,008.36**
Assets classified as held for sale	15	**426.78**	-
Total current assets		**1,61,300.02**	**1,41,008.36**
Total assets		**2,44,723.78**	**2,15,948.48**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	**1,944.71**	1,944.71
b) Other equity	17	**1,39,055.31**	1,26,637.37
Total equity		**1,41,000.02**	**1,28,582.08**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
Borrowings	18.1	**1,236.30**	1,580.16
Lease liabilities	18.2	**1,438.70**	-
Other financial liabilities	22	**644.95**	640.50
b) Provisions	23	**2,564.74**	2,188.88
c) Deferred tax liabilities (Net)	20	**2,740.16**	1,535.29
d) Other non-current liabilities	24	**9.82**	9.81
Total non-current liabilities		**8,634.67**	**5,954.64**
Current liabilities			
a) Financial liabilities			
i) Borrowings	19	**4,961.79**	5,295.86
ii) Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		**369.13**	288.82
- total outstanding dues of creditors other than micro enterprises and small enterprises		**63,364.06**	53,184.97
iii) Other financial liabilities	22	**8,931.86**	10,679.61
iv) Lease liabilities	18.2	**1,392.43**	-
b) Other current liabilities	24	**12,002.77**	9,910.37
c) Provisions	23	**1,705.08**	1,624.99
d) Income-tax liabilities (Net)	10.1	**2,361.97**	427.14
Total current liabilities		**95,089.09**	**81,411.76**
Total liabilities		**1,03,723.76**	**87,366.40**
Total equity and liabilities		**2,44,723.78**	**2,15,948.48**
See accompanying notes to the standalone financial statements	1 to 54		

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan (DIN: 00778253) — *Director*

Sanjiv Lal (DIN: 08376952) — *Managing Director and CEO*

Ashish Mehta (M. No. 53039) — *Chief Financial Officer*

Yashaswin Sheth (M. No. A15388) — *Company Secretary*

Mumbai, May 5, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

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

		Notes	For the year ended March 31, 2020	For the year ende March 31, 2019
I	Revenue from operations	25	**2,25,149.82**	1,98,360.53
II	Other income	26	**3,432.98**	3,061.01
III	**Total Income (I+II)**		**2,28,582.80**	**2,01,421.54**
IV	**Expenses**			
	Cost of materials consumed	27	**1,28,093.19**	1,19,448.41
	Purchases of stock-in-trade	28	**14,121.26**	11,642.09
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	**(3,330.40)**	(14,003.08)
	Employee benefits expense	30	**19,937.39**	17,984.65
	Finance costs	31	**611.21**	524.73
	Depreciation and amortisation expense	32	**6,150.58**	4,607.25
	Other expenses	33	**40,214.94**	39,360.11
	Total expenses (IV)		**2,05,798.17**	**1,79,564.16**
V	**Profit before exceptional items and tax (III -IV)**		**22,784.63**	**21,857.38**
VI	**Exceptional items**	**51**	**1,142.33**	**-**
V	**Profit before tax (III-IV)**		**23,926.96**	**21,857.38**
VI	**Tax expense**			
	(1) Current tax	10.2	**6,906.72**	6,875.90
	(2) Deferred tax	10.2	**(1,526.36)**	(437.16)
	Total tax expense (VI)		**5,380.36**	**6,438.74**
VII	**Profit for the year (V-VI)**		**18,546.60**	**15,418.64**
VIII	**Other comprehensive income**			
	Item that will not be reclassified to profit or loss :			
	a) Remeasurement of the employee defined benefit plans		**(241.55)**	20.74
	b) Equity instruments through other comprehensive income		**0.85**	(141.41)
	c) Income tax relating to items that will not be reclassified to profit or loss		**56.31**	(24.65)
	Total other comprehensive income (net of taxes)		**(184.39)**	**(145.32)**
IX	**Total comprehensive income for the year (VII + VIII)**		**18,362.21**	**15,273.32**
Earnings per equity share (of ₹ 1 each)		34		
	(1) Basic (In ₹)		**9.54**	7.93
	(2) Diluted (In ₹)		**9.54**	7.93
See accompanying notes to the standalone financial statements		1 to 54		

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan *Director*
(DIN: 00778253)

Sanjiv Lal *Managing Director and CEO*
(DIN: 08376952)

Ashish Mehta *Chief Financial Officer*
(M. No. 53039)

Yashaswin Sheth *Company Secretary*
(M. No. A15388)

Mumbai, May 5, 2020

Standalone Statement of changes in equity for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

A. Equity share capital

Balance as at April 1, 2018	**1,944.71**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2019	**1,944.71**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2020	**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 April 1, 2018	8,793.88	80,100.90	1,243.10	8,151.77	17,649.93	0.39	1,15,939.97
Net Assets/(Reserves) acquired on account of merger of Metahelix Life Sciences Limited (refer Note 46(a))	6,704.32	(3,811.12)	-	-	-	-	2,893.20
Net Assets/(Reserves) acquired on account of merger of Zero Waste Agro Organics Limited (refer Note 46(b))	1,797.73	(3,405.79)	-	-	-	-	(1,608.06)
Restated balance as at April 1, 2018	**17,295.93**	**72,883.99**	**1,243.10**	**8,151.77**	**17,649.93**	**0.39**	**1,17,225.11**
Profit for the year	-	15,418.64	-	-	-	-	15,418.64
Other Comprehensive Income (Net of taxes)	-	(3.91)	-	-	-	(141.41)	(145.32)
Total Comprehensive Income	-	15,414.73	-	-	-	(141.41)	15,273.32
Transfer to / (from) retained earnings	-	(141.22)	-	-	-	141.22	-
Payment of dividends	-	(4,861.72)	-	-	-	-	(4,861.72)
Payment of dividend distribution tax	-	(999.34)	-	-	-	-	(999.34)
At March 31, 2019	**17,295.93**	**82,296.44**	**1,243.10**	**8,151.77**	**17,649.93**	**0.20**	**1,26,637.37**
Others	-	27.65	-	-	-	-	27.65
Leases (IND AS 116) transition effect (net of taxes)	-	(110.86)	-	-	-	-	(110.86)
Profit for the year	-	18,546.60	-	-	-	-	18,546.60
Other Comprehensive Income (Net of taxes)	-	(185.24)	-	-	-	0.85	(184.39)
Total Comprehensive Income	-	18,361.36	-	-	-	0.85	18,362.21
Payment of dividends	-	(4,861.72)	-	-	-	-	(4,861.72)
Payment of dividend distribution tax	-	(999.34)	-	-	-	-	(999.34)
At March 31, 2020	**17,295.93**	**94,713.53**	**1,243.10**	**8,151.77**	**17,649.93**	**1.05**	**1,39,055.31**

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan *Director*
(DIN: 00778253)

Sanjiv Lal *Managing Director and CEO*
(DIN: 08376952)

Ashish Mehta *Chief Financial Officer*
(M. No. 53039)

Yashaswin Sheth *Company Secretary*
(M. No. A15388)

Mumbai, May 5, 2020

Standalone Statement of Cash Flows for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

		For the year ended March 31, 2020	For the year ended March 31, 2019
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before tax	**23,926.96**	21,857.38
	Adjustments for :		
	Finance costs	**611.21**	524.73
	Depreciation and amortisation expense	**6,150.58**	4,607.25
	Interest income	**(402.22)**	(284.68)
	Dividend income	**(226.41)**	(283.63)
	Fair valuation gain on investment in Mutual fund	**(381.45)**	(17.39)
	Gain on redemption of current investments	**(156.30)**	(66.97)
	Credit balances written back	**(430.25)**	(390.17)
	Allowance for doubtful debts (net)	**696.36**	291.53
	Allowance for doubtful advances	**2.40**	31.98
	Capital work-in-progress written off	**26.94**	-
	Investment written off	**-**	24.60
	Tangible assets written off	**8.84**	-
	Impairment of Intangible assets and intangible assets under development	**177.52**	308.48
	Bad debts	**222.73**	242.25
	(Reversal)/Provision for indirect tax matters	**(245.37)**	10.00
	Provision for Directors pension liability	**27.87**	722.92
	Provision/(reversal) for supplemental pay	**81.83**	(41.52)
	Provision for gratuity	**193.27**	35.45
	Provision for compensated absences	**213.11**	43.03
	Mark-to-market loss / (gain) on forward contract	**3.97**	(79.32)
	Net unrealised foreign exchange loss / (gain)	**466.60**	(340.63)
	(Gain) / loss on disposal of property, plant and equipment and investment property	**(1,151.66)**	59.67
	Operating profit before working capital changes	**29,816.53**	**27,254.96**
	Movements in working capital:		
	(Increase) in trade receivables	**(854.43)**	(5,821.46)
	(Increase) in inventories	**(2,382.97)**	(10,110.76)
	(Increase) in loans	**(139.74)**	(10.40)
	(Increase) in other financial assets	**(184.34)**	(63.43)
	Decrease/(increase) in other assets	**2,728.59**	(685.49)
	Increase in trade payables	**9,763.03**	2,067.28
	(Decrease)/increase in other financial liabilities	**(1,403.45)**	1,493.38
	Increase in other liabilities	**2,092.41**	879.18
	CASH GENERATED FROM OPERATIONS	**39,435.63**	**15,003.26**
	Income taxes paid (Net of refunds)	**(5,636.10)**	(7,090.17)
	NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (A)	**33,799.53**	**7,913.09**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Interest received	**392.78**	292.55
	Dividend received	**226.41**	283.63
	Purchase of current investments	**(71,341.79)**	(15,179.03)
	Payment for purchase of investment in equity shares	**-**	(19.60)
	Proceeds from sale of investments from equity shares	**-**	204.37
	Proceeds from sale of current investments	**52,560.26**	13,895.94
	Payments for purchase of property , plant and equipment (including adjustments on account of capital work-in-progress, capital creditors and capital advances)	**(6,197.21)**	(2,843.15)
	Payments for intangible assets	**(1,662.93)**	(1,810.31)
	Proceeds from disposal of property , plant and equipment and investment property	**1,297.00**	33.16
	Investments in bank deposits	**133.10**	64.38
	NET CASH FLOWS (USED IN) INVESTING ACTIVITIES (B)	**(24,592.37)**	**(5,078.06)**

Standalone Statement of Cash Flows for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
C CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of long-term borrowings (including current maturities)	**(398.97)**	(453.23)
Proceeds from short-term borrowings	**28,900.00**	10,700.00
Repayment of short-term borrowings	**(28,050.00)**	(9,000.00)
Repayment of finance lease obligations	**(1,684.11)**	(7.78)
Dividend paid on equity shares (including dividend distribution tax)	**(5,873.47)**	(5,853.45)
Interest paid	**(347.16)**	(527.59)
Bank balances in dividend account	**12.41**	(7.61)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES (C)	**(7,441.30)**	**(5,149.66)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**1,765.85**	**(2,314.63)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash in hand	**4.23**	3.44
Balances with banks in current account and deposit account	**3,999.55**	2,733.70
Bank overdrafts and cash credit facility (secured)*	**(3,595.86)**	(14.59)
CASH AND CASH EQUIVALENTS AS PER NOTE 13.1	**407.92**	**2,722.55**
Net Cash and cash equivalents as per Cash flow statement	**2,173.77**	407.92
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash in hand	**3.05**	4.23
Balances with banks in current account and deposit account	**4,582.51**	3,999.55
Bank overdrafts and cash credit facility (secured)*	**(2,411.79)**	(3,595.86)
CASH AND CASH EQUIVALENTS AS PER NOTE 13.1	**2,173.77**	**407.92**
Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Long-term borrowings (including current maturities)	**1,966.71**	2,419.94
Short-term borrowings (excluding bank overdrafts and cash credit facility)	**1,700.00**	-
Movements		
Long-term borrowings (including current maturities)	**(398.97)**	(453.23)
Short-term borrowings (excluding bank overdrafts and cash credit facility)	**850.00**	1,700.00
Closing balances		
Long-term borrowings (including current maturities)	**1,567.74**	1,966.71
Short-term borrowings (excluding bank overdrafts and cash credit facility)	**2,550.00**	1,700.00

*Bank overdrafts and cash credit facility are part of cash management system of the Company. Hence, considered as part of cash and cash equivalents.

See accompanying notes to the standalone financial statements 1 to 54

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan (DIN: 00778253) — *Director*

Sanjiv Lal (DIN: 08376952) — *Managing Director and CEO*

Ashish Mehta (M. No. 53039) — *Chief Financial Officer*

Yashaswin Sheth (M. No. A15388) — *Company Secretary*

Mumbai, May 5, 2020

Notes to the standalone financial statements for the year ended March 31, 2020

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 23rd Floor Lodha Excelus New Cuffe Parade Off Eastern Freeway Wadala Mumbai 400037.

Tata Chemicals Limited ("Tata Chemicals") owns 50.06% of the Company's equity share capital as at March 31, 2020.

The standalone financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on May 5, 2020.

During the year, two subsidiaries of the Company (Metahelix Life Sciences Limited and Zero Waste Agro Organics Limited) were merged with the Company pursuant to respective Scheme of arrangements. Refer Note 46 (a) and 46 (b) to the standalone financial statements.

2. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. Significant Accounting Policies

3.1 Statement of compliance

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

3.2 Basis of preparation and measurement

The Standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.3 Functional and presentation currency

The Standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest ₹ lakhs, unless otherwise indicated.

3.4 Foreign currency translation

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Standalone Statement of Profit and Loss.

3.5 Property plant and equipment (PPE)

(a) Recognition and measurement

On adoption of Ind AS , the Company retained the carrying value for all of its property, plant and equipment as recognised in the standalone 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.

Upto 31 March, 2019, assets held under finance leases were depreciated over their expected useful lives on the same basis as owned assets. However, when there was no reasonable certainty that ownership will be obtained by the end of the lease term, assets were depreciated over the shorter of the lease term and useful lives. With effect from 1 April, 2019, leases are accounted as per IND AS 116 Leases as set out in para 3.8.

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 the Standalone financial statements.

(b) Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM"). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets reflect the periods 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	1-36
Electrical Installations and Equipments	10	2-32
Furniture and Fixtures	10	3-28
Office Equipments	5	2-13
Vehicles	8	8-13
Computer and Data Processing Units	3-6	1-10
Laboratory Equipments	10	1-19
Leasehold improvements	NA	shorter of lease period or above estimated useful life

Notes to the standalone financial statements for the year ended March 31, 2020

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(c) *Gain or Loss on Disposal*

Any gain or loss on disposal of property, plant and equipment is recognised in the Standalone Statement of Profit and Loss.

3.6 Investment Property

(a) *Recognition and Measurement*

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for undetermined future use is also recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an investment property comprises its purchase price and any directly attributable expenditure. After initial recognition, the Company carries the investment property at the cost less accumulated depreciation and accumulated impairment, if any.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

(b) *Depreciation*

After initial recognition, the Company measures all of its investment property in accordance with Ind AS 16 – Property, Plant and Equipment requirements for cost model. The depreciable amount of an item of investment property is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The depreciation charge for each period is recognised in the Standalone Statement of Profit and Loss.

The estimated useful lives for the current and comparative periods are as follows:

Type/Category of Asset	Useful Lives (in years) – as per Companies Act, 2013	Useful Lives (in years) –as estimated by the Company
Buildings including factory buildings	60	60

(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
Seed development technology	3
Licenses and commercial rights	4
Computer software	2-9

The estimated useful life is reviewed annually by the management.

Goodwill

Goodwill arising on amalgamation 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 cash-generating units that are 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.

3.8 Leases

Policy applicable before April 1, 2019

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.

Policy applicable after April 1, 2019

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31 2020.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of

Notes to the standalone financial statements for the year ended March 31, 2020

time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases mainly comprise land and buildings and Plant and equipment. The Company leases land and buildings for warehouse facilities. The Company also has leases for equipment.

3.9 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.

3.10 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, less impairment losses if any.

3.11 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 standalone 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.

3.12 Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

3.13 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).

3.14 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.

Notes to the standalone financial statements for the year ended March 31, 2020

PPE and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Standalone Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.15 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.

For seeds, remnant/substandard stocks are not valued and are accounted as revenue in the year of sale of such stock. Cost associated with hybrid seed production in leased land for which produce is yet to be received will be accounted as work-in-progress.

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 recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

3.16.1 Sale of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company had adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1 2018). Impact on adoption of Ind AS 115 was not material.

3.16.2 Rendering of services

Income recognition for services takes place as and when the services are performed in accordance with IND AS 115.

3.16.3 Interest Income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the 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.

3.16.4 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 Company 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 and to the extent that there is no uncertainty in receiving the claims.

3.17 Government Grants

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company 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 recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

3.18 Research and development expenses

Research expenditure is charged to the Standalone Statement of Profit and Loss. Development costs of products are also charged to the Standalone Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.19 Employee benefit expenses

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

3.19.1 Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Company operates various defined benefit plans- gratuity fund, supplemental pay and director pension liability.

The Company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Rallis India Limited Provident Fund. The rules of the Company's provident fund

Notes to the standalone financial statements for the year ended March 31, 2020

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 Standalone Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3.19.2 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.

3.20 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.

3.21 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director & CEO of the Company.

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

3.22 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 the Standalone Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments.

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.

3.23 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.

Notes to the standalone financial statements for the year ended March 31, 2020

Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

3.24 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.

3.25 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.

3.26 Business combinations

Business combinations arising from transfers or interests in entities that are under the control of the shareholders that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised, The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the standalone financial statements of the acquired entity. The difference, if any, between the net assets acquired and cancellation of share capital of the acquired entity is transferred to other equity.

3 A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the standalone 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 standalone 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 standalone financial statements:

Discount rate used to determine the carrying amount of the Company`s employee defined benefit obligation.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described in Note 3.5, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the standalone 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 standalone financial statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company`s liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

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

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.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian government, to stem the spread of COVID-19. Due to this, the operations in some of the Company's manufacturing and depot locations got temporarily disrupted. The Company manufactures agri-inputs, seeds etc amongst others and a large part of the Company's portfolio is considered essential to the agricultural communities requirements in these challenging times.

Notes to the standalone financial statements for the year ended March 31, 2020

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, property plant and equipment, Intangibles etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Changes in significant accounting policies

The Company has applied Ind AS 116 Leases using the modified retrospective approach (for all leases other than short-term leases and leases of low-value assets) i.e. by recognising the cumulative effect of initially applying Ind AS 116 as an adjustment to the opening balance of equity as at 1 April, 2019.Due to transition method chosen by the Company in applying this standard, comparative information throughout these standalone financial statements has not been restated and continues to be reported under Ind AS 17.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

4 (a) : Property, Plant and Equipment and Capital Work-in-Progress

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Freehold land	**187.01**	187.01
Leasehold land	**1,935.40**	1,959.52
Leasehold improvements	**114.62**	116.86
Buildings	**11,310.57**	12,079.55
Plant and equipment	**22,110.99**	22,231.30
Furniture and fixtures	**220.21**	223.90
Vehicles	**44.70**	11.52
Office equipments	**154.00**	142.73
Equipment under finance lease	**-**	23.47
	36,077.50	**36,975.86**
Capital work-in-progress	**2,875.71**	1,287.69
	38,953.21	**38,263.55**

4 (b) : Right-of-use Asset

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Vehicles	839.23	-
Plant and equipment	104.02	-
Buildings	1,464.68	-
Leasehold land	210.61	-
Office Equipments	25.50	-
	2,644.04	**-**

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

4 (a) : Property, Plant and Equipment and Capital Work-in-Progress (continued)

Description	Gross block						Accumulated depreciation						Carrying amount
	Balance as at April 1 2019	Additions	Deductions/ Reclassification	Reclassfication from / (to) assets held for sale	Reclassification from investment property	Balance as at March 31 2020	Balance as at April 1 2019	Additions	Deductions/ Reclassification	Reclassfication from / (to) assets held for sale	Reclassification from investment property	Balance as at March 31 2020	Balance as at March 31 2020
Freehold land	187.01	-	-	-	-	**187.01**	-	-	-	-	-	-	**187.01**
	187.01	-	-	-	-	*187.01*	-	-	-	-	-	-	*187.01*
Leasehold land	2,275.75	-	-	-	-	**2,275.75**	316.23	24.12	-	-	-	**340.35**	**1,935.40**
	884.71	-	-	*1,391.04*	-	*2,275.75*	*156.35*	*33.74*	-	*126.14*	-	*316.23*	*1,959.52*
Leasehold improvements	165.11	-	-	-	-	**165.11**	48.25	2.24	-	-	-	**50.49**	**114.62**
	165.11	-	-	-	-	*165.11*	*46.01*	*2.24*	-	-	-	*48.25*	*116.86*
Buildings	14,621.07	161.65	5.79	(45.15)	15.60	**14,747.38**	2,541.52	899.15	1.18	(4.72)	2.04	**3,436.81**	**11,310.57**
	14,407.46	*217.19*	*3.58*	-	-	*14,621.07*	*1,850.96*	*694.13*	*3.57*	-	-	*2,541.52*	*12,079.55*
Plant and equipment	33,306.39	3,042.03	109.22	-	-	**36,239.20**	11,075.09	3,145.49	92.37	-	-	**14,128.21**	**22,110.99**
	31,024.98	*3,115.37*	*833.96*	-	-	*33,306.39*	*8,619.83*	*3,196.78*	*741.52*	-	-	*11,075.09*	*22,231.30*
Furniture and fixtures	526.82	44.12	0.07	-	-	**570.87**	302.92	47.81	0.07	-	-	**350.66**	**220.21**
	480.21	*51.68*	*5.07*	-	-	*526.82*	*233.45*	*74.55*	*5.08*	-	-	*302.92*	*223.90*
Vehicles	14.23	42.34	-	-	-	**56.57**	2.71	9.16	-	-	-	**11.87**	**44.70**
	17.09	*9.70*	*12.56*	-	-	*14.23*	*10.98*	*4.29*	*12.56*	-	-	*2.71*	*11.52*
Office equipments	359.70	63.34	11.06	-	-	**411.98**	216.97	51.74	10.73	-	-	**257.98**	**154.00**
	306.81	*71.91*	*19.02*	-	-	*359.70*	*183.51*	*51.90*	*18.44*	-	-	*216.97*	*142.73*
Equipment under finance lease	36.74	-	36.74	-	-	**-**	13.27	-	13.27	-	-	**-**	**-**
	36.97	-	*0.23*	-	-	*36.74*	*7.19*	*6.08*	-	-	-	*13.27*	*23.47*
Total	**51,492.82**	**3,353.48**	**162.88**	**(45.15)**	**15.60**	**54,653.87**	**14,516.96**	**4,179.71**	**117.62**	**(4.72)**	**2.04**	**18,576.37**	**36,077.50**
	47,510.35	*3,465.85*	*874.42*	*1,391.04*	-	*51,492.82*	*11,108.28*	*4,063.71*	*781.17*	*126.14*	-	*14,516.96*	*36,975.86*

footnotes:

1. Cost of buildings includes cost of 10 shares (March 31, 2019 - 30 shares) of ₹ 50 each fully paid in respect of ownership flats in 2 (March 31, 2019- 6 flats) Co-operative Societies.
2. Buildings include assets carried at ₹ 0.76 lakhs (March 31, 2019 ₹ 0.82 lakhs) where the conveyance in favor of the Company has not been completed.
3. Plant and equipment includes general plant and machinery, electrical installations and equipments, laboratory equipments and computers and data processing units.
4. Leasehold land include assets carried at ₹ 1,434.56 lakhs (as at March 31, 2019 ₹ 1,451.28 lakhs) for which the Company is in process of obtaining an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.
5. Plant and equipment includes a unit having carrying cost of ₹ 629.56 lakhs (March 31, 2019 ₹ 706.71 lakhs) and land and building with a carrying cost of ₹ 764.85 lakhs (March 31, 2019 ₹ 804.75 lakhs) are subject to first charge to secure two of the Company's bank loans and other corporate body.
6. The Company has not capitalised any borrowing cost during the current year (March 31, 2019 - Nil).
7. The Company has recognised an impairment loss of ₹ 8.84 lakhs during the current year (March 31, 2019 - Nil).
8. The figures in italics are for the previous year.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

4 (b) : Right-of-use Asset (Continued)

Description	Gross block					Accumulated depreciation					Carrying amount
	As at April 1, 2019	Change in Accounting Policy	Additions	Deductions/ Reclassification	As at March 31, 2020	As at April 1, 2019	Change in Accounting Policy	Additions	Deductions/ Reclassification	As at March 31, 2020	As at March 31, 2020
Vehicles	-	1,789.36	229.90	-	**2,019.26**	-	690.08	489.95	-	**1,180.03**	**839.23**
	-	-	-	-	-	-	-	-	-	-	-
Plant and Equipment	-	168.46	-	-	**168.46**	-	44.28	20.16	-	**64.44**	**104.02**
	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	2,908.25	342.10	-	**3,250.35**	-	1,002.91	782.76	-	**1,785.67**	**1,464.68**
	-	-	-	-	-	-	-	-	-	-	-
Leasehold land	-	185.60	163.97	-	**349.57**	-	60.14	78.82	-	**138.96**	**210.61**
	-	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	74.35	-	-	**74.35**	-	30.22	18.63	-	**48.85**	**25.50**
	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**5,126.02**	**735.97**	**-**	**5,861.99**	**-**	**1,827.63**	**1,390.32**	**-**	**3,217.95**	**2,644.04**
	-	-	-	-	-	-	-	-	-	-	

footnotes:

1. The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.
2. The Company's obligations under finance leases are secured by the lessor's title to the leased assets.
3. Refer Note no. 36 "Leases" for ROU Assets movement.

5: Investment Property

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Freehold land	-	244.91
Buildings	**12.82**	304.95
Total	**12.82**	**549.86**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

5: Investment Property (Continued)

Description	Gross block						Accumulated depreciation						Carrying amount
	Balance as at April 1 2019	Additions	Deductions	Transfer to Property, Plant and Equipment	Transfer to Assets held for sale	**Balance as at March 31 2020**	Balance as at April 1 2019	Additions	Deductions	Transfer to Property, Plant and Equipment	Transfer to Assets held for sale	**Balance as at March 31 2020**	**Balance as at March 31 2020**
Freehold land	244.91	-	-	-	244.91	**-**	-	-	-	-	-	**-**	**-**
	244.91	*-*	*-*	*-*	*-*	*244.91*	*-*	*-*	*-*	*-*	*-*	*-*	*244.91*
Buildings	337.19	-	149.90	15.60	156.79	**14.90**	32.24	4.65	17.42	2.04	15.35	**2.08**	**12.82**
	337.19	*-*	*-*	*-*	*-*	*337.19*	*24.13*	*8.11*	*-*	*-*	*-*	*32.24*	*304.95*
Total	**582.10**	**-**	**149.90**	**15.60**	**401.70**	**14.90**	**32.24**	**4.65**	**17.42**	**2.04**	**15.35**	**2.08**	**12.82**
	582.10	*-*	*-*	*-*	*-*	*582.10*	*24.13*	*8.11*	*-*	*-*	*-*	*32.24*	*549.86*

footnotes:

1. Buildings includes 2 flats (March 31, 2019 - 10 flats)which are classified as Investment property by the Company in accordance with IND AS-40 "Investment Property".
2. Cost of buildings includes cost of Nil shares (March 31, 2019 - 35 shares) of ₹ 50 each fully paid and cost of 2 shares (March 31, 2019- 7 shares) of ₹ 100 each fully paid in respect of ownership flats in 2 (March 31, 2019- 7 flats) Co-operative Societies.
3. The Company has not capitalised any borrowing cost during the current year (March 31, 2019 - Nil).
4. The Company has not recognised any impairment loss during the current year (March 31, 2019 - Nil).
5. Total fair value of Investment Property is ₹ 553.85 lakhs (March 31, 2019 ₹ 31,356.16 lakhs).
6. The figures in italics are for the previous year.

Fair Value Heirarchy

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 categoried as a level 3 fair value based on the inputs to the valuation techniques used.

Description of Valuation Technique used:

The Company obtains Independent Valuations of its investment property as per requirement of Ind AS 40. The fair value of the investment property have been derived using the Direct Comparison Method.The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

6 (a) : Intangible Assets

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Goodwill on Amalgamation	**19,582.31**	19,582.31
	19,582.31	**19,582.31**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Goodwill includes amount of ₹ 16,522.26 lakhs (March 31, 2019 ₹ 16,522.26 lakhs) allocated to Seeds division of Rallis India Limited (earlier named as Metahelix Life Sciences Ltd). The estimated value-in-use of this Cash Generating Unit "CGU" is based on the future cash flows using a 5.00 % (March 31, 2019 5.00%) annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 11.33 % (March 31, 2019 13.13%).

Goodwill of ₹ 3,060.05 lakhs (March 31, 2019 ₹ 3,060.05 lakhs) has been allocated to Geogreen division of Rallis India Limited (earlier named as Zero Waste Agro Organics Ltd).The estimated value-in-use of this Cash Generating Unit "CGU" is based on the future cash flows using a 5.00 % (March 31, 2019 5.00%) annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 11.33 % (March 31, 2019 13.13%).

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 (b) : Other Intangible Assets

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Product registrations	**377.99**	234.43
Computer software	**80.90**	73.87
Technical Knowhow	**507.20**	660.05
	966.09	**968.35**
Intangible assets under development	**4,694.65**	3,782.88
	5,660.74	**4,751.23**

6 (b) : Other Intangible Assets (Continued)

Description	Gross block				Accumulated amortisation				Carrying amount
	Balance as at April 1 2019	Additions	Deductions	Balance as at March 31 2020	Balance as at April 1 2019	Additions	Deductions	Balance as at March 31 2020	Balance as at March 31 2020
Product registrations	1,016.63	242.70	-	**1,259.33**	782.20	99.14	-	**881.34**	**377.99**
	928.55	*143.44*	*55.36*	*1,016.63*	*739.87*	*63.41*	*21.08*	*782.20*	*234.43*
Licences and commercial rights	609.70	-	-	**609.70**	609.70	-	-	**609.70**	**-**
	609.70	-	-	*609.70*	*609.70*	-	-	*609.70*	-
Computer software	210.53	32.92	-	**243.45**	136.66	25.89	-	**162.55**	**80.90**
	191.81	*18.72*	-	*210.53*	*111.94*	*24.72*	-	*136.66*	*73.87*
Technical Knowhow	2,086.09	298.02	-	**2,384.11**	1,426.04	450.87	-	**1,876.91**	**507.20**
	1,532.96	*553.13*	-	*2,086.09*	*978.74*	*447.30*	-	*1,426.04*	*660.05*
Total	3,922.95	573.64	-	**4,496.59**	2,954.60	575.90	-	**3,530.50**	**966.09**
	3,263.02	*715.29*	*55.36*	*3,922.95*	*2,440.25*	*535.43*	*21.08*	*2,954.60*	*968.35*

footnotes:

1. The Company has not capitalised any borrowing cost during the current year (March 31, 2019- Nil).
2. The Company has recognised impairment loss during the current year ₹ Nil (March 31, 2019 - ₹ 34.28 lakhs).
3. The Company has internally developed Seed development technology for producing hybrid seeds, which is included in Technical Knowhow. The Carrying amount of Seed development technology of ₹ 507.20 lakhs (₹ 660.05 lakhs as at 31st March, 2019) will be fully amortised in next 3 years.
4. The figures in italics are for the previous year.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

7: Investments

	Nominal value (in ₹)	No. of shares	As at March 31, 2020	No. of shares	As at March 31, 2019
Non-current					
Quoted equity instruments (all fully paid)					
Investments carried at fair value through other comprehensive income (FVTOCI)					
Spartek Ceramics India Ltd.#	10	7,226	-	7,226	-
Nagarjuna Finance Ltd.#	10	400	-	400	-
Pharmaceuticals Products of India Limited#	10	10,000	-	10,000	-
Balasore Alloys Ltd.	5	504	**0.04**	504	0.12
J.K.Cement Ltd.	10	44	**0.41**	44	0.38
Total aggregate quoted investments		**A**	**0.45**	**A**	**0.50**
A) 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	1,08,000	**1.80**	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**	5,68,414	337.64
Amba Trading & Manufacturing Company Private Ltd.	10	1,30,000	-	1,30,000	-
Associated Inds. (Assam) Ltd.#	10	30,000	-	30,000	-
Uniscans & Sonics Ltd.#	10	96	-	96	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. $ 2 each)		21,00,000	-	21,00,000	-
Total aggregate unquoted investments		**B**	**379.24**	**B**	**378.34**
Total non-current investments		**(A+B)**	**379.69**	**(A+B)**	**378.84**

footnote:

Amount is less than ₹ 0.01 lakh.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Current	Units	As at March 31, 2020	Units	As at March 31, 2019
Investment in mutual funds - unquoted				
Investments carried at fair value through profit and loss (FVTPL)				
HDFC Liquid Fund - Regular Plan - Growth	92,594.37	**3,596.01**	-	-
SBI Liquid Fund Regular Growth	90,003.35	**2,784.35**	-	-
Adity Birla Sunlife Liquid Plan - Growth - Regular Plan	10,27,551.62	**3,265.00**	-	-
ICICI Prudential Liquid Fund - Growth	14,29,432.34	**4,181.09**	-	-
Kotak Liquid Regular Plan - Growth	31,502.27	**1,260.24**	-	-
Tata Liquid Fund - Regular Plan - Growth	1,31,049.78	**4,080.28**	-	-
Kotak Saving Fund - Regualr - Growth	1,38,99,158.75	**4,460.73**	-	-
LIC MF Liquid Fund - Regular Plan-Growth	16,924.91	**605.24**	-	-
Nippon India Liquid Fund-Growth Plan - Growth	18,718.28	**902.69**	-	-
ICICI Prudential Saving Fund - Growth	7,76,524.45	**3,007.85**	-	-
HDFC Liquid Fund - Regular Plan - Dividend - Daily Reinvestment	-	**-**	2,87,436.95	2,931.34
HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	41,301.57	**1,723.94**	39,172.48	1,521.67
Kotak Liquid - Regular Plan - Daily Dividend	-	**-**	1,23,854.16	1,515.08
ICICI Prudential Liquid Fund - Daily Dividend	-	**-**	10,08,305.48	1,010.19
Birla Sunlife Cash Plus - Daily Dividend - Regular Plan - Reinvestment	-	**-**	-	-
SBI Liquid Fund - Regular Plan - Daily Dividend	-	**-**	49,112.33	492.72
Kotak Liquid Direct plan growth	-	**-**	81,312.16	3,077.14
Total current investments	C	**29,867.42**	C	**10,548.14**
Aggregate book value of quoted investments		**0.45**		**0.50**
Aggregate market value of quoted investments		**0.45**		**0.50**
Aggregate carrying value of unquoted investments	(B+C)	**30,246.66**	(B+C+D)	**10,926.48**
Aggregate amount of impairment in value of investments		**-**		**-**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

8: Loans*

(Unsecured, considered good)

	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits	907.06	673.99
Total	**907.06**	**673.99**

	As at March 31, 2020	As at March 31, 2019
Current		
Security deposits	-	93.33
Total	-	**93.33**

*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 March 31, 2020	As at March 31, 2019
(i)	**Non-current**			
	In other deposit accounts - original maturity more than 12 months		70.95	39.99
	Interest accrued on fixed deposits with banks		5.56	2.18
	Total		**76.51**	**42.17**
(ii)	**Current**			
	a)	Unbilled revenue	50.23	-
	b)	Advances/deposits considered doubtful of recovery (refer note 1)	3,949.00	3,946.60
		Less: Provision for doubtful loans and advances	(3,949.00)	(3,946.60)
	c)	Interest accrued on fixed deposits with bank	22.65	16.59
	d)	Derivative assets : Forward exchange contracts for hedging	-	79.32
	e)	Others (Facilitation fees and solar power income receivable)	575.66	364.63
Total			**648.54**	**460.54**

*There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

Note 1:

Includes a sum of ₹ Nil (as at March 31, 2019 ₹ Nil) being amount due from Rallis Chemistry Exports Ltd., a wholly owned subsidiary. The maximum amount outstanding during the year was ₹ Nil (as at March 31, 2019 ₹ 18.61 lakhs).

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

10: Income Taxes

	As at March 31, 2020	As at March 31, 2019
10.1: Income-tax assets and liabilities		
Income-tax assets (Net)		
Advance income tax (Net of provisions for tax ₹ 20,956.73 lakhs (March 31, 2019 ₹ 22,295.69 lakhs)	**11,002.26**	7,519.64
	11,002.26	**7,519.64**
Income-tax liabilities (Net)		
Provision for current tax (Net of advance tax ₹ 29,726.85 lakhs (March 31, 2018 ₹ 31,098.41 lakhs)	**2,361.97**	427.14
	2,361.97	**427.14**

	For the year ended March 31, 2020	For the year ended March 31, 2019
10.2: Income tax recognised in profit or loss		
Current tax:		
Current income tax charge	**7,106.72**	6,886.17
Adjustments in respect of current income tax of prior years	**(200.00)**	(10.27)
Total (A)	**6,906.72**	**6,875.90**
Deferred tax:		
In respect of current year	**(1,526.36)**	(437.16)
Total (B)	**(1,526.36)**	**(437.16)**
Income tax expense recognised in the Statement of Profit and Loss (A+B)	**5,380.36**	**6,438.74**
Income tax recognised in Other Comprehensive Income		
Income tax expenses on remeasurements of employee defined benefit plans	**71.79**	(26.67)
Deferred tax expense on remeasurements of employee defined benefit plans	**(15.48)**	2.02
Total tax expense recognised in Other Comprehensive Income	**56.31**	**(24.65)**

Reconciliation of the tax expense and the accounting profit for the year is as follows:-

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	**23,926.96**	21,857.38
Income tax expense calculated @34.944% (PY @ 34.944%)	**8,361.04**	7,637.84
Effect of income that is exempt fom taxation	**(531.84)**	(99.11)
Effect of expenses that are not deductible in determining taxable profit	**297.10**	162.53
Effect of expenses that are deductible in determining taxable profit	**(79.95)**	(81.74)
Effect of concessions (research & developments and others allowances)	**(1,132.06)**	(1,247.02)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**(209.28)**	-
Effect of lower tax rates for the long term capital gain	**(6.67)**	87.40
Impact of changes in tax rate	**(1,327.03)**	-
Others	**209.05**	(10.89)
	5,580.36	**6,449.01**
Adjustments recognised in the current year in relation to the current tax of prior years	**(200.00)**	(10.27)
Income tax expense recognised in the Standalone Statement of Profit and Loss	**5,380.36**	**6,438.74**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Income tax expense recognised in Other Comprehensive Income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement of employee defined benefit liability/(asset)		
Before tax amount	**(241.55)**	20.74
Tax (expense) benefit	**56.31**	(24.65)
Net of tax	**(185.24)**	(3.91)
Fair value of equity instruments through other comprehensive income	**0.85**	(141.41)
Net of tax	**0.85**	(141.41)
Total other comprehensive income (net of taxes)	**(184.39)**	**(145.32)**

11: Inventories

(at lower of cost and net realisable value)

		As at March 31, 2020	As at March 31, 2019
a.	Raw materials (Including goods-in-transit of ₹ 6,347.38 lakhs; (March 31, 2019 ₹ 2,294.84 lakhs)	**18,374.78**	18,506.44
b.	Work-in-progress (including intermediate goods)	**2,818.79**	2,677.67
c.	Finished goods	**42,250.86**	39,586.95
d.	Stock in trade (in respect of goods acquired for trading)	**4,545.48**	4,649.47
e.	Stores and spares	**596.75**	300.12
f.	Packing materials	**1,333.36**	1,601.93
Total		**69,920.02**	**67,322.58**

footnotes:

(i) The cost of inventories recognised as an expense during the year was ₹ 1,39,513.41 lakhs (March 31, 2019 ₹ 1,17,793.53 lakhs).

(ii) The cost of inventories recognised as an expense includes ₹ 876.73 lakhs (March 31, 2019 ₹ 567.57 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 365.64 lakhs (March 31, 2019 ₹ 263.17 lakhs) in respect of reversal of such write-downs.

(iii) The products of the Company are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Company has assessed liquidation plan of near expiry products and provision of ₹ 106 lakhs has been accounted which is included in point (ii) above. The Company does not foresee any further diminution in the net realizable value of inventories carried as at March 31, 2020 due to COVID-19.

(iv) The mode of valuation of inventories has been stated in note 3.15

(v) Bank overdrafts, cash credit facility and short-term loan from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 12 and 19).

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

12: Trade Receivables

	As at March 31, 2020	As at March 31, 2019
Current		
Secured, considered good	**863.12**	617.44
Unsecured, considered good	**44,138.71**	44,203.50
Credit impaired	**2,544.66**	1,848.30
Loss allowance	**(2,544.66)**	(1,848.30)
Total	**45,001.83**	**44,820.94**

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 March 31, 2020 ₹ Nil is due from one customer (as at March 31, 2019 ₹ 9,284.47 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

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**1,848.30**	1,556.77
Less: balances written off during the year	**222.73**	242.25
Add: provision made during the year	**919.09**	533.78
Balance at the end of the year	**2,544.66**	**1848.30**

(v) Bank overdrafts, cash credit facility and short-term loan from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 19).

13: Cash and Bank Balances

	As at March 31, 2020	As at March 31, 2019
13.1: Cash and cash equivalents		
a. Balances with banks in current accounts	**630.34**	3,999.45
b. Cash on hand	**3.05**	4.23
c. Term deposits with original maturity of less than 3 months	**3,952.17**	0.10
Total cash and cash equivalents as per Balance Sheet	**4,585.56**	**4,003.78**
Bank overdrafts and cash credit facility (secured)	**(2,411.79)**	(3,595.86)
Total cash and cash equivalents as per Standalone Statement of Cash Flows	**2,173.77**	**407.92**
13.2: Other bank balances		
a. In other deposit accounts - original maturity more than 3 months and less than 12 months	**3.61**	172.03
b. In earmarked accounts:		
i. Balances held for unpaid / unclaimed dividend accounts	**162.53**	174.94
ii. Bank deposits as margin money against bank guarantees - original maturity more than 3 months and less than 12 months	**47.20**	42.84
Total other bank balances	**213.34**	**389.81**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

14: Other Assets

(Unsecured, considered good)

	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital advances	1,199.47	177.00
Deposit with public bodies	233.28	119.52
Claims receivable from public bodies	547.93	550.03
Prepaid lease rental	2,056.85	2,146.59
Prepaid expenses	167.59	185.39
Total	**4,205.12**	**3,178.53**
Current		
Statutory dues receivable from government authorities		
Goods and Services Tax receivable	3,364.13	5,876.64
Custom duty	-	42.85
Export benefit receivable	1,143.16	1,504.75
Inventory recoverable	3,160.48	3,225.93
Advances recoverable		
Advances to suppliers	984.49	1,591.21
Advances to employees	571.62	204.80
Others	413.78	648.93
Prepaid lease rental	89.74	89.74
Prepaid expenses	909.13	184.39
Total	**10,636.53**	**13,369.24**

15: Assets Classified As Held for Sale

	As at March 31, 2020	As at March 31, 2019
Freehold land	244.91	-
Buildings	181.87	-
Total	**426.78**	-

footnote:

During the year, the Company has reclassified certain Freehold Land (carrying amount of ₹ 244.91 lakhs) and Buildings (carrying amount ₹ 141.41 lakhs) to Assets Held for Sale from Investment Property and Buildings (carrying amount ₹ 40.43 lakhs) from Property, plant and equipment. The Company intends to dispose off freehold land and buildings which it no longer utilises in the next 12 months. The Company is currently in negotiation with some potential buyers. No impairment loss was recognised on reclassification of the assets as held for sale nor as at reporting date as the management of the Company expect that the fair value (estimated based on the recent market prices of similar assets in similar locations) less costs to sell is higher than the carrying amount.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

16: Share Capital

	As at March 31, 2020	As at March 31, 2019
Authorised share capital :		
500,000,000 (March 31 2019 500,000,000) equity shares of ₹ 1 each with voting rights	**5,000.00**	5,000.00
150,000,000 (March 31 2019 150,000,000) preference shares of ₹ 10 each	**15,000.00**	15,000.00
Issued, subscribed and paid up capital comprises:		
Issued shares		
194,470,890 (March 31 2019 194,470,890) equity shares of ₹ 1 each	**1,944.71**	1,944.71
Subscribed and fully paid up		
194,468,890 (March 31 2019 194,468,890) equity shares of ₹ 1 each	**1,944.69**	1,944.69
Forfeited shares		
2,000 (March 31 2019 2,000) equity shares of ₹ 1 each	**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	Number of shares	Amount of share capital
Balance at March 31, 2019	19,44,68,890	1,944.69
Movements during the year	-	-
Balance at March 31, 2020	**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

	Number of fully paid equity shares	Amount of share capital
Tata Chemicals Limited		
As at March 31, 2019	9,73,41,610	973.42
As at March 31, 2020	**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	% holding of equity shares
Tata Chemicals Limited		
As at March 31, 2019	9,73,41,610	50.06%
As at March 31, 2020	**9,73,41,610**	**50.06%**
Rakesh Jhunjhunwala		
As at March 31, 2019	1,79,80,820	9.25%
As at March 31, 2020	**1,93,05,820**	**9.93%**

e. As per records of the Company as at March 31, 2020, no calls remain unpaid by the directors and officers of the Company.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

17: Other Equity

	As at March 31, 2020	As at March 31, 2019
General reserve	17,649.93	17,649.93
Securities premium	17,295.93	17,295.93
Retained earnings	94,713.53	82,296.44
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	1.05	0.20
	1,39,055.31	1,26,637.37

17.1: General Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	17,649.93	17,649.93
Balance at the end of year	17,649.93	17,649.93

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income , items included in the general reserve will not be reclassified subsequently to profit or loss.

17.2: Securities Premium

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	17,295.93	8,793.88
Net assets/ Reserves acquired on account of merger of Metahelix Life Sciences Limited (refer Note 46(a))	-	6,704.32
Net assets/ Reserves acquired on account of merger of Zero Waste Agro Organics Limited (refer Note 46(b))	-	1,797.73
Balance at the end of year	17,295.93	17,295.93

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 March 31, 2020	As at March 31, 2019
Balance at beginning of year	82,296.44	80,100.90
Net Assets/(Reserves) acquired on account of merger of Metahelix Life Sciences Limited (refer Note 46(a))	-	(3,811.12)
Net Assets/(Reserves) acquired on account of merger of Zero Waste Agro Organics Limited (refer Note 46(b))	-	(3,405.79)
Restated balance as at beginning of year	82,296.44	72,883.99
Other Comprehensive Income arising from remeasurement of employee defined benefit obligation (Net of taxes)	(185.24)	(3.91)
Profit for the year	18,546.60	15,418.64
Others	27.65	-
Leases (IND AS 116) transition effect	(110.86)	-
Transfer from equity instruments through Other Comprehensive Income	-	(141.22)
Payment of dividend on equity shares- Final	(4,861.72)	(4,861.72)
Payment of dividend distribution tax on equity shares-Final	(999.34)	(999.34)
Balance at the end of year	94,713.53	82,296.44

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

17.4: Capital Redemption Reserve

	As at March 31, 2020	As at March 31, 2019
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 March 31, 2020	As at March 31, 2019
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 March 31, 2020	As at March 31, 2019
Balance at beginning of year	**0.20**	0.39
Additions during the year	**0.85**	(141.41)
Transfer to retained earnings	**-**	141.22
Balance at the end of year	**1.05**	**0.20**

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in Other Comprehensive Income is transferred to retained earnings on disposal of the investment.

18.1 : Non-Current Borrowings

	As at March 31, 2020	As at March 31, 2019
Secured - at amortised cost		
Secured loan from banks (refer note (ii))	**50.00**	50.00
Secured loan from other corporate bodies (refer note (ii))	**47.01**	47.01
Finance lease obligation	**-**	11.72
Unsecured - at amortised cost		
Term loan from bank (refer note (ii))	**600.00**	900.00
Loan from the Council of Scientific and Industrial Research (refer note(ii))	**16.65**	16.65
Sales tax deferral under a state government scheme (refer note(i))	**522.64**	554.78
Total	**1,236.30**	**1,580.16**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

18.1: Non-Current Borrowings *(Continued)*

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 ₹ 24.12 lakhs over the period stretching from April 1, 2020 to March 31, 2027. The amount outstanding is free of interest.

The balance outstanding as at March 31, 2020 is ₹ 554.08 lakhs (March 31, 2019 ₹ 569.51 lakhs) of which ₹ 31.44 lakhs (March 31, 2019 ₹ 14.73 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 loans and other loans are stated below

As at March 31, 2020

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks	50.00	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 and all piece and parcel of the Immovable Agricultural property situated at Kokkanda Village, Mulugu Mandal, Medak District. The balance outstanding as at March 31, 2020 is ₹ 50 lakhs which is repayable in 4 equated quarterly installments of ₹ 12.50 lakhs each.	7.50%
Secured loan from other corporate bodies	47.01	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. The Balance outstanding as at March 31, 2020 is ₹ 47.01 lakhs which is repayable along with interest in remaining 6 equal half yearly installments for project ended on July 2017 (Maize) and remaining 1 equal half yearly installment for project ended December 2014 (Rice).	2.00%
Unsecured term loan from bank	900.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lakhs falls due in May 2018. The balance outstanding as at March 31, 2020 is ₹ 900 lakhs of which ₹ 300 lakhs has been grouped under note 22 Other current financial liabilities, which are payable in next 12 months.	8.35% to 8.85%
Loan from the Council of Scientific and Industrial Research	16.65	Term loan from Council of Scientific and Industrial Research: The balance payable as on March 31, 2020 is ₹ 16.65 lakhs. The same is repayable along with interest in 2 annual installments.	3.00%

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

As at March 31, 2019

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks	100.00	Term loan from ICICI Bank - is secured by hypothecation of movable assets, both present and future including its movable plant and equipment, machinery spares, tools and accessories and other movables, both present and future all piece and parcel of the immovable agricultural property situated at Kokkanda village, Mulugu Mandal, Medak District.The balance outstanding as at March 31, 2019 is ₹ 100.00 lakhs (of which ₹ 50.00 lakhs has been grouped under note 22 Other current financial liabilities) which is repayable in 8 equated quarterly installments of ₹ 12.50 lakhs each.	7.50%
Secured loan from other corporate bodies	72.23	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. The Balance outstanding as at March 31, 2019 is ₹ 72.23 lakhs (of which ₹ 25.22 lakhs has been classified under note 22 other current financial liabilities) which is repayable along with interest in 8 equal half yearly installments from December 2015 (Rice) and June, 2017 -(Maize).	2.00%
Unsecured term loan from bank	1,200.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lakhs falls due in May 2018. The balance outstanding as at March 31, 2019 is ₹ 1,200 lakhs of which ₹ 300 lakhs has been grouped under note 22 Other current financial liabilities, which are payable in next 12 months.	8.35% to 8.85%
Loan from the Council of Scientific and Industrial Research	24.98	Term loan from Council of Scientific and Industrial Research: The balance payable as on March 31, 2019 is ₹ 24.98 lakhs (of which ₹ 8.33 lakhs has been classified under note 22 Other current financial liabilities). The same is repayable along with interest in 6 annual installments.	3.00%

18.2 : Lease Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Lease liabilities (refer note 36)	**1,438.70**	-
Total	**1,438.70**	**-**
Current		
Lease liabilities (refer note 36)	**1,392.43**	-
Total	**1,392.43**	**-**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

19: Current Borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand from banks		
Bank overdrafts and cash credit facility (refer note (i) and (ii)	**2,411.79**	3,595.86
Short-term loan from bank (refer note (iii))	**2,550.00**	1,700.00
Total	**4,961.79**	**5,295.86**

footnotes:

(i) These bank overdrafts and cash credit facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).

(ii) The weighted average effective interest rate on the bank loans is 8.50% p.a.(for March 31, 2019 8.57% p.a.).

(iii) The terms of short-term loan is stated below

As at March 31, 2020

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured short-term loan from bank is secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12)	2,550.00	The loan is repayable in 90 days from the date of availment	8.20%

As at March 31, 2019

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured short-term loan from bank is secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12)	1,700.00	The loan is repayable in 30 days from the date of availment	8.35%

20: Deferred Tax Balances

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

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	**4,473.63**	5,518.82
Deferred tax assets	**(1,733.47)**	(3,983.53)
Total	**2,740.16**	**1,535.29**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

2019-20-Deferred tax liabilities/ (assets) in relation to:	Opening balance	Adjustments due to transition impact of IND AS 116	Recognised in Statement of Profit and Loss	Recognised in Statement of OCI	Other Adjustments	Closing Balance
Allowance for doubtful debts and advances	**(1,192.80)**	**-**	**157.77**	**-**	**-**	**(1,035.03)**
Creation of Deferred tax assets on account of IND AS 116 "Leases"	**-**	**(56.65)**	**10.92**	**-**	**-**	**(45.73)**
Impact of 43B Disallwances	**(9.27)**	**-**	**2.59**	**-**	**-**	**(6.68)**
Defined benefit obligation	**(364.58)**	**-**	**(14.33)**	**15.48**	**0.97**	**(362.46)**
On unused tax losses	**(181.79)**	**-**	**209.28**	**-**	**(27.65)**	**(0.16)**
Impairment of subsidiary	**(109.22)**	**-**	**11.76**	**-**	**-**	**(97.46)**
Tax adjustment on account of indexation of land	**(102.69)**	**-**	**(3.22)**	**-**	**-**	**(105.91)**
Long-term capital loss on sale of equity instrument	**(553.35)**	**-**	**9.89**	**-**	**-**	**(543.46)**
Impact of Disallowance u/s.40(a)(i)	**(0.08)**	**-**	**0.02**	**-**	**-**	**(0.06)**
Difference between WDV as per books and income tax	**5,681.41**	**-**	**(1,735.56)**	**-**	**-**	**3,945.85**
On intangible assets	**1,138.63**	**-**	**(147.37)**	**-**	**-**	**991.26**
Unused tax credit*	**(2,799.83)**	**-**	**-**	**-**	**2,799.83**	**-**
Others	**28.86**	**-**	**(28.11)**	**-**	**(0.75)**	**-**
Total	**1,535.29**	**(56.65)**	**(1,526.36)**	**15.48**	**2,772.40**	**2,740.16**

* represents utilization of MAT credit.

2018-19-Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of OCI	Closing Balance
Provision for doubtful debts and advances	(1,086.26)	(106.54)	-	(1,192.80)
Defined benefit obligation	(353.25)	(9.31)	(2.02)	(364.58)
Impact of 43B disallowances	(9.27)	-	-	(9.27)
Tax adjustment on account of indexation of freehold land	(190.11)	87.42	-	(102.69)
Long term capital loss on sale of equity instrument	(553.35)	-	-	(553.35)
On unused tax losses	(744.17)	562.38	-	(181.79)
Unused tax credit	(2,059.73)	(740.10)	-	(2,799.83)
Impairment of subsidiary	-	(109.22)	-	(109.22)
Impact of Disallowance u/s.40(a)(i)	(0.08)	-	-	(0.08)
Difference between WDV as per books and income tax	5,967.83	(286.42)	-	5,681.41
On intangible assets	975.00	163.63	-	1,138.63
Others	27.86	1.00	-	28.86
Total	**1,974.47**	**(437.16)**	**(2.02)**	**1,535.29**

footnote: There are no material deferred tax expense on unrecognised tax losses.

21: Trade Payables

	As at March 31, 2020	As at March 31, 2019
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 47)	**369.13**	288.82
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**46,771.79**	48,405.57
(iii) Other payables	**16,592.27**	4,779.40
Total	**63,733.19**	**53,473.79**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

22: Other Financial Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Security Deposit	**644.95**	640.50
Total	**644.95**	**640.50**
Current		
(a) Current maturity of long-term borrowings (refer note 18.1)		
Secured - banks	-	50.00
Secured - others	-	25.22
Term loan from bank	**300.00**	300.00
Others	**31.44**	23.05
Finance lease obligation	-	9.32
(b) Interest accrued but not due on non-current borrowings	**23.31**	19.83
(c) Unclaimed dividends (refer footnote)	**162.85**	175.26
(d) Derivative liabilities		
Forward exchange contracts for hedging	**3.97**	-
(e) Others		
Creditors for capital purchases	**248.86**	507.60
Customer deposits	**1,504.22**	1,458.97
Amounts due to customers	**6,657.21**	8,110.36
Total	**8,931.86**	**10,679.61**

footnote:

All amounts required to be transferred to the Investor Education and Protection Fund by the Company have been transferred within the time prescribed for the same, except in cases of disputes relating to the ownership of the underlying shares that have remained unresolved amounting to ₹ 0.26 lakhs (as at March 31, 2019 ₹ 0.25 lakhs).

23: Provisions

	As at March 31, 2020	As at March 31, 2019
Non-current		
Supplemental pay (refer note 2)	**1,515.97**	1,364.89
Directors pension liability (refer note 2)	**691.03**	663.60
Gratuity (refer note 2)	**187.83**	-
Compensated absences (refer note 2)	**169.91**	160.39
Total	**2,564.74**	**2,188.88**
Current		
Supplemental pay (refer note 2)	**151.68**	220.93
Directors pension liability (refer note 2)	**59.76**	59.32
Gratuity (refer note 2)	**367.27**	176.59
Compensated absences (refer note 2)	**1,084.42**	880.83
Provisions for indirect taxes (refer note 1)	**41.95**	287.32
Total	**1,705.08**	**1,624.99**

Notes to the standalone financial statements for the year ended March 31, 2020

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 ₹ 41.95 lakhs (as at March 31, 2019 ₹ 237.32 lakhs). The movement during the year is as under:

	As at March 31, 2020	As at March 31, 2019
Opening Balance as at April 1	237.32	227.32
Additional provisions made during the year	29.95	10.00
Total	**267.27**	**237.32**
Utilization during the year	225.32	-
Closing Balance as at March 31	**41.95**	**237.32**

(b) Provision for contingencies for claims in business operation :

	As at March 31, 2020	As at March 31, 2019
Opening Balance as at April 1	-	50.00
Utilization during the year	-	50.00
Closing Balance as at March 31	-	-

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 Company 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.

Note 2:

The provision for employee benefits includes gratuity, supplemental pay on retirement, director pension liability and compensated absences. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year due to retirement and resignation of employees . For other disclosures, refer note 37.

24 : Other Current Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred revenue	9.82	9.81
Total	**9.82**	**9.81**
Provident fund and other employee deductions	259.74	218.65
Goods and Services Tax payable	55.97	59.03
Other taxes (other than income tax payable)	91.28	62.49
Tax deducted at source	243.25	283.64
Advance received from customers	10,518.79	8,340.94
Payable to employees	650.72	812.37
Other liabilities (payable towards past acquisition etc.)	183.02	133.25
Total	**12,002.77**	**9,910.37**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

25: Revenue from Operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	**2,23,773.60**	1,97,539.49
Sale of services	**51.44**	55.35
Other operating income	**1,324.78**	765.69
Total	**2,25,149.82**	**1,98,360.53**

26: Other Income

		For the year ended March 31, 2020	For the year ended March 31, 2019
a)	**Interest income**		
	Interest Income on bank deposits carried at amortised cost	**73.20**	114.40
	Interest income on security deposits carried at amortised cost	**345.11**	170.28
	Interest income on income tax refund received	**39.62**	33.97
b)	**Dividend income**		
	Dividend on current investment in mutual fund carried at FVTPL	**224.79**	281.27
	Dividend from equity instruments measured at FVTOCI	**1.62**	2.36
c)	**Fair value of investment**		
	Fair value of investment - realised	**353.61**	66.97
	Fair value of investment - unrealised	**381.45**	17.39
d)	**Other non-operating income**		
	Insurance claim	**9.85**	81.47
	Rental income	**55.76**	119.97
	Export benefits	**1,412.27**	1,278.08
	Miscellaneous income	**526.37**	894.85
e)	**Other gains and losses**		
	Profit on disposal of property, plant and equipment (Net)	**9.33**	-
Total		**3,432.98**	**3,061.01**

27: Cost of Materials Consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year	**18,506.44**	21,991.83
Add: Purchases	**1,21,448.36**	1,08,546.36
	1,39,954.80	**1,30,538.19**
Less: Inventories at end of year	**18,374.78**	18,506.44
Cost of raw materials and components consumed	**1,21,580.02**	1,12,031.75
Packing materials consumed	**6,513.17**	7,416.66
Total	**1,28,093.19**	**1,19,448.41**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

28: Purchases of Stock-in-Trade

	For the year ended March 31, 2020	For the year ended March 31, 2019
Agri Inputs	14,121.26	11,642.09
Total	**14,121.26**	**11,642.09**

29: Changes in Inventories of Finished Goods, Stock-in-Trade and Work in-Progress

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock		
Finished goods - own manufactured	39,586.95	27,731.85
Stock-in-trade	4,649.47	4,755.31
Work in-progress (including intermediate goods)	2,677.67	1,129.96
	46,914.09	33,617.12
Closing stock		
Finished goods - own manufactured	42,250.86	39,586.95
Stock-in-trade	4,545.48	4,649.47
Work in-progress (including intermediate goods)	2,818.79	2,677.67
	49,615.13	46,914.09
Movement in inventory recoverable	(629.36)	(706.11)
Net (Increase)	**(3,330.40)**	**(14,003.08)**

30: Employee Benefits Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus		
Wages and salaries	14,898.79	13,605.58
Allowances	2,674.83	2,254.28
Compensated absences	308.27	142.47
Contribution to provident and other funds (refer note 37)	831.42	903.77
Staff welfare expenses	1,224.08	1,078.55
Total	**19,937.39**	**17,984.65**

31: Finance Costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on long-term loan from bank	91.09	116.04
Interest on bank overdrafts, cash credit facility and short-term loan from bank	248.39	406.46
Interest on lease liabilities	271.73	2.23
Total	**611.21**	**524.73**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

32: Depreciation and Amortisation Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 4 (a))	4,179.71	4,063.71
Depreciation of right-of-use asset (refer note 4 (b))	1,390.32	-
Depreciation of investment property (refer note 5)	4.65	8.11
Amortisation of intangible assets (refer note 6(b))	575.90	535.43
Total	**6,150.58**	**4,607.25**

33: Other Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Freight, handling and packing	7,829.34	7,208.04
Travelling and conveyance	2,275.94	2,181.46
Power and fuel	5,936.19	6,392.02
Brand equity contribution	314.86	229.08
Repairs and maintenance		
Plant and equipment	1,141.10	1,026.74
Property	223.30	228.62
Others	556.08	559.30
Stores and spares consumed	792.09	627.71
Rates and taxes	225.44	606.37
Commission	39.55	100.49
Insurance charges	643.68	298.05
Rent (refer note 36)	1,334.35	2,332.04
Bank charges	365.48	281.43
Director fees and commission	292.79	294.41
Bad debts	222.73	242.25
Allowance for doubtful debts (Net)	696.36	291.53
Allowance for doubtful advances	2.40	31.98
Tangible assets written off	8.84	-
Impairment of Intangible assets and intangible assets under development	204.46	308.48
Impairment in value of investment in subsidiary	-	336.74
Investment written off	-	24.60
Loss on sale of property, plant and equipment (Net)	-	59.67
Selling expenses	4,521.52	2,762.15
Legal and professional fees	1,456.69	1,813.84
Net loss on foreign currency transactions and translation	1,440.19	602.77
Other expenses (refer note 43,48 and 49)	9,691.56	10,520.34
Total	**40,214.94**	**39,360.11**

footnote:

During the previous year ended March 31, 2019, Rallis Chemistry Exports Ltd. has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

34: Earnings per Share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year	**18,546.60**	15,418.64
Weighted average number of equity shares	**19,44,68,890**	19,44,68,890
Basic and diluted earnings per share	**9.54**	7.93

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 March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Agri Inputs	**2,22,446.52**	1,94,546.13	**20,811.79**	19,557.54
Others	**2,703.30**	3,814.40	**763.34**	924.17
Total	**2,25,149.82**	**1,98,360.53**	**21,575.13**	**20,481.71**
Other income			**3,432.98**	3,061.01
Central administration cost, director fees and commission			**(469.94)**	(1,160.61)
Finance costs			**(611.21)**	(524.73)
Profit before tax			**23,926.96**	**21,857.38**

Notes:

(i) Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (March 31, 2019 ₹ Nil). The accounting policies of the reportable segments are the same as described in note 3.21.

(ii) 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 March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Segment assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Segment assets		
Agri Inputs	**1,95,897.71**	1,93,937.52
Others	**1,965.37**	1,891.83
Total segment assets	**1,97,863.08**	**1,95,829.35**
Assets classified as held for sale	**426.78**	-
Unallocated	**46,433.92**	20,119.13
Total assets	**2,44,723.78**	**2,15,948.48**

Particulars	As at March 31, 2020	As at March 31, 2019
Segment liabilities		
Agri Inputs	**89,172.69**	75,450.31
Others	**314.81**	166.22
Total segment liabilities	**89,487.50**	**75,616.53**
Unallocated	**14,236.26**	11,749.87
Total liabilities	**1,03,723.76**	**87,366.40**

Details of capital expenditure incurred

Particulars	As at March 31, 2020	As at March 31, 2019
Agri Inputs	**3,905.62**	4,168.30
Others	**21.50**	12.84
Unallocated	**-**	-
Total	**3,927.12**	**4,181.14**

For the purpose of monitoring segment performance and allocation resources between segments:

- All assets are allocated to reportable segments other than investments, other financial assets, non current tax assets, fixed deposits and interest accrued thereon.
- All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, interest accrued on loans, provision for supplemental pay, Director pension scheme, unpaid dividend, current and deferred tax liabilities.

Geographical information

The Company operates in two principal geographical areas - India and outside India

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

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 March 31, 2020	For the year ended March 31, 2019	As at March 31, 2020	As at March 31, 2019
India	**1,57,156.29**	1,33,220.65	**82,487.28**	73,845.12
Asia (Other than India)	**36,209.65**	37,432.09	**-**	-
North America	**18,055.49**	12,777.89	**-**	-
South America	**9,048.87**	10,764.80	**-**	-
Africa	**2,929.57**	3,043.88	**-**	-
Europe	**1,673.52**	35.21	**-**	-
Australia	**76.43**	1,086.01	**-**	-
	2,25,149.82	**1,98,360.53**	**82,487.28**	**73,845.12**

* Non-current assets exclude those relating to financial assets and deferred tax assets.

Information about major customers

No single customer contributed more than 10% to the Company's revenue in 2019-20 and one customer contributed more than 10% (₹ 22,149.40 lakhs) to the Company's revenue in 2018-19.

36: Leases

The Company incurred ₹ 1,223.31 lakhs for the year ended March 31, 2020 towards expenses relating to short-term leases. Lease rent incurred and recoverable from employees and not falling under the scope of IND AS 116 amounted to ₹ 111.04 lakhs. The total cash outflow for leases is ₹ 3,018.46 lakhs for the year ended March 31, 2020, including cash outflow of short-term leases and lease rent recoverable from employees.

Maturity analysis

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
March 31 2019						
Lease liabilities	-	-	-	-	-	-
	-	-	-	-	-	-
March 31 2020						
Lease liabilities	2,831.13	1,392.43	670.42	652.22	116.06	8.65%
	2,831.13	**1,392.43**	**670.42**	**652.22**	**116.06**	**8.65%**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Impact of changes in accounting policies

The following table provides the extract of impacts of adopting Ind AS 116 on the financial statements

i. Statement of financial position

April 1 2019	Impact of changes in accounting policies		
	As previously reported	Adjustments	Restated Balance
Right-of-use assets	-	3,298.39	3,298.39
Total assets	-	3,298.39	3,298.39
Lease liabilities	-	3,465.90	3,465.90
Total liabilities	-	3,465.90	3,465.90
Retained earnings	-	(167.51)	(167.51)
Deferred tax assets	-	56.65	56.65
Total equity	**-**	**(110.86)**	**(110.86)**

The following table provides extract of effect on both basic and diluted earnings per share

For the year ended March 31 2020	Increase/ (decrease) in profit for the year attributable to owners of the Company	Increase/ (decrease) in basic earnings per share	Increase/ (decrease) in diluted earnings per share
	Amount	₹ per share	₹ per share
Changes in accounting policie relating to:			
- adoption of Ind AS 116	(19.58)	(0.01)	(0.01)

Reconciliation between operating lease commitments disclosed in financials as at March 31, 2019 applying Ind AS 17 and lease liabilities recognised in the statement of financial position as at April 1, 2019 i.e. date of initial application

Particulars	Amount
Opening Balance of Operating Leases	1,488.13
Less : Recovery from Employees	230.36
Less : Adjustment on account of change in policy due to IND AS 116	167.51
Add : Additional Lease commitments based on expected extension of Lease term	2,375.64
Lease liabilities as at April 1, 2019	3,465.90

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as depots / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

Future lease commitments

All leases other than included above are of either low value or cancellable at the option of lessee.

All amounts are in ₹ lakhs unless otherwise stated

37: Employee Benefit Plans

Defined contribution plans

Contribution to provident fund and ESIC

The Company makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to government authorities (PF commissioner) at factories.

Amount recognised as expense and included in the Note 30 — in the head "Contribution to Provident and other funds" for March 31, 2020 ₹ 483.32 lakhs (for March 31, 2019 ₹ 467.24 lakhs).

Defined benefit plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), a supplemental pay scheme (a life long pension) and Director pension liability. The gratuity scheme covers substantially all regular employees, Director pension liability covers Managing Director and supplemental pay plan covers certain former executives. In the case of the gratuity scheme, the Company contributes funds to Gratuity Trust, which is irrevocable, director pension liability and supplemental pay scheme are not funded. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method.

The Company makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company in case of certain locations. The Company is liable for contributions and any deficiency compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

These plans typically expose the Company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

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.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

The principal assumptions used for the purpose of actuarial valuation were as follows.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rates	**5.70% to 6.83% p.a.**	7.00% to 7.69% 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)*	**8.05 Years**	8.49 Years
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	**3.5 Years to 12 Years**	5 Years to 12 Years

*Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Amount recognised in the Standalone Statement of Profit and Loss in respect of these defined benefit plans are as follows

Particulars	Gratuity		Supplemental pay	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Service cost:				
Current service cost	**331.02**	307.38	**-**	-
Past service cost and loss from settlements	**119.60**			
Net interest expense	**15.42**	12.56	**177.54**	118.63
Components of defined benefit costs recognised in profit or loss	**466.04**	**319.94**	**177.54**	**118.63**
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	**(84.15)**	70.84	**-**	-
Actuarial (gain)/loss arising from changes in demographic assumptions	**(44.58)**	(16.58)	**-**	(2.40)
Actuarial (gain)/loss arising from changes in financial assumptions	**251.74**	83.05	**140.51**	(39.17)
Actuarial (gain)/loss arising from experience adjustments	**(26.15)**	(148.49)	**4.18**	32.01
Components of defined benefit costs recognised in Other Comprehensive Income	**96.86**	**(11.18)**	**144.69**	**(9.56)**
Total	**562.90**	**308.76**	**322.23**	**109.07**

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Standalone Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

All amounts are in ₹ lakhs unless otherwise stated

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligations	**3,814.99**	3,167.12	**1,667.65**	1,585.82
Fair value of plan assets	**3,259.89**	2,999.48	**-**	-
Funded Status [Deficit/(Surplus)]	**555.10**	167.64	**1,667.65**	1,585.82
Addittional provision created	**-**	8.95	**-**	-
Net liability arising from defined benefit obligation	**555.10**	**176.59**	**1,667.65**	**1,585.82**

Movements in the present value of the defined benefit obligation are as follows

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	**3,167.12**	2,983.93	**1,585.82**	1,627.34
Current service cost	**331.02**	306.03	**-**	-
Past service cost	**119.60**	-	**-**	
Interest cost	**237.52**	230.63	**121.95**	118.63
Liability Transferred In/ Acquisitions	**81.86**	5.16	**-**	-
Remeasurement (gain)/loss:				
Actuarial (gain)/loss arising from changes in demographic assumptions	**(44.58)**	(16.58)	**-**	(2.40)
Actuarial (gain)/loss arising from changes in financial assumptions	**251.74**	82.75	**85.46**	(39.17)
Actuarial (gain)/loss arising from experience adjustments	**(25.00)**	(151.23)	**27.19**	32.01
Benefits paid	**(265.58)**	(273.57)	**(152.77)**	(150.59)
Others	**(38.71)**	-	**-**	-
Closing defined benefit obligation	**3,814.99**	**3,167.12**	**1,667.65**	**1,585.82**

Movements in the fair value of the plan assets are as follows

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Opening fair value of the plan assets	**2,999.48**	2,855.19	**-**	-
Interest income	**222.10**	218.39	**-**	-
Remeasurement gain/(loss):				
Return on plan assets (excluding amounts included in net interest expense)	**84.15**	(70.84)	**-**	-
Assets Transferred In/Acquisitions	**43.14**	5.16	**-**	-
Contributions from the employer	**176.60**	265.15	**-**	-
Benefits paid	**(265.58)**	(273.57)	**-**	-
Closing fair value of plan assets	**3,259.89**	**2,999.48**	**-**	**-**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

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").

Directors pension liability

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	722.92	-
Current service cost	55.59	722.92
Remeasurement (gain)/loss:		
Actuarial (gain)/loss arising from changes in financial assumptions	55.05	-
Actuarial (gain)/loss arising from experience adjustments	(23.00)	-
Benefits paid	(59.76)	-
Closing defined benefit obligation	**750.80**	**722.92**

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 March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	13.26	4.47	-	-
Investment funds with insurance Group				
Traditional / non unit linked	437.23	482.55	-	-
Others - LIC managed fund	2,809.40	2,512.46	-	-
Total	**3,259.89**	**2,999.48**	**-**	**-**

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 ₹ 388.80 lakhs (increase by ₹ 492.55 lakhs) (as at March 31, 2019: decrease by ₹ 361.87 lakhs (increase by ₹ 424.23 lakhs)).

2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 278.35 lakhs (decrease by ₹ 250.35 lakhs) (as at March 31, 2019: increase by ₹ 249.69 lakhs (decrease by ₹ 213.16 lakhs)).

3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 39.55 lakhs (decrease by ₹ 40.05 lakhs) (as at March 31, 2019: increase by₹ 37.93 lakhs (decrease by₹37.91 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 ₹ 367.27 lakhs (as at March 31, 2019 ₹ 176.59 lakhs) to the defined benefit plans during the next financial year.

All amounts are in ₹ lakhs unless otherwise stated

The defined benefit obligations shall mature after year ended March 31, 2020 as follows:

Particulars	Defined benefit obligation
As at March 31	
2020	589.62
2021	365.79
2022	483.85
2023	489.85
2024	472.04
Thereafter	2,457.81

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, 2020 and March 31, 2019.

Amount recognised as expense and included in the Note 30 — in the head "Contribution to Provident and other funds" for March 31, 2020 ₹ 254.25 lakhs (for March 31, 2019 ₹233.18 lakhs).

The details of provident fund and plan asset position are given below:

Particulars	As at March 31, 2020	As at March 31, 2019
Plan assets as period end	**9,198.72**	8,142.68
Present value of funded obligation	**8,92 5.52**	7,771.78
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 March 31, 2020	For the year ended March 31, 2019
Guaranteed rate of return	**8.50%**	8.55%
Discount rate for remaining term to maturity of investments	**6.83%**	7.69%
Expected rate of return on investments	**7.69%**	7.78%

As at March 31, 2020, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 9,198.72 lakhs and ₹ 8,925.52 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 ₹ 308.27 lakhs (March 31 2019 ₹ 142.47 lakhs) has been recognised in the Standalone Statement of profit and loss on account of provision for long-term employment benefit

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

38: Financial Instruments

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 18.1,19 and 22, lease liabilities as per note 18.2, 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 March 31, 2020	As at March 31, 2019
Debt (i)	**6,529.53**	7,283.61
Lease liabilities (non-current and current)	**2,831.13**	-
Cash and bank balances	**(4,798.90)**	(4,393.59)
Net debt	**4,561.76**	**2,890.02**
Total equity	**1,41,000.02**	**1,28,582.08**
Net debt to equity ratio	**3.24%**	2.25%

(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 18.1,19 and 22.

Fair value hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

As at March 31, 2020

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	4,585.56	-	-	4,585.56	-	-	-	-
Other bank balances	213.34	-	-	213.34	-	-	-	-
Non-current investments (excluding investment in subsidiaries)	379.69	-	379.69	-	379.69	0.45	-	379.24
Current investments	29,867.42	29,867.42	-	-	29,867.42	-	29,867.42	-
Loans (non-current)	907.06	-	-	907.06	907.06	-	-	907.06
Other non current financial assets	76.51	-	-	76.51	76.51	-	-	76.51
Trade receivables	45,001.83	-	-	45,001.83	-	-	-	-
Other current financial assets	648.54	-	-	648.54	-	-	-	-
Financial liabilities								
Non-current borrowings (excluding current portion)	1,236.30	-	-	1,236.30	1,236.30	-	-	1,236.30
Lease liabilities (current and non-current portion)	2,831.13	-	-	2,831.13	2,831.13	-	-	2,831.13
Current borrowings	4,961.79	-	-	4,961.79	-	-	-	-
Trade payables	63,733.19	-	-	63,733.19	-	-	-	-
Other current financial liabilities	9,576.81	3.97	-	9,572.84	3.97	-	3.97	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

As at March 31, 2019

Particulars	Carrying amount				Fair value measurement using			
	Total	FVTPL	FVTOCI	Amortised cost	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets								
Cash and cash equivalents	4,003.78	-	-	4,003.78	-	-	-	-
Other bank balances	389.81	-	-	389.81	-	-	-	-
Non-current investments (excluding investment in subsidiaries)	378.84	-	378.84	-	378.84	0.50	-	378.34
Current investments	10,548.14	10,548.14	-	-	10,548.14	-	10,548.14	-
Loans (non-current)	673.99	-	-	673.99	673.99	-	-	673.99
Loans (current)	93.33	-	-	93.33	93.33	-	-	93.33
Other non current financial assets	42.17	-	-	42.17	42.17	-	-	42.17
Trade receivables	44,820.94	-	-	44,820.94	-	-	-	-
Other current financial assets	460.54	79.32	-	381.22	79.32	-	79.32	-
Financial liabilities								
Non-current borrowings (excluding current portion)	1,580.16	-	-	1,580.16	1,580.16	-	-	1,580.16
Current borrowings	5,295.86	-	-	5,295.86	-	-	-	-
Trade payables	53,473.78	-	-	53,473.78	-	-	-	-
Other current financial liabilities	11,320.11	-	-	11,320.11	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Current investments -in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors	Not applicable	Not applicable

Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3):

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**378.34**	378.34
Remeasurement recognised in OCI	**-**	-
Add: Bonus shares issued on investment	**0.90**	-
Sales	**-**	-
Closing balance	**379.24**	**378.34**

Financial risk management objectives

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

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 March 31, 2020	As at March 31, 2019	As at 31 March, 2020	As at March 31, 2019
In US Dollars (USD)	**207.88**	217.49	**94.35**	278.71
In Australian Dollars (AUD)	**0.01**	0.01	**-**	-
In Euro (EUR)*	**-**	-	**-**	0.44
In Japanese Yen (JPY)	**676.60**	679.00	**-**	-
In Great Britain Pound (GBP)	**0.01**	0.02	**-**	-
In SWISS Franc (CHF)	**-**	-	**-**	0.02

Particulars	Liabilities (INR)		Assets (INR)	
	As at March 31, 2020	As at March 31, 2019	As at 31 March, 2020	As at March 31, 2019
In US Dollars (USD)	**15,728.91**	15,040.82	**7,139.19**	19,274.02
In Australian Dollars (AUD)	**0.31**	0.33	**-**	-
In Euro (EUR)*	**0.22**	-	**-**	34.06
In Japanese Yen (JPY)	**471.13**	423.81	**-**	-
In Great Britain Pound (GBP)	**1.19**	2.10	**-**	-
In SWISS Franc (CHF)	**-**	-	**-**	1.09

* Amount is less than ₹ 0.01 lakh.

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% charge 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.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Impact on profit / (loss) and total equity

Particulars	USD impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(429.49)**	211.66
Decrease in exchange rate by 5%	**429.49**	(211.66)

Particulars	AUD impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(0.02)**	(0.02)
Decrease in exchange rate by 5%	**0.02**	0.02

Particulars	EUR impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(0.01)**	1.70
Decrease in exchange rate by 5%	**0.01**	(1.70)

Particulars	JPY impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(23.56)**	(21.19)
Decrease in exchange rate by 5%	**23.56**	21.19

Particulars	GBP impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(0.06)**	(0.11)
Decrease in exchange rate by 5%	**0.06**	0.11

Particulars	SWISS Franc (CHF) impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**-**	0.05
Decrease in exchange rate by 5%	**-**	(0.05)

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and one year. The above sensitivity does not include the impact of foreign currency forward contracts which largly mitigate the risk.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

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 Company, basis their assessment, believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic.

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	As at March 31, 2020			As at March 31, 2019		
	Number of contracts	₹ lakhs	Foreign currency in lakhs	Number of contracts	₹ lakhs	Foreign currency in lakhs
Receivables	-	-	-	6	3,550.22	USD 51.34
Payable	2	471.13	JPY 676.60	1	423.81	JPY 679.00

Note: USD= US Dollar; JPY = Japanese Yen.

The line item in the Balance Sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

Equity risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 7 "Other investments". The Company's equity investments majorly comprises of strategic investments rather than trading purposes.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument that will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's non-current debt obligation with floating interest rates. The Company's policy is generally to undertake non-current borrowing using facilities that carry floating interest rate.

Moreover,the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

At the end of reporting period, the Company had the following variable interest rate borrowings and fixed interest rate financial assets:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current variable interest rate borrowings	900.00	1,200.00
Non-current fixed interest rate borrowings including current maturities of non-current borrowings	113.66	197.21
Lease Liabilities (Current and Non Current)	2,831.13	-
Current variable interest rate borrowings	4,961.79	5,295.86
Fixed interest rate financial assets	4,073.93	254.96

Cash flow sensitivity analysis for variable rate instrument

Non-current variable interest rate borrowings

If the interest rate is 100 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 12.04 lakhs (increased by ₹ 12.04 lakhs) (as at March 31, 2019: decreased by ₹ 21.79 lakhs (increased by ₹ 21.79 lakhs)).

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Current fixed interest rate borrowings

If the interest rate is 100 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 5.10 lakhs (increased by ₹ 5.10 lakhs) (as at March 31, 2019: decreased by ₹ 1.16 lakhs (increased by ₹ 1.16 lakhs)).

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own trading records to evaluate the credit worthiness of its customers.The Company's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 12- Trade receivable).

The credit risk on investment in mutual funds and derivative financial instruments is limited because the counter parties are reputed banks or funds sponsored by reputed bank.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non-current liabilities are disclosed in note no. 18.1.

Liquidity risk table

The following table detail the Company's remaining contractual maturity for its non-derivative and 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 March 31, 2020					
Non-Derivative financial liabilities					
Borrowings including future interest payable	**5,474.30**	**1,030.82**	**164.91**	**6,670.03**	**6,529.53**
Lease liabilities	**1,527.37**	**1,459.39**	**181.63**	**3,168.39**	**2,831.13**
Trade payables	**63,733.19**	**-**	**-**	**63,733.19**	**63,733.19**
Other financial liabilities	**8,596.45**	**644.95**	**-**	**9,241.40**	**9,241.40**
Derivative financial liabilities					
Forward exchange contracts used for hedging :					
- Outflow	**471.13**	**-**	**-**	**471.13**	**3.97**
- Inflow	**(467.16)**	**-**	**-**	**(467.16)**	**-**
	79,335.28	**3,135.16**	**346.54**	**82,816.98**	**82,339.22**
As at March 31, 2019					
Non-Derivative financial liabilities					
Borrowings including future interest payable	5,806.14	1,501.98	196.34	7,504.46	7,283.61
Trade payables	53,473.79	-	-	53,473.79	53,473.79
Other financial liabilities	10,272.02	640.50	-	10,912.52	10,912.52
	69,551.95	**2,142.48**	**196.34**	**71,890.77**	**71,669.92**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

Other risk – Impact of COVID-19

Financial assets carried at fair values as at March 31 2020 is ₹ 30,247.11 lakhs and financial assets carried at amortised cost as at March 31, 2020 is ₹ 51,432.84 lakhs. Financial assets classified as Level 1 and Level 2 are having fair value of ₹ 29,867.87 lakhs as at March 31,2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in mutual funds and accordingly, any material volatility is not expected.

Financial assets of ₹ 4,798.90 lakhs as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of ₹ 45,001.83 lakhs as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to customers in Domestic Formulation segment which could have an immediate impact. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Basis this assessment, the allowance for doubtful trade receivables of ₹ 2,544.66 lakhs as at March 31, 2020 is considered adequate.

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 March 31, 2020	As at March 31, 2019
Tata Chemicals Ltd.	India	**50.06%**	50.06%

2. List of Subsidiaries

Name of subsidiaries	Country	Holding	
		As at March 31, 2020	As at March 31, 2019
Direct			
Rallis Chemistry Exports Ltd. (Refer Note 1)	India	-	-
PT. Metahelix Lifesciences Indonesia (Refer Note 2)	Indonesia	**65.77%**	65.77%

Footnote :

1. During the previous year ended March 31, 2019, Rallis Chemistry Exports Ltd. has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts. However, it continues to be subsidiary of the Group till the time of removal of its name from Register of Companies.
2. Since Metahelix Life Sciences Limited cease to exist as subsidiary, now PT Metahelix Lifesciences Indonesia is a direct subsidiary of Rallis India Limited.

3. **Other related parties**

   Rallis India Limited Provident Fund

   Rallis India Limited Management Staff Gratuity Fund

   Rallis India Limited Senior Assistants Super Annuation Scheme

   Rallis Executive Staff Super Annuation Fund

   Rallis India Limited Non-Management Staff Gratuity Fund

4. **Key Management Personnel**

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

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

   Mr. R. Mukundan, Managing Director and CEO (w.e.f December 3, 2018 till March 31, 2019)

5. **Promoter Group**

   Tata Sons Private Limited

6. **List of subsidiaries of Tata Sons Private Limited**

   Infiniti Retail Ltd.

   Tata AIG General Insurance Co. Ltd.

   Tata Consultancy Services Ltd.

   Ecofirst Services Ltd.

   TC Travels & Services Ltd.

   Tata Teleservices Ltd.

   Tata Africa Services (Nigeria) Ltd.

   Tata Capital Financial Services Ltd.

   TASEC Limited

   Tata Strategic Management Group (Division of Tata Industries Limited)

   Impetis Biosciences Ltd.

   Ewart Investments Ltd.

   Tata Consulting Engineers Ltd.

6a. List of subsidiaries of Tata Chemicals Limited

   Tata Chemicals International Pte Ltd

   Tata Chemicals Magadi Limited

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

7. Trading transactions

During the year, Company entered into following trading transactions with related parties:

Particulars	Sales of goods		Purchases of goods	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Holding Company				
Tata Chemicals Ltd.	-	-	1,117.43	1,120.57
Subsidiary of Holding Company				
Tata Chemicals International Pte Ltd	17,765.22	-	-	-
Subsidiary of Tata Sons Private Ltd.				
Infiniti Retail Ltd.	-	-	1.25	5.33

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.

8. Service transactions

Particulars	Services rendered		Services received	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Holding Company				
Tata Chemicals Ltd.	-	49.26	137.31	0.35
Subsidiary of Holding Company				
Tata Chemicals Magadi Limited	-	-	1.65	-
Promoter Group				
Tata Sons Private Ltd.	-	-	307.80	270.10
Subsidiaries of Tata Sons Private Ltd.				
Tata AIG General Insurance Co. Ltd.	-	-	21.38	17.84
Tata Consultancy Services Ltd.	-	-	294.88	96.76
Ecofirst Services Ltd.	-	-	-	4.30
Tata Teleservices Ltd.	-	-	10.53	11.23
TASEC Limited	-	-	-	11.33
Tata Consulting Engineers Limited	-	-	68.09	-
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	-	89.54

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 March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

9. Investment transactions

Particulars	Investment made		Investment sold	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Rallis Chemistry Exports Ltd.	-	19.60	-	-

10. Other -Dividend payments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Holding Company		
Tata Chemicals Ltd.	**2,433.54**	2,433.54
Subsidiaries of Tata Sons Private Ltd.		
Ewart Investments Ltd.	**1.88**	1.88

11. Contributions to employee benefit trusts

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Related Parties		
Contributions to employee benefit trusts	**1,257.69**	1,093.94

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 March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Holding Company				
Tata Chemicals Ltd.	-	49.26	**83.95**	70.60
Subsidiary of Holding Company				
Tata Chemicals International Pte Ltd	**934.66**	-	-	-
Tata Chemicals Magadi Limited	-	-	**1.65**	-
Subsidiaries of Tata Sons Private Limited				
Tata AIG General Insurance Co. Ltd.	-	0.70	**0.41**	-
Tata Teleservices (Maharashtra) Ltd.	-	-	-	0.02
Infiniti Retail Ltd.	-	-	**0.68**	-
Tata Consulting Engineers Ltd.	-	11.79	-	-
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	-	59.24

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year. No expense has been recognised in the current or prior years for bad & doubtful debts in respect of the amounts owed by related parties.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

12. Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short term benefits	**270.24**	528.90
Post-Employment benefits (PF + Superannuation)	**14.58**	28.11

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. It is exclusive of gratuity and compensated absence.

During the previous year ended March 31, 2019, compensation of key mangement personnel include compensation of Managing Director of Rallis India Limited and Seeds division of Rallis India Limited (earlier named as Metahelix Life Sciences Limited).

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.

a. Guarantees

Guarantees issued by bank on behalf of the Company as on March 31, 2020 is ₹ 142.96 lakhs (March 31, 2019 ₹ 161.09 lakhs) these are covered by the charge created in favour of the said Company's bankers by way of hypothication of stock and debtors.

b. 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 March 31, 2020	As at March 31, 2019
Sales tax	**1,039.38**	1,399.12
Excise duty	**30.11**	515.35
Customs duty	**144.10**	144.10
Income tax*	**13,301.11**	12,123.24
Goods and Service tax	**49.43**	61.01

* Excludes ₹ 1,295.88 lakhs (March 31, 2019 ₹ 995.88 lakhs) deposits paid under protest.

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.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

c. Amount in respect of other claims

Nature of claim	As at March 31, 2020	As at March 31, 2019
Matters relating to employee benefits	**103.11**	94.26
Others (claims related to contractual disputes)	**569.36**	486.53

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or

(v) there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

d. There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant and has been provided in the books of account. During the current year ended March 31, 2020, Company has incorporated the effect of changes in the books of accounts. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

41: Commitments

(i) Estimated amount of contract with minimum commitment for plant activity ₹ 1184.50 lakhs (March 31, 2019 ₹ 2317.50 lakhs).

(ii) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 7,441.03 lakhs as at March 31, 2020 (March 31, 2019: ₹ 1512.42 lakhs) and Intangible assets is ₹ 787.55 lakhs as at March 31, 2020 (31 March, 2019 : ₹ 6.41 lakhs) against which advances paid aggregate ₹ 1,182.51 lakhs as at March 31, 2020 (March 31, 2019 : ₹ 84.07 lakhs).

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

42: Research and Development Expenditure

The Company has incurred the following expenses on research and development activity:

Particulars (Refer footnote)	For the year ended March 31, 2020	For the year ended March 31, 2019
On property, plant and equipment	**130.35**	156.08
On items which have been expensed during the year		
- Materials	**165.06**	157.85
- Employee benefits expense	**1,813.81**	1,624.06
- Breeding expense	**299.32**	231.26
- Professional fees	**37.10**	43.64
- Consumables	**120.05**	128.44
- Finance costs	**0.22**	0.57
- Travelling expenses	**142.00**	94.78
- Rent	**39.74**	40.60
- Depreciation and amortisation expense	**195.42**	293.12
- Others	**447.63**	588.39
Expenses - External agency	**9.63**	19.38
Total	**3,400.33**	**3,378.17**

During the year, the Company has also incurred ₹ 1.87 lakhs (March 31, 2019 ₹ 4.60 lakhs) 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 March 31 2020 is ₹ 2,875.71 lakhs (as at March 31, 2019 ₹ 1,287.69 lakhs).

The total amount included in intangible assets under development as at March 31, 2020 is ₹ 4,694.65 lakhs (as at March 31, 2019 ₹ 3,782.88 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 March 31, 2020	For the year ended March 31, 2019
(a) **To statutory auditors**		
For audit	**74.57**	60.94
For limited review of quarterly results	**15.00**	15.00
For taxation matters	**6.00**	6.00
For other services	**7.27**	21.65
Reimbursement of expenses	**8.47**	7.85

Recoverable taxes which is being claimed for set-off as input credit has not been included in the expenditure above.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

44: Disclosure Pursuant to Section 186 of the Companies Act, 2013

(a) Details of investment made:

Entity	Financial year	Opening		Purchase of Investment		Sale of Investment		Closing	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Rallis Chemistry Exports Ltd.*	Year ended March 31, 2019	50,000	5.00	1,96,000	19.60	-	-	-	-

* During the previous year ended March 31, 2019, the Company has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts.

45: Dislosure under Ind AS 115 - Revenue from Contracts with Customers

The Company is engaged into manufacturing of agri inputs.There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

Disaggregation of revenue from contracts with customers

Particulars	2019-20			2018-19		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
1) Revenue from contracts with customers:						
Sale of products (Transferred at point in time)						
Manufacturing						
India	**1,32,282.04**	**-**	**1,32,282.04**	1,16,197.12	-	1,16,197.12
Asia (Other than India)	**36,117.15**	**-**	**36,117.15**	37,326.49	-	37,326.49
North America	**15,352.19**	**2,703.30**	**18,055.49**	8,963.49	3,814.40	12,777.89
South America	**9,048.87**	**-**	**9,048.87**	10,764.80	-	10,764.80
Africa	**2,486.15**	**-**	**2,486.15**	2,248.01	-	2,248.01
Europe	**1,673.52**	**-**	**1,673.52**	35.21	-	35.21
Australia	**76.43**	**-**	**76.43**	1,086.01	-	1,086.01
Total (A)	**1,97,036.35**	**2,703.30**	**1,99,739.65**	**1,76,621.13**	**3,814.40**	**1,80,435.53**
Trading						
India	**23,498.03**	**-**	**23,498.03**	16,202.48	-	16,202.48
Asia (Other than India)	**92.50**	**-**	**92.50**	105.60	-	105.60
Africa	**443.42**	**-**	**443.42**	795.87	-	795.87
Total (B)	**24,033.95**	**-**	**24,033.95**	**17,103.95**	**-**	**17,103.95**
Total (A) + (B)	**2,21,070.30**	**2,703.30**	**2,23,773.60**	**1,93,725.08**	**3,814.40**	**1,97,539.48**
2) Sale of services	**51.44**	**-**	**51.44**	55.35	-	55.35
3) Other operating revenue						
Sale of scrap	**829.12**	**-**	**829.12**	332.63	-	332.63
Liabilities written back	**430.25**	**-**	**430.25**	390.17	-	390.17
Royalty Income	**65.41**	**-**	**65.41**	42.89	-	42.89
	1,324.78	**-**	**1,324.78**	**765.69**	**-**	**765.69**
Total Revenue	**2,22,446.52**	**2,703.30**	**2,25,149.82**	**1,94,546.12**	**3,814.40**	**1,98,360.52**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Major segment

Particulars	2019-20			2018-19		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Crop Protection*	1,71,943.73	-	1,71,943.73	1,48,147.70	-	1,48,147.70
Crop Nutrition	9,991.55	-	9,991.55	8,304.80	-	8,304.80
Polymer	-	2,703.30	2,703.30	-	3,814.40	3,814.40
Seeds	35,724.56	-	35,724.56	31,083.77	-	31,083.77
Others	3,410.46	-	3,410.46	6,188.82	6,188.82	
Total	**2,21,070.30**	**2,703.30**	**2,23,773.60**	**1,93,725.09**	**3,814.40**	**1,97,539.49**

*Crop Protection includes Fungicide, Herbicides and Insecticides.

Sales by performance obligations

Particulars	2019-20			2018-19		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Upon shipment	65,290.23	2,703.30	67,993.53	61,325.49	3,814.40	65,139.89
Upon delivery	1,55,780.07	-	1,55,780.07	1,32,399.60	-	1,32,399.60
Total	**2,21,070.30**	**2,703.30**	**2,23,773.60**	**1,93,725.09**	**3,814.40**	**1,97,539.49**

Reconciliation of revenue from contract with customer

Particulars	2019-20	2018-19
Revenue from contract with customer as per the contract price	2,87,302.49	2,61,364.40
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	14,858.56	12,077.64
b) Sales Returns / Credits / Reversals	48,670.33	51,747.27
Revenue from contract with customer	**2,23,773.60**	**1,97,539.49**
Sale of services	51.44	55.35
Other operating revenue	1,324.78	765.69
Revenue from operations	**2,25,149.82**	**1,98,360.53**

46 Scheme of Arrangement ('The Scheme')

46 (a) : Merger of Metahelix Life Sciences Limited with Rallis India Limited

i) Pursuant to the scheme of Arrangement ('the Scheme') approved by the National Company Law Tribunal ('the NCLT'), Bengaluru Bench and the NCLT, Mumbai Bench vide its order dated November 11 , 2019 and December 20, 2019 respectively, Metahelix Life Sciences Limited (the Merged Undertaking) wholly owned subsidiary of the Company, merged with the Company with effect from April 1 2019 ('the appointed date'). As per Appendix C of Ind AS 103 - Business Combinations, the financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occured from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combination is accounted with effect from April 1 2018.

ii) The Merged Undertaking is engaged in the business of agricultural operations focusing on developing traits and technologies for crop protection & improved productivity and cultivation, production, processing and manufacturing, marketing and sales of Seeds. The acquisition is in-line with the Company's strategy to grow the business and saving in costs of operations.

iii) Accounting treatment of the arrangement

Business combination is accounted for using the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations as notified under Section 230 to 232 of the Companies Act, 2013 which involves the following:

a) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occured from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combinations is accounted with effect from April 1 2018.

b) The Company has recorded the asset and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective book values appearing in the books of the Merged Undertaking.

c) The value of investment in the Merged Undertaking in the books of the Company shall be cancelled.

d) No adjustments are made to reflect fair values, or recognise any new assets or liabilities

e) As per clarification in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 9, goodwill has been recognised in the books of the Company

f) The difference between the net assets of the Merged Undertaking transferred to Company, after making adjustment specified in (c) and (d) shall be adjusted in 'Other Equity' of the Company.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Accordingly, the merger has resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summarised values:

Particulars	March 31, 2019	April 1, 2018
ASSETS		
Non-current assets		
a) Property, plant and equipment	2,034.68	2,105.80
b) Capital work-in-progress	9.20	27.94
c) Other intangible assets	674.98	569.78
d) Intangible assets under development	2,598.39	2,235.94
e) Financial assets		
i) Investments	-	204.23
ii) Loans	189.48	444.84
iii) Other financial assets	20.75	-
f) Income-tax assets (Net)	1,279.75	906.06
g) Deferred tax assets (Net)	2,280.92	2,078.14
Total non-current assets	**9,088.15**	**8,572.73**
Current assets		
a) Inventories	24,419.87	19,854.84
b) Financial assets		
i) Investments	3,077.13	-
ii) Loans	93.33	111.61
iii) Trade receivables	3,332.22	3,603.27
iv) Cash and cash equivalents	491.74	2,425.42
v) Bank balances other than (iii) above	132.42	149.99
vi) Other financial assets	1.69	10.56
c) Other current assets	1,667.87	1,780.80
Total current assets	**33,216.27**	**27,936.49**
Total assets (A)	**42,304.42**	**36,509.22**
EQUITY AND LIABILITIES		
Liabilities		
Non-current liabilities		
a) Financial liabilities		
Borrowings	113.66	197.22
Other financial liabilities	640.50	606.56
b) Provisions	160.39	156.87
c) Deferred tax liabilities (Net)	-	-
d) Other non-current liabilities	9.81	11.32
Total non-current liabilities	**924.36**	**971.97**
Current liabilities		
a) Financial liabilities		
i) Trade payables	17,704.35	16,530.39
ii) Other financial liabilities	1,891.34	1,272.11
b) Other current liabilities	8,479.13	6,614.23
c) Provisions	75.22	71.01
d) Income-tax liabilities (Net)	65.70	92.24
Total current liabilities	**28,215.74**	**24,579.98**
Total equity and liabilities (B)	**29,140.10**	**25,551.95**
Total net identifiable assets acquired C = (A-B)	**13,164.32**	**10,957.27**
Recognition of goodwill (D)	**16,522.26**	**16,522.26**
Cost of investment in the Merged Undertaking (E)	**24,436.62**	**24,436.62**
Elimination of inter-company transactions (F)	**121.51**	**149.71**
Net impact transferred to other equity G= C+D-E-F	**5,128.45**	**2,893.20**
Balance in securities premium reserve		6,704.32
Net impact after considering balances in securities premium reserve		(3,811.12)
Total		**2,893.20**

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

iv) Other adjustments/matters arising out of merger

As per Appendix C of Ind AS 103 'Business Combination' for all the business combinations under common controls the financial information in the financial statements in respect of prior period should be restated as if the business combination had occurred from the beginning of Ihe preceding period in the financial statements, irrespective of acrual date of the combination. Hence financial statements of the Merged Undertaking are merged with effect from April 1 2018. Accordingly figures for the year ended March 31 2019 reinstated are after giving effect to the merger.

46 Scheme of Arrangement ('The Scheme')

46 (b) : Merger of Zero Waste Agro Organics Limited with Rallis India Limited

i) Pursuant to the scheme of Arrangement ('the Scheme') approved by the National Company Law Tribunal ('the NCLT'), Mumbai Bench vide its order dated February 20, 2020, Zero Waste Agro Organics Limited (the Merged Undertaking), wholly owned subsidiary of the Company, merged with the Company with effect from April 1 2017 ('the appointed date'). As per Appendix C of Ind AS 103 - Business Combinations, the financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occured from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combination is accounted with effect from April 1 2018.

ii) The Merged Undertaking is engaged in the business of agricultural operations focusing on soil nutrition & improved productivity and production, processing and manufacturing, marketing of soil nutrition. The acquisition is in-line with the Company's strategy to grow the business and saving in costs of operations.

iii) Accounting treatment of the arrangement

Business combination is accounted for using the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations as notified under Section 230 to 232 of the Companies Act, 2013 which involves the following:

a) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occured from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combinations is accounted with effect from April 1 2018.

b) The Company has recorded the asset and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective book values appearing in the books of the Merged Undertaking.

c) The value of investment in the Merged Undertaking in the books of the Company shall be cancelled.

d) No adjustments are made to reflect fair values, or recognise any new assets or liabilities

e) As per clarification in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 9, goodwill has been recognised in the books of the Company

f) The difference between the net assets of the Merged Undertaking transferred to Company, after making adjustment specified in (c) and (d) shall be adjusted in 'Other Equity' of the Company.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Accordingly, the merger has resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summarised values:

Particulars	March 31, 2019	April 1, 2018	April 1, 2017
ASSETS			
Non-current assets			
a) Property, plant and equipment	10.79	20.91	65.08
b) Financial assets			
i) Loans	0.83	0.83	-
c) Deferred tax assets (Net)	30.00	84.73	145.70
d) Income-tax assets (Net)	63.28	45.28	11.90
e) Other non-current assets	20.01	22.72	18.62
Total non-current assets	**124.91**	**174.47**	**241.30**
Current assets			
a) Inventories	109.30	89.51	149.64
b) Financial assets			
i) Investments	1,521.67	1,166.26	1,094.90
ii) Trade receivables	160.57	256.73	51.92
iii) Cash and cash equivalents	21.11	39.14	18.49
c) Other current assets	31.74	32.07	14.95
Total current assets	**1,844.39**	**1,583.71**	**1,329.90**
Total assets (A)	**1,969.30**	**1,758.18**	**1,571.20**
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
a) Financial liabilities			
i) Trade payables	181.86	133.43	140.84
ii) Other financial liabilities	-	2.00	2.00
b) Other current liabilities	1.80	3.13	2.85
Total current liabilities	**183.66**	**138.56**	**145.69**
Total equity and liabilities (B)	**183.66**	**138.56**	**145.69**
Total net identifiable assets acquired C = (A-B)	**1,785.64**	**1,619.62**	**1,425.51**
Recognition of goodwill (D)	**3,060.05**	**3,060.05**	**3,060.05**
Cost of investment in the Merged Undertaking (E)	**6,134.39**	**6,134.39**	**6,134.39**
Elimination of inter-company transactions (F)	**48.42**	**153.34**	**59.39**
Net impact transferred to other equity G= C+D-E-F	**(1,337.12)**	**(1,608.06)**	**(1,708.22)**
Balance in securities premium reserve		1,797.73	
Net impact after considering balances in securities premium reserve		(3,405.79)	
Total		**(1,608.06)**	

iv) Other adjustments/matters arising out of merger

As per Appendix C of Ind AS 103 'Business Combination' for all the business combinations under common controls the financial information in the financial statements in respect of prior period should be restated as if the business combination had occurred from the beginning of Ihe preceding period in the financial statements, irrespective of actual date of the combination. Hence financial statements of the Merged Undertaking are merged with effect from April 1 2018. Accordingly figures for the year ended March 31 2019 reinstated are after giving effect to the merger.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

47: Trade Payable Includes Amount Payable to Micro, Small and Medium Enterprises as Follows

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year*	**369.13**	288.82
(ii) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	**0.33**	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**0.98**	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2000	**-**	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

* out of above, amount overdue is ₹ Nil (March 31, 2019 ₹ Nil)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

48: The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 463.06 lakhs (March 31, 2019 ₹ 436.85 lakhs). Amount spent during the year on CSR activities (included in Note 30 and Note 33 of the Standalone Statement of Profit and Loss) as under

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amount spent for the year		
Employee benefits expense	**20.04**	19.23
Expenses yet to be incurred	**27.01**	20.25
Other expenses (for healthcare, education, women empowerment, skill development, disaster relief, etc.)	**417.41**	395.26
	464.46	434.74
In cash	**437.45**	414.49
Yet to be paid in cash	**-**	-
	437.45	414.49

49: The Company made a contribution to an electoral trust of ₹ Nil (March 31, 2019 ₹ 500 lakhs) which is included in other expenses.

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

50: The Ministry of Home Affairs vide order No.40-3/2020 dated March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of COVID 19. The operations were disrupted at certain manufacturing facilities and depots of the Company, as a result of which goods worth ₹ 1,604.70 lakhs could not be dispatched to the domestic market. Further, international shipments were also disrupted due to absence of transportation facilities in the last week of March 2020 resulting in lower shipment of ₹ 5,318.66 lakhs.

51: Exceptional item comprises profit on sale of flats (net of costs) which was grouped under Investment Property.

52: Figures pertaining to March 31, 2019 have been recast to give effect of merger with Seeds division (earlier named as Metahelix life sciences limited) and Geogreen division (earlier named as Zero waste agro organics limited)

53: Subsequent event

The Board of Directors at its meeting held on May 5, 2020 has recommended a dividend of ₹ 2.50 per equity share (March 31, 2019 ₹ 2.50 per equity share), subject to shareholders approval at annual general meeting.

54: The MCA wide notification dated October 11, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan (DIN: 00778253) — *Director*

Sanjiv Lal (DIN: 08376952) — *Managing Director and CEO*

Ashish Mehta (M. No. 53039) — *Chief Financial Officer*

Yashaswin Sheth (M. No. A15388) — *Company Secretary*

Mumbai, May 5, 2020

Independent Auditors' Report to the Members of Rallis India Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rallis India Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"). In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of a subsidiary, as it was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (adjustments for sales return, rebate, discounts and incentives) (Refer note 3.18 and 47)

The Key Audit Matter	How the matter was addressed in our audit
As disclosed in Note 3.18 and 47 to the Consolidated financial statements, revenue is measured based on transaction price, which is the consideration, after deduction of estimated sales returns, rebates, discounts and incentives. Estimation of sales returns involves significant judgement and estimates. The estimation is dependent on various internal and external factors. These factors include, for example, climatic conditions, the length of time when a sale is made and when the sales return takes place, some of which are beyond the control of the Group. The recognition and measurement of rebates, discounts and incentives involves significant judgement and estimates, particularly the expected level of claims of each of the customers. Assumption of level of customer wise claims for rebates, discounts and incentives relates to estimating which of the Group's customers will ultimately be subject to a related rebate, discount and / or incentive.	Our audit procedures included following: - Understanding the process followed by the Group to determine the amount of accrual of sales returns, rebates, discounts and incentives; - Assessing the accounting policies of the Group regarding accounting for sales returns, rebates, discounts and incentives as against the criteria given in the accounting standards; - Testing the Group's key internal controls related to the development of assumption of expected returns based on experience, of level of customer wise claims for rebates, discounts, incentives and related accruals; - Testing the Group's process and key internal controls over the accrual of sales returns, rebates, discounts and incentives. Selecting samples of revenue transactions and marketing circulars. Rechecking accrual for rebates, discounts and incentives calculated in accordance with the eligibility criteria mentioned in the marketing circular;

The Key Audit Matter	How the matter was addressed in our audit
Evaluating the assumption of expected returns based on experience and level of customer wise claims for rebates, discounts and incentives underlying the estimate of accrual involves challenging auditor judgment. We identified the evaluation of accrual for sales returns, rebates, discounts and incentives as a key audit matter.	- Checking completeness and accuracy of the data used by the Group for accrual of sales returns, rebates, discounts and incentives and also checking the accrual for a selected sample of sales; - Examining historical trend of claims to assess the assumptions and judgements used by the Group in accrual of sales returns, rebates, discounts and incentives. Evaluating the Group's ability to accurately estimate the accrual for sales returns, rebates, discounts and incentives. Comparing historically recorded accruals to the actual amount of sales returns, rebates, discounts and incentives.

Impairment testing of other intangible assets and intangible assets under development (Refer note 3.16 and 6.1 and 6.2)

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of the intangible assets and intangible assets under development represents 10.31% of the Group's total assets. **Impairment testing of goodwill** As disclosed in Note 3.16 and 6.1 to the standalone financial statements, the Group tests goodwill for impairment annually, or more frequently when there is an indication that the cash generating unit to which goodwill has been allocated may be impaired. We identified the annual impairment assessment as a key audit matter because the assessment process is complex and judgmental by nature and is based on assumptions on : - projected future cash inflows; - expected growth rate; - discount rate; - perpetuity; - sensitivity analyses; - expected profitability; and - future market and / or economic conditions **Other intangible assets and intangible assets under development** The Group applies for product registrations in different countries to sell its products. As disclosed in Note 3.16 and 6.2 to the standalone financial statements, the Group capitalises costs incurred to apply for product registrations. The impairment assessment is based on each product registrations value in use. The measurement of value of intangible assets involves significant judgments and estimates in the Group's annual impairment assessment, the significance and magnitude of the costs capitalised and likelihood of obtaining product registration. We identified the measurement of value of intangible assets as a key audit matter.	Our audit procedures in respect of impairment testing of goodwill included the following: - Obtaining an understanding of the Group's process of determining the recoverable amounts of cash generating units to which the goodwill is allocated. - Evaluating the model used in determining the value in use of the cash generating units. Involving valuation expert who assisted us to evaluate the model and assumptions used around the key drivers of the valuations. Assessing the cash generating unit's current year actual results in comparison with prior year forecasts to assess forecast accuracy; - Assessing the Group's assumptions in the model, including growth rate, rate of discounting, in comparison to economic and industry forecast; and - Focusing on the adequacy of the Group's disclosures on key assumptions used for impairment testing of goodwill. Our audit procedures in respect of impairment testing of other intangible assets and intangible assets under development included the following: - Obtaining an understanding of the Group's process of determining likelihood of product registration, future benefits expected from each product registration using discounted future cash flows; - Comparing the Group's assessment with the past trend of product registrations awarded; - Assessing the discounted cash flow model; - Evaluating the assumptions and methodologies used by the Group; and - Focusing on the adequacy of the Group's disclosures on key assumptions used for impairment testing of intangible assets and intangible assets under development.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of PT Metahelix Lifesciences Indonesia, subsidiary of the Holding Company whose financial statements reflect total assets of ₹ 1.24 crore as at March 31, 2020, total revenues of ₹ 0.32 crore and net cash outflows amounting to ₹ 1.15 crore for the year ended on that date, as considered in the consolidated financial statements. These standalone financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditors.

The aforesaid subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in it's respective country and which has been audited by other auditors under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial statements of Rallis Chemistry Exports Limited, whose financial statements reflect total assets of ₹ Nil as at March 31, 2020, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of a subsidiary as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 reports of the other auditors on separate financial statements of a subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements;

ii. The Group did not have any long-term contracts for which there were any material foreseeable losses. The Group has made provision for foreseeable losses on derivative contracts – Refer Note 21 to the consolidated financial statements;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

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

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

Aniruddha Godbole
Partner
Membership No: 105149
UDIN : 20105149AAAABU3216

Mumbai
May 5, 2020

Annexure A to the Independent Auditors' Report – March 31, 2020

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

(Referred to in Paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Rallis India Limited ("the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Holding company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company's internal financial control reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding 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 Holding company are being made only in accordance with authorisations of management and directors of the Holding company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

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

Aniruddha Godbole
Partner
Membership No: 105149
UDIN : 20105149AAAABU3216

Mumbai
May 5, 2020

Consolidated Balance Sheet as at March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current Assets			
a) Property, plant and equipment	4 (a)	**36,078.05**	36,976.98
b) Capital work-in-progress	4 (a)	**2,875.71**	1,287.69
c) Right-of-use asset	4 (b)	**2,644.04**	-
d) Investment property	5	**12.82**	549.86
e) Goodwill	6.1	**19,582.31**	19,582.31
f) Other intangible assets	6.2	**966.09**	968.35
g) Intangible assets under development	6.2	**4,694.65**	3,782.88
h) Financial assets			
i) Investments	7	**379.69**	378.84
ii) Loans	8	**907.07**	674.09
iii) Other financial assets	9	**76.51**	42.17
i) Income-tax assets (Net)	10.1	**11,002.26**	7,519.64
j) Other non-current assets	14	**4,205.12**	3,178.52
Total non-current assets		**83,424.32**	**74,941.33**
Current Assets			
a) Inventories	11	**69,920.02**	67,355.35
b) Financial assets			
i) Investments	7	**29,867.42**	10,548.14
ii) Loans	8	**-**	93.33
iii) Trade receivables	12	**45,059.14**	44,906.94
iv) Cash and cash equivalents	13.1	**4,651.73**	4,184.99
v) Bank balances other than (iv) above	13.2	**213.34**	389.81
vi) Other financial assets	9	**648.54**	460.54
c) Other current assets	14	**10,636.53**	13,380.80
		1,60,996.72	**1,41,319.90**
Assets classified as held for sale	15	**426.78**	-
Total current assets		**1,61,423.50**	**1,41,319.90**
Total assets		**2,44,847.82**	**2,16,261.23**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	**1,944.71**	1,944.71
b) Other equity	17	**1,39,000.60**	1,26,648.01
Equity attributable to owners of the Holding Company		**1,40,945.31**	**1,28,592.72**
Non-controlling interest	18	**68.55**	184.18
Total equity		**1,41,013.86**	**1,28,776.90**
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
Borrowings	19.1	**1,236.30**	1,580.16
Lease liabilities	19.2	**1,438.70**	-
b) Other financial liabilities	21	**644.95**	640.50
c) Provisions	22	**2,564.74**	2,188.88
d) Deferred tax liabilities (Net)	23	**2,849.39**	1,644.51
e) Other non-current liabilities	25	**9.82**	9.81
Total non-current liabilities		**8,743.90**	**6,063.86**
Current liabilities			
a) Financial liabilities			
i) Borrowings	20	**4,961.79**	5,295.86
ii) Trade payables	24		
-total outstanding dues of micro enterprises and small enterprises		**369.13**	288.82
-total outstanding dues of creditors other than micro enterprises and small enterprises		**63,365.03**	53,192.78
iii) Other financial liabilities	21	**8,931.86**	10,679.62
iv) Lease liabilities	19.2	**1,392.43**	-
b) Other current liabilities	25	**12,002.77**	9,911.25
c) Provisions	22	**1,705.08**	1,624.99
d) Income-tax liabilities (Net)	10.1	**2,361.97**	427.15
Total current liabilities		**95,090.06**	**81,420.47**
Total liabilities		**1,03,833.96**	**87,484.33**
Total equity and liabilities		**2,44,847.82**	**2,16,261.23**
See accompanying notes to the consolidated financial statements	1 to 53		

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan (DIN: 00778253) — *Director*

Sanjiv Lal (DIN: 08376952) — *Managing Director and CEO*

Ashish Mehta (M. No. 53039) — *Chief Financial Officer*

Yashaswin Sheth (M. No. A15388) — *Company Secretary*

Mumbai, May 5, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

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

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	26	2,25,181.55	1,98,395.89
II	Other income	27	3,433.40	3,065.26
III	**Total Income (I+II)**		2,28,614.95	2,01,461.15
IV	**EXPENSES**			
	Cost of materials consumed	28	1,28,206.84	1,19,529.09
	Purchases of stock-in-trade	29	14,121.26	11,642.09
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(3,330.39)	(14,018.10)
	Employee benefits expense	31	20,010.40	18,063.56
	Finance costs	32	611.22	524.74
	Depreciation and amortisation expense	33	6,151.16	4,607.81
	Other expenses	34	40,237.55	39,085.52
	Total expense (IV)		2,06,008.04	1,79,434.71
V	**Profit before exceptional items and tax (III-IV)**		22,606.91	22,026.44
VI	**Exceptional items**	51	1,142.33	-
VII	**Profit before tax (V+VI)**		23,749.24	22,026.44
VIII	**Tax Expense**			
	(1) Current tax	10.2	6,906.80	6,875.99
	(2) Deferred tax	10.2	(1,526.36)	(327.94)
	Total tax expense		5,380.44	6,548.05
IX	**Profit for the year (VII-VIII)**		18,368.80	15,478.39
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss :			
	a) Remeasurements of the employee defined benefit plans		(241.55)	20.74
	b) Equity instruments through other comprehensive income		0.85	(141.41)
	c) Income tax relating to item that will not be reclassified to profit or loss		56.31	(24.65)
	Items that will be reclassified to profit or loss :			
	Exchange differences in translating the financial statements of a foreign operation		(3.18)	(2.69)
	Total other comprehensive income (net of taxes)		(187.57)	(148.01)
XI	**Total comprehensive income for the year**		18,181.23	15,330.38
XII	**Profit for the year attributable to:**			
	Owners of the Holding Company		18,484.43	15,538.45
	Non-controlling interests		(115.63)	(60.06)
			18,368.80	15,478.39
XIII	**Other comprehensive income attributable to:**			
	Owners of the Holding Company		(187.57)	(148.01)
	Non-controlling interests		-	-
			(187.57)	(148.01)
XIV	**Total comprehensive income attributable to:**			
	Owners of the Holding Company		18,296.86	15,390.44
	Non-controlling interests		(115.63)	(60.06)
			18,181.23	15,330.38
	Earning per equity share (of ₹ 1 each)	35		
	(1) Basic (in ₹)		9.51	7.99
	(2) Diluted (In ₹)		9.51	7.99
See accompanying notes to the consolidated financial statements		1 to 53		

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

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan — *Director*
(DIN: 00778253)

Sanjiv Lal — *Managing Director and CEO*
(DIN: 08376952)

Ashish Mehta — *Chief Financial Officer*
(M. No. 53039)

Yashaswin Sheth — *Company Secretary*
(M. No. A15388)

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

Mumbai, May 5, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

A. Equity Share Capital

Balance as at April 1, 2018	**1,944.71**
Changes in Equity Share Capital during 2018-2019	-
Balance as at March 31, 2019	**1,944.71**
Changes in Equity Share Capital during 2019-2020	-
Balance as at March 31, 2020	**1,944.71**

B. Other Equity

	Attributable to the owners of the company								Non-controlling interests	Total
	Securities premium reserve	Retained earnings	Capital Reserve	Capital Redemption Reserve	General Reserve	Equity Instrument through OCI	Foreign currency translation reserve	Total		
Balance as at April 1, 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	1,17,223.28
Profit for the year	-	15,538.45	-	-	-	-	-	15,538.45	(60.06)	15,478.39
Other comprehensive income (net of taxes)	-	(3.91)	-	-	-	(141.41)	(2.69)	(148.01)	-	(148.01)
Total comprehensive income	**-**	**15,534.54**	**-**	**-**	**-**	**(141.41)**	**(2.69)**	**15,390.44**	**(60.06)**	**15,330.38**
Transfer to / (from) retained earnings	-	(141.22)	-	-	-	141.22	-	-	-	-
Payment of dividends	-	(4,861.72)	-	-	-	-	-	(4,861.72)	-	(4,861.72)
Payment of dividend distribution tax	-	(999.34)	-	-	-	-	-	(999.34)	-	(999.34)
Others	-	5.98	-	-	-	-	-	5.98	-	5.98
Movement in non-controlling interests	-	-	-	-	-	-	-	-	133.61	133.61
Balance as at March 31, 2019	**8,793.88**	**90,822.35**	**1,243.10**	**8,151.77**	**17,649.93**	**0.20**	**(13.22)**	**1,26,648.01**	**184.18**	**1,26,832.19**
Others	-	27.65	-	-	-	-	-	27.65	-	27.65
Leases (IND AS 116) transition effect (net of taxes)	-	(110.86)	-	-	-	-	-	(110.86)	-	(110.86)
Profit for the year	-	18,484.43	-	-	-	-	-	18,484.43	(115.63)	18,368.80
Other comprehensive income (net of taxes)	-	(185.24)	-	-	-	0.85	(3.18)	(187.57)	-	(187.57)
Total comprehensive income	**-**	**18,299.19**	**-**	**-**	**-**	**0.85**	**(3.18)**	**18,296.86**	**(115.63)**	**18,181.23**
Payment of dividends	-	(4,861.72)	-	-	-	-	-	(4,861.72)	-	(4,861.72)
Payment of dividend distribution tax	-	(999.34)	-	-	-	-	-	(999.34)	-	(999.34)
Balance as at March 31, 2020	**8,793.88**	**1,03,177.27**	**1,243.10**	**8,151.77**	**17,649.93**	**1.05**	**(16.40)**	**1,39,000.60**	**68.55**	**1,39,069.15**

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan (DIN: 00778253) — *Director*

Sanjiv Lal (DIN: 08376952) — *Managing Director and CEO*

Ashish Mehta (M. No. 53039) — *Chief Financial Officer*

Yashaswin Sheth (M. No. A15388) — *Company Secretary*

Mumbai, May 5, 2020

Consolidated Statement of Cash Flows for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

		For the year ended March 31, 2020	For the year ended March 31, 2019
A	*CASH FLOW FROM OPERATING ACTIVITIES:*		
	Profit before tax	23,749.24	22,026.44
	Adjustments for :		
	Finance costs	611.22	524.74
	Depreciation and amortisation expense	6,151.16	4,607.81
	Interest income	(402.64)	(288.93)
	Dividend Income	(226.41)	(283.63)
	Fair valuation gain on investment in Mutual fund	(381.45)	(17.39)
	Gain on redemption of current investments	(156.30)	(66.97)
	Credit balances written back	(430.25)	(390.17)
	Allowance for doubtful debts(Net)	696.36	291.53
	Allowance for doubtful advances	2.40	31.98
	Capital work-in-progress written off	26.94	-
	Investment written off	-	24.60
	Tangible assets written off	8.84	-
	Impairment of Intangible assets and intangible assets under development	177.52	308.48
	Bad debts	222.73	242.25
	(Reversal)/provision for indirect tax matters	(245.37)	10.00
	Provision for directors pension liability	27.87	722.92
	Provision/(reversal) for supplemental pay	81.83	(41.52)
	Provision for gratuity	190.09	32.76
	Provision for compensated absences	213.11	43.03
	Mark-to-market loss on forward contract	3.97	(79.32)
	Net unrealised foreign exchange loss / (gain)	466.60	(342.09)
	(Gain)/Loss on disposal of property, plant and equipment and investment property	(1,151.66)	59.67
	Operating profit before working capital changes	**29,635.80**	**27,416.19**
	Movements in working capital:		
	(Increase) in Trade and other receivables	(825.74)	(5,859.30)
	(Increase) in Inventories	(2,350.20)	(10,137.07)
	(Increase) in Loans	(139.65)	(10.40)
	(Increase) in other financial assets	(184.34)	(63.43)
	Decrease/(increase) in other assets	2,740.14	(694.27)
	Increase in trade payables	9,756.18	2,071.32
	(Decrease)/Increase in other financial liabilities	(1,403.45)	1,493.38
	Increase in other liabilities	2,091.53	879.55
	CASH GENERATED FROM OPERATIONS	**39,320.27**	**15,095.97**
	Income taxes paid (net of refunds)	(5,636.16)	(7,090.29)
	NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (A)	**33,684.11**	**8,005.68**
B	*CASH FLOW FROM INVESTING ACTIVITIES:*		
	Interest received	393.20	296.80
	Dividend received	226.41	283.63
	Payments for property, plant and equipment (including Adjustments on account of capital work-in-progress, capital creditors and capital advances)	(6,197.23)	(3,378.92)
	Payments for intangible assets	(1,662.93)	(1,274.88)
	Proceeds from disposal of property, plant and equipment and investment property	1,297.00	33.16
	Payment for purchase of investment in equity shares	-	(19.60)
	Purchase of current investments	(71,341.78)	(15,179.03)
	Proceeds from sale of current investments	52,560.25	13,895.94
	Proceeds from issue of shares to miniority shareholder	-	133.61
	Investments in bank deposits	133.10	64.38
	NET CASH FLOWS (USED IN) INVESTING ACTIVITIES (B)	**(24,591.98)**	**(5,144.91)**

Consolidated Statement of Cash Flows for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

		For the year ended March 31, 2020	For the year ended March 31, 2019
C	*CASH FLOW FROM FINANCING ACTIVITIES:*		
	Repayment of long-term borrowings (including current maturities)	**(398.98)**	(453.22)
	Proceeds from short-term borrowings	**28,900.00**	10,700.00
	Repayment of short-term borrowings	**(28,050.00)**	(9,000.00)
	Repayment of finance lease obligations	**(1,684.11)**	(7.78)
	Dividend paid on equity shares (including dividend distribution tax)	**(5,873.47)**	(5,853.45)
	Interest paid	**(347.17)**	(527.60)
	Bank balances in dividend account	**12.41**	(7.61)
	NET CASH FLOWS (USED IN) FINANCING ACTIVITIES (C)	**(7,441.32)**	**(5,149.66)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**1,650.81**	**(2,288.89)**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash in hand	**4.83**	3.92
	Balances with banks in current account and deposit account	**4,180.16**	2,888.69
	*Bank overdrafts and cash credit facility (secured)**	**(3,595.86)**	(14.59)
		589.13	**2,878.02**
	Net cash and cash equivalents as per Cash flow statement	**2,239.94**	589.13
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in hand	**3.14**	4.83
	Balances with banks in current account and deposit account	**4,648.59**	4,180.16
	Bank overdrafts and cash credit facility (secured)*	**(2,411.79)**	(3,595.86)
	CASH AND CASH EQUIVALENTS AS PER NOTE 13.1	**2,239.94**	**589.13**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Long-term borrowings (including current maturities)	**1,966.72**	2,419.94
Short-term borrowings (excluding bank overdrafts and cash credit facility)	**1,700.00**	-
Movements		
Long-term borrowings (including current maturities)	**(398.98)**	(453.22)
Short-term borrowings (excluding bank overdrafts and cash credit facility)	**850.00**	1,700.00
Closing balances		
Long-term borrowings (including current maturities)	**1,567.74**	1,966.72
Short-term borrowings (excluding bank overdrafts and cash credit facility)	**2,550.00**	1,700.00

* Bank overdrafts and cash credit facility are part of cash management system of the Group. Hence, considered as part of cash and cash equivalents.

See accompanying notes to the consolidated financial statements 1 to 53

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan (DIN: 00778253) — *Director*

Sanjiv Lal (DIN: 08376952) — *Managing Director and CEO*

Ashish Mehta (M. No. 53039) — *Chief Financial Officer*

Yashaswin Sheth (M. No. A15388) — *Company Secretary*

Mumbai, May 5, 2020

Notes to the consolidated financial statements for the year ended March 31, 2020

1. Corporate Information

Rallis India Limited (the "Holding Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Holding Company's shares are listed on National Stock Exchange and Bombay Stock Exchange. Its parent and ultimate holding Group is Tata Chemicals Limited. The principal activity of the Group and its subsidiaries (hereinafter referred to as the "Group") is manufacture and marketing of Agri Inputs.

The Holding Company's registered office is at 23rd Floor Lodha Excelus New Cuffe Parade Off Eastern Freeway Wadala Mumbai 400037.

The consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on May 5, 2020.

During the year, two subsidiaries of the Company (Metahelix Life Sciences Limited and Zero Waste Agro Organics Limited) were merged with the Company pursuant to respective Scheme of arrangements. Refer Note 48 (a) and 48 (b) to the consolidated financial statements.

2. Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. Significant Accounting Policies

3.1 Statement of Compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

3.2 Basis of Preparation and Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income ·of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of companies, controlled directly or indirectly by the Holding Company which are included in the consolidated financial statements are as under:

Name	Relationship	Country of Incorporation	Ownership Interest	
			March 31, 2020	March 31, 2019
Rallis Chemistry Exports Limited	Subsidiary	India	**100%**	100%
PT Metahelix Life Sciences Indonesia	Subsidiary	Indonesia	**65.77%**	65.77%
Metahelix Life Sciences Limited*	Subsidiary	India	-	100%
Zero Waste Agro-Organics Limited*	Subsidiary	India	-	100%

*Refer Note 48(a and 48(b) to the Consolidated Financial Statements.

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

Notes to the consolidated financial statements for the year ended March 31, 2020

- 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 amalgamation of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Foreign and Presentation Currency

The Consolidated financial statements are presented in Indian Rupees (INR), which is also the 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 Consolidated Statement of profit and loss.

3.8 Property Plant and Equipment (PPE)

(a) *Recognition and measurement*

On adoption of Ind AS, the Group retained the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Upto March 31, 2019, assets held under finance leases were depreciated over their expected useful lives on the same basis as owned assets. However, when there was no reasonable certainty that ownership will be obtained by the end of the lease term, assets were depreciated over the shorter of the lease term and useful lives. With effect from April 1, 2019, leases are accounted as per IND AS 116 Leases as set out in para 3.11.

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.

Notes to the consolidated financial statements for the year ended March 31, 2020

(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 Holding Company
Buildings including factory buildings	3-60	3-60
General Plant and Machinery	8	1-36
Electrical Installations and Equipments	10	2-32
Furniture and Fixtures	10	3-28
Office Equipments	5	2-13
Vehicles	8	8-13
Computer and Data Processing Units	3-6	1-10
Laboratory Equipments	10	1-19
Leasehold improvements	NA	shorter of lease period or above estimated useful life

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(c) *Gain or Loss on disposal*

Any gain or loss on disposal of an property, plant and equipment is recognized in the Consolidated Statement of profit and loss.

3.9 Investment Property

(a) *Recognition and Measurement*

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an investment property comprises its purchase price and any directly attributable expenditure. After initial recognition, the Group carries the investment property at the cost less accumulated depreciation and accumulated impairment, if any.

The residual value and the useful life of an asset is reviewed at least at each financial year end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

(b) *Depreciation*

After initial recognition, the Group measures all of its investment property in accordance with Ind AS 16 – Property, Plant and Equipment requirements for cost model. The depreciable amount of an item of investment property is allocated on a systematic basis over its useful life. The Group provides depreciation on the straight line method. The Group believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The depreciation charge for each period is generally recognised in the Consolidated Statement of profit and loss.

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
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 Holding Company
Product registrations	4
Seed development technology	3
Licenses and commercial rights	4
Computer software	2-9

The estimated useful life is reviewed annually by the management.

3.11 Leases

Policy Applicable before April 1, 2019

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 Consolidated Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is 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 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 recognised as expenses in the periods in which they are incurred.

Policy Applicable after April 1, 2019

The Group has adopted Ind AS 116 effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Consolidated Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2020.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

As a lessee, The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

The Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Groups's leases mainly comprise land and buildings and Plant and equipment. The Group leases land and buildings for warehouse facilities. The Group also has leases for equipment.

3.12 Non-current Assets held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment, the investment that will be disposed off is classified as held for sale when the criteria described above are met.

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.

3.13 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, less impairment losses if any.

3.14 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.

3.15 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).

3.16 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.

Notes to the consolidated financial statements for the year ended March 31, 2020

PPE and other intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated Statement of profit and loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.17 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.

For seeds, remnant/substandard stocks are not valued and are accounted as revenue in the year of sale of such stock. Cost associated with hybrid seed production in leased land for which produce is yet to be received will be accounted as work-in-progress.

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.

3.18 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

3.18.1 Sale of Goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Group has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Group has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Impact on adoption of Ind AS 115 was not material.

3.18.2 Rendering of Services

Income recognition for services takes place as and when the services are performed in accordance with IND AS 115.

3.18.3 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.

3.18.4 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).

3.18.5 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.

3.19 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.

3.20 Research and Development Expenses

Research expenditure is charged to the Consolidated Statement of profit and loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.21 Employee benefit Expenses

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

3.21.1 Post-employment benefit Plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as defined contribution schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Group operates various defined benefit plans- gratuity fund, supplemental pay and director pension liability.

The Group also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Rallis India Limited Provident Fund. The rules of the Group's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Group. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency as at the year end.

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3.21.2 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.

3.22 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 Consolidated Statement of profit and loss within Finance costs of the period in which they are incurred.

3.23 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Managing Director & CEO of the Holding Company.

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

3.24 Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Consolidated Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

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.

3.25 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.

3.26 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.

3.27 Earnings Per Share (EPS)

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the Group by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

3A. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Consolidated financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the consolidated financial statements and the reported amounts of the revenues and expenses for the presented. The estimates and associated assumptions are based on historical experience and other factors that are considered

Notes to the consolidated financial statements for the year ended March 31, 2020

to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

I *Critical Judgements*

In the process of applying the Group`s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Discount rate used to determine the carrying amount of the Group`s employee defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

II *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful Lives of Property, Plant and Equipment

As described in Note 3, the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

Allowances for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the consolidated financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the consolidated financial statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Group had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Group`s liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

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

Goodwill impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from March 25, 2020 announced by the Indian government, to stem the spread of COVID-19. Due to this, the operations in some of the Group's manufacturing and depot locations got temporarily disrupted. The Group manufactures agri-inputs, seeds etc amongst others and a large part of the Group's portfolio is considered essential to the agricultural communities requirements in these challenging times.

In light of these circumstances, the Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, property plant and equipment, Intangibles etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Changes in significant accounting policies

The Company has applied Ind AS 116 Leases using the modified retrospective approach (for all leases other than short-term leases and leases of low-value assets) i.e. by recognising the cumulative effect of initially applying Ind AS 116 as an adjustment to the opening balance of equity as at April 1, 2019. Due to transition method chosen by the Company in applying this standard, comparative information throughout these standalone financial statements has not been restated and continues to be reported under Ind AS 17.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

4 (a) : Property, Plant and Equipment and Capital Work-In-Progress

	As at March 31, 2020	As at March 31, 2019
Carrying amount of:		
Freehold land	187.01	187.01
Leasehold Land	1,935.40	1,959.52
Leasehold improvements	114.62	116.86
Buildings	11,310.57	12,079.55
Plant and equipment	22,111.33	22,231.90
Furniture and fixtures	220.25	224.22
Vehicles	44.70	11.52
Office equipments	154.17	142.93
Equipment under finance lease	-	23.47
	36,078.05	36,976.98
Capital work-in-progress	2,875.71	1,287.69
	38,953.76	38,264.67

4 (b) : Right-of-use Asset

	As at March 31, 2020	As at March 31, 2019
Carrying amount of:		
Vehicles	839.23	-
Plant and equipment	104.02	-
Buildings	1,464.68	-
Leasehold Land	210.61	-
Office equipments	25.50	-
	2,644.04	-

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

4 (a) : Property, Plant and Equipment and Capital Work-In-Progress (continued)

Description	Gross block						Accumulated depreciation						Carrying amount
	As at April 1, 2019	Additions	Deductions/ Reclassification	Reclassfication from / (to) assets held for sale	Reclassfication from investment property	As at March 31, 2020	As at April 1, 2019	Additions	Deductions/ Reclassification	Reclassfication from / (to) assets held for sale	Reclassfication from investment property	As at March 31, 2020	As at March 31, 2020
Freehold land	**187.01**	-	-	-	-	**187.01**	-	-	-	-	-	-	**187.01**
	187.01	-	-	-	-	**187.01**	-	-	-	-	-	-	**187.01**
Leasehold Land	**2,275.75**	-	-	-	-	**2,275.75**	**316.23**	**24.12**	-	-	-	**340.35**	**1,935.40**
	884.71	-	-	*1,391.04*	-	**2,275.75**	*156.35*	*33.74*	-	*126.14*	-	**316.23**	**1,959.52**
Leasehold improvements	**165.11**	-	-	-	-	**165.11**	**48.25**	**2.24**	-	-	-	**50.49**	**114.62**
	165.11	-	-	-	-	**165.11**	*46.01*	*2.24*	-	-	-	**48.25**	**116.86**
Buildings	**14,621.07**	**161.65**	**5.79**	**(45.15)**	**15.60**	**14,747.38**	**2,541.52**	**899.15**	**1.18**	**(4.72)**	**2.04**	**3,436.81**	**11,310.57**
	14,407.46	*217.19*	*3.58*	-	-	**14,621.07**	*1,850.96*	*694.13*	*3.57*	-	-	**2,541.52**	**12,079.55**
Plant and equipment	**33,307.45**	**3,042.37**	**109.22**	-	-	**36,240.60**	**11,075.55**	**3,146.09**	**92.37**	-	-	**14,129.27**	**22,111.33**
	31,025.92	*3,115.49*	*833.96*	-	-	**33,307.45**	*8,620.04*	*3,197.03*	*741.52*	-	-	**11,075.55**	**22,231.90**
Furniture and fixtures	**527.89**	**44.15**	**1.13**	-	-	**570.91**	**303.67**	**47.66**	**0.67**	-	-	**350.66**	**220.25**
	481.27	*51.69*	*5.07*	-	-	**527.89**	*233.94*	*74.81*	*5.08*	-	-	**303.67**	**224.22**
Vehicles	**14.23**	**42.34**	-	-	-	**56.57**	**2.71**	**9.16**	-	-	-	**11.87**	**44.70**
	17.09	*9.70*	*12.56*	-	-	**14.23**	*10.98*	*4.29*	*12.56*	-	-	**2.71**	**11.52**
Office equipments	**360.07**	**63.34**	**11.06**	-	-	**412.35**	**217.14**	**51.87**	**10.83**	-	-	**258.18**	**154.17**
	307.09	*72.00*	*19.02*	-	-	**360.07**	*183.75*	*51.95*	*18.56*	-	-	**217.14**	**142.93**
Equipment under finance lease	**36.74**	-	**36.74**	-	-	-	**13.27**	-	**13.27**	-	-	-	-
	36.97	-	*0.23*	-	-	**36.74**	*7.19*	*6.08*	-	-	-	**13.27**	**23.47**
Total	**51,495.32**	**3,353.85**	**163.94**	**(45.15)**	**15.60**	**54,655.68**	**14,518.34**	**4,180.29**	**118.32**	**(4.72)**	**2.04**	**18,577.63**	**36,078.05**
	47,512.63	*3,466.07*	*874.42*	*1,391.04*	-	**51,495.32**	*11,109.22*	*4,064.27*	*781.29*	*126.14*	-	**14,518.34**	**36,976.98**

footnotes:

1. *Cost of buildings includes cost of 10 shares (March 31, 2019 - 30 shares) of ₹ 50 each fully paid in respect of ownership flats in 2 (March 31, 2019- 6 flats) Co-operative Societies.*
2. *Buildings include assets carried at ₹ 0.76 lakhs (March 31, 2019 ₹ 0.82 lakhs) where the conveyance in favor of the Group has not been completed.*
3. *Plant and equipment includes plant and machinery, electrical installations and equipments, laboratory equipments and computers and data processing units.*
4. *Leasehold land include assets carried at ₹ 1,434.56 lakhs (as at March 31, 2019 ₹ 1,451.28 lakhs) for which the Group is in process of obtaining an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.*
5. *Plant and equipment includes a unit having carrying cost of ₹ 629.56 lakhs (March 31, 2019 ₹ 706.71 lakhs) and land and building with a carrying cost of ₹ 764.85 lakhs (March 31, 2019 ₹ 804.75 lakhs) are subject to first charge to secure two of the Group's bank loans and other corporate body.*
6. *The Group has not capitalised any borrowing cost during the year (March 31, 2019 NIL).*
7. *The Group has recognised impairment loss of ₹ 8.84 lakhs during the year (March 31, 2019 NIL).*
8. *The figures in italics are for the previous year.*

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

4 (b) : Right-of-use Asset (continued)

Description	Gross block					Accumulated depreciation					Carrying amount
	As at April 1, 2019	Change in Accounting Policy	Additions	Deductions/ Reclassification	As at March 31, 2020	As at April 1, 2019	Change in Accounting Policy	Additions	Deductions/ Reclassification	As at March 31, 2020	As at March 31, 2020
Vehicles	-	1,789.36	229.90	-	2,019.26	-	690.08	489.95	-	1,180.03	839.23
	-	-	-	-	-	-	-	-	-	-	-
Plant and equipment	-	168.46	-	-	168.46	-	44.28	20.16	-	64.44	104.02
	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	2,908.25	342.10	-	3,250.35	-	1,002.91	782.76	-	1,785.67	1,464.68
	-	-	-	-	-	-	-	-	-	-	-
Leasehold Land	-	185.60	163.97	-	349.57	-	60.14	78.82	-	138.96	210.61
	-	-	-	-	-	-	-	-	-	-	-
Office equipments	-	74.35	-	-	74.35	-	30.22	18.63	-	48.85	25.50
	-	-	-	-	-	-	-	-	-	-	-
Total	-	5,126.02	735.97	-	5,861.99	-	1,827.63	1,390.32	-	3,217.95	2,644.04
	-	-	-	-	-	-		-	-	-	-

footnotes:

1. *The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.*
2. *The Group's obligations under finance leases are secured by the lessor's title to the leased assets.*
3. *Refer Note no. 37 "Leases" for ROU Assets movement.*

5: Investment Property

	As at March 31, 2020	As at March 31, 2019
Carrying amount of:		
Freehold land	-	244.91
Buildings	12.82	304.95
	12.82	**549.86**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

5: Investment Property (continued)

Description	Gross block						Accumulated depreciation						Carrying amount
	As at April 1, 2019	Additions	Deductions	Transfer to Property, Plant and Equipment	Transfer to Assets held for sale	As at March 31, 2020	As at April 1, 2019	Additions	Deductions	Transfer to Property, Plant and Equipment	Transfer to Assets held for sale	As at March 31, 2020	As at March 31, 2020
Freehold land	**244.91**	-	-	-	**244.91**	-	-	-	-	-	-	-	-
	244.91	*-*	*-*	*-*	*-*	**244.91**	*-*	*-*	*-*	*-*	*-*	*-*	**244.91**
Buildings	**337.19**	-	**149.90**	**15.60**	**156.79**	**14.90**	**32.24**	**4.65**	**17.42**	**2.04**	**15.35**	**2.08**	**12.82**
	337.19	*-*	*-*	*-*	*-*	**337.19**	*24.13*	*8.11*	*-*	*-*	*-*	**32.24**	**304.95**
Total	**582.10**	-	**149.90**	**15.60**	**401.70**	**14.90**	**32.24**	**4.65**	**17.42**	**2.04**	**15.35**	**2.08**	**12.82**
	582.10	*-*	*-*	*-*	*-*	**582.10**	*24.13*	*8.11*	*-*	*-*	*-*	**32.24**	**549.86**

footnotes

1. *Buildings includes 2 flats (March 31, 2019 - 10 flats) which are reclassified as Investment Property by the Group in accordance with IND AS-40 "Investment Property".*
2. *Cost of buildings includes cost of Nil shares (March 31, 2019 - 35 shares) of ₹ 50 each fully paid and cost of 2 shares (March 31, 2019- 7 shares) of ₹ 100 each fully paid in respect of ownership flats in 2 (March 31, 2019- 7 flats) Co-operative Societies.*
3. *The Group has not capitalised any borrowing cost during the current year (March 31, 2019 - Nil).*
4. *Total fair value of Investment Property is ₹ 553.85 lakhs (March 31, 2019 ₹ 31,356.16 lakhs).*
5. *The Group has not recognised any impairment loss during the year (March 31, 2019 Nil).*
6. The figures in italics are for the previous year.

Fair Value Heirarchy

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 categoried 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 per requirement of Ind AS 40. The fair value of the investment property have been derived using the Direct Comparison Method.The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

6 : Intangible Assets

	As at March 31, 2020	As at March 31, 2019
6.1 Carrying amounts of:		
Goodwill	**19,582.31**	19,582.31
	19,582.31	**19,582.31**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Goodwill includes amount of ₹ 16,522.26 lakhs (March 31, 2019 ₹ 16,522.26 lakhs) allocated to Seeds division of Rallis India Limited (earlier named as Metahelix Life Sciences Ltd). The estimated value-in-use of this Cash Generating Unit "CGU" is based on the future cash flows using a 5.00 % (March 31, 2019 5.00%) annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 11.33 % (March 31, 2019 13.13%).

Goodwill of ₹ 3,060.05 lakhs (March 31, 2019 ₹ 3,060.05 lakhs) has been allocated to Geogreen division of Rallis India Limited (earlier named as Zero Waste Agro Organics Ltd).The estimated value-in-use of this Cash Generating Unit "CGU" is based on the future cash flows using a 5.00 % (March 31, 2019 5.00%) annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 11.33 % (March 31, 2019 13.13%).

An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

	As at March 31, 2020	As at March 31, 2019
6.2 Carrying amount of:		
Other intangible assets		
Product registrations	**377.99**	234.43
Licences and commercial rights	-	-
Computer software	**80.90**	73.87
Technical knowhow	**507.20**	660.05
	966.09	**968.35**
Intangible assets under development	**4,694.65**	3,782.88
	5,660.74	**4,751.23**

Description	Gross block				Accumulated depreciation				Carrying amount
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at March 31, 2020
Product registrations	**1,016.63**	**242.70**	**-**	**1,259.33**	**782.20**	**99.14**	**-**	**881.34**	**377.99**
	928.55	*143.44*	*55.36*	*1,016.63*	*739.87*	*63.41*	*21.08*	*782.20*	*234.43*
Licences and commercial rights	**609.70**	**-**	**-**	**609.70**	**609.70**	**-**	**-**	**609.70**	**-**
	609.70	*-*	*-*	*609.70*	*609.70*	*-*	*-*	*609.70*	*-*
Computer software	**210.53**	**32.92**	**-**	**243.45**	**136.66**	**25.89**	**-**	**162.55**	**80.90**
	191.81	*18.72*	*-*	*210.53*	*111.94*	*24.72*	*-*	*136.66*	*73.87*
Technical knowhow	**2,086.09**	**298.02**	**-**	**2,384.11**	**1,426.04**	**450.87**	**-**	**1,876.91**	**507.20**
	1,532.96	*553.13*	*-*	*2,086.09*	*978.74*	*447.30*	*-*	*1,426.04*	*660.05*
Total	**3,922.95**	**573.64**	**-**	**4,496.59**	**2,954.60**	**575.90**	**-**	**3,530.50**	**966.09**
	3,263.02	*715.29*	*55.36*	*3,922.95*	*2,440.25*	*535.43*	*21.08*	*2,954.60*	*968.35*

footnotes

1. *The Group has not capitalised any borrowing cost during the year (March 31, 2019 Nil).*
2. *The Group has not recognised any impairment loss during the current year ₹ Nil (March 31, 2019 ₹ 34.28 lakhs).*
3. *The Group has internally developed Seed development technology for producing hybrid seeds, which is included in Technical Knowhow. The Carrying amount of Seed development technology of ₹ 507.20 lakhs (₹ 660.05 lakhs as at March 31, 2019) will be fully amortised in next 3 years.*
4. *The figures in italics are for the previous year.*

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

7: Investments

	Nominal value (in ₹)	No. of Shares	As at March 31, 2020	No. of Shares	As at March 31, 2019
Non-current					
Quoted equity instruments (all fully paid)					
Investments carried at fair value through other comprehensive income (FVTOCI)					
Spartek Ceramics India Ltd.*	10	7,226	-	7,226	-
Nagarjuna Finance Ltd.*	10	400	-	400	-
Pharmaceuticals Products of India Limited*	10	10,000	-	10,000	-
Balasore Alloys Ltd.	5	504	**0.04**	504	0.12
J.K.Cement Ltd.	10	44	**0.41**	44	0.38
Total aggregate quoted equity investments		**A**	**0.45**	**A**	**0.50**
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.)*	10	1,24,002	-	1,24,002	-
Biotech Consortium India Ltd.	10	50,000	**5.00**	50,000	5.00
Indian Potash Ltd.	10	1,08,000	**1.80**	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**	5,68,414	337.64
Amba Trading & Manufacturing Company Private Ltd.*	10	1,30,000	-	1,30,000	-
Associated Inds. (Assam) Ltd.*	10	30,000	-	30,000	-
Uniscans & Sonics Ltd.*	10	96	-	96	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. $ 2 each)*		21,00,000	-	21,00,000	-
Total aggregate unquoted investments		**B**	**379.24**	**B**	**378.34**
Total non-current investments		**(A+B)**	**379.69**	**(A+B)**	**378.84**

footnote:

**Amount is less than ₹ 0.01 lakhs.*

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

	Units	As at March 31, 2020	Units	As at March 31, 2019
Current				
Investment in mutual funds - unquoted				
Investments carried at fair value through profit and loss (FVTPL)				
HDFC Liquid Fund - Regular Plan - Growth	92,594.37	**3,596.01**	-	-
SBI Liquid Fund Regular Growth	90,003.35	**2,784.35**	-	-
Aditya Birla Sunlife Liquid Plan - Growth - Regular Plan	10,27,551.62	**3,265.00**	-	-
ICICI Prudential Liquid Fund - Growth	14,29,432.34	**4,181.09**	-	-
Kotak Liquid Regular Plan - Growth	31,502.27	**1,260.24**	-	-
Tata Liquid Fund - Regular Plan - Growth	1,31,049.78	**4,080.28**	-	-
Kotak Saving Fund - Regualr - Growth	1,38,99,158.75	**4,460.73**	-	-
LIC MF Liquid Fund - Regular Plan-Growth	16,924.91	**605.24**	-	-
Nippon India Liquid Fund-Growth Plan - Growth	18,718.28	**902.69**	-	-
ICICI Prudential Saving Fund - Growth	7,76,524.45	**3,007.85**	-	-
HDFC Liquid Fund - Regular Plan - Dividend - Daily Reinvestment	-	**-**	2,87,436.95	2,931.34
Kotak Liquid - Regular Plan - Daily Dividend	-	**-**	1,23,854.16	1,515.08
ICICI Prudential Liquid Fund - Daily Dividend	-	**-**	10,08,305.48	1,010.19
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	-	**-**	49,112.33	492.72
HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	41,301.57	**1,723.94**	39,172.48	1,521.68
Kotak Liquid Direct plan growth	-	**-**	81,312.16	3,077.14
Total current investments	C	**29,867.42**	C	**10,548.14**
Aggregate book value of quoted investments		**0.45**		0.50
Aggregate Market value of quoted investments		**0.45**		0.50
Aggregate carrying value of unquoted investments	(B+C)	**30,246.66**	(B+C)	**10,926.48**
Aggregate amount of impairment in value of investments		**-**		-

8: Loans*

(Unsecured, Considered Good)

	As at March 31, 2020	As at March 31, 2019
(i) Non-current		
Security deposits	**907.07**	674.09
Total	**907.07**	**674.09**
(ii) Current		
Security deposits	**-**	93.33
Total	**-**	**93.33**

There is no amount due from director, other officer of the Group or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

9: Other Financial Assets (at amortised cost)*

(Unsecured)

			As at March 31, 2020	As at March 31, 2019
(i)	**Non-current**			
	a)	In other deposit accounts - original maturity more than 12 months	**70.95**	39.99
	b)	Interest accrued on fixed deposits with bank	**5.56**	2.18
			76.51	**42.17**
(ii)	**Current**			
	a)	Unbilled revenue	**50.23**	-
	b)	Advances/Deposits considered doubtful of recovery	**3,949.00**	3,946.60
		Less: Provision for doubtful loans and advances	**(3,949.00)**	(3,946.60)
	c)	Interest accrued on fixed deposit with bank	**22.65**	16.59
	d)	Derivative asset : Forward exchange contracts for hedging	**-**	79.32
	e)	Others (Facilitation fees and solar power income receivable)	**575.66**	364.63
Total			**648.54**	**460.54**

** There is no amount due from director, other officer of the Group or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.*

10: Income Taxes

	As at March 31, 2020	As at March 31, 2019
10.1: Income tax assets and liabilities		
Income-tax assets		
Advance income tax (Net of provisions)	**11,002.26**	7,519.64
	11,002.26	**7,519.64**
Income-tax liabilities		
Provision for current tax (Net of advance tax)	**2,361.97**	427.15
	2,361.97	**427.15**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
10.2: Income tax recognised in profit or loss		
Current income tax:		
Current income tax charge	**7,106.80**	6,886.26
Adjustments in respect current income tax of prior years	**(200.00)**	(10.27)
Total (A)	**6,906.80**	**6,875.99**
Deferred tax:		
In respect of current year	**(1,526.36)**	(327.94)
Total (B)	**(1,526.36)**	**(327.94)**
Income tax expense recognised in the Consolidated Statement of Profit and Loss in current year (A+B)	**5,380.44**	**6,548.05**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income tax recognized in Other Comprehensive Income		
Income tax expense on remeasurements of employee defined benefit plans	**71.79**	(26.67)
Deferred tax expense on remeasurements of employee defined benefit plans	**(15.48)**	2.02
Total tax expense recognised in Other Comprehensive Income	**56.31**	**(24.65)**

Reconciliation of the Tax Expense and the Accounting Profit for the year is as follows:-

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	**23,749.24**	22,026.44
Income tax expense calculated @34.944% (PY @ 34.944%)	**8,298.94**	7,696.92
Effect of income that is exempt from taxation	**(531.84)**	(99.11)
Effect of expenses that are not deductible in determining taxable profit	**297.10**	162.53
Effect of expenses that are deductible in determining taxable profit	**(79.95)**	(81.74)
Effect of concessions (research & developments and others allowances)	**(1,132.06)**	(1,247.02)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**(209.28)**	-
Effect of lower tax rates for the long term capital gain	**(6.67)**	87.40
Impact of changes in tax rate	**(1,327.03)**	-
Others	**271.23**	39.34
	5,580.44	**6,558.32**
Adjustments recognised in the current year in relation to the current tax of prior years	**(200.00)**	(10.27)
Income tax expense recognised in Consolidated Statement of profit and loss	**5,380.44**	**6,548.05**

Income Tax Expense Recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement of employee defined benefit liability/(asset)		
before tax amount	**(241.55)**	20.74
Tax (expense) benefit	**56.31**	(24.65)
Net of tax	**(185.24)**	(3.91)
Fair value of equity instruments through other comprehensive income	**0.85**	(141.41)
Tax (expense) benefit	**-**	-
Net of tax	**0.85**	(141.41)
Exchange differences in translating the financial statements of a foreign operation	**(3.18)**	(2.69)
Tax (expense) benefit	**-**	-
Net of tax	**(3.18)**	(2.69)
Total other comprehensive income (net of taxes)	**(187.57)**	**(148.01)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

11: Inventories

(lower of cost and net realisable value)

		As at March 31, 2020	As at March 31, 2019
a)	Raw materials (Including goods-in-transit of ₹ 6,347.38 lakhs; (March 31, 2019 ₹ 2,294.84 lakhs)	**18,374.78**	18,516.26
b)	Work-in-progress (including intermediate goods)	**2,818.79**	2,677.67
c)	Finished goods	**42,250.86**	39,601.98
d)	Stock-in-trade (in respect of goods acquired for trading)	**4,545.48**	4,649.47
e)	Stores and spares	**596.75**	300.12
f)	Packing materials	**1,333.36**	1,609.85
Total		**69,920.02**	**67,355.35**

footnotes:

(i) *The cost of inventories recognised as an expense during the year was ₹ 1,39,642.09 lakhs (March 31, 2019 ₹ 1,17,859.18 lakhs).*

(ii) *The cost of inventories recognised as an expense includes ₹ 876.73 lakhs (March 31, 2019 ₹ 567.57 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 365.64 lakhs (March 31, 2019 ₹ 263.17 lakhs) in respect of reversal of such write-downs.*

(iii) *The products of the Group are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Group has assessed liquidation plan of near expiry products and provision of ₹ 106 lakhs has been accounted which is included in point (ii) above. The Group does not foresee any further diminution in the net realizable value of inventories carried as at March 31, 2020 due to COVID-19.*

(iv) *The mode of valuation of inventories has been stated in note 3.17.*

(v) *Bank overdrafts, cash credit and short-term loan from bank facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 12 and 20).*

12: Trade Receivables

	As at March 31, 2020	As at March 31, 2019
Current		
Secured, considered good	**863.12**	617.44
Unsecured, considered good	**44,196.02**	44,289.50
Credit impaired	**2,544.66**	1,848.30
Loss allowance	**(2,544.66)**	(1,848.30)
Total	**45,059.14**	**44,906.94**

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 March 31, 2020 ₹ Nil is due from one customer (March 31, 2019 ₹ 9,284.47 lakhs is due from one cutomer). The credit risk in respect of these customers is mitigated by export credit guarantee. There are no other customers who represent more than 5% of the total balance of trade receivable.*

(iii) *No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.*

(iv) *Movement in the expected credit loss allowance*

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**1,848.30**	1,556.77
Less: balances written off during the year	**222.73**	242.25
Add: provision made during the year	**919.09**	533.78
Balance at the end of the year	**2,544.66**	**1,848.30**

(v) *Bank overdrafts, cash credit facility and short-term loans from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 20).*

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

13: Cash and Bank Balances

	As at March 31, 2020	As at March 31, 2019
13.1 Cash and cash equivalents		
a. Balances with banks in current accounts	696.42	4,180.06
b. Cash on hand	3.14	4.83
c. Term deposits with original maturity of less than 3 months	3,952.17	0.10
Total Cash and cash equivalents as per Balance Sheet	**4,651.73**	**4,184.99**
Bank overdrafts and cash credit facility (secured)	(2,411.79)	(3,595.86)
Cash and cash equivalents as per Consolidated Statement of cash flows	**2,239.94**	**589.13**
13.2 Other bank balances		
a. In other deposit accounts - original maturity more than 3 months and less than 12 months	3.61	172.03
b. In earmarked accounts:		
i. Balances held for unpaid / unclaimed dividend accounts	162.53	174.94
ii. Bank deposits as margin money against bank guarantees - original maturity more than 3 months and less than 12 months	47.20	42.84
Total other bank balances	**213.34**	**389.81**

14: Other Assets

(Unsecured, Considered Good)

	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital advances	1,199.47	177.00
Deposit with public bodies	233.28	119.51
Claims receivable from public bodies	547.93	550.03
Prepaid lease rental	2,056.85	2,146.59
Prepaid expenses	167.59	185.39
Total	**4,205.12**	**3,178.52**
Current		
Statutory dues receivable from government authorities		
Goods and Services Tax receivable	3,364.13	5,876.65
Custom duty	-	42.85
Export benefit receivable	1,143.16	1,504.75
Inventory recoverable	3,160.48	3,225.93
Advances recoverable		
Advances to suppliers	984.49	1,591.21
Advances to employees	571.62	204.80
Others	413.78	648.93
Prepaid lease rental	89.74	89.74
Prepaid expenses	909.13	195.94
Total	**10,636.53**	**13,380.80**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

15: Assets Classified as held for Sale

	As at March 31, 2020	As at March 31, 2019
Freehold land	**244.91**	-
Buildings	**181.87**	
Total	**426.78**	-

footnote:

During the year, the Group has reclassified certain Freehold Land (carrying amount of ₹ 244.91 lakhs) and Buildings (carrying amount ₹ 141.41 lakhs) to Assets Held for Sale from Investment Property and Buildings (carrying amount ₹ 40.43 lakhs) from Property, plant and equipment. The Group intends to dispose off freehold land and buildings which it no longer utilises in the next 12 months. The Group is currently in negotiation with some potential buyers. No impairment loss was recognised on reclassification of the assets as held for sale nor as at reporting date as the management of the Group expect that the fair value (estimated based on the recent market prices of similar assets in similar locations) less costs to sell is higher than the carrying amount.

16: Share Capital

	As at March 31, 2020	As at March 31, 2019
Authorised share capital :		
50,00,00,000 (March 31, 2019 50,00,00,000) equity shares of ₹ 1 each with voting rights	**5,000.00**	5,000.00
15,00,00,000 (March 31, 2019 15,00,00,000) preference shares of ₹ 10 each	**15,000.00**	15,000.00
Issued, subscribed and paid up capital comprises:		
Issued shares		
19,44,70,890 (March 31, 2019 19,44,70,890) equity shares of ₹ 1 each	**1,944.71**	**1,944.71**
Subscribed and fully paid up		
19,44,68,890 (March 31, 2019 19,44,68,890) equity shares of ₹ 1 each	**1,944.69**	1,944.69
Forfeited shares		
2,000 (March 31, 2019 2,000) equity shares of ₹ 1 each	**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	Number of shares	Amount of share capital
Balance at March 31, 2019	19,44,68,890	1,944.69
Movements during the year	-	-
Balance at March 31, 2020	**19,44,68,890**	**1,944.69**

b. The Holding 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 Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of shares held by the Parent Company

Out of total equity shares issued by the Holding Company, shares held by its Parent Company are as below:

	Number of fully paid equity shares	Amount of share capital
Tata Chemicals Limited		
As at March 31, 2019	9,73,41,610	973.42
As at March 31, 2020	**9,73,41,610**	**973.42**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

d. Details of Shares held by each Shareholder Holding more than 5% Shares in the Holding Company:

	Number of fully paid equity shares	% holding of equity shares
Tata Chemicals Limited		
As at March 31, 2019	9,73,41,610	50.06%
As at March 31, 2020	**9,73,41,610**	**50.06%**
Rakesh Jhunjhunwala		
As at March 31, 2019	1,79,80,820	9.25%
As at March 31, 2020	**1,93,05,820**	**9.93%**

e. As per records of the Holding Company as at March 31, 2020, no calls remain unpaid by the directors and officers of the Holding Company.

17: Other Equity

	As at March 31, 2020	As at March 31, 2019
General reserve	**17,649.93**	17,649.93
Securities premium reserve	**8,793.88**	8,793.88
Retained earnings	**1,03,177.27**	90,822.35
Foreign currency translation reserve on consolidation	**(16.40)**	(13.22)
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	**1.05**	0.20
	1,39,000.60	**1,26,648.01**

17.1: General Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	**17,649.93**	17,649.93
Balance at the end of year	**17,649.93**	**17,649.93**

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

17.2: Securities Premium Reserve

	As at March 31, 2020	As at March 31, 2019
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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

17.3: Retained Earnings

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	**90,822.35**	81,284.11
Movements		
Other comprehensive income (Net of taxes)	**(185.24)**	(3.91)
Profit attributable to the owners of the Holding Company	**18,484.43**	15,538.45
Leases (IND AS 116) transition effect	**(110.86)**	-
Others	**27.65**	5.98
Transfer from equity instruments through Other Comprehensive Income	**-**	(141.22)
Payment of dividend on equity shares - Final	**(4,861.72)**	(4,861.72)
Payment of distribution tax on equity shares	**(999.34)**	(999.34)
Balance at the end of year	**1,03,177.27**	**90,822.35**

17.4: Capital Redemption Reserve

	As at March 31, 2020	As at March 31, 2019
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 March 31, 2020	As at March 31, 2019
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 March 31, 2020	As at March 31, 2019
Balance at beginning of year	**0.20**	0.39
Additions during year	**0.85**	(141.41)
Transfer to retained earnings	**-**	141.22
Balance at the end of year	**1.05**	**0.20**

The group has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. Balance in Other Comprehensive Income is transferred to retained earnings on disposal of the investment.

17.7: Foreign Currency Translation Reserve on Consolidation

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	**(13.22)**	(10.53)
Movements		
Additions during year	**(3.18)**	(2.69)
Balance at the end of year	**(16.40)**	**(13.22)**

These comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

18: Non-Controlling Interest

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	**184.18**	110.63
Movements		
Additional investment	-	133.61
Share of loss for the year	**(115.63)**	(60.06)
Balance at the end of year	**68.55**	**184.18**

footnote:

a) During the previous year ended March 31, 2019, both the partners have made additional investment in PT Metahelix Lifesciences Indonesia as per relevant terms of agreement.

19.1 : Non-Current Borrowings

	As at March 31, 2020	As at March 31, 2019
Secured -at amortised cost		
Secured loan from banks (refer note (ii))	**50.00**	50.00
Secured loan from other corporate bodies (refer note (ii))	**47.01**	47.01
Finance lease obligation	-	11.72
Unsecured -at amortised cost		
Term loan from bank (refer note(ii)	**600.00**	900.00
Loan from the Council of Scientific and Industrial Research (refer note(ii)	**16.65**	16.65
Sales tax deferral under a state government scheme (refer note(i))	**522.64**	554.78
Total	**1,236.30**	**1,580.16**

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 ₹ 24.12 lakhs over the period stretching from April 1, 2020 to March 31, 2027. The amount outstanding is free of interest.

The balance outstanding as at March 31, 2020 is ₹ 554.08 lakhs (March 31, 2019 ₹ 569.51 lakhs) of which ₹ 31.44 lakhs (March 31, 2019 ₹ 14.73 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 March 31, 2020

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks	50.00	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, 2020 is ₹ 50 lakhs which is repayable in 4 equated quarterly installments of ₹ 12.50 lakhs each.	7.50%

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from other corporate bodies	47.01	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. The Balance outstanding as at March 31, 2020 is ₹ 47.01 lakhs which is repayable along with interest in remaining 6 equal half yearly installments for project ended on July 2017 (Maize) and remaining 1 equal half yearly installment for project ended December 2014 (Rice).	2.00%
Unsecured term loan from bank	900.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lakhs falls due in May 2018. The balance outstanding as at March 31, 2020 is ₹ 900 lakhs of which ₹ 300 lakhs has been grouped under note 21 Other current financial liabilities, which are payable in next 12 months.	8.35% to 8.85%
Loan from the Council of Scientific and Industrial Research	16.65	Term loan from Council of Scientific and Industrial Research: The balance payable as on March 31, 2020 is ₹ 16.65 lakhs. The same is repayable along with interest in 2 annual installments.	3.00%

As at March 31, 2019

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks	100.00	Term loan from ICICI Bank - is secured by hypothecation of movable assets, both present and future including its movable plant and equipment, machinery spares, tools and accessories and other movables, both present and future all piece and parcel of the immovable agricultural property situated at Kokkanda village, Mulugu Mandal, Medak District.The balance outstanding as at March 31, 2019 is ₹ 100.00 lakhs (of which ₹ 50.00 lakhs has been classified under note 21 other current financial liabilities) repayable in balance 8 equated quarterly installments of ₹ 12.50 lakhs each.	7.50%
Secured loan from other corporate bodies	72.23	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. The Balance outstanding as at March 31, 2019 is ₹ 72.23 lakhs (of which ₹ 25.22 lakhs has been classified under note 21 other current financial liabilities) which is repayable along with interest in 8 equal half yearly installments from December 2015 (Rice) and June, 2017 -(Maize).	2.00%
Unsecured term loan from bank	1,200.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lakhs falls due in May 2018. The balance outstanding as at March 31, 2019 is ₹ 1,200 lakhs of which ₹ 300 lakhs has been grouped under note 21 Other current financial liabilities, which are payable in next 12 months.	8.35% to 8.85%
Loan from the Council of Scientific and Industrial Research	24.98	Term loan from Council of Scientific and Industrial Research: The balance payable as on March 31, 2019 is ₹ 24.98 lakhs (of which ₹ 8.33 lakhs has been classified under note 21 Other current financial liabilities). The same is repayable along with interest in 6 annual installments.	3.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

19.2 : Lease Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Lease liabilities (refer note 37)	1,438.70	-
	1,438.70	-
Current		
Lease liabilities (refer note 37)	1,392.43	-
Total	1,392.43	-

20: Current Borrowings

	As at March 31, 2020	As at March 31, 2019
Current interest-bearing loans and borrowings		
Secured		
Bank overdrafts and cash credit facility (refer footnote (i) and (ii))	2,411.79	3,595.86
Short-term loan from bank (refer footnote (iii))	2,550.00	1,700.00
Total	4,961.79	5,295.86

footnotes:

(i) Bank overdrafts and cash credit facility is secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).

(ii) The weighted average effective interest rate on the bank loans is 8.50% p.a. (for March 31, 2019 8.57% p.a.).

(iii) The terms of short-term loan is stated below

As at March 31, 2020

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured short-term loan from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).	2,550.00	The loan is repayable in 90 days from the date of availment.	8.20%

As at March 31, 2019

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured short-term loan from bank are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).	1,700.00	The loan is repayable in 30 days from the date of availment.	8.35%

21: Other Financial Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits	644.95	640.50
Total	644.95	640.50
Current		
(a) Current maturity of long-term borrowings (refer note 19.1)		
Term loan from bank - secured	-	50.00
Secured - others	-	25.22
Term loan from bank- unsecured	300.00	300.00
Finance lease obligation	-	9.32
Unsecured - others	31.44	23.06

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

		As at March 31, 2020	As at March 31, 2019
(b)	Interest accured but not due on Non-current and current borrowings	**23.31**	19.83
(c)	Unclaimed dividends (refer footnote)	**162.85**	175.26
(d)	Derivative liabilities Forward exchange contracts for hedging	**3.97**	-
(e)	Others		
	Creditors for capital purchases and others	**248.86**	507.60
	Customer deposits	**1,504.22**	1,458.97
	Amount due to customers	**6,657.21**	8,110.36
Total		**8,931.86**	**10,679.62**

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 ₹ 0.26 lakhs (March 31, 2019 ₹ 0.25 lakhs).

22: Provisions

		As at March 31, 2020	As at March 31, 2019
Non-current			
(a)	Supplemental pay (refer note 2 below)	**1,515.97**	1,364.89
(b)	Gratuity (refer note 2 below)	**187.83**	-
(b)	Compensated absences (refer note 2 below)	**169.91**	160.39
(c)	Directors pension liability (refer note 2 below)	**691.03**	663.60
Total		**2,564.74**	**2,188.88**
Current			
(a)	Supplemental pay (refer note 2 below)	**151.68**	220.93
(b)	Directors pension liability (refer note 2 below)	**59.76**	59.32
(c)	Gratuity (refer note 2 below)	**367.27**	176.59
(d)	Compensated absences (refer note 2 below)	**1,084.42**	880.83
(e)	Other Provisions (refer note 1 below)	**41.95**	287.32
Total		**1,705.08**	**1,624.99**

Note 1 : 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 ₹ 41.95 lakhs (March 31, 2019 ₹ 237.32 lakhs). The movement during the year is as under:

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance as at April 1	**237.32**	227.32
Additional provisions made during the year	**29.95**	10.00
Total	**267.27**	**237.32**
Utilisation during the year	**225.32**	-
Closing balance as at March 31	**41.95**	**237.32**

(b) Provision for contingencies for claims in business operation :

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance as at April 1	-	50.00
Utilisation during the year	-	50.00
Closing balance as at March 31	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

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.

Note 2 :

The provision for employee benefits includes gratuity, supplemental pay on retirement, director pension liability and compensated absences. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year due to retirement and resignation of employees. For other disclosures, refer note 38.

23: Deferred Tax Balances

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

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	4,473.63	5,518.82
Deferred tax assets	(1,624.24)	(3,874.31)
Total	**2,849.39**	**1,644.51**

2019-20 - Deferred tax assets and liabilities in relation to:	Opening balance	Adjustments due to transition impact of IND AS 116	Recognised in Statement of Profit and Loss	Recognised in Statement of OCI	Other Adjustments	Closing Balance
Deferred tax assets (Net)						
Allowance for doubtful debts and advances	(1,192.80)	-	157.77	-	-	(1,035.03)
Creation of Deferred tax assets on account of IND AS 116 "Leases"	-	(56.65)	10.92	-	-	(45.73)
Impact of 43B Disallowances	(9.27)	-	2.59	-	-	(6.68)
Defined benefit obligation	(364.58)	-	(14.33)	15.48	0.97	(362.46)
On unused tax losses	(181.79)	-	209.28	-	(27.65)	(0.16)
Tax adjustment on account of indexation of land	(102.69)	-	(3.22)	-	-	(105.91)
Long-term capital loss on sale of equity instrument	(553.35)	-	9.89	-	-	(543.46)
Impact of Disallowance u/s.40(a)(i)	(0.08)	-	0.02	-	-	(0.06)
Difference between WDV as per books and income tax	5,681.41	-	(1,735.56)	-	-	3,945.85
On intangible assets	1,138.63	-	(147.37)	-	-	991.26
Unused tax credit*	(2,799.83)	-	-	-	2,799.83	-
Others	28.86	-	(16.35)	-	(0.74)	11.77
Total	**1,644.51**	**(56.65)**	**(1,526.36)**	**15.48**	**2,772.41**	**2,849.39**

** represents utilisation of MAT credit.*

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

2018-19 - Deferred tax assets and liabilities in relation to:	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of OCI	Closing Balance
Provision for doubtful debts and advances	(1,086.26)	(106.54)	-	(1,192.80)
Defined benefit obligation	(353.25)	(9.31)	(2.02)	(364.58)
Impact of 43B disallowances	(9.27)	-	-	(9.27)
Tax adjustment on account of indexation of freehold land	(190.11)	87.42	-	(102.69)
Long term capital loss on sale of equity instrument	(553.35)	-	-	(553.35)
On unused tax losses	(744.17)	562.38	-	(181.79)
Unused tax credit	(2,059.73)	(740.10)	-	(2,799.83)
Impact of Disallowance u/s.40(a)(i)	(0.08)	-	-	(0.08)
Difference between WDV as per books and income tax	5,967.83	(286.42)	-	5,681.41
On intangible assets	975.00	163.63	-	1,138.63
Others	27.86	1.00	-	28.86
Total	**1,974.47**	**(327.94)**	**(2.02)**	**1,644.51**

footnote:

There are no material deferred tax expense on unrecognised tax losses.

24: Trade Payables

	As at March 31, 2020	As at March 31, 2019
(i) Total outstanding dues of micro enterprises and small enterprises	**369.13**	288.82
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**46,771.73**	48,410.98
(iii) Other payables	**16,593.30**	4,781.80
Total	**63,734.16**	**53,481.60**

25: Other Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred revenue	**9.82**	9.81
Total	**9.82**	**9.81**
Provident fund and other employee deductions	**259.74**	217.38
Goods and Service Tax payable	**55.91**	59.03
Tax deducted at source	**243.25**	284.51
Other taxes (other than income tax payable)	**91.28**	62.49
Advance received from customers	**10,518.79**	8,340.94
Payable to employees	**650.72**	812.37
Other liabilities (payable towards past acquisition etc.)	**183.08**	134.53
Total	**12,002.77**	**9,911.25**

26: Revenue from Operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales of products	**2,23,805.33**	1,97,574.85
Sales of services	**51.44**	55.35
Other operating income	**1,324.78**	765.69
Total	**2,25,181.55**	**1,98,395.89**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

27: Other Income

		For the year ended March 31, 2020	For the year ended March 31, 2019
a)	**Interest income**		
	Interest Income on bank deposits carried at amortised cost	73.61	118.64
	Interest income on security deposits carried at amortised cost	345.12	170.29
	Interest income on income tax refund received	39.62	33.97
b)	**Dividend income**		
	Dividend from current investment in mutual fund carried at FVTPL	224.79	281.27
	Dividend from equity instruments measured at FVTOCI	1.62	2.36
c)	**Fair value of investment**		
	Fair value of investment - realized	353.61	66.97
	Fair value of investment - unrealized	381.45	17.39
d)	**Other non-operating income**		
	Insurance claim	9.85	81.47
	Rental Income	55.76	119.97
	Export benefits	1,412.27	1,278.08
	Miscellaneous income	526.37	894.85
e)	**Other gains and losses**		
	Profit on disposal of property, plant and equipment(net)	9.33	-
Total		**3,433.40**	**3,065.26**

28: Cost of Material Consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year	18,516.26	21,991.83
Add: Purchases	1,21,552.19	1,08,636.86
	1,40,068.45	**1,30,628.69**
Less: Inventory at the end of the year	18,374.78	18,516.26
Cost of raw material and components consumed	1,21,693.67	**1,12,112.43**
Packing material consumed	6,513.17	7,416.66
Total	**1,28,206.84**	**1,19,529.09**

29: Purchases of Stock-In-Trade

	For the year ended March 31, 2020	For the year ended March 31, 2019
Agri inputs	14,121.26	11,642.09
Total	**14,121.26**	**11,642.09**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

30: Changes in Inventory of Finished Goods, Stock-In-Trade and Work-In-Progress

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock		
Finished goods - own manufactured	39,601.98	27,731.85
Stock-in-trade	4,649.47	4,755.30
Work-in-progress (including intermediate goods)	2,677.67	1,129.96
	46,929.12	33,617.11
Closing Stock		
Finished goods - own manufactured	42,250.86	39,601.98
Stock-in-trade	4,545.48	4,649.47
Work-in-progress (including intermediate goods)	2,818.79	2,677.67
	49,615.13	46,929.12
Movement in inventory recoverable	(644.38)	(706.09)
Net (increase)	(3,330.39)	(14,018.10)

31: Employee Benefit Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus		
Wages and salaries	14,967.65	13,674.84
Allowances	2,674.83	2,254.28
Compensated absences	308.27	142.47
Contribution to provident and other funds (refer note 38)	831.42	903.77
Staff welfare expenses	1,228.23	1,088.20
Total	20,010.40	18,063.56

32: Finance Costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on long-term loan from bank	91.09	116.04
Interest on bank overdrafts, cash credit and short-term loan from bank	248.40	406.47
Interest on lease liabilities	271.73	2.23
Total	611.22	524.74

33: Depreciation and Amortisation Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 4(a))	4,180.29	4,064.27
Depreciation of right-of-use asset (refer note 4 (b))	1,390.32	-
Depreciation of investment property (refer note 5)	4.65	8.11
Amortisation of intangible assets (note 6.2)	575.90	535.43
Total	6,151.16	4,607.81

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

34: Other Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Freight, handling and packing	**7,829.34**	7,208.04
Travelling and conveyance	**2,281.85**	2,192.13
Power and fuel	**5,938.94**	6,393.58
Brand equity contribution	**314.86**	229.08
Repairs and maintenance		
Plant and equipment	**1,141.10**	1,026.74
Property	**223.30**	228.62
Others	**556.08**	559.30
Stores and spares consumed	**792.09**	627.71
Rates and taxes	**226.01**	610.95
Commission	**39.55**	100.49
Insurance charges	**644.68**	298.05
Rent (refer note 37)	**1,346.23**	2,350.42
Bank charges	**365.57**	281.63
Director fees and commission	**292.79**	294.41
Bad debts	**222.73**	242.25
Allowance for doubtful debts	**696.36**	291.53
Allowance for doubtful advances	**2.40**	31.98
Tangible assets written off	**8.84**	-
Intangible assets and intangible assets under development written off	**204.46**	308.48
Investment written off (refer footnote)	**-**	24.60
Loss on sale of property, plant and equipment (Net)	**-**	59.67
Selling expenses	**4,521.57**	3,558.08
Advertisement and promotion	**1,312.01**	2,743.29
Legal and professional fees	**1,459.47**	1,825.24
Net loss on foreign currency transactions and translation	**1,432.06**	601.30
Other expenses (refer note 44 and 49)	**8,385.26**	6,997.95
Total	**40,237.55**	**39,085.52**

footnote:

During the previous year ended March 31, 2019, Rallis Chemistry Exports Ltd. has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts.

35: Earnings Per Share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year attributable to owners of the Group used in the calculation of basic/ diluted earnings per share	**18,484.43**	15,538.45
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	**9.51**	7.99

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

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 March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Agri Inputs	2,22,478.25	1,94,581.49	20,633.66	19,722.31
Others	2,703.30	3,814.40	763.34	924.17
Total	**2,25,181.55**	**1,98,395.89**	**21,397.00**	**20,646.48**
Other income			3,433.40	3,065.26
Central administration cost, director fees and commission			(469.94)	(1,160.56)
Finance costs			(611.22)	(524.74)
Profit before tax			**23,749.24**	**22,026.44**

Notes:

(i) Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (March 31, 2019 ₹ Nil). The accounting policies of the reportable segments are the same as described in note 3.23.

(ii) Segment profit represents the profit before tax earned by each segment without allocation of central administration cost and director fees and commission, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment Assets and Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Segment assets		
Agri Inputs	1,96,021.74	1,94,250.16
Others	1,965.37	1,891.83
Total segment assets	**1,97,987.11**	**1,96,141.99**
Assets classified as held for sale	426.78	-
Unallocated	46,433.93	20,119.24
Total assets	**2,44,847.82**	**2,16,261.23**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Segment liabilities		
Agri Inputs	**89,173.66**	73,370.85
Others	**314.81**	166.22
Total segment liabilities	**89,488.47**	**73,537.07**
Unallocated	**14,345.49**	13,947.26
Total liabilities	**1,03,833.96**	**87,484.33**

Details of Capital Expenditure Incurred

Particulars	As at March 31, 2020	As at March 31, 2019
Agri Inputs	**3,905.99**	4,168.52
Others	**21.50**	12.84
Total	**3,927.49**	**4,181.36**

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than investments, other financial assets, non current tax assets, fixed deposits and interest accrued thereon.
- All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, interest accrued on loans, provision for supplemental pay, Director pension scheme, unpaid dividend, current and deferred tax liabilities.

Geographical Information

The Group operates in two principal geographical areas - India and outside India

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

Particulars	Revenue from external customers		Non-current assets*	
	For the year ended March 31, 2020	For the year ended March 31, 2019	As at March 31, 2020	As at March 31, 2019
India	**1,57,156.28**	1,33,256.01	**82,487.83**	73,846.23
Asia (Other than India)	**36,241.39**	37,432.09	**-**	-
North America	**18,055.49**	12,777.89	**-**	-
South America	**9,048.87**	10,764.80	**-**	-
Africa	**2,929.57**	3,043.88	**-**	-
Europe	**1,673.52**	35.21	**-**	-
Australia	**76.43**	1,086.01	**-**	-
	2,25,181.55	**1,98,395.89**	**82,487.83**	**73,846.23**

** Non-current assets exclude those relating to financial assets and deferred tax assets.*

Information about Major Customers

No single customer contributed more than 10% to the Group's revenue in 2019-20 and one customer contributed more than 10% (₹ 22,149.40 lakhs) to the Group's revenue in 2018-19.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

37: Leases

The Group incurred ₹ 1,235.19 lakhs for the year ended March 31, 2020 towards expenses relating to short-term leases. Lease rent incurred and recoverable from employees and not falling under the scope of IND AS 116 amounted to ₹ 111.04 lakhs. The total cash outflow for leases is ₹ 3,030.34 lakhs for the year ended March 31, 2020, including cash outflow of short-term leases and lease rent recoverable from employees.

Maturity Analysis

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
March 31, 2019						
Lease liabilities						
	-	-	-	-	-	
March 31, 2020						
Lease liabilities	2,831.13	1,392.43	670.42	652.22	116.06	8.65%
	2,831.13	**1,392.43**	**670.42**	**652.22**	**116.06**	

Impact of Changes in Accounting Policies

The following table provides the extract of impacts of adopting Ind AS 116 on the financial statements

i. Statement of Financial Position

April 1, 2019	Impact of changes in accounting policies		
	As previously reported	Adjustments	Restated Balance
Right-of-use assets	-	3,298.39	3,298.39
Total assets	-	**3,298.39**	**3,298.39**
Lease liabilities	-	3,465.90	3,465.90
Total liabilities	-	**3,465.90**	**3,465.90**
Retained earnings	-	(167.51)	(167.51)
Deferred tax assets	-	56.65	56.65
Total equity	-	**(110.86)**	**(110.86)**

The following Table provides Extract of Effect on both Basic and Diluted Earnings Per Share

For the year ended March 31, 2020	Increase/ (decrease) in profit for the year to the owners of the Group	Increase/ (decrease) in basic earnings per share	Increase/ (decrease) in diluted earnings per share
	Amount	₹ per share	₹ per share
Changes in accounting policie relating to:			
- adoption of Ind AS 116	(19.58)	(0.01)	(0.01)

Reconciliation between Operating Lease Commitments Disclosed in Financials as at March 31, 2019 Applying Ind AS 17 and Lease Liabilities Recognised in the Statement of Financial Position as at April 1, 2019 i.e. date of Initial Application

Particulars	Amount
Opening Balance of Operating Leases	1,488.13
Less : Recovery from Employees	230.36
Less : Adjustment on account of change in policy due to IND AS 116	167.51
Add : Additional Lease commitments based on expected extension of Lease term	2,375.64
Lease liabilities as at April 1, 2019	3,465.90

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Impact of COVID-19

The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as depots / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

Future Lease Commitments

All leases other than included above are of either low value or cancellable at the option of lessee.

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 March 31, 2020 ₹ 483.32 lakhs (March 31, 2019 ₹ 467.24 lakhs).

Defined Benefit Plans

The Group offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), a supplemental pay scheme (a life long pension) and director pension liability. The gratuity scheme covers substantially all regular employees, director pension liability covers retired Managing Director of the holding company and supplemental pay plan covers certain former executives. In the case of the gratuity scheme, the Group contributes funds to Gratuity Trust, which is irrevocable, director pension scheme and supplemental pay scheme are not funded. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method.

The Group makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Group in case of certain locations. The Group is liable for contributions and any deficiency compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

These plans typically expose the Group to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest Risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan's assets.

Longevity Risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The Present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

The Principal Assumptions used for the Purpose of Actuarial Valuation were as follows.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rates	**5.70% to 6.83% p.a.**	7.00% to 7.69% 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)*	**8.05 Years**	8.49 Years
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	**3.5 Years to 12 Years**	5 Years to 12 Years

**Based on Indian standard mortality table with modification to reflect expected changes in mortality.*

Amount Recognised in Consolidated Statement of Profit and Loss in respect of these defined benefit Plans are as follows

Particulars	Gratuity		Supplemental pay	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Service cost:				
Current service cost	**331.02**	307.38	**-**	-
Past service cost and loss from settlements	**119.60**	-	**-**	-
Net interest expense	**15.42**	12.56	**177.54**	118.63
Components of defined benefit costs recognised in profit or loss	**466.04**	**319.94**	**177.54**	**118.63**
Actuarial (Gain)/Losses arising from changes in demographic assumptions				
Return on plan assets (excluding amounts included in net interest expense)	**(84.15)**	70.84	**-**	-
Actuarial (Gain) arising from experience adjustments	**(44.58)**	(16.58)	**-**	(2.40)
Actuarial (Gain)/Losses arising from changes in financial assumptions	**251.74**	83.05	**140.51**	(39.17)
Actuarial (Gain)/Losses arising from experience adjustments	**(26.15)**	(148.49)	**4.18**	32.01
Components of defined benefit costs recognised in Other Comprehensive Income	**96.86**	(11.18)	**144.69**	(9.56)
Total	**562.90**	**308.76**	**322.23**	**109.07**

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Consolidated Statement of profit and loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

The amount included in the Balance Sheet arising from the Entity's Obligation in respect of its defined benefit Plan is as follows:

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligations	3,814.99	3,167.12	1,667.65	1,585.82
Fair value of plan assets	3,259.89	2,999.48	-	-
Funded Status [Deficit/(Surplus)]	555.10	**167.64**	1,667.65	**1,585.82**
Additional provision created	-	8.95	-	-
Net liability arising from defined benefit obligation	555.10	**176.59**	1,667.65	**1,585.82**

Movements in the Present Value of the defined benefit Obligation are as follows

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	3,167.12	2,983.93	1,585.82	1,627.34
Current service cost	331.02	306.03	-	-
Past service cost	119.60	-	-	-
Interest cost	237.52	230.63	121.95	118.63
Liability Transferred in/Acquisitions	81.86	5.16	-	-
Remeasurement (Gain)/Losses:				
Actuarial (Gain)/Losses arising from changes in demographic assumptions	(44.58)	(16.58)	-	(2.40)
Actuarial (Gain)/Losses arising from changes in financial assumptions	251.74	82.75	85.46	(39.17)
Actuarial (Gain)/Losses arising from experience adjustments	(25.00)	(151.23)	27.19	32.01
Benefits paid	(265.58)	(273.57)	(152.77)	(150.59)
Others	(38.71)	-	-	-
Closing defined benefit obligation	3,814.99	**3,167.12**	1,667.65	**1,585.82**

Movements in the Fair Value of the Plan Assets are as follows

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Opening fair value of the plan assets	2,999.48	2,855.19	-	-
Interest income	222.10	218.39	-	-
Remeasurement gain/(loss):				
Return on plan assets (excluding amounts included in net interest expense)	84.15	(70.84)	-	-
Assets Transferred In/Acquisitions	43.14	5.16		
Contributions from the employer	176.60	265.15	-	-
Benefits paid	(265.58)	(273.57)	-	-
Closing fair value of plan assets	3,259.89	**2,999.48**	-	**-**

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").

All amounts are in ₹ lakhs unless otherwise stated

Directors Pension Liability

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	722.92	-
Current service cost	55.59	722.92
Remeasurement (gain)/loss:		
Actuarial (gain)/loss arising from changes in financial assumptions	55.05	-
Actuarial (gain)/loss arising from experience adjustments	(23.00)	-
Benefits paid	(59.76)	-
Closing defined benefit obligation	**750.80**	**722.92**

The Fair Value of the Plan Assets at the end of the Reporting Period for each category, are as follows:

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	13.26	4.47	-	-
Investment funds with insurance Group				
Traditional / non unit linked	437.23	482.55	-	-
	437.23	482.55	-	-
Others - LIC managed fund	2,809.40	2,512.46	-	-
Total	**3,259.89**	**2,999.48**	-	-

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 ₹ 388.80 lakhs (increase by ₹ 492.55 lakhs) (March 31, 2019: decrease by ₹ 361.87 lakhs (increase by ₹ 424.23 lakhs).

2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 278.35 lakhs (decrease by ₹ 250.35 lakhs) (March 31, 2019: increase by ₹ 249.69 lakhs (decrease by ₹ 213.16 lakhs).

3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 39.55 lakhs (decrease by ₹ 40.05 lakhs) (March 31, 2019: increase by ₹ 37.93 lakhs (decrease by ₹ 37.91 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 ₹ 367.27 lakhs (March 31, 2019 ₹ 176.59 lakhs) to the defined benefit plans during the next financial year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

The defined benefit Obligations (mainly related to Rallis India Limited) Shall Mature after year ended March 31, 2020 as follows:

Particulars	Defined benefit obligation
As at March 31	
2020	589.62
2021	365.79
2022	483.85
2023	489.85
2024	472.04
Thereafter	2,457.81

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 March 31, 2020 and March 31, 2019.

Amount recognised as expense and included in the Note 31 — in the head "Contribution to Provident and other funds" for March 31, 2020 ₹ 254.25 lakhs (for March 31, 2019 ₹ 233.18 lakhs).

The details of provident Fund and Plan Asset Position are given below:

Particulars	As at March 31, 2020	As at March 31, 2019
Plan assets as period end	**9,198.72**	8,142.68
Present value of funded obligation	**8,925.52**	7,771.78
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 March 31, 2020	For the year ended March 31, 2019
Guaranteed rate of return	**8.50%**	8.55%
Discount rate for remaining term to maturity of investments	**6.83%**	7.69%
Expected rate of return on investments	**7.69%**	7.78%

As at March 31, 2020, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 9,198.72 lakhs and ₹ 8,925.52 lakhs respectively. In accordance with an assets and liability study, there is no deficiency as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

Compensatory Absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of ₹ 308.27 lakhs (March 31, 2019 ₹ 142.47 lakhs) has been recognised in the Consolidated Statement of profit and loss on account of provision for long-term employment benefit.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

39: Financial Instruments

Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 19.1, 20 and 21 and lease liabilities in Note 19.2 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 March 31, 2020	As at March 31, 2019
Debt (i)	**6,529.53**	7,283.62
Lease liabilities (non-current and current)	**2,831.13**	-
Cash and bank balances	**(4,865.07)**	(4,574.80)
Net debt	**4,495.59**	**2,708.82**
Total equity	**1,41,013.86**	**1,28,776.90**
Net debt to equity ratio	**3.19%**	2.10%

(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 19.1,20 and 21.

Fair Value Hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2020

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	4,651.73	-	-	4,651.73	-	-	-	-
Bank balances other than above	213.34	-	-	213.34	-	-	-	-
Non-current investments	379.69	-	379.69	-	379.69	0.45	-	379.24
Current investments	29,867.42	29,867.42	-	-	29,867.42	-	29,867.42	-
Loans (non-current)	907.07	-	-	907.07	907.07	-	-	907.07
Other non current financial assets	76.51	-	-	76.51	76.51	-	-	76.51
Trade receivables	45,059.14	-	-	45,059.14	-	-	-	-
Other current financial assets	648.54	-	-	648.54	-	-	-	-
Financial liabilities								
Non-current borrowings (excluding current portion)	1,236.30	-	-	1,236.30	1,236.30	-	-	1,236.30
Lease liabilities (current and non-current portion)	2,831.13	-	-	2,831.13	2,831.13	-	-	2,831.13
Current borrowings	4,961.79	-	-	4,961.79	-	-	-	-
Trade payables	63,734.16	-	-	63,734.16	-	-	-	-
Other financial liabilities (current and non-current)	9,576.81	3.97	-	9,572.84	3.97	-	3.97	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

As at March 31, 2019

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	4,184.99	-	-	4,184.99	-	-	-	-
Bank balances other than above	389.81	-	-	389.81	-	-	-	-
Non-current investments	378.84	-	378.84	-	378.84	0.50	-	378.34
Current investments	10,548.14	10,548.14	-	-	10,548.14	-	10,548.14	-
Loans (non-current)	674.09	-	-	674.09	674.09	-	-	674.09
Loans (current)	93.33	-	-	93.33	-	-	-	-
Other non current financial assets	42.17	-	-	42.17	42.17	-	-	42.17
Trade receivables	44,906.94	-	-	44,906.94	-	-	-	-
Other current financial assets	460.54	79.32	-	381.22	79.32	-	79.32	-
Financial liabilities								
Non-current borrowings (excluding current portion)	1,580.16	-	-	1,580.16	1,580.16	-	-	1,580.16
Current borrowings	5,295.86	-	-	5,295.86	-	-	-	-
Trade payables	53,481.60	-	-	53,481.60	-	-	-	-
Other financial liabilities (current and non-current)	11,320.12	-	-	11,320.12	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Measurement of Fair Values

Valuation Techniques and Significant Unobservable Inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used

Financial Instruments Measured at Fair Value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Current investments -in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors	Not applicable	Not applicable
Non-current investments	Discounted cash flows: The valuation model considers the present value of expected cash flows discounted using appropriate discounting rates.	Not applicable	Not applicable

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Reconciliation of Fair Value Measurement of Investment in Unquoted Equity Instrument Classified as FVTOCI (Level 3)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**378.34**	378.34
Remeasurement recognised in OCI	-	-
Add: Bonus shares issued on investment	**0.90**	-
Sales	-	-
Closing balance	**379.24**	**378.34**

Financial Risk Management Objectives

The Group's corporate treasury function provides services to the business,co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk report which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk),credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market Risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk including:

Forward foreign exchange contracts to hedge the exchange rate risk arising on imports and exports.

Foreign Currency Risk Management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (foreign currency)		Assets (foreign currency)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
In US Dollars (USD)	**207.88**	217.49	**94.35**	278.71
In Australian Dollars (AUD)	**0.01**	0.01	-	-
In Euro (EUR)*	-	-	-	0.44
In Japanese Yen (JPY)	**676.60**	679.00	-	-
In SWISS Franc (CHF)	**0.01**	-	-	0.02
In Great Britain Pound (GBP)	-	0.02	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Liabilities (INR)		Assets (INR)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
In US Dollars (USD)	**15,728.91**	15,040.82	**7,139.19**	19,274.02
In Australian Dollars (AUD)	**0.31**	0.33	**-**	-
In Euro (EUR)	**0.22**	-	**-**	34.06
In Japanese Yen (JPY)	**471.13**	423.81	**-**	-
In SWISS Franc (CHF)	**-**	-	**-**	1.09
In Great Britain Pound (GBP)	**1.19**	2.10	**-**	-

**Amount is less than ₹ 0.01 lakh.*

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% charge 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 March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(429.49)**	211.66
Decrease in exchange rate by 5%	**429.49**	(211.66)

Particulars	AUD impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(0.02)**	(0.02)
Decrease in exchange rate by 5%	**0.02**	0.02

Particulars	EUR impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(0.01)**	1.70
Decrease in exchange rate by 5%	**0.01**	(1.70)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	JPY impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(23.56)**	(21.19)
Decrease in exchange rate by 5%	**23.56**	21.19

Particulars	GBP impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**(0.06)**	(0.11)
Decrease in exchange rate by 5%	**0.06**	0.11

Particulars	SWISS Franc (CHF) impact	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	**-**	0.05
Decrease in exchange rate by 5%	**-**	(0.05)

The Group, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and four years. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

Derivative Instruments:

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

The Group, basis their assessment, believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic.

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	As at March 31, 2020			As at March 31, 2019		
	Number of contracts	₹ lakhs	Foreign currency in lakhs	Number of contracts	₹ lakhs	Foreign currency in lakhs
Receivables	**-**	**-**	**-**	6	3,550.22	USD 51.34
Payable	**2**	**471.13**	**JPY 676.60**	1	423.81	JPY 679.00

Note: USD = US Dollar; JPY = Japanese Yen.

The line item in the balance sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

Equity Risk

There is no material equity risk relating to the Group's equity investments which are detailed in note 7. The Group equity investments majorly comprises of strategic investments rather than trading purposes.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

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.

At the end of reporting period, the Group had the following variable interest rate borrowings and fixed interest rate financial assets:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current variable interest rate borrowings including current maturities of non current borrowings	**900.00**	1,200.00
Non-current fixed interest rate borrowings	**113.66**	197.21
Non current and current Lease Liabilities- fixed interest rate	**2,831.13**	-
Current variable interest rate borrowings	**4,961.79**	5,295.86
Fixed interest rate financial assets	**4,073.93**	254.96

Cash Flow Sensitivity Analysis for Variable Rate Instruments

Non-current Variable Interest Rate Borrowings

If the interest rate is 100 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 12.04 lakhs (increased by ₹ 12.04 lakhs) (as at March 31, 2019: decrease by ₹ 21.79 lakhs (increase by ₹ 21.79 lakhs).

Current Variable Interest Rate Borrowings

If the interest rate is 100 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 5.10 lakhs (increased by ₹ 5.10 lakhs) (as at March 31, 2019: decrease by ₹ 1.16 lakhs (increase by ₹ 1.16 lakhs).

Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group. The Group uses its own trading records to evaluate the credit worthiness of its customers. The Group's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 12).

The credit risk on investment in mutual funds and derivative financial instruments is limited because the counter parties are reputed banks or funds sponsored by reputed bank.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non-current liabilities are disclosed in note 19.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Liquidity Risk Table

The following table detail the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Particulars	Less than 1 year	1-5 years	More than 5 years	Total	Carrying amount
As at March 31, 2020					
Non-Derivative financial liabilities					
Borrowings including future interest payable	**5,474.30**	**1,030.82**	**164.91**	**6,670.03**	**6,529.53**
Lease liabilities	**1,527.37**	**1,459.39**	**181.63**	**3,168.39**	**2,831.13**
Trade payables	**63,734.16**	**-**	**-**	**63,734.16**	**63,734.16**
Other financial liabilities (Current and Non-current)	**8,596.45**	**644.95**	**-**	**9,241.40**	**9,241.40**
Derivative financial liabilities					
Forward exchange contracts used for hedging :					
- Outflow	**471.13**	**-**	**-**	**471.13**	**3.97**
- Inflow	**(467.16)**	**-**	**-**	**(467.16)**	**-**
	79,336.25	**3,135.16**	**346.54**	**82,817.95**	**82,340.19**
As at March 31, 2019					
Non-Derivative financial liabilities					
Borrowings including future interest payable	5,806.14	1,501.98	196.34	7,504.46	7,283.62
Trade payables	53,481.60	-	-	53,481.60	53,481.60
Other financial liabilities (Current and Non-current)	10,272.02	640.50	-	10,912.52	10,912.52
	69,559.76	**2,142.48**	**196.34**	**71,898.58**	**71,677.74**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

Other Risk – Impact of COVID-19

Financial assets carried at fair values as at March 31, 2020 is ₹ 30,247.11 lakhs and financial assets carried at amortised cost as at March 31, 2020 is ₹ 51,556.33 lakhs. Financial assets classified as Level 1 and Level 2 are having fair value of ₹ 29,867.87 lakhs as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Group are mainly investments in mutual funds and accordingly, any material volatility is not expected.

Financial assets of ₹ 4,865.07 lakhs as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Group has assessed the counterparty credit risk. Trade receivables of ₹ 45,059.14 lakhs as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers in respect of whom amounts are receivable. The Group has specifically evaluated the potential impact with respect to customers in Domestic Formulation segment which could have an immediate impact. The Group closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Basis this assessment, the allowance for doubtful trade receivables of ₹ 2,544.66 lakhs as at March 31, 2020 is considered adequate.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

40: Related Party Transactions

Details of transactions between the Group and other related party are disclosed below.

1. Parent of the Holding company

Name of Parent	Country	Holding	
		As at March 31, 2020	As at March 31, 2019
Tata Chemical Ltd.	India	**50.06%**	50.06%

2. List of Subsidiaries

Name of subsidiaries	Country	Holding	
		As at March 31, 2020	As at March 31, 2019
Direct			
Rallis Chemistry Exports Ltd. (Refer Note 1)	India	**-**	-
PT. Metahelix Lifesciences Indonesia (Refer Note 2)	Indonesia	**65.77%**	65.77%

Footnote :

1. *During the previous year ended March 31, 2019, Rallis Chemistry Exports Ltd. has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts. However, it is continue to be subsidiary of the Group till the time of removal of its name from Register of Companies.*
2. *Since Metahelix Life Sciences Limited cease to exist as subsidiary, now PT Metahelix Lifesciences Indonesia is a direct subsidiary of Rallis India Limited.*

3. Other Related Parties

Rallis India Limited Provident Fund

Rallis India Limited Management Staff Gratuity Fund

Rallis India Limited Senior Assistants Super Annuation Scheme

Rallis Executive Staff Super Annuation Fund

Rallis India Limited Non-Management Staff Gratuity Fund

4. Key Management Personnel

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

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

Mr. R. Mukundan, Managing Director and CEO (w.e.f December 3, 2018 till March 31, 2019)

5. Promoter Group

Tata Sons Private Limited

6. List of Subsidiaries of Tata Sons Private Limited

Tata Africa Services (Nigeria) Ltd.

Infiniti Retail Ltd.

Tata AIG General Insurance Co. Ltd.

Tata Consultancy Services Ltd.

Ecofirst Services Ltd.

TC Travels & Services Ltd.

Tata Teleservices Limited

Tata Capital Financial Services Ltd.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

TASEC Limited

Tata Strategic Management Group (Division of Tata Industries Limited)

Impetis Biosciences Limited

Ewart Investments Limited

Tata Consulting Engineers Ltd.

6a. List of Subsidiaries of Tata Chemicals Limited

Tata Chemicals International Pte Ltd

Tata Chemicals Magadi Limited

7. Trading Transactions

During the year, Group entered into following trading transactions with related parties:

Particulars	Sales of goods		Purchases of goods	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Parent of the Holding Company				
Tata Chemical Ltd.	-	-	1,117.43	1,120.57
Subsidiary of Parent Company				
Tata Chemicals International Pte Ltd	17,765.22	-	-	-
Subsidiaries of Tata Sons Private Ltd.				
Infiniti Retail Ltd.	-	-	1.25	5.33

Sale of goods to related parties were made at the Group's usual list prices, less average discounts. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationship between the parties.

8. Service Transactions

Particulars	Services rendered		Services received	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Parent Company				
Tata Chemical Ltd.	-	49.26	137.31	0.35
Subsidiary of Parent Company				
Tata Chemicals Magadi Limited	-	-	1.65	-
Investor of Parent Company				
Tata Sons Private Ltd.	-	-	307.80	270.10
Subsidiaries Tata Sons Private Ltd.				
Tata AIG General Insurance Co. Ltd	-	-	21.38	17.84
Tata Consultancy Services Ltd.	-	-	294.88	96.76
Ecofirst Services Limited	-	-	-	4.30
Tata Teleservices Limited	-	-	10.53	11.23
TASEC Limited	-	-	-	11.33
Tata Consulting Engineers Limited	-	-	68.09	-
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	-	89.54

Services were received at market price and any discount to reflect the relationship between the parties.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

9. Investment Transactions

Particulars	Investment made		Investment sold	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Rallis Chemistry Exports Ltd.	-	19.60	-	-

10. Other-dividend Payments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Parent Company		
Tata Chemical Ltd.	**2,433.54**	2,433.54
Subsidiaries of Tata Sons Private Ltd.		
Ewart Investments Limited	**1.88**	1.88

11. Contributions to Employee benefit Trusts

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contributions to employee benefit trusts	**1,257.69**	1,093.94

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 March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Parent Company				
Tata Chemical Ltd.	-	49.26	**83.95**	70.60
Subsidiary of Parent Company				
Tata Chemicals International Pte Ltd	**934.66**	-	-	-
Tata Chemicals Magadi Limited	-	-	**1.65**	-
Subsidiaries Tata Sons Private Ltd.				
Tata AIG General Insurance Co. Ltd.	-	0.70	**0.41**	-
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	-	59.24
Infiniti Retail Ltd.	-	-	**0.68**	-
Tata Consulting Engineers Ltd.	-	11.79	-	-
Tata Teleservices (Maharashtra) Limited	-	-	-	0.02

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken during the year. No expense has been recognised in the current or prior years for bad and doubtful debts in respect of the amounts owed by related parties.

12. Compensation of Key Management Personnel

The remuneration of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short term benefits	**270.24**	528.90
Post-Employment benefits (PF and Superannuation)	**14.58**	28.11

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. It is exclusive of gratuity and compensated absences.

During the previous year ended March 31, 2019, compensation of key mangement personnel include compensation of Managing Director of Rallis India Limited and Seeds division of Rallis India Limited (earlier named as Metahelix Life Sciences Limited).

41: Contingent Liabilities

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Group in respect of these cases have been summarised below.

a. Guarantees

Gurantees issued by bank on behalf of the Group as on March 31, 2020 is ₹ 142.96 lakhs (March 31, 2019 ₹ 161.09 lakhs) these are covered by the charge created in favour of the said subsidiary's bankers by way of hypothication of stock and debtors.

b. Tax Contingencies

Amounts in respect of claims asserted by various revenue authorities on the Group, in respect of taxes, which are in dispute, have been tabulated below:

Nature of Tax	As at March 31, 2020	As at March 31, 2019
Sales tax	**1,039.38**	1,399.12
Excise duty	**30.11**	515.35
Customs duty	**144.10**	144.10
Income tax*	**13,301.11**	12,123.24
Goods and Service tax	**49.43**	61.01

** Excludes ₹ 1,295.88 lakhs (March 31, 2019 ₹ 995.88 lakhs) deposits paid under protest.*

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

c. Amount in respect of Other Claims

Nature of Claim	For the year ended March 31, 2020	For the year ended March 31, 2019
Matters relating to employee benefits	**103.11**	94.26
Others (claims related to contractual disputes)	**569.36**	486.53

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or

(v) there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the 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.

d. There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant and has been provided in the books of accounts. During the current year ended March 31, 2020, the Group has incorporated the effect of changes in the books of accounts. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

42: Commitments

(i) Estimated amount of contract with minimum commitment for plant activity ₹ 1,184.50 lakhs (March 31, 2019 ₹ 2,317.50 lakhs).

(ii) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 7,441.03 lakhs as at March 31, 2020 (March 31, 2019 : ₹ 1,512.42 lakhs) and Intangible assets is ₹ 787.55 lakhs as at March 31, 2020 (March 31, 2019 : ₹ 6.41 lakhs) against which advances paid aggregate ₹ 1,182.51 lakhs as at March 31, 2020 (March 31, 2019 : ₹ 84.07 lakhs).

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

43: Research and development expenditure

The Group has incurred the following expenses on research and development activity:

Particulars (Refer footnote)	For the year ended March 31, 2020	For the year ended March 31, 2019
On Property, plant and equipment	**130.35**	156.08
On items which have been expensed during the year		
- Materials	**165.06**	157.85
- Employee benefits expense	**1,813.81**	1,624.06
- Breeding expense	**299.32**	231.26
- Professional fees	**37.10**	43.64
- Consumables	**120.05**	128.44
- Finance costs	**0.22**	0.57
- Travelling expenses	**142.00**	94.78
- Rent	**39.74**	40.60
- Depreciation and amortisation expense	**195.42**	293.12
- Others	**447.63**	588.39
Expenses - External agency	**9.63**	19.38
Total	**3,400.33**	3,378.17

During the year, the Group has also incurred ₹ 1.87 lakhs (March 31, 2019 ₹ 4.60 lakhs) towards capital research and development expenditure which is included under tangible assets under development. The total amount included in capital work-in-progress as at March 31, 2020 is ₹ 2,875.71 lakhs (March 31, 2019 ₹ 1,287.69 lakhs).

The total amount included in intangible assets under development as at March 31, 2020 is ₹ 4,694.65 lakhs (as at March 31, 2019 ₹ 3,782.88 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 March 31, 2020	For the year ended March 31, 2019
(a) To statutory auditors		
For audit	**76.74**	62.64
For limited review of quarterly results	**15.00**	15.00
For taxation matters	**6.00**	6.00
For other services	**7.27**	21.65
Reimbursement of expenses	**8.47**	7.85

Recoverable taxes which is being claimed for set-off as input credit has not been included in the expenditure above.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

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 March 31, 2020

Name of the entity in the Group	As at March 31, 2020 Net assets*		For the year ended March 31, 2020 Share in profit or loss		For the year ended March 31, 2020 Share in other comprehensive income		For the year ended March 31, 2020 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.	99.99%	1,41,000.02	100.97%	18,546.60	98.30%	(184.39)	101.00%	18,362.21
Subsidiary (Group's share)								
Indian								
Rallis Chemistry Exports Ltd.#	0.00%	-	0.00%	-	-	-	-	-
Foreign								
PT. Metahelix Lifesciences Indonesia	0.05%	68.55	-0.63%	(115.63)	-	-	-0.64%	(115.63)
Total Eliminations/Adjustments	-0.05%	(67.94)	-0.34%	(62.17)	-	-	-0.34%	(62.17)
Exchange differences on translation of foreign operations	0.01%	13.23	-	-	1.70%	(3.18)	-0.02%	(3.18)
Total	100.00%	1,41,013.86	100.00%	18,368.80	100.00%	(187.57)	100.00%	18,181.23

b) As at and for the year ended March 31, 2019

Name of the entity in the Group	As at March 31, 2019 Net assets*		For the year ended March 31, 2019 Share in profit or loss		For the year ended March 31, 2019 Share in other comprehensive income		For the year ended March 31, 2019 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.	96.94%	1,24,835.73	83.33%	12,897.83	57.92%	(85.72)	83.57%	12,812.11
Subsidiary (Group's share)								
Indian								
Metahelix Life Sciences Ltd. (Refer Note 48(a))	10.24%	13,186.75	15.42%	2,386.38	38.79%	(57.41)	15.19%	2,328.97
Zero Waste Agro Organics Ltd. (Refer Note 48(b))	1.39%	1,785.65	1.09%	168.21	1.48%	(2.19)	1.08%	166.02
Rallis Chemistry Exports Ltd.#	0.00%	(0.00)	-0.01%	(2.14)	-	-	-0.01%	(2.14)
Foreign								
PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-17)	0.14%	184.18	-0.39%	(60.06)	-	-	-0.39%	(60.06)
Total Eliminations/Adjustments	**-8.70%**	**(11,202.19)**	**0.57%**	**88.17**	-	-	**0.58%**	**88.17**
Exchange differences on translation of foreign operations	-0.01%	(13.22)	-	-	1.82%	(2.69)	-0.02%	(2.69)
Total	**100.00%**	**1,28,776.90**	**100.00%**	**15,478.39**	**100.00%**	**(148.01)**	**100.00%**	**15,330.38**

**Net assets = total assets minus total liabilities*

#less than 0.01%

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

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		Investment made		Sale of Investment		Closing	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Rallis Chemistry Exports Limited*	Year ended March 31, 2019	50,000.00	5.00	1,96,000	19.60	-	-	-	-

*During the previous year ended March 31, 2019, the Company has made an application to the Registrar of Companies for removal of its name from the Register of Companies, hence investment has been written off from books of accounts.

47: Dislosure under Ind AS 115 - Revenue from Contracts with Customers

The Group is engaged into manufacturing of agri inputs.There is no impact on the Group's revenue on applying Ind AS 115 from the contract with customers.

Disaggregation of Revenue from Contracts with Customers

Particulars	2019-20			2018-19		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
1) Revenue from contracts with customers:						
Sale of products (Transferred at point in time)						
Manufacturing						
India	**1,32,282.04**	-	**1,32,282.04**	1,16,197.13	-	1,16,197.13
Asia (Other than India)	**36,148.90**	-	**36,148.90**	37,326.49	-	37,326.49
North America	**15,352.19**	**2,703.30**	**18,055.49**	8,963.49	3,814.40	12,777.89
South America	**9,048.87**	-	**9,048.87**	10,764.80	-	10,764.80
Africa	**2,486.15**	-	**2,486.15**	2,248.01	-	2,248.01
Europe	**1,673.52**	-	**1,673.52**	35.21	-	35.21
Australia	**76.43**	-	**76.43**	1,086.01	-	1,086.01
Total (A)	**1,97,068.10**	**2,703.30**	**1,99,771.40**	**1,76,621.15**	**3,814.40**	**1,80,435.55**
Trading						
India	**23,498.01**	-	**23,498.01**	16,237.83	-	16,237.83
Asia (Other than India)	**92.50**	-	**92.50**	105.60	-	105.60
Africa	**443.42**	-	**443.42**	795.87	-	795.87
Total (B)	**24,033.93**	-	**24,033.93**	**17,139.30**	-	**17,139.30**
Total (A) + (B)	**2,21,102.03**	**2,703.30**	**2,23,805.33**	**1,93,760.45**	**3,814.40**	**1,97,574.85**
2) Sale of services	**51.44**	-	**51.44**	**55.35**	-	**55.35**
3) Other operating revenue						
Sale of scrap	**829.12**	-	**829.12**	332.63	-	332.63
Liabilities written back	**430.25**	-	**430.25**	390.17	-	390.17
Royalty Income	**65.41**	-	**65.41**	42.89	-	42.89
	1,324.78	-	**1,324.78**	**765.69**	-	**765.69**
Total Revenue	**2,22,478.25**	**2,703.30**	**2,25,181.55**	**1,94,581.49**	**3,814.40**	**1,98,395.89**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Major segment

Particulars	2019-20			2018-19		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Crop Protection*	**1,71,943.70**	**-**	**1,71,943.70**	1,48,147.70	-	1,48,147.70
Crop Nutrition	**9,991.55**	**-**	**9,991.55**	8,304.80	-	8,304.80
Polymer	**-**	**2,703.30**	**2,703.30**	-	3,814.40	3,814.40
Seeds	**35,756.32**	**-**	**35,756.32**	31,119.13	-	31,119.13
Others	**3,410.46**	**-**	**3,410.46**	6,188.82		6,188.82
	2,21,102.03	**2,703.30**	**2,23,805.33**	**1,93,760.45**	**3,814.40**	**1,97,574.85**

**Crop Protection includes Fungicides, Herbicides and Insecticides.*

Sales by Performance Obligations

Particulars	2019-20			2018-19		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Upon shipment	**65,321.98**	**2,703.30**	**68,025.28**	61,325.49	3,814.40	65,139.89
Upon delivery	**1,55,780.05**	**-**	**1,55,780.05**	1,32,434.96	-	1,32,434.96
	2,21,102.03	**2,703.30**	**2,23,805.33**	**1,93,760.45**	**3,814.40**	**1,97,574.85**

Reconciliation of Revenue from Contract with Customer

Particulars	2019-20	2018-19
Revenue from contract with customer as per the contract price	**2,87,350.89**	2,61,399.76
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**14,875.23**	12,077.64
b) Sales Returns /Credits / Reversals	**48,670.33**	51,747.27
Revenue from contract with customer as per the statement of Profit and Loss	**2,23,805.33**	**1,97,574.85**
Sale of services	**51.44**	55.35
Other operating revenue	**1,324.78**	765.69
Revenue from Operations	**2,25,181.55**	**1,98,395.89**

48 (a) : Amalgamation of Metahelix Life Sciences Limited with Rallis India Limited

i) Pursuant to the scheme of Arrangement ('the Scheme') approved by the National Company Law Tribunal ('the NCLT'), Bengaluru Bench and the NCLT, Mumbai Bench vide its order dated November 11, 2019 and December 20, 2019 respectively, Metahelix Life Sciences Limited (the Merged Undertaking) wholly owned subsidiary of the Holding Company, merged with the Holding Company with effect from April 1, 2019 ('the appointed date'). As per Appendix C of Ind AS 103 - Business Combinations, the financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occured from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combination is accounted with effect from April 1, 2018.

ii) The Merged Undertaking is engaged in the business of agricultural operations focusing on developing traits and technologies for crop protection & improved productivity and cultivation, production, processing and manufacturing, marketing and sales of Seeds. The acquisition is in-line with the Group's strategy to grow the business and saving in costs of operations.

There is no financial impact of Merger on consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

(b) : Amalgamation of Zero waste Agro-Organics Limited with Rallis India Limited

i) Pursuant to the scheme of Arrangement ('the Scheme') approved by the National Company Law Tribunal ('the NCLT'), Mumbai Bench vide its order dated February 20, 2020, Zero Waste Agro Organics Limited (the Merged Undertaking), wholly owned subsidiary of the Holding Company, merged with the Holding Company with effect from April 1, 2017 ('the appointed date'). As per Appendix C of Ind AS 103 - Business Combinations, the financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occured from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combination is accounted with effect from April 1, 2018.

ii) The Merged Undertaking is engaged in the business of agricultural operations focusing on soil nutrition & improved productivity and production, processing and manufacturing, marketing of soil nutrition. The acquisition is in-line with the Group's strategy to grow the business and saving in costs of operations.

There is no financial impact of Merger on consolidated financial statements of the Group.

49: The Holding Company made a contribution to an electoral trust of ₹ Nil (March 31, 2019 ₹ 500 lakhs) which is included in other expenses.

50: The Ministry of Home Affairs vide order No.40-3/2020 dated March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of COVID 19. The operations were disrupted at certain manufacturing facilities and depots of the Group, as a result of which goods worth ₹ 1,604.70 lakhs could not be dispatched to the domestic market. Further, international shipments were also disrupted due to absence of transportation facilities in the last week of March 2020 resulting in lower shipment of ₹ 5,318.66 lakhs.

51: Exceptional item comprises profit on sale of flats (net of costs) which was grouped under Investment Property.

52: Subsequent Event

The Board of Directors of the Holding Company at its meeting held on May 5, 2020 has recommended a dividend of ₹ 2.50 per equity share (March 31, 2019 ₹ 2.50 per equity share), subject to shareholders approval at annual general meeting.

53: The MCA wide notification dated October 11, 2018 has amended Schedule lll to the Companies Act, 2013 in respect of certain disclosures. The Group has incorporated appropriate changes in the above results.

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, May 5, 2020

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan (DIN: 00778253)	*Director*
Sanjiv Lal (DIN: 08376952)	*Managing Director and CEO*
Ashish Mehta (M. No. 53039)	*Chief Financial Officer*
Yashaswin Sheth (M. No. A15388)	*Company Secretary*

Mumbai, May 5, 2020

Form AOC-1

[Statement pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 containing salient features of the financial statement of subsidiaries/associate companies/joint ventures for the year ended March 31, 2020]

Part "A": Subsidiaries

(₹ in crore)

Sl. No.	Particulars	Name of the Subsidiary	
		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
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: IDR Exchange Rate Assets/ Liabilities: 0.004748 Turnover : 0.004922
3.	Share Capital	0.25	6.83
4.	Reserves & Surplus	(0.25)	(5.62)
5.	Total Assets	-	1.24
6.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	-	0.02
7.	Investments	-	-
8.	Turnover	-	0.32
9.	Profit before taxation	-	(2.26)
10.	Provision for taxation	-	-
11.	Profit after taxation	-	(2.26)
12.	Proposed dividend	-	-
13.	% of shareholding	100.00%	65.77%

Notes:

1. *During the quarter ended March 31, 2020, the NCLT, Mumbai Bench has approved the Scheme of Amalgamation between Zero Waste Agro Organics Limited (wholly-owned subsidiary of Rallis) and Rallis India Limited ('the Scheme') on February 20, 2020 from the Appointed Date of April 1, 2017. Though the certified copy of the Order is yet to be filed with the Registrar of Companies, the Company has given effect of the Scheme in its financial statements in view of it being a common control transaction, in the quarter and year ended March 31, 2020.*
2. *Rallis Chemistry Exports Limited (a wholly owned subsidiary) had made an application to the Registrar of Companies for removal of its name from the register of companies for which the approval is awaited.*
3. *During the year, Metahelix Life Sciences Limited was merged with the Company pursuant to the Scheme of Merger by Absorption which was made effective from February 1, 2020.*
4. *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 March 31, 2020.*
5. *Reporting period of the above subsidiaries is the same as that of the Company.*
6. *Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2020.*

For and on behalf of the Board of Directors of Rallis India Limited

R. Mukundan (DIN: 00778253)	*Director*
Sanjiv Lal (DIN: 08376952)	*Managing Director and CEO*
Ashish Mehta (M. No. 53039)	*Chief Financial Officer*
Yashaswin Sheth (M. No. A15388)	*Company Secretary*

Mumbai, May 5, 2020

Notice

NOTICE IS HEREBY GIVEN THAT THE 72ND ANNUAL GENERAL MEETING OF THE MEMBERS OF RALLIS INDIA LIMITED will be held on Friday, July 3, 2020 at 3.00 p.m. (IST) through two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 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 March 31, 2020 together with the Report of the Auditors thereon.

3. To declare dividend for the financial year 2019-20 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. **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 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Company hereby ratifies the remuneration of ₹ 5,00,000 plus applicable taxes and out-of-pocket expenses incurred in connection with the cost audit, payable to D. C. Dave & Co. (Firm Registration No. 000611), who are appointed as Cost Auditors by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2021.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

Notes:

1. In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Friday, July 3, 2020 at 3.00 p.m. (IST). The deemed venue for the 72nd AGM will be Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400 001.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 72nd AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in.

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

5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 5 of the Notice is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of a Director seeking re-appointment at this AGM are also annexed.

6. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings by logging into the National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars.

7. In line with the MCA General Circular dated May 5, 2020, the Notice of the AGM alongwith the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 72nd AGM has been uploaded on the website of the Company at www.rallis.co.in under 'Investor Relations' section and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice is also available on the website of NSDL at www.evoting.nsdl.com.

8. **Book Closure and Dividend:**

   The Register of Members and the Share Transfer Books of the Company will be closed from Friday, June 19, 2020 to Friday, June 26, 2020, both days inclusive. The dividend of ₹ 2.50 per share (i.e. 250%) on the Equity Shares of the Company of ₹ 1 each, if declared by the Members at the AGM, will be paid subject to deduction of income tax at source ('TDS') on or after Tuesday, July 7, 2020 as under:

   (a) To all the Beneficial Owners as at the end of the day on Thursday, June 18, 2020 in the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited ('CDSL') in respect of the shares held in electronic form; and

   (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Thursday, June 18, 2020.

9. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders with effect from April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail by Tuesday, June 16, 2020. For the detailed process, the information is available on the Company's website at https://www.rallis.co.in/DDTIntimation.htm.

10. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to send a scanned copy of the following details/documents at Csg-KYC@tsrdarashaw.com latest by Tuesday, June 16, 2020:

    a. a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

       i) Name and Branch of Bank and Bank Account type;

       ii) Bank Account Number and type allotted by your bank after implementation of Core Banking Solutions;

       iii) 11 digit IFSC Code.

    b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

    c. self-attested scanned copy of the PAN Card; and

    d. self-attested scanned copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

    Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by the Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

11. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall despatch the dividend warrant/bankers' cheque/demand draft to such Members, upon normalisation of postal services and other activities.

12. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited ('Registrar' or 'TSR') at csg-unit@tsrdarashaw.com for assistance in this regard. Members may also refer to Frequently Asked Questions ('FAQs') on the Company's website at https://www.rallis.co.in/FAQsonDematerialisation.htm.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at csg-unit@tsrdarashaw.com in case the shares are held in physical form, quoting their folio number. Further, Members may note that Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market.

14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. The said forms can be downloaded from the Company's website at www.rallis.co.in under 'Investor Relations' section. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar at csg-unit@tsrdarashaw.com in case the shares are held in physical form, quoting their folio number.

15. The format of the Register of Members prescribed by the MCA under the Act requires the Company/Registrar to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend, etc. A form for capturing additional details is available on the Company's website under the section 'Investor Relations' as also attached to this Annual Report. Members holding shares in physical form are requested to submit the filled-in form to the Company at investor_relations@rallis.co.in or to the Registrar in physical mode, after normalcy is restored or in electronic mode at csg-unit@tsrdarashaw.com, as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or TSR.

16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or TSR, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

18. **Process for registering e-mail addresses to receive this Notice electronically and cast votes electronically:**

i. **Registration of e-mail addresses with TSR:** The Company has made special arrangements with TSR for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/DPs are required to provide the same to TSR on or before 5.00 p.m. (IST) on Friday, June 26, 2020.

Process to be followed for registration of e-mail address is as follows:

a)	Visit the link: https://green.tsrdarashaw.com/green/events/login/ra
b)	Enter the DP ID & Client ID /Physical Folio Number and PAN details. In the event, if the PAN details are not available on record for Physical Folio, Member to enter one of the share certificate number
c)	Enter your e-mail address and mobile number
d)	The system will then confirm the e-mail address for receiving this Notice.

The above system also provides a facility to the Members holding shares in physical form to upload a self-attested copy of their PAN Card, if the PAN details are not updated in accordance with the requirements prescribed by SEBI.

After successful submission of the e-mail address, NSDL will e-mail a copy of this Notice and Annual Report for FY 2019-20 along with the e-Voting user ID and password. In case of any queries, Members may write to csg-unit@tsrdarashaw.com or evoting@nsdl.co.in.

ii. **Registration of e-mail address permanently with Company/DP:** Members are requested to register the e-mail address with their concerned DPs, in respect of electronic holding and with TSR, in respect of physical holding, by writing to them at csg-unit@tsrdarashaw.com. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/TSR to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

iii. Alternatively, Members may also send an e-mail request to evoting@nsdl.co.in along with the following documents for procuring user id and password and registration of e-mail ids for e-Voting on the Resolutions set out in this Notice:

- In case shares are held in **physical form**, please provide Folio Number, Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card
- In case shares are held in **demat form**, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card

19 Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, as amended and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.

20. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Friday, June 26, 2020 may cast their vote by remote e-Voting. The remote e-Voting period commences on **Tuesday, June 30, 2020** at 9.00 a.m. (IST) and ends on **Thursday, July 2, 2020** at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before/during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Friday, June 26, 2020.

21. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again.

22. 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 before as well as during the AGM.

Any person who acquires shares of the Company and becomes a Member of the Company after the despatch of the Notice and holding shares as on the cut-off date i.e. Friday, June 26, 2020, may obtain the User ID and password by sending a request at evoting@nsdl.co.in.

23. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

24. The Scrutinizer will submit his report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges on which the Company's shares are listed, NSDL and RTAand will also be displayed on the Company's website at www.rallis.co.in.

25. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

i. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system and they may access the same at https://www.evoting.nsdl.com under the Shareholder/Member login by using the remote e-Voting credentials, where the EVEN of the Company i.e. **112953** will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, Members may also use the OTP based login for logging into the e-Voting system of NSDL.

ii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 72nd AGM from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number to reach the Company's e-mail address at investor_relations@rallis.co.in before 3.00 p.m. (IST) on Wednesday, July 1, 2020. Such questions by the Members shall be suitably replied to by the Company.

iv. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investor_relations@rallis.co.in from Monday, June 29, 2020 (9.00 a.m. IST) to Wednesday, July 1, 2020 (5.00 p.m. IST). **Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM**. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

v. Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact:

Name of the concerned person	Contact details
Mr. Amit Vishal, Senior Manager, NSDL	amitv@nsdl.co.in/+91 22 2499 4360/+91 9920264780

B. THE INSTRUCTIONS FOR E-VOTING BEFORE /DURING THE AGM

➢ **The instructions for remote e-Voting before the AGM are as under:**

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

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com

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

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

B. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section.

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

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

D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL/CDSL) or Physical	Your User ID is:
i) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******
ii) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your User ID is 12**************
iii) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 101456, then User ID is 101456001***

E. Your password details are given below:

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

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

iii) How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

F. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

i) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

ii) 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

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

H. Now, you will have to click on 'Login' button.

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

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

B. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

C. Select 'EVEN' of the Company which is **112953** to cast your vote.

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

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

F. Upon confirmation, the message 'Vote cast successfully' will be displayed.

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

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

➢ **The instructions for e-Voting during the AGM are as under:**

i. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.

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

General Guidelines for Members

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

ii. In case of any queries/grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions ('FAQs') for shareholders and e-Voting user manual for shareholders available in the download section of www.evoting.nsdl.com or call on the toll-free number: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal or Ms. Pallavi Mhatre or Mr. Pratik Bhatt from NSDL at the designated e-mail IDs: evoting@nsdl.co.in or amitv@nsdl.co.in or pallavid@nsdl.co.in or pratikb@nsdl.co.in or at telephone nos.: +91 22 2499 4360/4545/4738.

By Order of the Board of Directors

Yashaswin Sheth
Company Secretary
ACS 15388

Mumbai, May 5, 2020

Registered Office:
Rallis India Limited
23rd Floor, Lodha Excelus,
New Cuffe Parade, Off Eastern Freeway,
Wadala, Mumbai - 400 037
CIN: L36992MH1948PLC014083
Tel. No.: +91 22 6665 2700
E-mail: 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 No. 5 of the accompanying Notice dated May 5, 2020:

Item No. 5:

The Company is directed under the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records conducted by a Cost Accountant. Further, in accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board of Directors, 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 audit of the cost records of the Company for the financial year ending March 31, 2021, at a remuneration of ₹ 5,00,000 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.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 5 of the accompanying Notice for ratification of the remuneration amounting to ₹ 5,00,000 plus applicable taxes, travel and out-of-pocket expenses payable to the Cost Auditors for the financial year ending March 31, 2021.

In view of complying with the requirement of Section 148 of the Act and the rules thereunder, the appointment of Cost Auditor for FY 2020-21, being a special business is unavoidable in nature. The Board commends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution at Item No. 5 of the accompanying Notice.

By Order of the Board of Directors

Yashaswin Sheth
Company Secretary
ACS 15388

Mumbai, May 5, 2020

Registered Office:
Rallis India Limited
23rd Floor, Lodha Excelus,
New Cuffe Parade, Off Eastern Freeway,
Wadala, Mumbai - 400 037
CIN: L36992MH1948PLC014083
Tel. No.: +91 22 6665 2700
E-mail: investor_relations@rallis.co.in
Website: www.rallis.co.in

Details of Director seeking re-appointment at the AGM

[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings]

Name of Director	Mr. R. Mukundan
DIN	00778253
Date of Birth	September 19, 1966
Age	53 years
Date of first appointment	December 3, 2009
Qualifications	BE (Electrical Engineering) from IIT, Roorkee; MBA from FMS, Delhi University; Advanced Management Programme at Harvard Business School
Expertise in specific functional areas	Mr. R. Mukundan has wide experience in the field of strategy, business development, corporate quality, planning, manufacturing and general management
Terms and conditions of re-appointment	N. A.
Details of remuneration last drawn (FY 2019-20)	NIL#
No. of Board Meetings attended during the year	7
Relationship with other Directors and KMPs	None
No. of shares held in the Company: (a) Own (b) For other persons on a beneficial basis	 NIL NIL
List of other Companies in which Directorship held as on March 31, 2020 (excluding foreign, private and Section 8 companies)	1. Tata Chemicals Limited* 2. Tata International Limited*
Chairperson/Member of the Committees of the Board of other companies in which he is a Director as on March 31, 2020	**1. Tata Chemicals Limited** - Stakeholders Relationship Committee (Member) - Corporate Social Responsibility Committee (Member) - Safety, Health, Environment and Sustainability Committee (Member) - Risk Management Committee (Member) **2. Tata International Limited** - Corporate Social Responsibility Committee (Member) - Nomination and Remuneration Committee (Member) - Committee of Directors (Member)

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

 # In line with the internal guidelines, no commission was paid to Mr. R. Mukundan for the financial year 2019-20, since he draws remuneration from Tata Chemicals Limited, the Parent Company.

FINANCIAL STATISTICS

(₹ in lakh)

Year-end Financial Position	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Fixed Assets	67,280	63,147	37,554	37,313	36,608	33,977	40,775	39,866	40,243	36,761
Deferred Tax Asset/(Liability)	(2,740)	(1,535)	(4,053)	(4,982)	(3,579)	(3,252)	(3,301)	(2,864)	(1,308)	(323)
Investments	30,247	10,927	38,969	53,403	30,497	23,162	21,878	19,348	18,094	15,193
Net Non current Assets	12,971	8,575	8,523	9,002	12,138	13,025	8,577	5,133	7,227	8,470
Total	**107,758**	**81,114**	**80,994**	**94,736**	**75,664**	**66,911**	**67,929**	**61,483**	**64,256**	**60,101**
Current Assets	131,006	130,460	86,867	53,815	50,089	55,198	41,008	38,749	35,657	33,877
Current Liabilities	87,011	75,708	47,855	33,855	30,324	31,884	33,629	29,654	32,990	34,406
Net Current Assets	**43,995**	**54,752**	**39,012**	**19,959**	**19,765**	**23,313**	**7,380**	**9,095**	**2,668**	**(529)**
TOTAL CAPITAL EMPLOYED	**151,753**	**135,866**	**120,006**	**114,695**	**95,430**	**90,225**	**75,308**	**70,578**	**66,924**	**59,572**
Capital										
- Preference	-	-	-	-	-	-	-	-	-	-
- Equity	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945
Total	**1,945**	**1,945**	**1,945**	**1,945**	**1,945**	**1,945**	**1,945**	**1,945**	**1,945**	**1,945**
Reserves	139,055	126,637	115,940	110,595	89,890	80,742	69,380	60,204	53,420	48,391
Less: Miscellaneous Expenditure				-	-	-	-	-	-	-
Net Worth	141,000	128,582	117,885	112,540	91,835	82,687	71,324	62,149	55,365	50,336
Borrowings										
- Short term	4,962	5,296	15	10	208	4,277	1,642	-	3,122	972
- Long term	5,791	1,988	2,107	2,146	3,387	3,261	2,341	8,429	8,437	8,265
Total	**10,753**	**7,284**	**2,121**	**2,155**	**3,595**	**7,538**	**3,983**	**8,429**	**11,559**	**9,236**
TOTAL SOURCES	**151,753**	**135,866**	**120,006**	**114,695**	**95,430**	**90,225**	**75,308**	**70,578**	**66,924**	**59,572**
Summary of Operations										
Revenue from operations	225,150	198,361	151,594	149,039	138,672	159,632	162,145	140,984	124,680	111,322
Other Income	3,433	3,061	893	1,051	466	172	576	1,145	750	3,436
Total Income	**228,583**	**201,422**	**152,487**	**150,090**	**139,138**	**159,804**	**162,720**	**142,130**	**125,430**	**114,758**
Expenses										
Materials consumed	138,884	117,087	86,701	79,601	73,702	88,453	93,334	83,419	70,893	62,824
Personnel cost	19,937	17,985	12,565	11,401	10,245	10,354	8,869	7,784	8,033	6,958
Excise duty	-	-	1,752	10,468	9,868	10,369	10,272	9,480	7,882	8,230
Finance Cost	611	525	329	267	792	479	805	1,251	1,037	332
Depreciation	6,151	4,607	4,057	4,218	3,783	4,459	3,597	2,881	2,711	1,716
Other expenses	40,215	39,360	27,957	24,042	24,231	25,116	24,938	19,979	18,146	16,340
Total	**205,798**	**179,564**	**133,361**	**129,997**	**122,620**	**139,229**	**141,816**	**124,794**	**108,702**	**96,400**
Profit before tax and prior year adjustment and exceptional item	22,785	21,857	19,126	20,094	16,518	20,575	20,904	17,335	16,728	18,357
Excpetional item:Cessation Cost				-	-	-	-	-	1,719	-
Excpetional item:Sale of Turbhe Plant	-	-	-	15,839	-	-	-	-	-	-
Excpetional item:Sale of Flats	1,142	-	-	-	-	-	-	-	-	-
Profit before tax	**23,927**	**21,857**	**19,126**	**35,933**	**16,518**	**20,575**	**20,904**	**17,335**	**15,009**	**18,357**
Tax	5,380	6,439	4,977	9,329	3,902	6,034	6,268	5,397	4,870	5,736
Profit after tax	**18,547**	**15,419**	**14,149**	**26,603**	**12,616**	**14,542**	**14,636**	**11,938**	**10,139**	**12,621**
Other comprehensive income (net of taxes)	(184)	(145)	(16)	(47)	32	-	-	-	-	-
Total comprehensive income	**18,362**	**15,273**	**14,133**	**26,557**	**12,648**	**14,542**	**14,636**	**11,938**	**10,139**	**12,621**
IMPORTANT RATIOS										
Current Assets : Liabilities	1.7	1.7	1.9	1.6	1.7	1.7	1.2	1.3	1.1	1.0
Debt : Equity	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2
PBT/Turnover %	10.1	11.0	12.6	13.5	11.9	12.9	12.9	12.3	13.4	16.5
Return (PBIT) on Capital Employed %	16.3%	16.7%	15.5	17.8	18.1	23.3	28.8	26.3	26.5	31.4
Dividend (per share)	2.5	2.5	2.5	3.8	2.5	2.5	2.4	2.3	2.2	20.0
Earnings (per share)*	10	8	7	14	6	7	8	6	5	65
Net Worth (per share)*	73	66	61	58	47	43	37	32	28	259

Previous years figures have been regrouped, wherever necessary.
**Earnings Per Share and Net Worth per share for 2012 is after stock split.*
Financial statistics for FY 19 & FY 20 are after considering Impact of merger of Metahelix Life Sciences Limited and Zero waste Agro Organics Ltd.

To,
TSR Darashaw Consultants Private Limited
Unit: Rallis India Limited
6, Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011

Updation of Shareholder Information

I /We request you to record the following information against my/our Folio No.:

General Information:

Folio No.:	
Name of the first-named Member:	
PAN: *	
CIN/Registration No.: * (applicable to Corporate Members)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

**Self-attested copy of the document(s) enclosed*

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

** A blank cancelled cheque is enclosed to enable verification of bank details*

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above-mentioned Folio No.

Place :
Date :

Signature of Sole/First holder

A glimpse of our CSR events

Jal dhan: Deepening Desilting Nala in Beed District of Maharashtra

Tribal Model village: Well from Kalampada village in Maharashtra

Rallis was included in Inclusive Business List - 2019 for second consecutive year

Rallis employees participated in Mumbai Marathon

Rallis organised Inter-school science exhibition in Dahej

MD's visit to Jal dhan sites in Latur

RALLIS INDIA LIMITED
A TATA Enterprise

Registered Office
23rd Floor, Lodha Excelus
New Cuffe Parade
Off Eastern Freeway
Wadala, Mumbai - 400 037
CIN: L36992MH1948PLC014083
Tel. No.: +91 22 6665 2700
E-mail address: investor_relations@rallis.co.in
Website: www.rallis.co.in