



## RALLIS INDIA LIMITED

May 31, 2021

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has informed that the 73<sup>rd</sup> Annual General Meeting ('AGM') of the Company will be held on **Thursday, June 24, 2021 at 3.00 p.m. (IST)** via Video Conference / Other Audio Visual Means only, in accordance with the General Circular issued by Ministry of Corporate Affairs dated January 13, 2021 read with General Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 and SEBI Circulars dated May 12, 2020 and January 15, 2021.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2020-21. The same is also being sent through electronic mode to all 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

**SERVING FARMERS THROUGH SCIENCE**



**Excel**



**Enable**



**Engage**

## What's Inside

### CORPORATE OVERVIEW

1-38

Being the Partner of Choice	2
Chairman's Message to Shareholders	4
Business Review	6
The Operating Context	10
Putting Sustainability at the Heart of our Business	11
Performance Across Six Capitals: A Quick Reckoner	12
How We Create Value	14
Engaging with our Stakeholders	16
Materiality Matrix Impacting Strategy	17
Our Risk Management Framework	18
Strategy and Priorities	20
Looking Ahead	22
Enhancing Experiences through Digital	24
Accelerating Innovation in a Changing World	26
Safety – A Core Value for Rallis	28
Building Future Leadership	30
Driving Social Responsibility	32
Integrating Sustainability	34
Strong Governance	36
Corporate Information	38

### STATUTORY REPORTS

39-116

Board's Report	40
Management Discussion & Analysis	69
Corporate Governance Report	83
Business Responsibility Report	107

### FINANCIAL STATEMENTS

117-283

Standalone Financial Statements	118
Consolidated Financial Statements	203
Form AOC -1	283

284-304

Notice	284
Financial Statistics	299

## Basis of Reporting

### Our Approach to the Adoption of Integrated Reporting

<IR> enhances and enriches reporting primarily due to its (i) wider focus on creating value for all stakeholders and (ii) utilisation and interlinkages of multiple capitals in the value creation process. While <IR> is not yet statutorily mandated, Rallis India Limited ('Rallis' or 'the Company') has voluntarily commenced its <IR> journey as part of its constant endeavour towards transparency and disclosures beyond statutory norms.

### Reporting Principles

The financial and statutory data disclosed in this Report is in line with the requirements of the Companies Act, 2013; Indian Accounting Standards; the Securities and Exchange Board of India ['SEBI'] (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards. The non-financial data has been prepared in accordance with the <IR> framework of the International Integrated Reporting Council (IIRC), Global Reporting Initiative (GRI) and SEBI.

The Company has also referred to the Global Reporting Initiative (GRI) while disclosing the Key Performance Indicators (KPIs).

### 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, 2020 to March 31, 2021. While the financial information has been audited by B S R & Co. LLP, Chartered Accountants, the non-financial information as referred to in the assurance report has been assured by Price Waterhouse Chartered Accountants LLP (PWCALLP). The assurance is in accordance with the limited assurance criteria of the International Standards on Assurance Engagements (ISAE) 3000 Revised. The assurance criteria, methodology and conclusion are presented in the assurance report. The assurance report is available on the Company's website at <https://www.rallis.co.in/AssuranceStatement20-21.htm>

### Forward-looking Statements

Certain statements in this Report relating to the Company's 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. The Company does 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 please visit: <https://www.rallis.co.in/AnnualReports.htm>

## Performance at a Glance\*

₹ 2,429 crore

₹ 2,252 crore (FY 2019-20)

### Revenue

₹ 323 crore

₹ 259 crore (FY 2019-20)

### EBITDA

₹ 304 crore

₹ 237 crore (FY 2019-20)

### Operating Profit

₹ 11.75

₹ 9.51 (FY 2019-20)

### Earnings Per Share

*Above numbers are on consolidated basis*

*\*As on March 31, 2021*

## Engage



The year under review saw us tackling a challenge never encountered before. At Rallis, we moved with speed, nimbleness and responsiveness to adapt quickly in a rapidly changing environment. We responded to challenges by reinforcing our priorities, recalibrating our strategies and by adopting a pragmatic approach to navigate through the tough times.

Amid a paradigm shift in agriculture landscape and given the continued resilience of our business, we leveraged through our outreach programmes to engage with farmers. With good resilience and with more efficient ways to use resources, we developed and delivered the best possible crop care products and solutions, aimed at better crop yields and quality – readying our business for the future.

## Enable



We enabled safe and responsible agriculture through supply of plant growth nutrients, crop protection chemicals and seeds. With a single-minded aim to further build business resilience and with deep agronomic knowledge, we created crop care solutions that helped farmers optimise yield and profitability.

**With sharp focus on our strategy and potential of our products, we excelled in maintaining strong customer relationships. We follow the Rallis philosophy of sustaining win-win relationships with every stakeholder in a transparent, purposeful and ethical manner. We believe this will continue to strengthen our foundation and help us embark on our next growth phase.**

## Excel



## Well-entrenched Connect with Farmers and Partners

### Crop Care

**3,879**

Dealers

**47,687**

Retailers

**28**

Depots

**12**

Regional Offices

**31**

Export Destination

### Seeds

**2,881**

Dealers

**31,358**

Retailers

**19**

Depots

**25**

Regional Offices

**1,700**

Employees



# Being the Partner of Choice

Rallis is one of India's leading crop care companies. It is known for its deep understanding of Indian agriculture, quality agri-inputs, branding and marketing expertise and a strong product portfolio of comprehensive crop care and seed solutions.



## Sustained Connect with Farmers



Rallis is closely connected to around **1.5 million farmers** through its outreach programmes

### Our Value System



#### Our Mission

Serving Farmers through Science



#### Our Vision

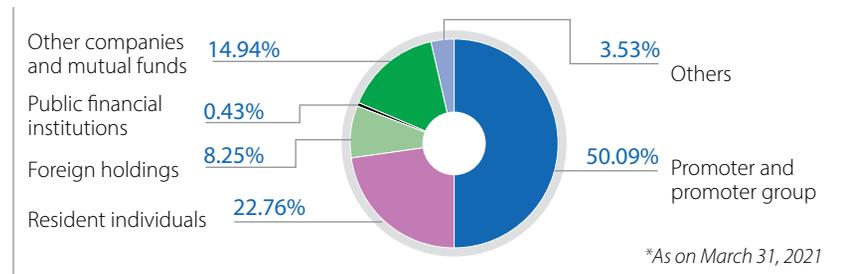
We aspire to be amongst the top 3 leading enterprises by 2026 in the chosen areas within farm inputs and chemistry-led businesses



#### Our Values

- Safety
- Passion
- Integrity
- Customer-centricity
- Excellence

### Ownership Structure\*



### Business Divisions



#### CROP CARE

##### Crop Protection

- Domestic branded formulations and Institutional business (Fungicides, Insecticides, Herbicides)
- International business (Active Ingredients, Formulation and Contract Manufacturing)

##### Crop Nutrition

- Organic fertilisers
- Biostimulants
- Biofertilisers
- Water soluble fertilisers
- Secondary and Micronutrients

#### SEEDS

##### Field Crops

- Paddy, Maize, Pearl Millet, Cotton and Mustard

##### Vegetables

- Chilli, Okra, Tomato, Gourds, Cucumber, Cauliflower, Cabbage and Watermelon among others

## OUR INDIA PRESENCE



### Manufacturing Facilities

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



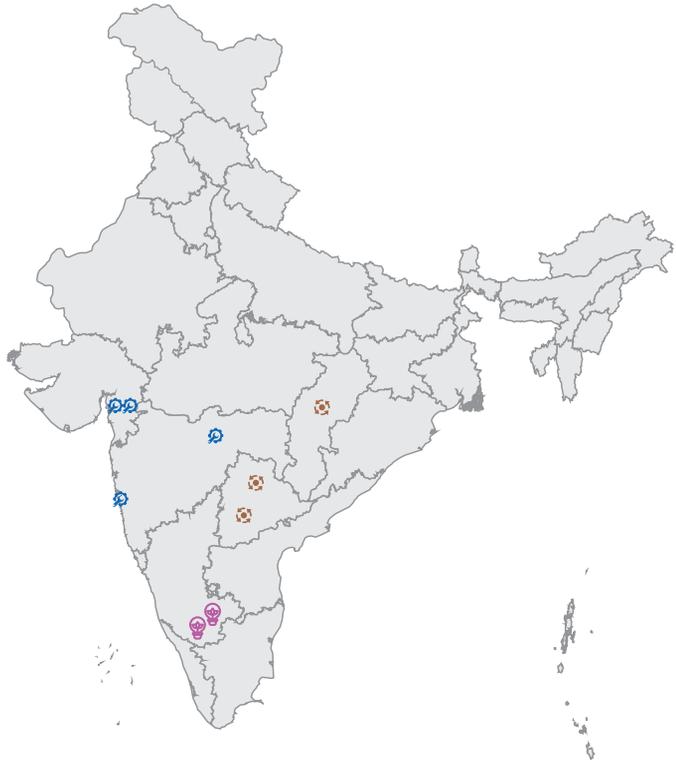
### Processing and Drying Plants

- Malkajgiri district, Telangana
- Medak district, Telangana
- Durg district, Chhattisgarh



### Innovation Centres

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



## OUR GLOBAL MARKETS



The above maps are not to scale and are for illustrative purposes only.



# Chairman's Message to Shareholders

Dear Shareholders,

**As I prepare to present to you Rallis India Limited's Annual Report 2020-21, the world is continuing to face the greatest threat to life and livelihood due to the Covid-19 pandemic. This is impacting the global economy and all of its citizens.**



We are grateful to the frontline healthcare workers and other support teams who are selflessly and fearlessly serving humanity during these challenging times. The silver lining is the success of large-scale vaccination in a few countries in controlling the pandemic that is giving hope to humanity at large.

India was relatively successful in managing the first wave of the pandemic outbreak but unfortunately, the second wave of Covid-19 is spreading the virus much more rapidly across India, including the rural areas which were relatively less impacted in the first wave. We are cautious and hopeful that with an all-out effort, we will be able to overcome the challenging situation the country is facing.

We are proud of the resilience Rallis has shown in this challenging time to ensure personal safety and at the same time, running the operations with limited interruptions, which led to a sustained performance during the year.

As per the World Bank, the global economic output is recovering from the downturn triggered by Covid-19 but it will remain below pre-pandemic trends for a prolonged period. A well-coordinated response to the pandemic will shape the future of the global economy for years to come.

The Indian GDP, after a steep fall of 24.4% and 7.3% in Q1 and Q2 of FY 2020-21 respectively, has shown recovery with 0.4% growth in Q3. Based on this recovery trend, the GDP for 2021 is estimated to be contracting by 8% which is a clear outcome of the efforts undertaken in minimising the impact of Covid-19 on the economy. But the second wave of the Covid-19 pandemic has struck India with unforeseen fury and it will compound the misery of repeated economic disruptions and slowdowns over the past few years. The extent of economic loss will primarily

depend on how fast the chain of infections can be broken and how India manages to contain this with mass vaccination efforts.

Your Company, together with the Tata Group, has been working in several ways to help in containment of the spread of the pandemic and in alleviating human distress and suffering caused by the pandemic.

## India's Agri-sector

Agricultural activities as well as a majority of those directly engaged in agriculture other than migrant labour, have had a limited negative impact due to the pandemic.

The Government took important steps to boost the agricultural sector, an important pillar of our economy, by bringing in some key reforms. These steps are expected to make the agricultural sector more organised and will attract the necessary technological interventions to improve productivity and quality of agriculture produce in the long run, thus benefiting millions of farmers and the entire agriculture value chain.

The global and Indian crop protection industry has been aiming for geographic diversification of supplies to mitigate associated risks emerging out of geopolitical developments. Your Company is partnering with industry peers and the Government for appropriate policy support in building a supportive ecosystem and making India a global agrochemicals powerhouse.

During the year, weather conditions were largely favourable and this was reflected in a record production of 303.34 million tonnes of foodgrain, as per the second advance estimates. This was an outcome of the hard work of Indian farmers, agricultural scientists and farmer-friendly policies of the Government.

## India's Increasing Agricultural Production

(Million tonnes)

	2021	Average of last five years
Rice	120	112
Wheat	109	100
Nutri/Coarse Cereals	49	44
Pulses	24	22
Oil Seeds	37	33
Sugarcane	398	362
Cotton	37	32

## Managing Covid-19

With the wholehearted support from all our employees, suppliers and channel partners, we managed to serve our domestic as well as international customers and ensured growth in our business. Measures on continuous engagement with our employees facilitated us in safeguarding our workforce and their family members from the Covid-19 impact. We, at the Board level, are very appreciative of the support offered by the team and their family members. Without their commitment and support, we would not have been able to adopt and successfully adapt to the newer ways of working during the year. We are intensifying our efforts in managing the Covid-19 situation in view of the intensity of the ongoing second wave. We are cautious and yet hopeful, that our efforts in this direction will help us in managing the safety of all our relevant stakeholders and serve our customers with limited disruption.

## Performance Review

Our Consolidated Revenue from Operations during the year stood at ₹ 2,429 crore, reflecting 8% year-on-year (YoY) growth. EBITDA grew by 24% to reach ₹ 323 crore, while Profit After Tax stood at ₹ 229 crore, recording 24% growth over the previous year. Your Company deployed several market-conducive strategies to expand the domestic and exports businesses. Rallis' stable performance over the years has been backed by multiple levers including a rejuvenated strategy, new product launches and a significant capital expansion plan.

## Going Ahead

Your Company is fully aware and well-positioned to tap both domestic and international opportunities by making the right investments in manufacturing and research & development, strengthening its brands and improving internal processes through digitalisation. We are banking on these to achieve our next leg of growth.

Your Company is embarking on an exciting journey of transformation with several initiatives for which I, on behalf of the Board, seek the support of all stakeholders. Some of these are:



Enhancing manufacturing capacities of Active Ingredients and formulations



Building a new integrated research & development centre



Launching new products in crop protection, crop nutrients and seeds



Enhancing brand visibility with new pack designs and leveraging digital media for market promotion activities



Sales Force Automation, Dealer Management System and other relevant applications to support business processes

**With the wholehearted support from all our employees, suppliers and channel partners, we managed to serve our domestic as well as international customers and ensured growth in our business.**

As I had mentioned to you in my message in the previous Annual Report, I once again reiterate that Ralli-ites have been working on the near-term priority of 'Repositioning Rallis for Leadership', and some of the above-mentioned achievements are a reflection of the action taken in that direction.

Before I conclude, I wish to thank all my fellow Board members, management team, employees, customers, suppliers, regulatory authorities and our shareholders for their unflinching guidance and continued support throughout the year.

Wishing you all a safe year ahead!

Regards,

**Bhaskar Bhat**

Chairman

# Business Review

Rallis is engaged in research, development, manufacturing and distribution of crop protection and crop nutrients formulations. The Company has its presence across the value chain, with a healthy pipeline of sustainable products facilitated through investments in R&D and strategic alliances. The promotion of biological products reflects its commitment towards integrated pest management.



## CROP CARE

### ✔ Highlights of FY 2020-21

- ✔ Achieved a revenue of ₹ 2,028 crore in FY 2020-21 compared to ₹ 1,881 crore in FY 2019-20
- ✔ Recorded 10% growth in domestic business year-on-year ('YoY'); 3% growth in exports including contract manufacturing
- ✔ Launched 4 new products in Crop Protection (including 3 in-house formulations) and 6 new products in Crop Nutrition (including 2 in Biopesticides)
- ✔ Enhanced reach through dealer network realignment, resulting in 5% increase in distributor network
- ✔ Working on New Brand Architecture and rolled-out 26 products in FY 2020-21
- ✔ With strong collections, maintained optimum cash flow throughout the year
- ✔ Undertook digital acceleration through campaigns, sales meetings, trade, product development trials and engagement with farmers and employees
- ✔ Continued up-stocking of raw materials to avert production disruptions due to potential supply chain issues and price hike
- ✔ Maintained smooth availability of contract manpower through regular and alternate vendors, while maintaining safety and health norms during Covid-19
- ✔ Conducted daily review of operations in view of Covid-19 and resultant Work from Home/virtual working situation. With this, the right stocks were delivered to the markets with timely stock corrections and transfers





## OUR DOMESTIC BUSINESS

## Highlights of FY 2020-21

- ✓ Achieved a revenue of ₹ 1,287 crore in FY 2020-21 compared to ₹ 1,165 crore in FY 2019-20
- ✓ Domestic Formulation business registered 14% revenue growth YoY. Strong performance of flagship brands like Blitox, Contaf, Takumi, Master, Panida and Tata Metri
- ✓ Wider crop protection portfolio of generic and niche products across crops and crop cycles
- ✓ Brand trust built over long association with the Indian farming community
- ✓ Closely connected with farmers through ground level activities
- ✓ Channel network of 3,879 distributors covering 80% of India's districts
- ✓ Trained and engaged salesforce supported by digital tools



## Key Focus Areas

- Research team is well connected with farmers to develop customised products and packages of practices by understanding their emerging needs
- Identified category, segment and portfolio gaps for future product development. More than 20 segments across categories have been chosen for new product development and commercialisation
- Crop nutrition portfolio to enhance yield and quality of produce



## Outlook

To maintain a well-entrenched connect with farmers by facilitating better crop productivity through Crop Care solutions

To launch new products to strengthen presence in various segments and offer multiple options in key segments



## OUR INTERNATIONAL BUSINESS

## Highlights of FY 2020-21

- ✓ Achieved a revenue of ₹ 741 crore in FY 2020-21 compared to ₹ 722 crore in FY 2019-20
- ✓ Trusted supply partner to global innovators and generic players
- ✓ Acquired 9 new registrations
- ✓ Attained global leadership in most Active Ingredients manufactured
- ✓ Invested further in research, registration and manufacturing to expand portfolio
- ✓ Leveraged chemistry strength for contract manufacturing



## Key Focus Areas

- Committed to expand product and customer portfolio in contract manufacturing
- Investment in strengthening R&D, process scale-up and manufacturing
- Expanding synthesis capacity at the R&D Centre at Bengaluru
- Upgrading pilot plants to strengthen process scale-up capabilities
- Adding 2 new manufacturing plants at Dahej – for Formulations and Active Ingredients and Intermediates, to strengthen capabilities across multiple business segments



## Outlook

Aiming to leverage expanded capacities in current Active Ingredients to meet growing demand

R&D team focussed on developing cost-effective process chemistry and product registration

Supported by appropriate investment in manufacturing capacities to expand Active Ingredient portfolio and drive growth with existing and new partners

Focussed on expanding contract manufacturing base, while dedicated techno-commercial team is engaging with potential customers

SEEDS

Rallis is engaged in research, development, production, processing and distribution of hybrid seeds in the domestic market for field crops including Paddy, Maize, Millet, Cotton and Mustard. Its vegetables seeds portfolio includes Chilli, Okra, Tomato, Gourds, etc. and this is supported through partnerships with leading players.

The R&D facility at Bengaluru carries out research & development activities in the agri-biotechnology space in multiple crops. Conventional breeding activities are carried out at research stations across multiple agro-climatic conditions.

Highlights of FY 2020-21

- ✓ Achieved a revenue of ₹ 401 crore in FY 2020-21 compared to ₹ 364 crore in FY 2019-20
- ✓ Reported sustained growth, despite a challenging business environment
- ✓ Addressed portfolio gaps in field crops with new launches
- ✓ Widened market-relevant vegetable portfolio through partnerships
- ✓ Focused on employee safety and health
- ✓ Successfully launched 4 new products
- ✓ Leveraged breeding technologies for differentiated products
- ✓ In-licensing arrangements in vegetables and mustard improved performance





**Key Focus Areas**

- To develop high-growth segments across crop categories to provide a platform to new genetics
- To continue strengthening engagement and presence in emerging channels
- To accelerate Cotton and Maize in South India by sharpening focus on segments having successful products



**Outlook**

Well-positioned to deliver healthy, volume-led growth across crop segments

Emphasis on positioning products well, delivering consistent performance and widening distribution reach and depth

Plans to set up new retailer loyalty programmes, combined with a hybrid demand generation model

Seed industry to be driven by increasing hybridisation and need for products providing disease and abiotic tolerance



**Innovation Turnover Index ('ITI')**

Rallis is focussing on new product introduction to increase market share and drive revenue growth. The ITI, its internal benchmark, represents revenue from new products that were introduced in the preceding four years. Incrementally, Rallis plans to launch 2 new products each year to support domestic business growth.

**Innovation Turnover Index –  
FY 2020-21 vs FY 2019-20**

**11.64% vs 15.76%**

Crop Care

**15.11% vs 12.60%**

Seeds

# The Operating Context

Macro-economic, geo-political and pandemic-related factors affected businesses, economies, societies and culture during the year. Rallis positioned itself to tap new opportunities in domestic and international markets through appropriate investments in manufacturing, research & development, brands and internal processes through digitalisation.



## Rapidly increasing Asian footprint in global crop protection

As per the industry ranking, 15 companies with Asian ownership are among top 20 in global crop protection and contribute 50% of total revenue. Over 50% of patents filed in the last decade were from Asia.



## Business consolidation

Consolidation-led industry realignment resulted in top 7 companies holding 70% of the global crop protection business.



## Chemistry specialisation

New products are being developed with increasing chemistry specialisation and complexity, supported by advancement in process chemistry and manufacturing technology.



## Digital-led manufacturing disruption

Chemical manufacturing industries are leveraging digital platforms for higher productivity and predictable innovation outcomes. Data analytics is driving efficiency, quality and safety.



## Emerging formulation technologies

New formulations are developed by leveraging nanotechnology and advancement in adjuvants and surfactants. Combination formulations are being adopted to address challenges of pest resistance.



## Big data, diagnostics and precision technologies

'Grow with less' is the mantra to address resource challenges in agriculture. Big data, diagnostics and precision technologies offer sustainable and productive alternatives to traditional cultivation practices.



## Increasing role of agri-biotechnology

Researchers in advanced agriculture economies are looking for agri-biotechnology aided solutions. They are working on adoption of advanced tools and technology in genome editing, RNAi, Biochips, DNA sequencing and synthetic biology.



## Globally impacting evolving regulations

With an emphasis on sustainable agriculture, regulators are expected to become more stringent and the industry is seen innovating constantly to create a win-win scenario.



## Supply source concentration

Covid-19 and geo-political developments compelled global and domestic players to look at alternate strategies to mitigate associated risks.



## Doubling of farm income and recent farm reforms

More action is expected to driving productivity and quality, with balanced and judicious use of agri-inputs, providing more opportunities to players.

The Operating Context |  
Putting Sustainability at the Heart of our Business

# Putting Sustainability at the Heart of our Business

Sustainability is deeply embedded and firmly anchored in our corporate strategy, offering higher resource efficiency and helping shape future standards. In FY 2019-20, Rallis had aligned its Corporate Social Responsibility (CSR) strategy and operations with Tata Chemicals Society for Rural Development (TCSRSD), which addresses a majority of the Sustainable Development Goals (SDG). This is aimed towards building economic capital, ensuring environmental integrity, enabling economic development and building social capital.



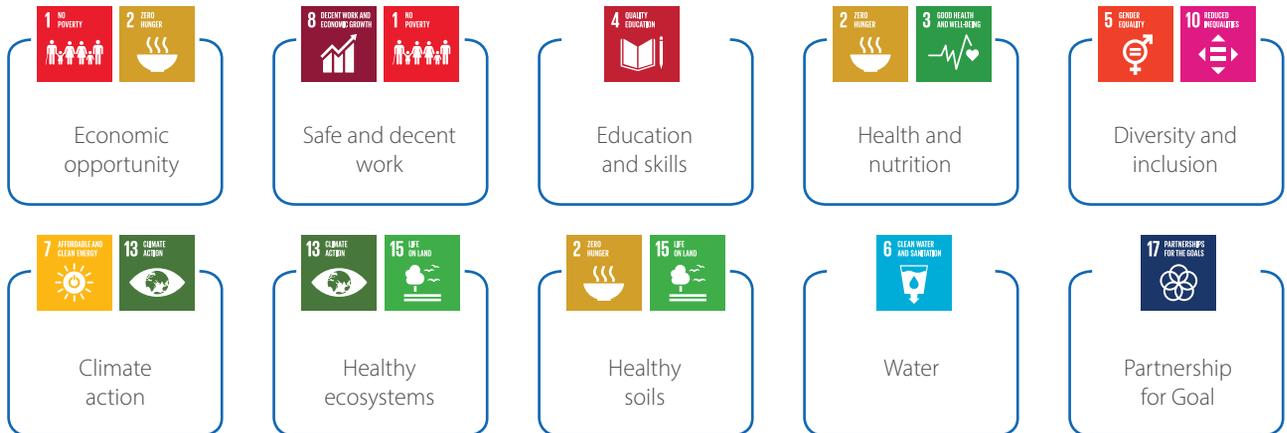
Purpose of CSR Initiatives by FY 2023-24

To impact **3 Lakh** people through direct interventions

## Our Corporate Responsibility and Sustainability Framework



### Sustainable Development Goals and Enablers



### Addressing SDGs through CSR interventions

CSR Project	SDG addressed
TaRa	1, 2, 4
RUBY	4
Jal Dhan and Safe Drinking Water	6, 13
Prithvi Mitra	13
Model Tribal Village	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17



### Policies and Standards

- Health and Safety
- Quality and Food Safety
- Labour



# Performance Across Six Capitals: A Quick Reckoner

## FINANCIAL CAPITAL

### What this represents >

This represents funds deployed in our activities and operations, including shareholders' funds, equity, short-term debt and operating cash flow. Rallis has a prudent capital allocation strategy for deploying and preserving Financial Capital, with each investment evaluated against targeted return on capital.

### Interlinkage with other Capitals

Financial Capital is deployed for operational activities and creating long-term assets, including investment in technologies, infrastructure, manufacturing, working capital, social commitment and human resources. A right mix in each of these enhances other capitals and creates value.

₹ <b>2,429</b> crore (₹ 2,252 crore in FY 2019-20) Consolidated Turnover	₹ <b>323</b> crore (₹ 259 crore in FY 2019-20) EBITDA	₹ <b>229</b> crore (₹ 184 crore in FY 2019-20) Profit after tax	<b>18.4%</b> (16.3% in FY 2019-20) Return on capital employed	<b>14.4%</b> (13.1% in FY 2019-20) Return on net worth employed
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## MANUFACTURED CAPITAL

### What this represents >

This represents any upgradation, new technology adoption, capacity expansion, greenfield/brownfield facilities, warehouses, formulation units and processing facilities, which together aim towards providing high-quality and cost-effective products to its customers.

### Interlinkage with other Capitals

All the investments and efforts taken to enhance the Manufactured Capital, with key focus on reliability, safety and sustainability, will have a positive impact on all the other capitals.

<b>11,201.78 MT</b> (9,401 MT in FY 2019-20) Technical grade Crop Care products manufactured	<b>16,584.36 MT\KL</b> (16,833 MT\KL in FY 2019-20) Formulations manufactured
<b>Manufacturing plants</b>	
<b>Gujarat</b> (Ankleshwar and Dahej)	<b>6,377.24 MT\KL</b> (7,377 MT\KL in FY 2019-20)
<b>Maharashtra</b> (Lote and Akola)	<b>5,324.70 MT\KL</b> (4,311 MT\KL in FY 2019-20)
	<b>6,231.26 MT</b> (5,752 MT in FY 2019-20)
	<b>9,852.94 MT\KL</b> (8,796 MT\KL in FY 2019-20)

## INTELLECTUAL CAPITAL

### What this represents >

This represents our proprietary processes in chemistry and formulations, germplasm, patented and unpatented products, brands, IT applications, trademark, packaging, partnerships and other tangible and knowledge-based assets.

### Interlinkage with other Capitals

The Company develops leverages and protects Intellectual Capital through investment in technology, internal processes, partnerships and skilling human resources. Efforts on building Intellectual Capital enhances all other capitals.

<b>2</b> Innovation Centres	₹ <b>41</b> crore (₹ 34 crore in FY 2019-20) Investment in R&D	<b>Innovation Turnover Index</b>
₹ <b>22</b> crore (₹ 18 crore in FY 2019-20) Rallis Innovation Chemistry Hub (RICH), Bengaluru	₹ <b>19</b> crore (₹ 16 crore in FY 2019-20) Hybrid seeds development and Agri Biotech R&D facility, Bengaluru	<b>11.64%</b> (15.76% in FY 2019-20) Crop Care
		<b>15.11%</b> (12.60% in FY 2019-20) Seeds

KL: Kilolitre MT: Metric Tonne MCM: Million Cubic Metre MT\KL: MT or KL

Performance Across Six Capitals:  
A Quick Reckoner

## HUMAN CAPITAL



### What this represents >

This represents our highly engaged workforce across locations, which drives our business and creates value for all our stakeholders. The high employee engagement score and certification of being a "Great Place to Work" is a reflection of the Company's efforts in providing a safe, conducive, challenging and rewarding work environment.

**79%** (76% in FY 2018-19)\*

Employee engagement score

**₹ 1.43** crore (₹1.40 crore in FY 2019-20)

Turnover per employee

\*External survey conducted every alternate year

### Interlinkage with other Capitals

Effective utilisation of all capitals depends on Human Capital. Investment in enrichment of Human Capital helps deliver sustained value to all the stakeholders, with optimal usage of all other capitals.

#### Gender Diversity

**1,647** (1,560 in FY 2019-20)

Male

**53** (50 in FY 2019-20)

Female

## NATURAL CAPITAL



### What this represents >

As a "Responsible Care logo-holding Company", Rallis is committed to adhering to the highest level of safety, preservation and optimisation of natural resources. It is committed to minimise the negative impact of operations through investments in renewable energy, energy efficiency, water conservation and waste reduction across all facilities.

**3,29,590.61 KL** (3,24,555 KL in FY 2019-20)

Fresh water consumption (water withdrawal)

### Interlinkage with other Capitals

The Company takes significant actions to negate its impact on the environment through appropriate investment in technology, processes, skilling and creating awareness among farmers and the society.

#### Solar Energy

**3,464 MWh** (3,271 MWh in FY 2019-20)

Utilisation of renewable energy

#### Bio Fuel

**11,707.17 MT** (11,994 MT in FY 2019-20)

Utilisation of renewable energy

## SOCIAL & RELATIONSHIP CAPITAL



### What this represents >

This represents the bond Rallis has developed with its communities through various CSR interventions. Social Capital helps in establishing good relations with all stakeholders. Relationship Capital not only helps in creating a strong bond with the community, but also bridges Government support and creates value for each of them.

**2.49** Lakh (2.45 Lakh in FY 2019-20)

Number of beneficiaries reached through CSR outreach

**Touched 70 villages in 8 districts  
Harvested 3.08 MCM water**

Impact of Jal Dhan programme in Maharashtra

### Interlinkage with other Capitals

The Company follows the Triple Bottom Line concept for driving sustainable businesses. It is strengthening its environment and social initiatives to drive performance in a responsible way.

**60**

Net promoter score

**26 million**

Number of contacts with farmers

**30**

Number of schools covered in Maharashtra, Gujarat, Karnataka, Telangana and Andhra Pradesh

# How We Create Value

CAPITALS	INPUTS	
<b>FINANCIAL</b>	₹ <b>2,589</b> crore (↑) Total Assets	₹ <b>1,591</b> crore (↑) Total Equity
	₹ <b>1,674</b> crore (↑) Capital Employed	₹ <b>168</b> crore (↑) Capex Incurred
<b>MANUFACTURED</b>	Production Volumes:	
	Akola*	<b>9,853</b> MTKL (↑)
	Ankleshwar	<b>6,377</b> MTKL (↑)
	Lote	<b>6,231</b> MT (↑)
	Dahej	<b>5,325</b> MTKL (↑)
Third Party	<b>5,261</b> MTKL (↑)	
	*Exclusive formulation plant	
<b>INTELLECTUAL</b>	₹ <b>41</b> crore (↑) Expenses incurred on R&D	₹ <b>22</b> crore (↑) Crop Care
		₹ <b>19</b> crore (↑) Seeds
	<b>1.71%</b> (↑) R&D expenditure (as % of Revenue)	<b>23</b> (↑) Technical collaborations
	Employees in R&D team	₹ <b>5.31</b> crore (↑) IT-related investment
	<b>71</b> Crop Care (↑) <b>121</b> Seeds (↑)	
<b>NATURAL</b>	<b>3,40,22,168</b> KWh (↑) Electricity consumption	<b>4,050</b> KW (-) Renewable energy capacity
	₹ <b>9.05</b> crore (↑) Investment in environmental conservation	₹ <b>4.83</b> crore (↑) CSR spend
<b>HUMAN</b>	<b>1,700</b> (↑) Number of employees (Male:Female 1,647:53)	<b>54,883</b> (↑) Total training hours
	₹ <b>7,295</b> (↓) Investment per person	
<b>SOCIAL &amp; RELATIONSHIP</b>	<b>9</b> (↑) External Partners	

## OUR BUSINESS MODEL

Delivering innovative agricultural solutions, ensuring progress for generations to come



Note: (↑/↓) indicates change over previous year, (-) no change.

## OUTPUTS

## CAPITALS

## OUTCOMES

## FINANCIAL

₹ <b>2,429</b> crore (↑) Revenue from operations	₹ <b>229</b> crore (↑) Profit after tax	₹ <b>75</b> crore (↑) Tax paid	₹ <b>323</b> crore (↑) EBITDA
₹ <b>11.75</b> (↑) Earnings per share	<b>14.4%</b> (↑) Return on net worth		

PRODUCTION IN  
FY 2020-21

**11,202 MT** (↑)  
Technical Grade  
Crop Care Products

## MANUFACTURED

<b>11</b> (-) Technical-grade crop care products manufactured	<b>112</b> (↑) Formulation products	<b>Crop Care (Sales)</b> Fungicides – <b>8,026</b> MT\KL (↑) Herbicides – <b>8,443</b> MT\KL (↑) Insecticides – <b>13,362</b> MT\KL (↑)	<b>83%</b> (↓) Average plant utilisation
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**21,845 MT\KL** (↑)  
Formulation Crop  
Care Products

## INTELLECTUAL

**3** Crop Protection **3** Crop Nutrition **4** Seeds  
New in-house products developed

**1.71** (↑)  
Ratio of R&D expenses to sales

## Sales from new innovations

	FY 2020-21
Seeds	15.11% (↑)
Crop Care	11.64% (↓)

## New patents filed

	New patents	No. of PPV and FR obtained
Seeds	NA	8 (↑)
Crop Care	4 (↑)	NA

**TOTAL**  
**33,047 MT\KL** (↑)

## NATURAL

<b>10.18%</b> (↑) Energy generated from renewable sources	<b>21.89%</b> (↓) Water recycled	<b>78.5</b> (↓) Green Manufacturing Index Score	<b>63.60</b> KWh/MT (↓) of production Energy saved
<b>2.17</b> MT of CO <sub>2</sub> /MT (↑) of production	<b>2,42,269</b> (↓) Lives impacted with CSR interventions	<b>96.9</b> (↓) Supplier Satisfaction Index	<b>60/30</b> (↑) Grievance Resolution Time (Crop Care/Seeds)

## HUMAN

₹ <b>1.43</b> crore (↑) Turnover per employee	<b>Nil</b> (-) Fatalities	<b>13.11%</b> (↓) Employee attrition rate	<b>4.83%</b> (↓) Proportion of women in leadership positions
<b>79</b> (↑) Employee engagement score	<b>104</b> (↑) Employees trained under Management Development Programmes	<b>4.04</b> (↑) Training days per employee*	

\*We are further strengthening the training hours recording mechanism with focus on gender and employee category

## SOCIAL &amp; RELATIONSHIP

## Research

- Associated with State Agricultural Universities
- ICAR institutes in India
- Tata Group Companies, Domestic and International Research Organisations and Start-up companies

## Sales &amp; Marketing

- Strategic partnership with leading crop protection players

## Manufacturing

- With Mumbai-based chemicals company for intermediate manufacturing
- With several third-party manufacturers for formulation and packaging
- Seeds processing and packaging collaboration with a service provider at Hyderabad and Raipur

## CSR – NGO partners

- Tata Chemicals Society for Rural Development (TCSR), Light of Life Trust (LOLT) and all India Institute of Local Self Government (AIILSG)

# Engaging with our Stakeholders

The Company's aim is to build trusted relationships with stakeholders to deliver on its goal of creating and sharing prosperity across the value chain. It meaningfully engages with them and ensures that it addresses the issues affecting the business in a manner that is aligned with the society's wider goals.



Stakeholder	Relevant Matters	Methods to Engage with Stakeholders
Investors	<ul style="list-style-type: none"> <li>Share Price Appreciation</li> <li>Sustained Dividends</li> <li>Profitability</li> <li>Governance</li> <li>Business Strategy</li> <li>Market Share</li> </ul>	<ul style="list-style-type: none"> <li>AGM and Other Relevant Shareholders' Meetings</li> <li>Periodic Analyst Meets, Conference Calls</li> <li>Publications like Annual Reports, Quarterly Results, Investor Presentations and Media Releases</li> <li>Shareholders' complaints/grievances management</li> <li>Periodic email communications and Stock Exchange intimations</li> </ul>
Customers and Partners	<ul style="list-style-type: none"> <li>Quality of products</li> <li>Timely delivery</li> <li>Value for money</li> <li>Business continuity</li> <li>IP protection</li> <li>Safety and sustainability</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Crop Protection: MD's Elite Club, Baghidhari Sabha, Distributor Meet, Anubandh Retailer Meet</li> <li>Seeds Business: Dhaanya Regal Club, Milaap, Milan</li> <li>Customer Connect Programmes: Mega Event, Crop Seminar, Farmer Meet, Product Differentiation, Preseason and Offseason Activities, social media interactions</li> <li>Customer satisfaction survey, NPS surveys</li> <li>Customer complaints/grievances management</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Timely payment</li> <li>Ease of doing business</li> <li>Transparency in trade deals</li> <li>IP protection</li> </ul>	<ul style="list-style-type: none"> <li>Samagam, the annual supplier meet, online and offline information exchange, trade conferences, industry meets, direct meetings</li> <li>Periodic satisfaction surveys</li> <li>Vendor complaint/grievances management</li> </ul>
Growers/ Organisers	<ul style="list-style-type: none"> <li>Quality of parent/hybrid seed</li> <li>High productivity</li> <li>Ease of production</li> <li>Timely information</li> <li>Timely payment</li> <li>Price of seeds</li> <li>Minimum income guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Preseason meetings, regular online and offline interactions for information exchange, satisfaction survey, reward and recognition meeting</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Career growth</li> <li>Reward &amp; recognition</li> <li>Safe and conducive workplace</li> <li>Learning &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>Performance reviews, websites, intranet, periodic employee communications, engagement initiatives, internal newsletters, inter and intra function review meetings, new employee induction programme, training programmes, union meetings, skip meetings, and others</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Inclusive development initiatives in sustaining livelihood, creating infrastructure, education, health and maintaining clean and safe environment</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly review with implementing partners and site visits by members of leadership team</li> <li>Regular site visits, informal review and interaction with stakeholders concerned by CSR head</li> <li>Monthly meetings with CSR team members, implementing partners and beneficiaries</li> <li>Volunteering opportunities in CSR sites with CSR stakeholders for engaging employees and associates</li> </ul>
Government and Regulatory Bodies	<ul style="list-style-type: none"> <li>Complying with legal and regulatory authorities</li> <li>Advocacy</li> <li>Contribution to exchequer</li> </ul>	<ul style="list-style-type: none"> <li>Periodic information submissions, advocacy meetings, engagement through industry bodies, seminars, other regular engagements with multiple regulatory bodies</li> </ul>

# Materiality Matrix Impacting Strategy

**Material matters are issues with the potential to have a positive or negative impact on the value creation process. Managing these issues effectively and efficiently increases the Company's capability to execute on its business strategies and priorities and remain competitive.**



Material Matters	Why is this Important	What have we done about this
Managing market volatility	Covid-19 lockdown disrupted economic activity and led to unprecedented market volatility. These events lowered global economic growth, India's GDP growth and collapsed oil prices.	We enabled ourselves to better withstand market volatility through proactive inventory, production and supply management and revised our operational strategies to enable our teams to connect with customers for timely planning and product delivery.
Optimising portfolio	Strengthening our portfolio helps transform the earnings profile and diversify risks.	Our R&D team remained focussed on developing products to address portfolio gaps and market opportunities. We also relied on co-marketing and in-licensing partners.
Improving culture	There is a need to continuously strengthen the culture, with a focus on embedding the right behaviour.	We are implementing a culture that provides a stimulating work environment and enables broader value creation. We are implementing a cultural transformation towards a diverse, inclusive, resilient and sustainable organisation.
Maximising value from business segments	Slowdown in economic growth, increase in raw material prices and rising variable costs put pressure on the capability of business segments.	We are focussing on maximising cash flows to manage liquidity and ensure we remain well-positioned to service business needs. We postponed discretionary capital spends and focussed on cost containment.
Advancing sustainability	The outbreak of Covid-19 led to a strategic imperative to have a sustainable business that provides economic, environment and social value, positively impacting financial performance and brand reputation.	We are working on establishing the right balance between the need for economic development, job creation and energy efficiency.

# Our Risk Management Framework

An embedded approach to risk management puts risk and opportunity assessment at the core at Rallis. The approach to risk management is designed to provide reasonable assurance that risks facing the business are being assessed and mitigated. A risk management framework is responsible for managing overall risks and individual controls utilised to mitigate them.



## Key Risks – Potential Impact and Mitigation Strategies

Key Risks	Potential Impact	Mitigation Strategy
Regulatory risk and compliance with laws	Proliferation or instability in regulatory policies may lead to adverse impact on growth and profitability and increased exposure to civil and/or criminal actions leading to damages, fines with possible consequences for corporate reputation.	Our endeavour is to keep track of emerging regulations, including environmental, social, and governance (ESG) risks. These are analysed to assess how they can impact business and mitigation plans are put in place. There is a continuous focus on digitising monitoring systems to ensure a credible tracking of compliance.
Climate change risk	Climate change can disrupt operations and/or reduce demand for products. This can lead to water shortages and decrease sales. Uncertainty in timing and severity of monsoon in different geographies can impact overall business.	Geographic spread of business and a wide portfolio helps dampen the impact of climate-related issues. We are focussed on developing new products to deal with climate change issues. The seeds R&D team is working on hybrids that address stress conditions.
Supply chain management risk	Our Supply Chain network is exposed to potentially adverse events such as dependency on few vendors for key inputs, physical disruptions, environmental and industrial disruptions at a key supplier, which can impact our commitments. Cost of products can be significantly affected by the cost of underlying commodities and these fluctuations can negatively impact business.	Our contingency plans are designed to secure alternative key material supplies at short notice. Moreover, we are progressively strengthening our procurement process by diversifying our vendor base and exploring backward integration to the extent possible.
Cyber security risk	Our operations are increasingly dependent on IT systems, digital interactions and management of information. The cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations can inhibit business operations in several ways.	We have firewalls and threat monitoring systems in place. We maintain a robust system for control and access to critical systems. The VAPT (Vulnerability Assessment and Penetration Testing) is conducted yearly and there is a continuous focus on updating Business Continuity and Disaster Recovery plans. This is further supported by an annual programme of testing of access controls.

Key Risks	Potential Impact	Mitigation Strategy
Environment, health and safety risk	Our business involves handling and storage of hazardous chemicals, which are a potential risk to the environment. Any lag in adopting necessary safety standards can impact health and safety of the people.	We have adopted globally accepted best manufacturing practices and invested in safety systems and processes. We follow RC (Responsible Care), PSM (Process Safety Management) and Behaviour-based safety guidelines. Our certifications include ISO 9001, ISO 14001, OHSAS 18001/ISO 45001, ISO 17025 and the Responsible Care logo.
Talent risk	A skilled workforce is essential for continued success of our business. With rapidly changing nature of work and skills, there is a risk that workforce is not equipped with skills required for the new environment. Besides this, the loss of key personnel or inability to attract or retain talent can adversely affect operations and financial performance.	Our management development process includes regular performance reviews, backed by a common set of leadership behaviours, skills and competencies. We have development plans to upskill and reskill employees for future roles and targeted programmes to attract and retain top talent.
Covid-19 risk	The manifold disruptions due to Covid-19 related lockdowns, challenges in production, managing supply and distribution networks pose multi-dimensional risks that are rapidly evolving. These can disrupt supply chain and manufacturing processes and adversely impact business.	While the human impact of the virus takes precedence for all of us, we continue to monitor these developments closely and keep exploring alternative strategies to minimise its impact on the business.
Seeds production risk	The business of seeds is subject to production risks, involving weather, pests, diseases and the availability of proper and sufficient land and growers and storage facilities.	We are constantly exploring new production locations and use of digital tools. We are engaging with growers in providing crucial information/solutions to maximise yields.
Business development and innovation risk	The inability to diversify the domestic customer base and register products in global markets and maintain strong customer relationships can decrease market share.	Our endeavour is to strengthen the distributor base to widen reach and penetration in domestic markets. Digitisation has been a key enabler in the process. In the international markets, our emphasis remains on registrations in key untapped geographies. The R&D team explores new products to improve freshness index.

# Strategy and Priorities

Our strategy is that of “Repositioning Rallis for Leadership”. We aim to achieve this by leveraging our legacy and strength and attaining our vision “to be among the top 3 leading enterprises by 2026” within farm inputs and chemistry-led businesses.



### Key Focus Areas

- Leveraging branding & manufacturing to drive volume growth in short term
- Investing in R&D and manufacturing for long-term growth
- Making Rallis attractive to partners for gaining access to new Active Ingredients
- Building new contract manufacturing partnerships and sustaining existing ones

Key short, medium and long-term priorities of our business verticals are as follows:

### Short Term

**Domestic Business:** New product introduction, strengthen and leverage brand power and distribution reach. Rebuild Institutional business.

**International Business:** Maximise revenue from current Active Ingredient portfolio by scale up / debottlenecking capacities.

**Contract Manufacturing:** Sustain current contracts. Dedicated techno-commercial team for building new partnerships.

**Seed Business:** Strengthen Kharif portfolio and undertake steps towards addressing the seasonality in the portfolio and hybrid seed production challenges.





Medium Term

**Domestic Business:** Widening portfolio with value-added innovative formulations and build partnerships for niche Active Ingredients. Crop Nutrition focus to expand portfolio and market reach.

**International Business:** Expand B2B partnership base and intensify B2C play in select products/geographies for revenue maximisation of existing portfolio. Resume few discontinued Active Ingredients Investment in Multi Purpose Plant (MPP).

**Contract Manufacturing:** Build on initial success with new partners supported by appropriate investment in flexible manufacturing.

**Seed Business:** Filling portfolio gaps in cotton, Rabi/spring maize with research focus. Build own portfolio in Mustard. Strengthen vegetable portfolio with own products and strategic partnership for in-licensed products.

Long Term

**Domestic Business:** Research-led new Active Ingredients and combination formulations to build a strong and innovative product portfolio.

**International Business:** Widening portfolio with new Active Ingredients developing innovative formulation and investment in registration.

**Contract Manufacturing:** Building long-term partnerships by showcasing manufacturing and research capabilities and investment commitments.

**Seed Business:** Leveraging emerging technologies for value-added portfolio including Genetically Modified (GM) traits.

## Looking Ahead

Rallis remains committed to creating a positive impact in the agricultural sector. We have listed out seven key areas where we aim to further improve to secure the future of agriculture. We aim to turn these commitments into real, measurable benefits for farmers.



### Building Trust and Credibility

Rallis displayed its commitment towards sustainability by:

- Phasing out entire red triangle (extremely toxic) products and emphasised on green triangle (slightly toxic) products
- Developing more water-based formulations compared to solvent-based formulations to reduce environmental impact
- Improving soil health by introducing 'GeoGreen' an organic manure to improve physicochemical properties of the soil, with a focus on yield enhancement
- Setting up the Centre for Sustainable Agriculture and Farm Excellence (C-SAFE), a platform to pilot new technologies and approaches to achieving farm excellence



### Generating Efficiency in Crops

We are taking steps to enhance productivity of major crops and increase farm yields by:

- Offering crop solutions from seeds to crop care products, ensuring complete crop protection from pests, diseases and nutritional deficiency
- Our crop-specific foliar nutrition range ensures that the plant receives the right nutrition
- GeoGreen improves soil health through an improvement in C:N ratio (Carbon : Nitrogen)



### Empowering Farmers to Increase Productivity

Rallis believes that the farming community can be empowered through information dissemination. The Rallis Samrudh Krishi ('RSK') programme is one such initiative.

- RSK platform provides holistic agro-advisory services from seeds to harvest, including digital technology-enabled agronomy and weather information services
- This one-stop solution provides features on customised package of practices, weather information, mandi information, crop solutions, complaint/query resolution and personalised advisory through farm visits



### Encouraging Safe Farming Practices

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 farmers using these products
- Its objectives go beyond generating profits, as it actively participates in promoting safe use of crop protection chemicals



### Turning Data into Knowledge

Rallis is expanding the use of digital tools to deliver benefits to growers and convert data into knowledge, insights and wisdom:

- Drishti programme uses data from weather stations, remote sensing satellites and ground-based information to provide comprehensive data to growers on weather and pest forecast, crop health and nutrition information
- Rallis has digitised the package of practices and made available through mobile apps and its call center. Company leverages digital technology in our seed production to enhance productivity
- Hybrid Advancement Trials data is captured and analysed electronically into insights to derive best hybrid candidates



### Leveraging the Power of Partnership

Rallis continues to capitalise on value derived from working with partners and scaling up sustainable agricultural practices:

- It is reputed for its strategic partnerships with various alliance partners, which helps in early introduction of new chemistry products in the portfolio
- Its alliance partners help in development of new combination products involving its own technical products and partners' patented chemistries



### Tapping Growth Opportunities

#### Building Capacities Across Chemistry and Formulations

Rallis is enhancing its portfolio across business segments. It is investing in capacities to adopt newer chemistries and formulations.

During the year, it expanded capacities of Active Ingredients, progressed construction of new formulation facilities and initiated work on a new multi-purpose plant.

#### Achieving Deeper Market Penetration

Rallis has a wide portfolio in crop protection, crop nutrition and seeds to address the needs of the diversified Indian market. It continues to penetrate further in the market by:

- Expanding Active Ingredient and formulations portfolio
- Launching new products across business
- Creating unique brand identity for better visibility
- Developing digital tools for better market connect

#### Maintaining R&D Focus

To further strengthen its innovation capabilities, Rallis has initiated the construction of a state-of-the-art integrated research centre at Bengaluru.

#### Expanding Contract Manufacturing

Rallis is focussed on expanding its contract manufacturing base by leveraging its chemistry strength. It has created a dedicated business development and research team for this and is committed to make appropriate investments in flexible manufacturing capacities.

# Enhancing Experiences through Digital

Rallis introduced a range of digital technologies to connect and collaborate with its stakeholders and make available timely information and insights. These technologies helped improve process cycle time, employee engagement and productivity and the availability of data.



## OUR DIGITAL VISION

1



Digital-enabled,  
customer-centric  
organisation

2



Data and  
insights driven  
enterprise

3



Agile, secured and  
ubiquitous digital  
enterprise

4



Leverage digital elements to enable smart factory, smart labs, connected workforce, future-ready supply chain, newer marketplace & ecosystems and integrated business process enablement

## Initiatives for Digital Innovation

### a. Manufacturing Plants

Rallis is creating new technologies at production sites to pursue stabilisation in operations through automation, safety and quality. It is maintaining competitiveness of its plants, boosting existing production base through Industrial Internet of Things (IIoT) Sensor Deployment to measure critical parameters; integration of plant equipments with ERP as well as dashboards and digital log sheets.

### b. Research & Development

Rallis is accelerating R&D investments by promoting efficiency in research operations. It is implementing the Lab Information Management System (LIMS), Agriculture Research Management System (ARMS), Seeds Research Management System and digitisation of Hybrid Seed Advancement Trials Analysis Process.

### c. Human Capital Management

Rallis is capitalising on digitalisation to enhance employee experience, reduce cycle time and increase its learning & development capabilities. Key steps to ensure human capital management are digital enablement from Hire to Retire Cycle digital performance management system, employee self-service platform, implementation of e-learning platform and integration with external e-learning providers.

### d. Supply Chain Management

Rallis is following global supply chain management systems, aiming at better customer satisfaction and increased sales. It is also developing peripheral systems including procurement and trade management, Transport Management System and digitally signed e-Invoicing.

### e. Sales & Distribution

It is deepening the connect with farmers and strengthening relationships with distribution channel through the following platforms:

- **Sampark**, a mobile-based platform for extended sales team to service farmers
- **Rallis Krishi Samadhan**, a mobile-based platform for farmers to access product information and farming practices
- **e-Sparsh and e-Bandhan**, digital platforms to connect sales team and distribution
- **Dr. Vishwas**, a digital platform for farmer helpline management
- **Dhaanya Edge**, a digital platform to engage with retailers in Seeds Division
- **Drishti**, a remote-sensing based crop monitoring system



## Initiatives Planned for FY 2021-22

Rallis is making plans to enhance digital innovation, some of which are:

 <p>Explore QR Code based tracking for each individual Stock Keeping Unit to enable ease of access to product information by consumers</p>	 <p>Digital platform for retailer engagement and enhancement of distributor platform</p>	 <p>Enhancement and extension of Dhaanya Edge platform</p>	 <p>Digital Smart Factory enablement for the upcoming manufacturing plant at Dahej</p>	 <p>Upgrades and enhancements to MIS and reporting dashboards for manufacturing plants</p>
 <p>Commence digitisation of seeds production management process</p>	 <p>Digitisation of R&amp;D research analysis (Genome Analytics)</p>	 <p>Integrated supply chain forecasting and planning system</p>	 <p>Executive dashboards and advanced analytics</p>	 <p>Automation of trade schemes and incentives</p>

# Accelerating Innovation in a Changing World

In line with its mission of “Serving Farmers through Science”, the Company leverages science at its research facilities, recognised by the Department of Scientific and Industrial Research (DSIR) and accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL). It aims to develop innovative solutions by engaging with farmers to enable them to excel in farming activities.



## Key Focus Areas



Innovating in processes, product and people



Delivering what customers need by applying transformative technologies



Investing in R&D to tap opportunities across off-patent Active Ingredients and contract manufacturing



Driving agricultural productivity and yield enhancement; offering an entire suite of agri-inputs



Introducing new products to drive business growth

## Developments in FY 2020-21



### Introducing New Products in Crop Care

- Developed 3 new in-house Crop Protection and 3 in-house Crop Nutrition products
- Obtained 9 registration approvals internationally
- Obtained 13 registrations in India under different categories
- Obtained label expansion for three products on 14 different crops



### Accelerating New Product Launches in Seeds

A key focus of Seeds division is to accelerate new product delivery by reducing cycle time making early selections and building native traits into new inbreds. This is achieved through forward-breeding approaches, a combination of speed breeding and molecular marker technologies.



### Strengthening R&D

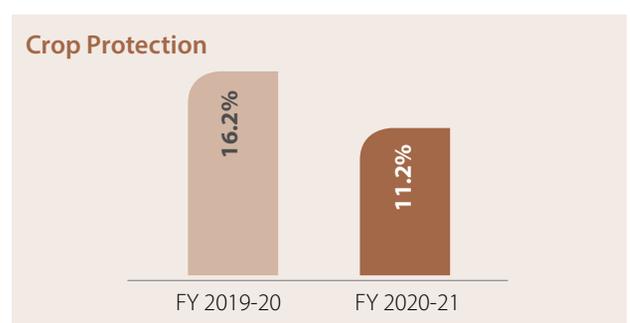
Rallis Innovation Chemistry Hub (RICH) focusses on novel combinations of Active Ingredients across the Insecticide, Fungicide and Herbicide segments. A strong pipeline has been conceived and diligent progress has been made in R&D using the Stage-Gate process. The seeds R&D centre, which is also in Bengaluru, focusses on cutting-edge technologies such as Gene editing for trait improvement. Improved molecular marker tools were optimised to deliver solutions for better plant growth, nutrition and disease and pest tolerance.



### Scaling up Agri-biotech R&D facility

Rallis is working on a comprehensive application for taking up biosafety studies and the next level of field trials for Insect Resistance (IR) and Herbicide Tolerance (HT) traits in Cotton and Maize. Post-approvals, the team will conduct trials in relevant geographies.

## Crop Protection Category-wise Innovation Turnover Index (ITI)





## Safety – A Core Value for Rallis

Rallis is continually developing and enforcing robust systems and procedures with a firm commitment to safety and reliability of operations, occupational health and a safe working environment. It is focussing on production of environment-friendly formulations through safer chemistry, ensuring safety for all the stakeholders.



### Introducing the Safety Culture

A culture of safety is encouraged across hierarchies by promoting behavioural safety, process safety and road safety as the key focus areas among the workforce. Work Safe Online (WSO), the e-portal, was implemented to record safety performance and take stringent action on any deviation. To strengthen process safety, started daily Behaviour Safety observation rounds with 100% coverage.

### Ensuring a Safe and Healthy Environment

During the year, to enhance process safety, gap assessment was carried out at three technical manufacturing units. The implementation of PSRM (Process Safety and Risk Management) was started at Dahej. To enhance electrical safety, electrical studies were carried out at all the four units.

### Our Safety Performance

#### Recordable Incident Rate

	2016-17	2017-18	2018-19	2019-20	2020-21
Crop Care	0	0	1.01	0.18	<b>0.26</b>
Seeds	1.51	1.71	1.25	0	<b>0</b>

#### Safety and Disaster Prevention

	2019-20	2020-21
Number of Mock Drills Conducted (Crop Care and Seeds)	32	<b>24</b>

#### Near Misses and Observations

	2019-20	2020-21
Number of Near Misses (Crop Care and Seeds)	1,044	<b>1,053</b>

#### Behavioural Safety Observation

	2019-20	2020-21
Number of Observations (Crop Care and Seeds)	342	<b>2,028</b>

### Process Safety Management

- An agency was appointed to facilitate implementation of actions for identified gaps and to further strengthen PSRM
- Adequate steps were taken on process hazard level, analysis and safety information

### Rallis' Safety Programmes

- The HIRA (Hazard Identification and Risk Analysis) review was conducted at the four manufacturing units for hazard recognition. HAZOP (Hazard and Operability study) was conducted for critical processes through an external expert agency
- Under Vehicle Safety, virtual awareness training sessions were conducted to enhance road safety for more than 600 employees



# Building Future Leadership

At Rallis, we refreshed and institutionalised our policies, benefits and frameworks to provide employees with the right growth opportunities. While adding diversity and inclusiveness, we nurtured a high-performance culture and built future leadership.



## Learning & Development

- We engaged with 85% of our employees through various need-based training programmes and registered 4.54 man-days per employee
- Under e-Learning, we developed a digital library on MyDarpan, a Human Resource platform. Over a dozen customised e-learning modules are available in the library for self-paced learning. This learning continued despite the pandemic through virtual mode.
- Close to 300 employees underwent e-learning certification courses, such as e-induction, cyber security and anti-bribery, among others

## Managerial & Leadership

A certification program is designed for newly promoted first-time managers to undergo learning.

**36**

Employees from Seeds division underwent Management Development Program (MDP), virtual instructor-led learning on leadership

**23**

Employees attended the Development Centre (DC), detailed feedback given to participants on performance and career progression

**2**

Employees from R&D participated in the 36th Tata Group e-Merging Leadership Seminar (TGeLS)

**87**

Employees were nominated in open learning webinars conducted by CII, FICCI, PHDCCI, Bombay Chamber of Commerce

**57**

Employees registered for the 'En-rich' e-learning programme

## Employee Appraisals

The Company ensures fair appraisal of employees on their performance and behavioural attributes based on Tata Leadership Practices (TLPs) to keep them motivated and engaged. The process of performance management starts from goal cascading and concludes with annual performance assessment and feedback. KRAs are set based on four perspectives of the Balanced Scorecard and graded by the employees and the reporting manager.

## Succession Planning

Succession planning focusses on mapping of critical positions. Future roles and responsibilities, past performance, strengths, weaknesses, potential and work level fit are considered for identifying successors.

## Employee Engagement Survey

Rallis undertakes Employee Engagement Surveys to ascertain satisfaction level of its employees. Various listening and learning posts are used to capture and identify factors affecting workforce satisfaction.



## Improving Performance

	FY 2018-19	FY 2019-20	<b>FY 2020-21</b>
Employee Engagement Score	76**	92*	<b>79**</b>
Turnover per Employee (₹ crore)	1.36	1.40	<b>1.43</b>
Training Coverage	81%	90%	<b>85%</b>
Internal Customer Satisfaction Index (ICSI)	77%	81%	<b>82%</b>

\*Internal Survey

\*\*External Survey

# CERTIFIED AS A "GREAT PLACE TO WORK"



# Driving Social Responsibility

The Company's business is an enabling force for the advancement of the society. The CSR framework is rolled out at every level through wide-ranging community initiatives. The Company is continually working to enhance the income and quality of lives, tackling society's important issues and contributing towards farmer prosperity and social empowerment.

₹ **483.26** Lakh

Total CSR Spend

over **1 lakh**

Total saplings planted till date

**6,990**

Student beneficiaries

**5,510** hours

Volunteering hours by our employees in FY 2020-21



## Key Focus Areas

### Education

Under RUBY (Rallis Ujjwal Bhavishya Yojana), Rallis works towards improving the academic performance of students and enhancing the capability of teachers.



Providing education to primary, secondary and higher secondary students at **30** schools in **5** states, benefitting **6,990** students (**34** schools in **4** states, benefitting **8,821** students in the earlier year)

**19**

Teachers and Shikshak Mitras supported for various subjects and trained 15 teachers in Science and English

**24**

Scholarships offered to needy students through Vidyasaarathi



During Covid-19, manufactured and distributed sanitizer pan India, distributed face masks pan India, provided dry food kits to the needy around factory locations and adopted endangered species



## Skill Development

Under the skilling initiative TaRa, Rallis partnered with an NGO and Industrial Training Institutes (ITIs) for implementing skill enhancement activities, with a special focus on girls and women.



Tailoring, Beautician, Computer Training, Goat Rearing and Poultry courses provided at skill training centre in Dhasai near Mumbai, in partnership with Light of Life Trust (LOLT)

### 796

Trained in FY 2020-21 including skill centre and ITIs

### 142

Students were provided starter kits for the first time covering skill centres and ITIs

### 348

Individuals trained at Dhasai centres

## Jal Dhan

During the year, work was implemented in 5 villages from Latur and Beed with 6.27 kms of nala and 1.12 hectares of pond de-silted and deepened and 3.08 MCM water harvested, soon to make these villages free from water tankers. As groundwater increased, farmers grew 2-3 crops a year; as village livestock increased, women's drudgery work reduced, enabling them to spend quality time.

### Impact of Jal Dhan in Maharashtra



Benefitted **2.21** Lakh villagers



Freed **65** villages (vs **50** in the earlier year) from water tankers across **20** Tehsils, **8** districts



Increased farmer income due to rise in crop production, saved women from fetching water from outside



Increased groundwater level, recharged tube wells and borewells

## Model Tribal Village

Rallis converts tribal villages into Model Tribal Villages within 3-5 years.



Education



Economic development



Health and sanitation



Basic infrastructure

Benefitted **3,300** tribals from **8** villages around Mumbai under this Project.

## Covid-19 Relief Work

In partnership with All India Institute of Local Self Government (AIIISG), Rallis initiated a virtual help desk where scientific knowledge on Covid-19 was rendered in simple terms. An innovative tool on "Community Self-Assessment & Planning for Awareness Generation & Prevention of Covid-19 by Disadvantaged Community" was undertaken to enable community participation, self-assessment and planning.

## Health

Health and hygiene sessions were organised, especially reproductive health sessions for women. For preventive healthcare, kitchen garden kits were distributed to provide vegetables to concerned families.

## Livelihood

Horticulture plantation, Floriculture plantation and Vegetable cultivation was implemented. Cultivators sold vegetables within the villages and also ensured nutritional security. To inculcate professional agri habits in today's generation, BAL-TARFAH was launched on Kisan Day, where horticulture and vegetable cultivation was taken care of by children.

## Women Empowerment

### 42

Women were provided training in partnership with LOLT and sewing machine were provided to them

### 17

Families covered by setting up 3 oil mills in tribal villages

# Integrating Sustainability

Sustainability has been the nucleus of our strategy. We are committed to deliver products that maintain a safe and secure food supply – with minimal impact on the planet. To reflect this commitment, we have set internal sustainability targets and goals and are continuously improving our environmental profile to help create a better world.



## Performance of Rallis



### Water Conservation

**23,102 KL** (38,275 KL in FY 2019-20)

Recycling and reusing treated wastewater

**3.08 MCM** (1.97 MCM in FY 2019-20)

Rainwater harvested by CSR projects



### Effluent Management

**1,05,505 KL** (1,33,515 KL in FY 2019-20)

Treatment of effluents generated

**72,127 KL** (93,717.36 KL in FY 2019-20)

Water discharge



### Waste Management

**30,576.32 MT** (21,366.00 MT in FY 2019-20)

Hazardous waste generated

**2,027.66 MT** (1,437.21 MT in FY 2019-20)

Non hazardous waste

**40.09 %** (52.78% in FY 2019-20)

Hazardous waste utilised



### Reducing Carbon Footprint

**3,40,22,168 KWh** (3,22,21,830 KWh in FY 2019-20)

Absolute energy (electricity) consumed

**1,067.35 KWh/MT** (1,130.95 KWh/MT in FY 2019-20)

Produced energy (electricity) utilised



### Air Emissions

**13,681.92 Kg/Month**

Nitrogen oxides (NOx)

**14,236.60 Kg/Month**

Sulphur oxides (SOx)

**23,535.11 Kg/Month**

Suspended particulate matter



### Reduction in Energy Consumption

**63.60 KWh/MT** production  
(127.0 KWh/MT in FY 2019-20)

Electricity consumption per MT reduced

**14,76,937.70 KWh**

(12,25,974.75 KWh in FY 2019-20)

Increase in total electricity consumption

### Energy Consumption within the Organisation

#### Direct Energy Consumptions

Name of Energy	Unit	FY 2019-20	FY 2020-21
Diesel	Litre	1,42,329	<b>1,33,404</b>
Furnace Oil	Litre	5,55,235	<b>5,90,218</b>
Bio Mass	MT	11,994.36	<b>11,707.17</b>
LPG Canteen	Kgs	4,065	<b>46,206.50</b>
Solvent Losses	Kgs	34,55,102.67	<b>37,85,226.06</b>
Company Vehicle Petrol	Litre	-	<b>160</b>
<b>Indirect Energy Consumptions</b>	<b>KWh</b>	<b>3,22,21,830.17</b>	<b>3,40,22,168</b>

#### Scope 3 Indirect Energy Consumptions

Shift Buses- Diesel	Litre	75,043.2	<b>6,02,678.83</b>
Shift Buses- CNG	kg	-	<b>2,201.90</b>

*Note: There are considerable differences in few of the emission parameters over previous year in view of the inclusion of Seeds drying unit, compliance with Covid-19 guidelines, increase in production volumes, etc.*



### GHG Emissions

**39,385.31 MTCO<sub>2</sub>** (23,167.71 MTCO<sub>2</sub> in FY 2019-20)

Direct (Scope 1) GHG emissions

**28,343.39 MTCO<sub>2</sub>** (26,421.9 MTCO<sub>2</sub> in FY 2019-20)

Energy indirect (Scope 2) GHG emissions

**1,533.50 MTCO<sub>2</sub>** (216.69 MTCO<sub>2</sub> in FY 2019-20)

Scope 3 GHG emission

### GHG Emission Intensity

**2.17 MT\*** (1.70 MT in FY 2019-20)

*\*Based on the production volumes of crop care at 4 manufacturing locations and seeds drying unit at Kokonda, Telangana*

# Strong Governance

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. 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.

## Board of Directors



2

**Mr. Bhaskar Bhat**

Chairman and Non-Executive  
Non-Independent Director



1 2 5

**Dr. C. V. Natraj**

Non-Executive Independent Director



1 2 6

**Ms. Padmini Khare Kaicker**

Non-Executive Independent Director



1 3 4 6

**Dr. Punita Kumar Sinha**

Non-Executive Independent Director



1 2 3 4 5

**Mr. R. Mukundan**

Non-Executive Non-Independent Director



3 4 5 6

**Mr. Sanjiv Lal**

Managing Director & CEO

### Board Committees

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

● Chairperson/Chairman ● Member

### Corporate Governance Structure

The Company is governed by the Board of Directors and its Committees. The overall governance framework, systems and processes reflect and support the Company’s Mission, Vision and Values. The Senior Leadership operates under the guidance of the Board and is assigned with responsibilities to ensure smooth business functioning.



### Organisational Code of Conduct/Policies

The Company strives to maintain the highest standards of Ethics and Governance in its conduct and businesses. In pursuit of looking beyond regulatory compliance, the Company has in place and follows, *inter alia*, the Tata Code of Conduct (TCoC), Enterprise Risk Management, various certifications, Carbon Footprint Mapping, governance guidelines on Board effectiveness, etc.

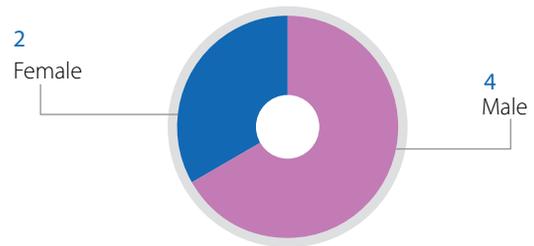
### Tata Code of Conduct and Ethics

The value of Ethics has been deeply enshrined in the Tata Code of Conduct ('TCoC'). The TCoC training forms part of the induction process on joining of every employee as well as the Board Member. A dedicated 24x7 Ethics Helpline has been set up which is managed by an independent professional organisation for confidentially raising any ethical concerns or practices that violate the Tata Code of Conduct.

### Board Diversity

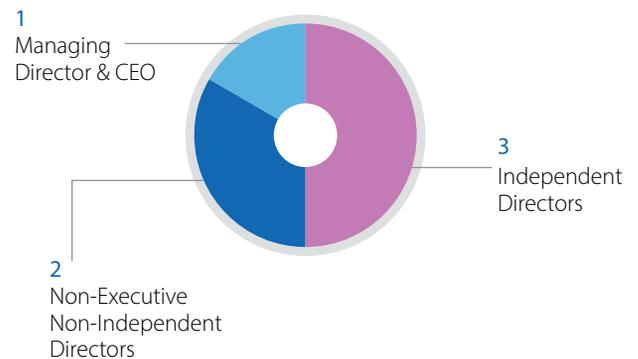
The Charter of the Nomination and Remuneration Committee (NRC) of the Company provides a framework for ensuring diversity of the Board members based on factors, such as gender, age, qualifications, professional experience, expertise, skills and ability to add value to the business.

### Board Gender Diversity

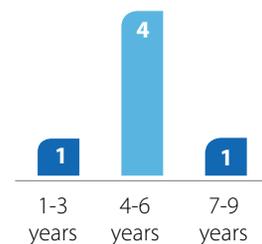


### Board Composition

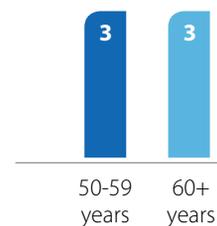
The Board comprises 6 Directors:



### Tenure on Board



### Age



(Numbers in the graphs indicate the number of Directors)



# Corporate Information

## Chief Financial Officer

Ashish Mehta

## Auditors

B S R & Co. LLP  
Chartered Accountants

## Registrar and Transfer Agent

TSR Darashaw Consultants Private Limited  
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli West, Mumbai – 400 083  
Tel. No.: +91 22 6656 8484  
E-mail: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
Website: [www.tcplindia.co.in](http://www.tcplindia.co.in)

### 73rd Annual General Meeting

Thursday, June 24, 2021 at 3.00 p.m. (IST)  
Through Video Conference facility

## Dividend Recommended for FY 2020-21

₹ 3 per equity share  
(300% on face value of ₹ 1 each)

## Book Closure Date

Friday, June 11, 2021 to Thursday, June 17, 2021

## Company Secretary

Yashaswin Sheth

## Bankers

State Bank of India  
Axis Bank Limited  
BNP Paribas  
Citibank N.A.  
HDFC Bank Limited  
ICICI Bank Limited  
Kotak Mahindra Bank Limited  
Union Bank of India  
Yes Bank Limited

## Registered Office

23rd Floor, Lodha Excelus  
New Cuffe Parade,  
Off Eastern Freeway,  
Wadala, Mumbai - 400 037  
CIN: L36992MH1948PLC014083  
Tel. No.: +91 22 6232 7400  
E-mail: [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com)  
Website: [www.rallis.co.in](http://www.rallis.co.in)



Dahej Plant, Gujarat

A graphic consisting of a light blue circle with a dark blue ring around it, partially overlapping a dark blue rectangular box on the right.

## Statutory Reports

Board's Report	40
Management Discussion and Analysis	69
Corporate Governance Report	83
Business Responsibility Report	107



# Board's Report

## To the Members of Rallis India Limited

The Board of Directors is pleased to present the Seventy-Third (73rd) Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2021.

## Financial Results

(₹ in crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	2,429.43	2,251.50	2,429.44	2,251.82
Other Income	40.44	34.33	40.45	34.33
<b>Total Income</b>	<b>2,469.87</b>	<b>2,285.83</b>	<b>2,469.89</b>	<b>2,286.15</b>
Profit before finance cost, depreciation and tax	363.43	295.47	363.33	293.69
Finance costs	5.21	6.11	5.21	6.11
Depreciation	64.07	61.51	64.07	61.51
Profit before exceptional items and tax	294.15	227.85	294.05	226.07
Exceptional items	9.45	11.42	9.45	11.42
<b>Profit before tax</b>	<b>303.60</b>	<b>239.27</b>	<b>303.50</b>	<b>237.49</b>
Provision for tax	77.03	69.07	77.04	69.07
Deferred tax	(2.10)	(15.26)	(2.11)	(15.26)
<b>Profit for the year</b>	<b>228.67</b>	<b>185.47</b>	<b>228.57</b>	<b>183.69</b>
Profit for the year attributable to:				
- Owners of the Company	228.67	185.47	128.58	184.85
- Non-controlling interests	-	-	0.00	(1.16)
Other comprehensive income ('OCI')	1.32	(1.84)	1.40	(1.88)
Total comprehensive income	229.99	183.63	229.97	181.81
<b>Profit for the year</b>	<b>229.99</b>	<b>183.63</b>	<b>229.97</b>	<b>182.97</b>
Balance of Profit brought forward from previous year	947.14	822.96	1,031.77	908.22
	<b>1,177.13</b>	<b>1,006.59</b>	<b>1,261.75</b>	<b>1,091.19</b>
<b>Appropriations</b>				
Others	0.00	0.28	0.00	0.28
Leases (Ind AS 116) transition effect	0.00	(1.11)	0.00	(1.11)
Dividend on equity shares <sup>#</sup>	(48.62)	(48.62)	(48.62)	(48.62)
Dividend distribution tax	0.00	(9.99)	0.00	(9.99)
Transfer to reserve for equity instruments through OCI	(0.01)	(0.01)	(0.08)	0.02
<b>Balance Profit carried forward to balance sheet</b>	<b>1,128.50</b>	<b>947.14</b>	<b>1,213.03</b>	<b>1,031.77</b>

<sup>#</sup> Dividend declared in the previous year and paid during the respective reporting year

## Dividend

The Directors are pleased to recommend a dividend of ₹ 3.00 per share (i.e. 300%) on the Equity Shares of the Company of ₹ 1 each for the year ended March 31, 2021 (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 ₹ 58.34 crore (previous year ₹ 48.62 crore).

## Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), 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 <https://www.rallis.co.in/DDPolicy.htm>.

## Transfer to Reserves

The Board of Directors have decided to retain the entire amount of profits for FY 2020-21 in the profit and loss account.

## Share Capital

The paid-up Equity Share Capital as on March 31, 2021 was ₹ 19.45 crore.

Pursuant to the Scheme of Arrangement between Zero Waste Agro-Organics Limited, a wholly owned subsidiary and the Company and pursuant to the Scheme of Merger by Absorption of Metahelix Life Sciences Limited, a wholly owned subsidiary, with the Company, the authorised capital of the Company increased from ₹ 200 crore to ₹ 228.89 crore.

During the year under review, the Company has not issued any shares.

## Organisational Resilience & Combating Covid-19

In these difficult times of the Covid-19 pandemic, resilience for an organisation is paramount. During the year, the Company focussed on achieving its business goals hand-in-hand with improving cash from operations and cutting costs. Necessary efforts were made towards business continuity and resilience.

The Company has endeavoured to expand in areas of research & development, innovation, digital technology and upskill its employees during the year. Efforts were made to support the work, workforce and workplace experiences by an ecosystem of virtual resources, digital technology and behaviour that has

defined work as a thing we do, not a place we go to, resulting in quality performance and output.

The Company continued extending its support to the Central and State Governments and the community at large, by manufacturing and supplying hand sanitisers, dry food kits, etc. The office based employees sustained the practice of remote working/working from home with the help of adequate digital and other assistance and those working from plants and other locations ensured undertaking utmost care and precaution at all times.

## Scheme of Arrangement of Zero Waste Agro-Organics Limited, a wholly owned subsidiary, ('ZWAOL') with the Company ('the Scheme of Arrangement')

The National Company Law Tribunal, Mumbai Bench ('NCLT') had sanctioned the Scheme of Arrangement in FY 2019-20. The certified copy of its Order was received on June 22, 2020 and the same was filed with the respective jurisdictional Registrar of Companies by ZWAOL on July 8, 2020 and by the Company on July 9, 2020. Accordingly, ZWAOL has merged with the Company and ceased to be a subsidiary effective July 9, 2020. The Company had already given effect of the merger in its standalone audited results for the year ended March 31, 2020.

## Company's Performance

The Company's consolidated revenue from operations for FY 2020-21 was ₹ 2,429.44 crore compared to ₹ 2,251.82 crore in the previous year, an increase of 7.9% over the previous year. The Company's profit before exceptional items and tax on a consolidated basis was ₹ 294.05 crore during the year compared to ₹ 226.07 crore in the previous year, an increase of 30.1% over the previous year. The Company earned a net profit after tax of ₹ 228.57 crore, higher by 24.4% as against a net profit after tax of ₹ 183.69 crore in the previous year.

The Company's standalone revenue from operations for FY 2020-21 was ₹ 2,429.43 crore, an increase of 7.9% over the previous year's revenue of ₹ 2,251.50 crore. The Company earned a net profit after tax of ₹ 228.67 crore, higher by 23.3%, as against a net profit after tax of ₹ 185.47 crore in the previous year.

## Business Operations

### A. Crop Care

During the year under review, the Domestic Crop Care business achieved a revenue of ₹ 1,287 crore as against ₹ 1,165 crore during FY 2019-20, a growth of 10%. The International business achieved revenue of ₹ 741 crore during the year as against ₹ 722 crore during FY 2019-20, a growth of 3%.



## 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 were estimated at ₹ 32.57 lakh crore (current prices) in FY 2019-20. The share of agriculture and allied sectors in the GVA of the country at current prices has increased from 16.5% in FY 2018-19 to 17.7% in FY 2019-20. During FY 2020-21, while the GVA for the entire economy contracted by 7.2%, growth in GVA for agriculture maintained a growth of 3.4%. The share of agriculture in Gross Domestic Product ('GDP') has reached almost 20% for the first time in the last 17 years, making it the sole bright spot in GDP performance during FY 2020-21. The 2nd advance estimates released by the Department of Agriculture Co-operation and Farmers Welfare estimated total foodgrain production in India of 303.34 Metric Tonne ('MT') in FY 2020-21 as against 296.65 MT in the previous fiscal year (as per 4th advance estimate), according to the Economic Survey 2020-21.

The 2020 annual rainfall over the country as a whole was 109% of its Long Period Average ('LPA') value for the period 1961-2010. The monthly rainfall across the country as a whole was 118% of LPA in June, 90% of LPA in July, 127% of LPA in August and 104% of LPA in September. 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, the highest rainfall (130% of LPA) was received by the South Peninsula and lowest rainfall (84% of LPA) was received by Northwest India. The Central India and East & Northeast India received season rainfall of 115% of LPA and 106% of LPA respectively.

Further, the total live storage in 130 important reservoirs in different parts of the country during the week ended March 18, 2021 was 80.127 Billion Cubic Meter ('BCM') (46% of the storage capacity at full reservoir level) against 92.393 BCM during the corresponding date of the previous year and 65.421 BCM which is the average storage of the last 10 years. Storage during the year was nearly 87% of the last year's storage and 122% of the average of the last 10 years. There are 108 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 and doubling the farmer's income initiatives. 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 2020-21, Indian agriculture experienced a normal monsoon which resulted in normal crop acreage in Kharif and increased acreage in Rabi due to better water availability.

The availability of products in the right pack at the right time to the right location was a key challenge during the Covid-19 restrictions. The cost of raw materials, packaging materials and intermediaries were fluctuating as long-term visibility regarding the supply and price was not available.

The transportation was limited to remote places during the pandemic which led to non-availability of products in some locations. The demand generation and promotional activities were impacted due to restricted physical movement which led to preference for previously known products with farmers as companies were unable to communicate the benefits of newly introduced products.

The lack of visibility for output prices also drove the farmers to use the available generic molecules. Due to Covid-19, there was labour shortage which in turn increased the demand for herbicide. Digital marketing has played an important role in communicating with farmers, channel partners and field staff.

Insecticides remain the most used crop protection chemical with around 51% share followed by herbicides and fungicides contributing 25% and 24% share respectively of the crop protection market in India. The demand for agri inputs is set to rise in the long term due to low penetration levels currently, changing pest dynamics, rising labour cost, increased irrigation facility, credit availability and higher farmer income.

Incessant rainfall during the peak consumption time of cotton and low pest load in Brown Planthopper segment of paddy impacted growth. Overall pest infestation for the category was low to medium. Growth of insecticides portfolio is impacted due to limitation in promotional activities, low infestation on segments like sucking pest, Fall Armyworm ('FAW'), Brown Planthopper, etc. However, stem borer infestation in paddy was very high in both the seasons.

The Company's Insecticides portfolio has grown by 4% over the previous year. Brands like Takumi, Asataf, Zygant, Cameo, Tafgor, Tata Summit, Tata Mida, Koranda, Nagata, Manik, Rilon and Jashn Super are the major contributors to the portfolio. The Company's Insecticides portfolio has performed satisfactorily and grown in almost all the crops. Key crops which have shown major growth are Paddy, Cotton, Soybean, Pulses, Chilli, Tea, Tomato and Grapes.

In Paddy, the Company grew in the stem borer segment through Zygant and Takumi and also witnessed significant growth in Leaf folder segment through Takumi. Business in crops like Pulses, Soybean was driven by Lepidopteran molecules like Takumi and Rilon. Business in Chilli has resulted in growth through the Thrips & Lepidopteran segment. The Vegetables segment has grown in the borer segment. Takumi has performed well in the Tea segment for Semilooper. Tata Summit started getting acceptance in the Grape crop. In Maize, FAW incidence was low to medium. However, products like Tata Summit, Takumi and Rilon did well.

The Fungicides portfolio recorded an excellent growth of 24% over the previous year. Major growth was witnessed from the flagship brands like Blitox, Contaf, Contaf Plus, Ergon and Captaf. The performance of newly launched products like Ayaan, Sarthak and Krizan was also reasonable. These brands are envisaged to be the Company's promising brands which will drive future growth.

The Fungicides portfolio grew in almost all crops like Paddy, Cotton, Pulses, Soybean and Groundnut. However, usage of fungicides in Chilli, Grapes and Potato was low due to low disease pressure of downy mildew, late blight and powdery mildew. Consumption of high-end molecules reduced in key geographies while the consumption of generics increased.

The Herbicide portfolio grew strongly at 24% over the previous year. The flagship brands like Tata Panida and Panida Grande in the pre-emergence segment registered a sturdy growth of more than 55% over the previous year. The new product Enzip has strengthened the business in Soybean crop and growth was also registered in the Wheat herbicides segment with brands like Impeder, Tata Metri and Sartaj. The Company's herbicides performance in Paddy crop was also further strengthened by robust growth in brands like Taarak and Riceup. Increase in DSR paddy acreage in the north facilitated usage of pre-emergence herbicide and an overall usage of herbicide

in Paddy crop increased due to high Rabi acreage in South India. Due to Covid-19 and labour shortage, the demand for pre-emergent herbicide products increased and with increase in acreage of Sugarcane and Groundnut, the demand for herbicide also increased.

#### International business:

The preliminary view of the crop protection market is estimated to have increased by 1.9% to reach a total value of USD 60.51 billion during calendar year 2020 compared to USD 59.28 billion during calendar year 2019, wherein the overall agrochemical market has grown to USD 67.70 billion in 2020 from USD 66.41 billion in 2019.

The market in North American Free Trade Agreement (NAFTA) states improved in comparison to the previous year when heavy rainfall and flooding in the key crop growing regions of the USA had a strongly negative impact. Whilst volume usage increased in the USA, this was offset somewhat by generally lower prices due to high inventories at the beginning of the year. In South East Asia, conditions were more suitable where rainfall was more favourable, notably in Vietnam, Thailand and Philippines. In terms of South Africa, crop prospects were boosted by widespread rainfall which improved soil moisture.

China continues to remain under pressure owing to environmental stringencies leading to price increase of intermediates and active ingredients. It also experienced selling pressure in the USA owing to increased tariff for import of Chinese goods.

At the global level, the planted area of key crops generally increased in 2020, with only Oilseed rape and Cotton being cultivated on smaller areas. The most significant increase was seen in Soybean and Maize, which were up by 3.7% and 2.5% respectively. Planted areas in 2020 benefitted from the recovery in North America following poor weather at the beginning of 2019. In terms of crop acreages, Soybean has shown significant increase in acreages up to 127 million hectares (3.7%) and corresponding global production was up by 7.7% over 2019. While Wheat acreages marginally increased to 250 million hectares (1.7%), on the contrary, a decrease in the Oilseed rape planting area of up to 40 million hectares was observed and the global production was down by 0.1%.

In terms of market performance, 4.3% growth was witnessed in NAFTA. A growth of 4.2% was reported by Central and South America and 3.8% by the Middle East/Africa. However, a negative growth of 0.8% was seen in Europe.



During the year, in International business, significant growth was recorded in North America, Europe, Latin America, particularly USA and Brazil. The Company gained new registrations in strategic overseas markets and the partnership models with strategic customers that were adopted during the year helped the Company in its growth journey through leveraging each other's strengths. The Company continues its focus on developmental activities in key geographies in Latin America, South East Asia, Europe and African markets.

## 2. Crop Nutrition

As a strategic business plan for FY 2020-21, the Company consolidated its Plant Growth Nutrition, Foliar Application & Fertigation and Soil Conditioners (GeoGreen) portfolios under one vertical - Crop Nutrition. Additionally, a new business category - Biopesticides was also introduced during the year.

Crop Nutrition business of the Company consists of Bio fertilisers, Bio stimulants, Secondary & micronutrients, Water soluble fertilisers, Organic fertilisers and Biopesticides.

The organic fertilisers business once formed a part of the wholly owned subsidiary of the Company, Zero Waste Agro-Organics Limited, which was merged with the Company and its business was integrated with the Company's crop nutrition portfolio.

Crop Nutrition business achieved a growth of 22% over FY 2019-20. 4 new products were launched during the year in the water soluble fertilisers category, Aquafert FNP – Potato, Onion, Vegetables and Aquafert Fertigation – Grapes grades, GroSMART in Bio stimulants category, Flowbor in secondary and micronutrients category. Simultaneously, 3 new SKUs - 100 ml Surplus, 10 litre Rallis Bahaar & 25 kg GeoGreen were also introduced. The customer feedback received on the performance of these new products has been encouraging.

Category, segment and product portfolio gaps were identified for product development and more than 20 product segments across categories were chosen for development and commercialisation. Crop nutrition research and development activities have also been geared up to launch the new products over a period of 5 years.

Furthermore, agreements were entered into with 3 new strategic partners, resulting in a strong support of 14 strategic partners in the supply chain. While Akola unit is manufacturing few of the products, there are investment plans to manufacture additional products.

Crop calendar and crop life cycle based product promotion approach at territory level, demonstrations by field visits, distance marketing and promotion of integrated nutrition management was successfully implemented during the year.

### Biopesticides:

The Company successfully launched and promoted 2 botanical biopesticides through strategic partnerships. The promotion of biopesticides reflects the Company's commitment to integrated pest management.

## B. Seeds

The Seeds business consists of field crops of Paddy, Maize, Pearl Millet, Cotton, Mustard and select vegetable crops.

The opportunities for growth in India continue to be immense across the field and vegetable seeds categories. The fact is also reflected in high levels of competitive intensity in the market place involving multinationals, Indian corporates, proprietary Indian companies as well as small players. It is believed that growing market shares in all the core categories and exploring opportunities to build new categories for future is critical for sustained profitable growth and long-term value creation.

In a highly competitive scenario, during the year under review amid Covid-19 related challenges in supply and demand generation, the Seeds division delivered a revenue of ₹ 401 crore as against ₹ 364 crore during FY 2019-20, an increase of 10% driven by volume growth in Maize, Vegetables and price increase across the categories. The division also significantly stepped up digital transformation in its supply chain and marketing activities which is expected to be a routine in the future. The Company continued to leverage and benefit from across various aspects of HR policies, technology, process management, governance and employee communication. While the Company continued its focus in cotton, the category witnessed very high competitive intensity from proprietary Indian companies, multinationals as well as local players. Restructuring of Vegetable business and planned portfolio consolidation led to a 20% growth. Focus on partnerships for germplasm licensing and effective implementation of commercial programmes helped the Vegetable line of business grow during the year.

The Pearl Millet category recorded a successful Kharif season led by volume and value growth through new hybrids in the key segments where the Company had lost share in the last couple of years. Maize category recorded robust volume growth of 19% and value growth of 28% during the year through focussed value addition in key segments.

Two of the Company's hybrids continue to delight the rain fed farmers in the states of Rajasthan, Madhya Pradesh, Tamil Nadu and Maharashtra. Focus remains on innovations in demand generation activities which helped the Company to successfully enter into new segments. In order to improve the business during the second half of the year, the division successfully grew its new category 'Hybrid Mustard', which is envisaged to help drive growth in an attractive market opportunity.

The Seeds division also made significant improvements in branding to extend its portfolio to premium segments across the core categories. During the year, the Company ensured to continue building on its reputation amongst the channel partners. Dhaanya Edge - an exclusive retailer loyalty programme was launched during the year which is expected to help engage the retailers and capture useful insights for the future.

During the year, the supply chain agenda was focussed on strengthening five key areas: certainty in production & supply of projected seeds volumes, enhanced focus on seed quality, digitisation of supply chain process, process improvement and teaming and collaboration.

## Farmer Engagement

The Company believes in empowering the farmers and providing them with necessary knowledge. 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')**: During the year, there was a fresh approach to RSK which included suitable digital mechanisms, promotion of distance marketing and Net Promoter Score Surveys. Customers were diligently segmented into Rallis Margapradarshak Farmers (RMF), Rallis Pragatisheel Farmers (RPF) and others. In view of limited physical access, regular calls throughout the crop cycle for suggestions were made. Other distance marketing means such as Crop Advisor based telecalling and advisory through voice blasts and text messages were also used. Additionally, regular feedback was sought from the farmers on product performance through Net Promoter Score Surveys.
- **Samrudh Krishi ('SK')**: In FY 2020-21, the Company modified its SK app providing weather-based advisory in collaboration with National Research Centre for Grapes, Pune ('NRCG') and added Water & Nutrition Management guidelines. 'AQUAFERT' Crop Specific Nutrition - Water Soluble Fertiliser (CSN-WSF) for fertigation was also introduced with

encouraging outcomes. Despite pandemic-led movement restrictions, continuous connect with the customers was maintained through digital platforms. Facebook Live seminars with active participation of Scientists from NRCG on Pest, Disease, Nutrition and Canopy Management were also conducted.

- **Drishti**: During the year, the Company deepened the deployment of Drishti for its Seeds division to enhance the productivity of seed production. During Kharif 2020, all paddy plots were under Drishti surveillance. In Rabi 2020, 100% paddy parent seed production and 32% hybrid seed production plots were also monitored. During FY 2020-21, the Company provided Drishti based advisory to 450 and 1,100 paddy seed growers in the Kharif and Rabi seasons respectively. The newly developed app has helped to expedite the farm registration and geofencing with better accuracy.
- **Seeds Production Programme**: The Company's parent and hybrid seed production team engages with about 28,000 hybrid seed producer farmers through a network of supervisors and field staff in the states of Telangana, Andhra Pradesh, Gujarat, Karnataka and Odisha whereby technical training is imparted. These skills have helped the farmers to increase their income ranging from 30%-100% higher than what they would make from conventional commercial cultivation. Choosing tribal and backward areas to expand its production footprint, the Company's presence in around 1,000 villages in tribal areas of Gujarat, Rajasthan, Odisha and Chhattisgarh has helped in uplifting skills and income.

## Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiary is prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). The Audited Consolidated Financial Statements together with the Auditor's Report thereon forms part of this Annual Report.

The Annual Financial Statements of the subsidiary and related detailed information will be made available to Members seeking information till the date of the AGM. 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 SEBI 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\\_SubsiidiariesPolicy.htm](https://www.rallis.co.in/Material_SubsiidiariesPolicy.htm).

During the year under review, ZWAOL, a wholly owned subsidiary of the Company, merged with the Company effective July 9, 2020 with Appointed Date as April 1, 2017. The Company does not have any associate or joint venture companies as on March 31, 2021.

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

## Status of Subsidiaries

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

PT Metahelix had become a direct subsidiary of the Company during FY 2019-20 in view of the merger of Metahelix Life Sciences Limited with the Company.

The Company holds 65.77% of the equity capital of PT Metahelix and balance is held by the Joint Venture Partner in Indonesia.

All commercial operations of PT Metahelix have been stopped and there are no employees on the rolls of PT Metahelix. During the year, PT Metahelix has received approval for cancellation of its Company Registration Number and revocation of its business licence with effect from March 19, 2021. Further, an application for cancellation of its Tax Identification Number has been made and the approval for the same is awaited.

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

As RCEL, a wholly owned subsidiary of the Company, had not commenced any commercial activities, it had, in March 2019, made an application to the Registrar of Companies, Maharashtra, Mumbai 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. Consequently, the Ministry of Corporate Affairs has issued a certificate for striking off thereby removing RCEL's name from the register of companies with effect from March 29, 2021. Accordingly, RCEL has ceased to be a subsidiary of the Company effective the said date.

## Credit Ratings

There were no changes in the credit ratings of the Company. As on March 31, 2021, the Company had a short-term credit rating of CRISIL A1+ and a long-term rating of CRISIL AA+/Stable by CRISIL Limited 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 loan 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, 2021.

## 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 SEBI 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 No. AOC-2 is not applicable to the Company and hence the same is not provided.

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 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. An assessment by an independent firm is carried out from time to time on all the related party transactions entered into by the Company.

The Company has a Policy on Related Party Transactions in place which is in line with the Act and the SEBI Listing Regulations and the same is also available on the Company's website at [https://www.rallis.co.in/Related\\_Party\\_TransactionsPolicy.htm](https://www.rallis.co.in/Related_Party_TransactionsPolicy.htm).

## Risk Management

The Board has formed a Risk Management Committee ('RMC') to frame, implement and monitor the risk management plan for the Company and ensure its effectiveness and to develop

a policy for actions associated to mitigate the risks as well as identify new and emergent risks. The RMC seeks to minimise the adverse impact of risks on business objectives and capitalise on opportunities. The RMC is chaired by an Independent Director. The Audit Committee has an additional oversight in the areas of financial controls. The Chairperson of the Audit Committee is also a member of the RMC.

The Company has a well defined risk management framework in place to ensure appropriate identification, measurement, mitigation and monitoring of business risks and challenges across the Company. The Company's success as an organisation largely depends on its ability to identify opportunities and leverage them while mitigating the risks that arise while conducting its business. Further, the Board is apprised of any procedure that may threaten the long term plans of the Company.

The Risk Register is refreshed periodically to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are timely and effective so that the risk profile is within identified tolerance levels.

### Internal Financial Controls

The Company has laid down Internal Financial Controls that include a risk-based framework to ensure orderly and efficient conduct of its business, safeguarding of its assets, accuracy and completeness of the accounting records and assurance on reliability of financial information. The Company maintains adequate and effective internal control systems commensurate with its size and complexity.

An independent internal audit function is an important element of the Company's internal control systems. This is executed through an extensive internal audit programme and periodic review by the management and the Audit Committee.

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

The Audit Committee has satisfied itself on the adequacy and effectiveness of the internal financial control systems laid down by the management. The Statutory Auditors have confirmed the adequacy of the internal financial control systems over financial reporting.

Further, details of the internal control systems are given in the Management Discussion and Analysis which forms part of this Annual 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 2020-21.

Accordingly, pursuant to Sections 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, 2021:

- (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.

### Governance, Compliance and Ethics

The Governance, Corporate 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.

The Company has also adopted the governance guidelines on Board effectiveness to fulfill its corporate governance



responsibility towards its stakeholders, the details of which form part of the Corporate Governance Report. In 2020, policies on Anti-Money Laundering and Anti-Bribery & Anti-Corruption were adopted to operate businesses in conformity with the highest moral and ethical standards.

In compliance with the SEBI Listing Regulations, the Corporate Governance Report and the Auditor's Certificate form part of this Annual Report.

## Management Discussion & Analysis and Business Responsibility Report

The Management Discussion and Analysis and the Business Responsibility Report as required under the SEBI Listing Regulations form part of this Annual Report.

## Directors and Key Managerial Personnel

### Re-appointment:

In accordance with the provisions of Section 152 of the Act and in terms of Article 112(2) of the Articles of Association of the Company, Mr. Bhaskar Bhat, Non-Executive Director of the Company, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The Members had appointed Dr. C. V. Natraj and Ms. Padmini Khare Kaicker as Independent Directors of the Company to hold office for 5 (five) consecutive years from July 22, 2016 up to July 21, 2021. Pursuant to the provisions of the Act and based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board recommends for the approval of the Members through a Special Resolution, the re-appointment of Dr. C. V. Natraj and Ms. Padmini Khare Kaicker as Independent Directors of the Company for a second term of 5 (five) consecutive years from July 22, 2021 up to July 21, 2026.

Relevant details including profiles of Directors seeking re-appointment are included separately in the Notice of AGM.

### Independent Directors:

Dr. Punita Kumar Sinha, Dr. C. V. Natraj and Ms. Padmini Khare Kaicker, Independent Directors of the Company, have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due

assessment of the veracity of the same. 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, industry experience, strategy, finance and governance, IT and digitalisation, human resources, safety and sustainability, etc. and that they hold the highest standards of integrity.

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended. They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

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 KMP of the Company:

- Mr. Sanjiv Lal, Managing Director & CEO
- Mr. Ashish Mehta, Chief Financial Officer
- Mr. Yashaswin Sheth, Company Secretary

### Procedure for Nomination and Appointment of Directors:

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

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

At the time of appointment, specific requirements for the position including expert knowledge expected is communicated to the appointee.

During the year under review, the Board has also reviewed 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 which were mapped with each of the Directors on the Board. The same is disclosed in the Corporate Governance Report 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 SEBI Listing Regulations.

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

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

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

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

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

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

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members.

The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long-term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee Meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

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 the NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed. The Company follows a practice of implementing each of the observations from the annual evaluation by calendarising its implementation through the Action Taken Report which is reviewed by the Board of Directors from time to time.

The Annual Performance Evaluation is conducted in a paperless manner with documents being securely uploaded and accessed electronically. This has resulted in saving paper, reducing the cycle time of the process and increasing confidentiality of the information.

### Remuneration Policy

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

As on March 31, 2021, the Audit Committee comprised 4 (four) Members out of which 3 (three) were Independent Directors and 1 (one) was a Non-Independent, Non-Executive Director. During the year, 7 (seven) Audit Committee Meetings were held, details of which are provided in the Corporate Governance Report. Dr. Punita Kumar Sinha,



Independent Director, was appointed as a Member of the Audit Committee effective September 1, 2020.

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**

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

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

**Corporate Social Responsibility**

Corporate Social Responsibility ('CSR') and Affirmative Action ('AA') continued to be an integral part of the business journey of the Company. The Company has aligned its CSR and AA strategy and operations with Tata Chemicals Limited and Tata Chemicals Society for Rural Development ('TCSRSD'). The CSR framework of TCSRSD as followed by the Company addresses a majority of the Sustainability goals. The leadership team at the Company has been very supportive, sensitive and encourages the team to work for inclusive growth through its CSR and AA initiatives.

During FY 2020-21, due to the outbreak of the pandemic, the Company also carried out various CSR activities towards Covid-19 relief work, over and above its usual CSR commitments.

Employees are one of the key stakeholders and they extend great support to the CSR and AA initiatives by their active participation through volunteering. During the year under review, the Company has achieved more than 5,500 volunteering hours through various activities in which 459 employees actively participated.

Under Natural Resource Management, 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 2.21 lakh villagers and harvested 3.08 million cubic meter water during FY 2020-21.

In Education, the Company has focussed on Science, English, Information Technology and support for educational infrastructure. The Company has been engaged in capacity

building of school teachers and has provided necessary training to teachers. The Company has also supported schools by providing teachers, especially in the stream of Science, English and Special teachers for Special children. 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 sections through Vidyasaarathi portal managed by the CSR wing of National Securities Depository Limited.

In 'You are Safe' intervention, focus is on educating farmers and students from the Agri background on safety during usage of Pesticides. During the year under review, due to pandemic the Company was unable to run the said campaign.

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 to the Act. The Annual Report on CSR activities is attached as **Annexure C** which is forming part of this Report.

During the year, the Company has revised the CSR Policy and the terms of reference pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021. The revised CSR Policy is available on the website of the Company at [https://www.rallis.co.in/CSR\\_Policy.htm](https://www.rallis.co.in/CSR_Policy.htm).

**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.

With the objective of providing a safe working environment, the Company has constituted Internal Committee at all its locations to redress complaints received regarding sexual harassment. All employees - permanent, contractual, temporary and 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>.

As an endeavour to educate and empower the women employees within the organisation regarding POSH and their rights, a virtual awareness session was also conducted during FY 2020-21.

No complaints were pending at the beginning of the year. Further, the Company did not receive any complaints of sexual harassment during the year and accordingly, no complaints were pending as at the end of the financial year.

### Vigil Mechanism/Whistleblower Policy

The Company has adopted a Whistleblower Policy as a part of its vigil mechanism. The purpose of this Policy is to enable any person including the directors, employees, other stakeholders, etc. to raise concerns regarding unacceptable and improper practices and/or any unethical practices in the organisation without the knowledge of the management.

All employees shall be protected from any adverse action for reporting any unacceptable or improper practice and/or any unethical practice, fraud or violation of any law, rule or regulation.

The Chief Ethics Counsellor's contact details have been mentioned in the Policy for easy access. Furthermore, employees are free to communicate their complaints directly to the Chairperson/Members of the Audit Committee, as stated in the Policy. The Audit Committee reviews reports made under this Policy and implements corrective actions wherever necessary.

The Company believes in the conduct of its affairs and 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. Periodic awareness sessions are also conducted for the same.

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

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

### 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 2020-21 forms 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 the Companies (Cost Records and Audit) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s. 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, 2022. 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 M/s. D. C. Dave & Co. as set out in the Notice of the 73rd AGM of the Company.

#### (3) Secretarial Auditors:

In terms of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Parikh & Associates (Firm Registration No. P1988MH009800), a firm of Company Secretaries in Practice, have been appointed as Secretarial Auditors of the Company. The Report of the Secretarial Auditors is enclosed as **Annexure D**. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in their Report.

### Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees,



to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

### Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website at <https://www.rallis.co.in/MGT2021.htm>.

### Secretarial Standards of ICSI

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

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

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

### 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 F**.

Bengaluru, April 22, 2021

The information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this 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 information. Any Members interested in obtaining the same may write to the Company Secretary at [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com). None of the employees listed in the said Annexure is related to any Director of the Company.

### Acknowledgements

The Directors hereby acknowledge the dedication, loyalty, hard work, solidarity and commitment 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, customers and other stakeholders without whom the overall satisfactory performance would not have been possible.

The Directors deeply regret the losses suffered due to the Covid-19 pandemic and place on record their sincere appreciation to all the front-line workers and those who have gone beyond their duties in battling against the pandemic.

**On behalf of the Board of Directors**

**Bhaskar Bhat**  
**Chairman**  
DIN: 00148778

## Annexure A to the Board's Report

# Dividend Distribution Policy

## 1. About the Company

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

## 2. Objectives of the Policy

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

## 3. Payment Frequency

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

## 4. Declaration of Dividend

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

## 5. Parameters for Distribution of Dividend

**5.1** The Company has a track record of steady dividend declaration and payment over its history. The Board considers the yearly dividend based on the Net Profit After Tax ('PAT') available for distribution. In addition, the Board reviews the capital expenditure needs, cash requirements for investments in capability enhancements and future non organic growth initiatives.

**5.2** As in the past, subject to the provisions of the applicable law, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Based on the above, the Company will endeavour to maintain the steady level of dividend per share over the medium term.

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

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

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



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

#### 5.4 Financial Parameters for declaring dividend:

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

- the Company's Financial results of operations and earnings;
- working capital requirements for the operations and growth of the Company and its subsidiaries;
- quantum of profits and liquidity position;
- future fund requirements, including for brand building, business acquisitions, business expansion, 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 Profits after Tax (PAT) of the Company.

### 6. Review of Policy

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

### 7. Disclosures

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

**On behalf of the Board of Directors**

**Bhaskar Bhat**  
Chairman

DIN: 00148778

Bengaluru, April 22, 2021

## 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)



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

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

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

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

**Policy Implementation**

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

**On behalf of the Board of Directors**

**Bhaskar Bhat**  
**Chairman**  
DIN: 00148778

Bengaluru, April 22, 2021

## Annexure C to the Board's Report

# Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

## 1. Brief outline on CSR Policy of the Company

The Company is committed to improving the quality of lives of people in the community it serves through long term stakeholder value creation. It pledges itself to care for and serve the community by designing sustainable development model that leads to socio-economic development and ecological development in its area of influence. The Company focusses its CSR on Natural Resource Management, Rural Development, Skill and Education Enhancement, Farmer Safety, etc. The Company also plays a significant role in promotion of inclusive

growth through empowerment of farmers, women and socially and economically weaker sections of society. Partnerships with government development agencies, corporate bodies and NGOs are entered into for community development programmes. Active involvement of the Company's employees in volunteering towards CSR activities is always ensured.

The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website and the weblink for the same is provided in this report.

## 2. Composition of CSR Committee as on March 31, 2021:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. R. Mukundan	Chairman	2	2
2.	Dr. Punita Kumar Sinha	Member	2	2
3.	Mr. Sanjiv Lal	Member	2	2

## 3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

<https://www.rallis.co.in/CSR.htm>

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

In terms of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the requirement of conducting an impact assessment of its CSR Projects is not applicable to the Company.

However, the Company had voluntarily conducted an Impact Assessment in FY 2020-21 for its flagship watershed programme "Jal Dhan" in Latur Tehsil covering 10 villages which were identified based on year-on-year

work implementation in the said villages. The beneficiaries had expressed gratitude and shared a positive impact about the work done. Sharing few excerpts as below:

- Jal Dhan has ensured water availability throughout the year for domestic and agricultural use
- Farmers are being able to cultivate crop for all 12 months and many of them have also opted for horticulture plantation like mango, lemon, sapodilla, etc.
- Women are now having more free time which they are utilising for themselves. While some have purchased cattle, some are helping their husbands in farming
- Many villagers have purchased livestock
- A visible increase in family income was observed due to water availability throughout the year

The summary of the Impact Assessment Report can be accessed on the website of the Company at <https://www.rallis.co.in/CSR.htm>.



**5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
N.A.			

**6. Average net profit of the Company as per Section 135(5) - ₹ 23,545.87 lakh**

- 7.** (a) Two percent of average net profit of the Company as per Section 135(5) - ₹ 470.92 lakh  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – **N.A.**  
 (c) Amount required to be set off for the financial year, if any - **N.A.**  
 (d) Total CSR obligation for the financial year (7a+7b-7c) - ₹ 470.92 lakh

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
483.26	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Jal Dhan - Rain Water Harvesting	1. Rural development 2. Ensuring environment sustainability	No	Maharashtra	Latur, Beed, Raigad	4	12.80	68.65	Nil	No	TCSR	CSR00002564
2.	Rallis Ujjwal Bhavishya Yojana ('RUBY') Project - Education	Promoting education including special education	Yes	Maharashtra	Ratnagiri, Akola, Raigad, Palghar	4	75.21	55.95	Nil	No	TCSR	CSR00002564
				Gujarat	Bharuch							
				Karnataka	Bagalkot, Bengaluru							
				Andhra Pradesh	West Godavari							
				Telangana	Siddipet, Jangaon							
				Chhattisgarh	Mahasamund							
3.	Tata Rallis ('TaRa') Project - Skill Development	1. Enhancing vocational skills 2. Promoting gender equality 3. Rural development	No	Maharashtra Gujarat	Thane, Akola Bharuch	4	20.00	38.68	Nil	No	LOLT	CSR00000156
4.	Model Tribal Village	Addresses majority of Sustainable Development Goals	No	Maharashtra	Raigad, Palghar	4	37.00	32.33	Nil	No	AIILSG	CSR00000373
5.	Centre for Sustainable Agriculture and Farm Excellence ('C-SAFE')	Rural development	No	Pan India		4	90.00	50.25	Nil	No	TCSR	CSR00002564
<b>Total</b>							<b>235.01</b>	<b>245.86</b>				

TCSR- Tata Chemicals Society for Rural Development

LOLT- Light of Life Trust

AIILSG- All India Institute of Local Self Government



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in lakh)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number
1.	Covid - 19 Relief work	Rural development, Health	No	Pan India		204.49	Yes	-	-
2.	Rural Development, Healthcare and Sanitation	Rural development	No	Telangana	Warangal	2.85	Yes	-	-
3.	Farmer Safety	Education, Rural development	No	Maharashtra	Nagpur	0.14	Yes	-	-
4.	Greening Project (Afforestation)	Ensuring environment sustainability	No	Uttar Pradesh	Lucknow	1.13	Yes	-	-
				Maharashtra	Ratnagiri, Akola, Raigad, Thane				
				Jharkhand	Gumla				
				Bihar	Patna				
5.	Volunteering	-	No	Pan India		1.45	Yes	-	-
<b>Total</b>						<b>210.06</b>			

(d) Amount spent in Administrative Overheads – ₹ 23.54 lakh

(e) Amount spent on Impact Assessment – ₹ 3.80 lakh

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 483.26 lakh

(g) Excess amount for set off, if any – ₹ 12.33 lakh

Sl. No.	Particulars	Amount (₹ in lakh)
i.	Two percent of average net profit of the Company as per Section 135(5)	470.92
ii.	Total amount spent for the financial year	483.26
iii.	Excess amount spent for the financial year [(ii)-(i)]	12.33
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	12.33

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
N.A.							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

- (a) Date of creation or acquisition of the capital asset(s) – **N.A.**
- (b) Amount of CSR spent for creation or acquisition of capital asset – **N.A.**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – **N.A.**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) – **N.A.**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) – **N.A.**

Mumbai, April 22, 2021

**Sanjiv Lal**  
Managing Director & CEO  
DIN: 08376952

**R. Mukundan**  
Chairman - CSR Committee  
DIN: 00778253



## Annexure D to the Board's Report

FORM No. MR-3

# Secretarial Audit Report for the financial year ended March 31, 2021

[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, 2021 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, 2021 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)**

## Board's Report

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

1. The Insecticides Act, 1968 and Rules, 1971;
2. The Seeds Act, 1966 and Rules, 1968;
3. The Fertilizers (Control) Order, 1985;
4. Biological Diversity Act, 2002;
5. Essential Commodities Act, 1955

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. There were no changes in the composition of the Board of Directors that took place during the period under review.

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.:

1. The Company merged its wholly owned subsidiary, Zero Waste Agro-Organics Limited with the Company with effect from July 9, 2020 upon filing of the Orders of the National Company Law Tribunal, Mumbai Bench with the jurisdictional Registrar of Companies.
2. Rallis Chemistry Exports Limited, a wholly-owned subsidiary of the Company, has been struck-off from the Register of Companies with effect from March 29, 2021 consequent to striking-off application filed with the Registrar of Companies, Mumbai.
3. During the year, PT Metahelix Lifesciences Indonesia, a subsidiary of the Company, received approval for the cancellation of its company registration number and revocation of its business licence with effect from March 19, 2021. Further, an application for cancellation of its Tax Identification Number has been made and the approval for the same is awaited.

**For Parikh & Associates  
Practising Company Secretaries**

**Jigyasa Ved  
Partner**

**FCS No: 6488 CP No: 6018  
UDIN: F006488C000153074**

**Place:** Mumbai  
**Date:** April 22, 2021

*This Report is to be read with our below 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**  
**Practising Company Secretaries**

**Jigyasa Ved**  
**Partner**

**FCS No:** 6488 **CP No:** 6018  
**UDIN:** F006488C000153074

**Place:** Mumbai  
**Date:** April 22, 2021

## Annexure E to the Board's Report

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

[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:

#### Ankleshwar:

- Installation of an energy efficient Screw Compressor (150 HP) for air application at Jet mill in formulation plant
- All motors under new procurement were purchased with IE-3 standard and 5 old non-efficient motors were replaced with high efficient IE-3 motor
- Conventional light replacement with LED light for street light, plant light and vessel lamp. Boundary flood light was also replaced by LED flood light
- Energy bill reduction initiative by maintaining unity power factor and low distribution losses by introducing shunt capacitor bank in the high rated Kilo Watt ('kW') motors
- Energy bill reduced by effective usage of power in night hours to avail benefit of night hours rebate
- Energy losses reduced by replacing aluminium cable by copper cable from Motor Control Centre to Motor
- High rated kW motors have been connected with Variable Frequency Drive ('VFD') in closed loops for the compressors
- Energy bill reduced by purchasing units at lower rate under open access facility through power exchange

#### Lote:

- 70 TR Screw Compressor installed

#### Dahej:

- Plant and office light replacement
- Lower efficiency motor replacement
- Capacitor bank installation at load side

#### Akola:

- VFD drive agitators were installed for new products

During the year, 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 sources of energy. One of the key initiatives undertaken by the Company is:

Under OPEX model (Operation, Maintenance & Expenditure by third party), a 309 KV Roof top Solar panel was installed at the Akola unit. More than 3 lakh KWh/year energy will be utilised from solar energy and CO<sub>2</sub> emission of 250 Metric Tonne ('MT') is envisaged to be reduced per year. Expected life of solar panel is 20 years and ₹ 4.6 lakh will be saved per year.

### (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 ₹ 163 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) Successfully transferred technology for manufacturing of four formulations developed by way of R&D
- (b) Efforts were made towards more progress on digital transformation journey of the R&D initiatives for lab activities
- (c) Two unique water soluble fertilisers - Aquafert Foliar and Aquafert Fertigation and a micronutrient - Flobor have been launched
- (d) Further, efforts were made to develop crop specific crop nutrients viz. Aquafert foliar apple & Aquafert foliar cotton
- (e) Significant progress has been made in molecular breeding leading to deployment of reliable molecular markers to accelerate genetic male sterility breeding in cotton and hot pepper. Pilot implementation of genomic selection for rabi north maize segment is also expected to be commenced.

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

- (a) Technology transfer of one Active Ingredient ('AI') process from laboratory phase is in advanced stage
- (b) Efforts have been made to identify critical steps for synthesis using flow chemistry
- (c) Label claim endorsement was obtained for three formulations on fourteen crops
- (d) During the year, 18 dossiers have been submitted to the Central Insecticides Board and Registration Committee under various categories of new registration
- (e) During FY 2020-21, following products were developed and commercialised:
  - i) **Kriman:** (Kresoxim-methyl 18% + Mancozeb 54% WP) - a fungicidal combination product for control of fungus in grapes and tomato

- ii) **Evee:** (Flubendiamide 7.5% + Kresoxim-methyl 37.5% SC) - a fungicide cum insecticide combination formulation for control of disease and insect pest in paddy and tomato crops
- iii) **Flowbor:** (Crop nutrition product) A concentrated liquid boron formulation for the use in various crops like apple, banana, chilli and other vegetables
- iv) **Two water soluble Fertilisers were developed and launched:** AquaFert Foliar for vegetables and AquaFert Fertigation for grapes which can help the farmers with quality produce and yield enhancement  
All the above formulations have been well accepted by the farmers
- v) 13 products were registered in India for the domestic/export market
- vi) Nine International registration approvals obtained during the year

- (f) A rice hybrid was introduced for Northwestern states with the best-in-class standability. A maize hybrid was also launched for the rabi south segment. Mustard hybrids from internal pipeline and a tomato hybrid have been tested at pre-commercial stage.

### (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 imported one formulation development technology for weed management in wheat crop
- (b) **the year of import:** FY 2020-21
- (c) **whether the technology has been fully absorbed:** No, it is not fully absorbed
- (d) **if not fully absorbed, areas where absorption has not taken place, and the reason thereof:** The Company witnessed some instability in the formulation imported and its optimisation is currently under progress.

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

	(₹ in crore)	
	2020-21	2019-20
Capital Expenditure	4.02	1.30
Revenue Expenditure	37.41	32.70*
Total R&D Expenditure	41.43	34.00
Total R&D Expenditure as a percentage of net sales (excluding excise duty)	1.71%	1.51%

\* Includes an amount of ₹ 0.10 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)	
	2020-21	2019-20
Foreign Exchange Earned	730.19	678.28
Foreign Exchange Outgo	573.30	517.75

On behalf of the Board of Directors

**Bhaskar Bhat**  
Chairman

DIN: 00148778

Bengaluru, April 22, 2021



## Annexure F to the Board's Report

# Disclosure of Managerial Remuneration

[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 2020-21 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
<b>Non-Executive Directors</b>		
Mr. Bhaskar Bhat	4.61:1	34.57
Dr. Punita Kumar Sinha	5.12:1	49.19
Dr. C. V. Natraj	7.02:1	32.30
Ms. Padmini Khare Kaicker	6.78:1	28.45
Mr. R. Mukundan*	-	-
<b>Executive Director</b>		
Mr. Sanjiv Lal, Managing Director & CEO	47.11:1	19.13
<b>Key Managerial Personnel</b>		
Mr. Ashish Mehta, Chief Financial Officer	-	13.81
Mr. Yashaswin Sheth, Company Secretary	-	(0.45)

\* 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.

**Note:**

Remuneration includes sitting fees and commission for Non-Executive Directors. Commission relates to FY 2020-21, which will be paid during FY 2021-22.

B. Percentage increase in the median remuneration of employees in FY 2020-21: 5.05%

C. Number of permanent employees on the rolls of the Company as on March 31, 2021: 1,700

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)	4.86
Average increase in remuneration of managerial personnel	19.13

**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

DIN: 00148778

Bengaluru, April 22, 2021

# Management Discussion & Analysis

## Economic Overview

### Global Economy

In 2020, the world experienced a crisis like no other and it is expected to continue in 2021. Governments took bold steps to save lives and the economy with nearly USD 12 trillion in fiscal and about USD 7.5 trillion monetary action. The World Bank estimated 4.3% contraction of the global economy in 2020. The pandemic has caused heavy toll on life and livelihood and pushed millions into poverty. This may impact economic activities and the income level for some time. Assuming success of the vaccine rollout, the World Bank indicated that the global economy will expand by 4% in 2021. However, the latest surge of Covid-19 infection in the leading economies may dent the expansion to some extent.

### Indian Economy

The pandemic hit the economy when the growth was declining. The Government action on managing the pandemic as well as the economy helped to arrest the de-growth to 9.6% for the financial year ('FY') 2020-21. This is a significant improvement considering 23.9% shrinkage recorded in GDP for April-June quarter. Considering positive sentiments of the last two quarters of FY 2020-21, the World Bank estimates that the Indian economy will recover by 5.4% in FY 2021-22. However, the surge in Covid-19 positive cases and the death toll starting April 2021 may slow down the economy to some extent and may adversely impact the forecast growth.

The Economic Survey 2021 states the following on Agriculture and Allied Industries, a clear reflection of the importance of this sector in Indian economy:

"India's Agricultural and Allied Activities sector has shown its resilience amid the adversities of Covid-19 induced lockdowns which is reflected in the sector's FY 2020-21 growth estimate of 2.3% compared to 4.3% in FY 2019-20. Agriculture remained the silver lining while contact-based services, manufacturing, construction were hit hardest and recovered steadily. Exports of agriculture and allied products recorded expansion. The share of the sector in Gross Value Added ('GVA') of the country at current prices is 17.8% for FY 2019-20."

The actual agricultural credit flow was ₹ 13,92,470 crore against the target of ₹ 13,50,000 crore in FY 2019-20. The target for FY 2020-21 was ₹ 15,00,000 crore and a sum of ₹ 9,73,518 crore was disbursed till November 2020.

The Pradhan Mantri Fasal Bima Yojana covers over 5.5 crore farmer applications year-on-year. Claims worth ₹ 90,000 crore

were paid as on January 12, 2021 through Direct Benefit Transfer (DBT) into the farmers' Aadhaar linked accounts.

An amount of ₹ 18,000 crore has been deposited directly in the bank accounts of 9 crore farmer families of the country in December 2020 in the 7th installment of financial benefit under the PM Kisan Yojana.

In the Union Budget 2021-22, the Ministry of Agriculture, Cooperation and Farmers Welfare has been allocated ₹ 1,31,531 crore, an increase of 6% over revised estimate of previous year. Growth in budget allocation as well as the three important farm reforms enacted is a clear reflection of the Government's high priority on agriculture.

### Agriculture and Input Industry

A World Bank research study estimated the impact of Covid-19 on Agriculture as (3.04)% and (1.5)% on Crop Protection [deviation from benchmark output measured in USD in %]. The report also estimates a modest growth of the crop protection market compared to previous year led by Asia and North America. The report also reflects the strong fiscal support to farmers by Governments led by the USA and followed by the European Union, China and India.

In the past, the agriculture productivity enhancement happened mostly with intensive use of the land already under cropping aided by improved farming practices, irrigation, improved varieties, modern inputs, etc. These trends are expected to continue to ensure that supplies match the increasing demand for agricultural produce in the near future.

On one hand there is high expectation from agriculture and its various stakeholders which includes regulators, consumers, food processors, retailers, etc. and on the other hand the farmer is facing increasing challenges such as climate change, soil health, evolving pest and disease incidences and ever increasing pressure on resources such as land, water, labour, capital, etc. Volatility induced by geopolitical challenges and other environmental factors is further increasing the complexity of agriculture activities globally.

Agriculture inputs industry is continuously innovating to support the farmers to address these challenges to serve its stakeholders better. It can also be observed that the increasing role of digital not only brings efficiency to the operations of agriculture input players but also helps farmers to make informed decisions supported by big data and analytics.

**Industry is pursuing favourable environmental and toxicology profiles in their products by adopting specialised chemistry and innovative formulation technologies. An increasing adoption by the farmer community and the evolving regulations has promoted significant investment from many global players in developing biological crop protection solutions keeping in mind the future growth prospects of the segment which is currently estimated around USD 1 billion.**



Crop Care and Seeds products have played an important role in this journey and will continue to play an even more important role in shaping the future of agriculture.

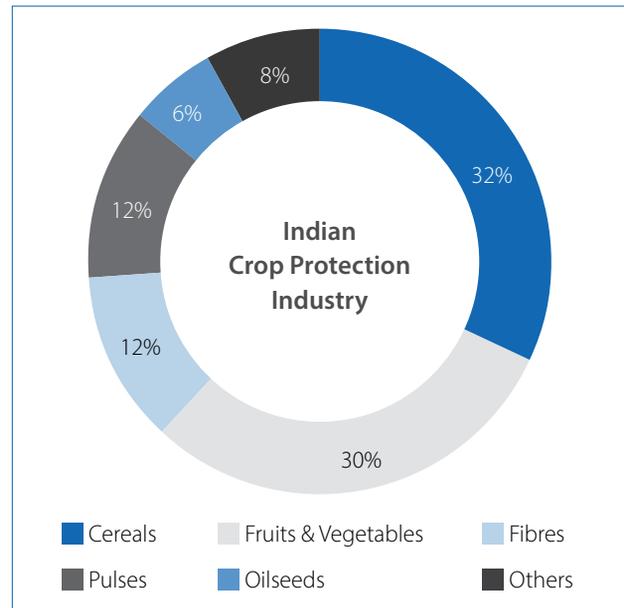
### Crop Care

After major consolidation, the industry players are realigning their portfolio and one can observe increasing presence of Asian entrepreneurship in the global crop protection space. Though stringent regulations and climate change impact on agriculture are major challenges for the industry, it also provides opportunities in developing innovative solutions for sustainable agriculture. Industry is pursuing favourable environmental and toxicology profiles in their products by adopting specialised chemistry and innovative formulation technologies. An increasing adoption by the farmer community and the evolving regulations has promoted significant investment from many global players in developing biological crop protection solutions keeping in mind the future growth prospects of the segment which is currently estimated around USD 1 billion.

Global crop protection industry which is currently around USD 60 billion estimated to have recorded a Compounded Annual Growth Rate ('CAGR') of (0.9)% during FY 2015-19, an indication that industry is going through the recovery cycle after hitting the peak in 2014. Global Industry view is that the real positive growth achieved in the recent past will continue and can expect a CAGR of 2% to 2.25% for the period 2019-2024 led by developing economies of Asia supported by other major markets of North and South America. Globally, herbicide represents a larger share of crop protection as major agriculture economies like the USA, Canada, Brazil, Australia, Argentina, etc. have adopted herbicide tolerant seed traits in Soybean, Maize, Canola, Cotton, etc. prompting higher use of non-selective herbicides. The benefit of technology adoption is also reflected in the higher level of productivity recorded against these crops in mentioned geographies. Herbicide is followed by fungicide and insecticide.

Indian crop protection business is estimated around USD 6 billion with exports having a higher growth rate slightly

ahead of domestic business. In the past five years, it was estimated that the exports recorded 10% CAGR compared to the domestic market of 8%. Supported by the positive business environment in domestic as well as on international front, industry is hoping to sustain this growth momentum. As per industry estimate in the domestic market, insecticide is the major segment which is almost equal to combined share of fungicide and herbicide, which have almost equal share. Cereals and Fruits & Vegetables contribute to a significant share of crop protection usage in the domestic market.



Speciality fertilisers segment consisting of organic fertilisers, bio stimulants, bio fertiliser, water soluble fertilisers, secondary and micronutrients is gaining popularity in India mainly on account of the need to balance the distorted soil nutrient ratio and the greater focus on quality of agri produce. The current market size is around ₹ 10,000 crore and it is getting more and more organised with standardised and customised products. With evolving regulations, globally bio stimulants are gaining popularity among industry players as well as farmers. Current estimated market size is around USD 2 billion led by Europe followed by Asia-Pacific.

## Seeds

Most of the leading players of crop care also have a major share in seeds business. Genetically Modified ('GM') seed and conventional seed has almost an equal share in the global seed market which is estimated around USD 40 billion. Maize is the significant crop followed by Soy and Vegetables and it is estimated that the three put together contribute nearly 75% of the global seed market. Seed industry is R&D intensive and is at par with pharmaceutical in terms of R&D spend, which is estimated at 15% of the sales revenue. The high-end research is also making seed an important contributor in agriculture productivity which is estimated to be equal to the combined contribution of crop care and fertiliser. There is rapid advancement in technology adoption with CRISPR, MAB & RNAi being the latest trend in this space. Maize, Soy, Canola and Cotton are the four main GM crops and a significant share of this comes from North and South America.

In India, share of the organised seed play is estimated to be around USD 2.5 billion. Cotton supported by BG II traits is the biggest crop, followed by Hybrid Maize and Hybrid Paddy. Multiple vegetable crops contribute approximately USD 0.5 billion of the total domestic seed market. Cotton segment is dominated by domestic players whereas global majors have significant share in crops like Hybrid Maize, Hybrid Paddy, Hybrid Millet, Hybrid Mustard and Vegetables. R&D investment is relatively low in India as only few companies undertake biotechnology supported research activities considering regulatory uncertainty as well as limited addressable market compared to global majors having presence across global markets.

There are significant developments which are expected to drive the growth of crop care as well as seed business in India:

1. Efforts from industry and Government of India in developing an appropriate ecosystem in tapping opportunities emerging out of supply chain diversification strategy of the global players
2. Agriculture industry is getting more organised and is further supported by the recent farm reforms
3. Increasing the MSP of cotton seed to address the concerns of cotton seed players

Though the Industry is working together with the Government on making India an agriculture power house, but they have expressed its strong reservation on certain Government actions such as proposal to ban large number of crop care products with a short notice and also the latest move of not allowing field trials of GM crops without considering the recommendation of states and union territories.

## Company Overview

Rallis India Limited ('Rallis' or 'the Company') is a leading agrochemical company with presence across the agri input value chain and a strong and healthy pipeline of sustainable products. The Company, a Tata Enterprise since 1964, is a pioneer in the agricultural inputs industry. With its extensive R&D capabilities and innovative products, Rallis has created a distinct identity for itself. It has been serving and positively impacting the lives of millions of Indian farmers for several decades.

Rallis has set up a well-entrenched connection with Indian farmers, with a nationwide footprint powered by its brand, diversified portfolio and supported by a strong channel network of more than 6,700 dealers and 79,000 retailers. By way of its international business, it has partnered with global innovators through strong R&D and executional capabilities. Its proven capabilities make it a preferred partner of choice for these innovators.

## Business Overview

### OUR BUSINESS OPERATIONS

#### Crop Care



With a key focus on increasing the agricultural yield and farm income, Rallis manufactures products for each step of the farming cycle to facilitate an integrated crop management system. While Domestic Formulation covers a range of insecticides, fungicides and pesticides, the international business markets branded formulations and technical-grade crop protection chemicals.

Under Crop Protection, Rallis provides contract manufacturing to leading global players owing to its technical knowledge in process chemistry and advantage of low-cost manufacturing. The Crop Nutrition business consists of bio fertilisers, bio stimulants, secondary and micronutrients, water soluble fertilisers and organic fertilisers. These solutions provide the necessary growth nutrients to plants and assist farmers in enhancing crop quality and yield.

Use of digital technologies leads to efficiencies of communication with the dealer network and increases



effectiveness of the frontline sales force. This will lead to enhanced customer satisfaction and engagement and provide business benefits.

*(For more information on Crop Care, refer page 6 of this Report)*

### Seeds

The Seeds division of Rallis, the erstwhile Metahelix Life Sciences Limited ('Metahelix') is making steady progress towards building a comprehensive product portfolio by strengthening the Rabi segment and having a well-established supply chain. The Company promotes Dhaanya branded seeds through three distinct activities to engage with farmers.

*(For more information on Seeds, refer page 8 of this Report)*

### Engaging with Farmers and Generating Demand



#### Pre-Season Activities

- Village-level meetings and mega events to increase awareness on crop pests and diseases preventive measures
- Farmer education on benefits of high-quality seeds



#### Product Differentiation Activities

- Live demonstrations on harvesting, weighing and high-density planting
- Enabling farmers to make informed decisions



#### Off-Season Activities

- Discussing latest development in farming practices and important learnings

The Company works in newer areas through special marketing activities to build farmer confidence on Dhaanya brand and value proposition to the farmers. The market development team engages with progressive and large acre farmers through a specialised initiative – Dhaanya Progressive Farmers. This helps the Company understand farmer requirements and impart knowledge on new technologies and products in agriculture. 'Seeds of Consistency' is a promise to farmers to provide a quality-centric production system at the grower field, a NABL certified quality lab, better understanding of customers through focus group discussion and market research.

### CAPACITY EXPANSION

Total cash flow on account of capital expenditure during the year was approximately ₹ 168 crore towards expansion of manufacturing capacity and the development of a new formulation plant in Dahej. The overall capex implementation has been impacted and delayed by 6 months due to Covid-19 and monsoons. Accordingly, the formulation plant at Dahej CZ is expected to be completed during early FY 2021-22. The desired formulation capacity will help the Company address the requirements of larger number of products, seasonal demand variation and timely availability.

Expansion of Metribuzin, Hexaconazole and Kresoxim Methyl was completed during the year. The Multi Purpose Plant ('MPP') at Dahej CZ is progressing and the pilot plant expansion is projected to be completed by August 2021. Of the ₹ 800 crore capex to be done over a period of 3-5 years, a line of approximately ₹ 525 crore has been committed, which also includes setting up an R&D centre in Bengaluru. This will assist the Company in expanding its manufacturing capacity for the growing demand and provide capacity for new Active Ingredients ('AIs') currently under development at the R&D centre in Bengaluru.

### BUSINESS PERFORMANCE

Rallis achieved a revenue of ₹ 2,429 crore during FY 2020-21, a growth of 7.9% from ₹ 2,252 crore in the previous fiscal year. Volume growth across domestic and international business was satisfactory.

#### Crop Care

Crop Care division registered an increase of 7.9% in revenues at ₹ 2,028 crore. While the outbreak of Covid-19 posed challenges, it led to customers having better faith in the ability of established brands to meet the requirements. This led to growth in several of our products.

#### Crop Protection

Crop protection segment posted 8.1% growth in domestic formulation and international business. Recurring lockdown across states led to disruption in transportation, manufacturing (labour) and packing material availability. While engagement with business partners and farmers was taken up through video conferencing, restriction in personal field level visits hindered growth of newer products.

#### Key highlights:

##### Domestic business

- a. Insecticides: Insecticides segment registered a 4% revenue growth during the year, primarily driven by the good performance of products such as Tata Mida, Takumi and Summit.

**Rallis has taken initial steps in the Biological space with the launch of 2 botanical biopesticides through strategic partnerships. The Company plans to launch new products during FY 2021-22. This initiative on biopesticides reflects the Company's strong commitment to sustainable agriculture through integrated pest management.**



- b. Fungicides: Fungicides segment performed well at 24% revenue growth during the year owing to good traction in the new launch - Kriman as well as the scale-up in existing products - Sarthak, Taqat, Contaf Plus, Ergon and Pulito.
- c. Herbicides: Herbicides segment registered a growth of 24% in FY 2020-21. It exhibited a good performance with higher offtake in sugarcane, soybean and wheat on account of the good monsoon and timely rainfall. The buoyant Rabi season boosted sales of paddy herbicides in South India.
- d. New product launch: The Company introduced 3 in-house products – Kriman, Eevee and Trot and 1 co-marketing product – Enzip during the year, contributing well to the segment's growth in FY 2020-21.
- e. Distribution: The Company is constantly refreshing and realigning its distribution channels by adding new distributors, revitalising channel policies to improve working capital efficiency and improving the relationship between the Company and existing distributors to grow the domestic business.

### International business

The international business grew marginally by 3% during the year from ₹ 722 crore in FY 2019-20 to ₹ 741 crore in FY 2020-21, with significant growth recorded in North America, Europe and Latin America, particularly US and Brazil. While there was good volume growth for most of our products, revenues were impacted due to sharp price changes. The Company received 9 new registrations in strategic overseas markets. Partnership models with strategic customers helped the Company in its growth journey. The segment focussed on developmental activities in the key geographies of Latin America, South East Asia, Europe and Africa.

Performance in contract manufacturing under agri-inputs was steady. Polymer sales was subdued on account of challenges in the global aviation industry impacted by the outbreak of

Covid-19. Rallis remains committed to expanding its product and customer portfolio in off-patent and contract manufacturing. To achieve this, it is strengthening its R&D, process scale-up and manufacturing capabilities and also expanding its synthesis capacity at the R&D centre in Bengaluru, with the addition of laboratory facilities for synthesis work and analysis, trained manpower and new chemistry platforms. It is upgrading its pilot plants to strengthen its process scale-up capabilities. The Company is adding 2 new manufacturing plants at Dahej – for formulations and for a multi-purpose plant for Als and intermediates, to strengthen its capabilities across multiple business segments, including contract manufacturing.

### Crop Nutrition

Crop Nutrition business which is a focussed growth area of the Company, delivered a strong performance with a growth of 22% during the year led by GeoGreen and specialty nutrients portfolio. During the year, 4 new products and 3 new SKUs were launched in the segment. It identified gaps for category, segment and product portfolio to build a robust pipeline for further development and commercialisation and signed agreements with 3 new strategic partners. During FY 2021-22, the Company has plans to launch new products.

Overall crop nutrition segment which is identified as one of the key growth drivers continued its growth momentum and paving the path for sustained growth going forward. GeoGreen, the popular soil conditioner product recorded significant growth in line with initiatives undertaken in the supply chain activities and strong performance in the Plant Growth Nutrients segment was driven by initiatives on the sales and marketing front.

The Company has taken initial steps in the Biological space with the launch of 2 botanical biopesticides through strategic partnerships. This initiative on biopesticides reflects the Company's strong commitment to sustainable agriculture through integrated pest management.



### Operational highlights:

#### New product launch

- Strong performance of flagship brands Blitox, Contaf, Takumi, Master, Panida and Tata Metri
- New products launched in crop protection: Krیمان, Eevee, Trot and Enzip
- New products launched in Crop nutrition: AquaFert Foliar, AquaFert Fertigation, Flobor and GroSmart
- Entered the biopesticide segment with launch of 2 new products – Ralli-Neem and Ralli-Neem+

#### Seeds

Seeds division recorded a growth of 10% despite decline in cotton business. Satisfactory volume growth and better price realisation was registered in maize, millet and vegetables. The Company maintained its gross margins in this segment despite a rise in prices of seed procurement owing to an increase in the minimum support price for paddy, maize, millet and cotton. New hybrids in the medium duration segment in paddy helped volume growth. It is well positioned to deliver healthy volume-led growth across these segments aided with a focus on positioning products and making them deliver consistent performance, widening distribution reach and depth. It is also leveraging its new retailer loyalty programme combined with a hybrid demand generation model.

#### Highlights of FY 2020-21

- **Maize:** Focussed on Rajasthan, Madhya Pradesh and Tamil Nadu to grow volumes building on hybrid's drought tolerance superiority
- **Millet:** Focussed on Rajasthan, Haryana, Western Uttar Pradesh and Maharashtra
- **Vegetables:** Strengthened portfolio to enter key segments of cauliflower, cabbage, tomato and gourds

#### Key priorities

- Developing portfolio into high-growth segments across categories to provide platform to new genetics
- Continuing to strengthen channel engagement and enhancing presence in emerging channels
- Accelerating Cotton and Maize in South India by sharpening focus in segments with new and successful products

### Demand generation activities in Seeds division

- Adopted virtual models to engage with 1.7 million farmers/growers digitally for production and to reach out to potential customers
- For Product Differentiation Activities for Kharif crop, conducted field days, harvest days and retail crop tours to successfully reach 7 lakh farmers; targeted to reach 8 lakh farmers for off-season activities
- Created a YouTube channel to showcase and broadcast harvest day activities using drones. The link to access the YouTube channel is <https://www.youtube.com/c/RallisIndiaLtdCropCare>

### Farmer Engagement

#### Rallis Samrudh Krishi

#### 1. Highlights of Rallis Samrudh Krishi ('RSK') Initiatives in FY 2020-21

The basis of Rallis Samrudh Krishi, our farmer outreach programme is to connect with customers through a solution-based approach. The Company refreshed its approach to RSK by adding more touchpoints (digital), redefining an integrated approach to marketing and seeking regular feedback through Net Promoter Score. The farmers were categorised into Rallis Margapradarshak Farmers (RMF) and Rallis Pragatisheel Farmers (RPF). Given the Covid-19 limitations, telephonic contact was maintained through the crop cycle to suggest probable solutions, besides Crop Advisor based tele-calling and Advisory through voice blasts and text messages.

#### 2. Augmenting digital integration

- **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. During the year, it resolved more than 600 queries. The service is currently available in 10 regional languages which increases the reach.
- **Sampark:** This is a mobile app launched to support on-field crop advisors of the Company for better engagement with farmers. The app assists the Company in gathering crucial on-ground data to make accurate insights enabling it to provide superior crop advisory services to the farmers.

### Samrudh Krishi

The Company started Samrudh Krishi initiative in FY 2011-12 at Nashik, Maharashtra, as a unique agro-advisory programme to support grape growers. It is aimed at developing and nurturing long-term relationships with farmers by providing end-to-end solutions for their crops. During FY 2020-21, advisory services were provided to grape growers for quality production. Modifications were carried out on the app regarding weather-based advisory in collaboration with National Research Centre for Grapes ('NRCG'), Pune and adding water and nutrition guidelines from NRCG Scientist.

### Drishti

During the year, Rallis deepened the deployment of Drishti, our remote sensing application, for its Seeds division to enhance productivity of seed production. During Kharif 2020, entire paddy plots were under the surveillance of Drishti. In the current Rabi 2020, 100% of paddy parent seed production and 32% of hybrid seed production plots are being monitored. During FY 2020-21, the Company provided Drishti based advisory to 450 and 1,100 paddy seed growers in the Kharif and Rabi seasons respectively. The newly developed app helps expedite farm registration and geo-fencing with better accuracy.

### Covid-19 Impact

The Company continued upstocking raw material to avert production disruption due to potential supply chain issues. Despite higher inventory, working capital remained at a similar level as the previous year due to strong collections. Despite Covid-19, capex programme and new product introduction remained largely on course.

The sales of the International Business were impacted during the year due to logistical constraints faced on account of the outbreak.

The Indian agrochemical industry largely depends on the key imported intermediates, particularly from China. Uncertainty of raw material supplies, logistical constraints, price fluctuations and the lockdown impacted the Company's operations in the earlier part of the year and higher prices towards the latter part of the year exerted pressure on the margins.

Proactive initiative for smooth product availability resulted in substantial growth during Covid-19 pandemic. Since the Company has a number of brands in the market which are suitable to address multiple crop-pest segments, farmers during Covid-19 restrictions preferred Rallis brands.

### Technology

The Company is continuously enhancing its existing applications and systems and incorporating new-age technologies to further drive customer-centricity across the organisation and align to new ways of working. During the year, the Company introduced several digital technologies in areas such as Sales Force Automation, MIS & Reporting, Analytics, Lab Automation, Data Security, Employee Collaboration, E-Learning and Customer Connect. During the outbreak of Covid-19, these technologies were leveraged to connect, collaborate and make available information and insights remotely with customers, consumers, partners and the employees. These digital platforms helped improve process cycle time, employee engagement and productivity, IT security and availability of data across the organisation.

*(For more information on Digital Initiatives, refer page 24 of this Report)*

### Financial Overview

**Standalone performance for the year ended March 31, 2021**

#### Analysis of the Standalone Profit and Loss Statement

Particulars	FY 2020-21	FY 2019-20	Change (in %)
	₹ in crore	₹ in crore	
Revenue from operations (Net)	2,429	2,252	7.9
Other income	40	34	17.8
Cost of materials consumed	1,475	1,389	6.2
Power and fuel	56	59	(5.4)
Freight, handling and packing	86	78	10.0
Employee benefits expenses	216	199	8.3
Depreciation and amortisation expenses	64	62	4.2
Finance costs	5	6	(14.7)
EBITDA	323	261	23.7
Profit after tax	229	185	23.3

*Note: Figures are rounded off to the nearest crore*

**During the outbreak of Covid-19, several digital technologies were leveraged to connect, collaborate and make available information and insights remotely with customers, consumers, partners and the employees. The technologies helped improve process cycle time, employee engagement and productivity, IT security and availability of data across the organisation.**





## Income

The total income of the Company increased by 8.1% from ₹ 2,286 crore in FY 2019-20 to ₹ 2,470 crore in FY 2020-21. This comprises revenue from operations and other income.

Revenue from operations increased by 7.9% from ₹ 2,252 crore in FY 2019-20 to ₹ 2,429 crore in FY 2020-21, primarily led by strong volume growth in both the domestic and international business. Other income increased by 17.8% from ₹ 34 crore in FY 2019-20 to ₹ 40 crore in FY 2020-21. The increase was largely contributed by Dividend & Fair Valuation income from its current investments and insurance claim, where expenses related to claims are reflected in cost of material consumed and other expenses.

## Expenses

The Company's total expenses increased by 5.7% from ₹ 2,058 crore in FY 2019-20 to ₹ 2,176 crore in FY 2020-21. 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 6.2% from ₹ 1,389 crore in FY 2019-20 to ₹ 1,475 crore in FY 2020-21, as against a 7.9% increase in sales, resulting in higher gross margin by 96 basis points.

Power and fuel expenses decreased by 5.4% from ₹ 59 crore in FY 2019-20 to ₹ 56 crore in FY 2020-21, mainly due to the lower production of certain products which consume higher utility, coupled with a decrease in the price of utilities.

Freight, handling and packaging expenses increased by 10% from ₹ 78 crore in FY 2019-20 to ₹ 86 crore in FY 2020-21. Due to Covid-19 and lower availability of transport facilities during lockdown, there has been an increase in freight and handling expenses.

Employee benefit expenses increased by 8.3% from ₹ 199 crore in FY 2019-20 to ₹ 216 crore in FY 2020-21. The increase is on account of new recruitments which is in line with the Company's business strategy growth plan.

Depreciation and amortisation expenses increased by 4.2% from ₹ 62 crore in FY 2019-20 to ₹ 64 crore in FY 2020-21.

## Profitability

EBITDA margins increased by 170 basis points during the year under review from 11.6% in FY 2019-20 to 13.3% in FY 2020-21. Increase in EBITDA margins was on account of increased gross margins and reduction in other expenses. Better product mix fetched higher margins while the reduction in other expenses is mainly due to lower cost on travelling.

PAT increased by 23.3% during the year from ₹ 185 crore in FY 2019-20 to ₹ 229 crore in FY 2020-21. This includes Exceptional Items, comprising profit on the sale of assets.

## Analysis of the Standalone Balance Sheet

### Non-Current Assets

Particulars	FY 2020-21	FY 2019-20	Change
	₹ in crore	₹ in crore	(in %)
Property, plant and equipment	392	361	8.8
Right-of-use asset	32	26	20.0
Capital work-in-progress	106	29	267.6
Investment property	0*	0*	-
Goodwill on amalgamation	196	196	-
Other intangible assets	11	10	12.1
Intangible assets under development	59	47	25.2
Financial assets			
I. Investments	3	4	(16.3)
II. Loans	10	9	11.1
III. Other financial assets	1	1	-
Income tax assets (net)	88	110	(20.0)
Other non-current assets	36	42	(15.2)
<b>Total non-current assets</b>	<b>933</b>	<b>834</b>	<b>11.9</b>

Note: Figures are rounded off to the nearest crore

\*Value is less than ₹ 1 crore

Non-current assets of the Company increased by 11.9% from ₹ 834 crore as on March 31, 2020 to ₹ 933 crore as on March 31, 2021.

Increase in Capital Work-in-Progress is on account of capital expenditure incurred towards the setting up of new formulation plant at Dahej CZ in Gujarat.

### Working Capital

Particulars	FY 2020-21	FY 2019-20	Change (in %)
	₹ in crore	₹ in crore	
<b>Current assets</b>			
Inventories	763	699	9.2
Financial assets			
I. Investments	280	299	(6.2)
II. Trade receivables	406	450	(9.7)
III. Cash and cash equivalents	9	46	(80.3)
IV. Bank balances other than (iii) above	45	2	2,006.1
V. Other financial assets	8	6	15.9
Other current assets	139	106	30.5
Assets classified as held for sale	4	4	-
<b>Total current assets</b>	<b>1,654</b>	<b>1,613</b>	<b>2.6</b>
<b>Current liabilities</b>			
Financial liabilities			
I. Borrowings	30	50	(39.4)
II. Trade payables	596	637	(6.5)
III. Other financial liabilities	145	96	51.2
IV. Lease liabilities	12	14	(10.6)
Provisions	14	17	(16.4)
Income tax liabilities (net)	4	24	(82.6)
Other current liabilities	113	120	(6.1)
<b>Total current liabilities</b>	<b>914</b>	<b>957</b>	<b>(4.5)</b>
<b>Working capital</b>	<b>740</b>	<b>656</b>	<b>12.8</b>

Note: Figures are rounded off to the nearest crore

Working capital (net current assets) of the Company increased by 12.8% from ₹ 656 crore as on March 31, 2020 to ₹ 740 crore as on March 31, 2021. Despite the macro-economic and industry-specific challenges, the Company efficiently managed its cash flows to ensure tighter control over working capital. The working capital cycle stood at 111 days as against 106 days in the previous year. The current ratio was at a comfortable level of 1.80.

The key elements of current assets comprise investment, inventory, trade receivables, cash and cash equivalents and bank balances. Current Investments were at ₹ 280 crore as on March 31, 2021 compared to ₹ 299 crore as on March 31, 2020.

### Inventory

Inventory increased by 9.2% from ₹ 699 crore as on March 31, 2020 to ₹ 763 crore as on March 31, 2021. Inventory cycle was at 115 days as on March 31, 2021 compared to 113 days as on March 31, 2020. Higher inventory levels were mainly on account of an increase in Metribuzin and Cotton seeds and build-up of some raw materials to meet the next season's demands.

### Trade receivables

Trade receivables decreased by 9.7% compared to the previous year, despite an increase in sales by 7.9%. Debtor turnover improved from 73 days as on March 31, 2020 to 61 days as on March 31, 2021.

Creditors decreased by 6.5% during the year due to availing of the benefit of early payments. Creditor turnover ratio decreased from 103 days to 90 days.

### Net cash flows

The Company generated net cash flows of ₹ (13) crore as on March 31, 2021 compared to ₹ 18 crore as on March 31, 2020. Net cash flows from operating activities as on March 31, 2021 were ₹ 216 crore as against ₹ 338 crore in the previous year.

### Capital Employed

Particulars	FY 2020-21	FY 2019-20	Change (in %)
	₹ in crore	₹ in crore	
<b>Equity</b>			
Equity share capital	19	19	-
Other equity	1,572	1,391	13.0
<b>Total equity</b>	<b>1,591</b>	<b>1,410</b>	<b>12.9</b>
<b>Liabilities</b>			
Non-current liabilities			
Financial liabilities			
I. Borrowings	8	12	(37.1)
II. Lease liabilities	22	14	49.8
III. Provisions	27	26	4.8
IV. Deferred tax liabilities (net)	25	27	(7.7)
V. Other non-current liabilities	0*	0*	-
<b>Total non-current liabilities</b>	<b>82</b>	<b>80</b>	<b>2.1</b>
<b>Total</b>	<b>1,673</b>	<b>1,490</b>	<b>12.3</b>

\* Value is less than ₹ 1 crore

Note: Figures are rounded off to the nearest crore

Capital employed increased by 12.3% to ₹ 1,673 crore as on March 31, 2021. The Company's Return on Capital Employed ('ROCE') stood at 18.5% as on March 31, 2021 as against 16.3% as on March 31, 2020. Capital employed comprises net worth and non-current liabilities.

The net worth of the Company increased by 12.9% from ₹ 1,410 crore as on March 31, 2020 to ₹ 1,591 crore as on March 31, 2021. It comprises equity share capital divided into 19,44,68,890 equity shares of ₹ 1 each and reserves and surplus of ₹ 1,572 crore. The Company's return on net worth as on March 31, 2021 improved to 14.4% from 13.2% recorded as on March 31, 2020.



The Company's non-current liabilities increased by 2.1% as on March 31, 2021. It includes non-current borrowings, provisions and deferred tax liabilities (net). Borrowings comprise ₹ 6 crore term-loan availed from the bank for its solar power plant at Dahej, Gujarat.

The Company's debt to equity ratio as on March 31, 2021 stood at 0.05 compared to 0.07 as on March 31, 2020, indicating its low leverage.

### Consolidated performance for the year ended March 31, 2021

#### Analysis of the Consolidated Profit and Loss Statement

Particulars	FY 2020-21	FY 2019-20	Change (in %)
	₹ in crore	₹ in crore	
<b>Revenue from operations</b>			
Rallis India Limited			
- Consolidated	2,429	2,252	7.9
- Standalone	2,429	2,252	7.9
Rallis Chemistry Exports Ltd.	-	-	-
PT Metahelix Lifesciences Indonesia	0*	0*	-
<b>EBITDA</b>			
Rallis India Limited			
- Consolidated	323	259	24.5
- Standalone	323	261	23.7
Rallis Chemistry Exports Ltd.	-	-	-
PT Metahelix Lifesciences Indonesia	0*	(2)	94.6
<b>PAT</b>			
Rallis India Limited			
- Consolidated	229	184	24.4
- Standalone	229	185	23.3
Rallis Chemistry Exports Ltd.	-	-	-
PT Metahelix Lifesciences Indonesia	0*	(2)	95.7

\* Value is less than ₹ 1 crore

Note: Figures are rounded off to the nearest crore

During the year, PT Metahelix Lifesciences Indonesia, a subsidiary of the Company, received an approval for the cancellation of its Company Registration Number and revocation of its business license with effect from March 19, 2021. Further, an application for cancellation of its Tax Identification Number has been made and the approval for the same is awaited.

### Key Financial Ratios



#### Standalone

1. Interest Coverage Ratio was at 57 compared to 38 for the previous year. The Company continues to have a high interest coverage ratio, indicating stronger financial health and capability of meeting interest obligations.
2. Debt to Equity ratio stood at 0.05 as on March 31, 2021 as against 0.07 as on March 31, 2020. The Company's very low debt to equity ratio indicates a strong financial position to repay its debt obligations.
3. Return on Net Worth ('RONW') increased from 13% to 14% over the previous year due to an increase in profit after tax from ₹ 185 crore in FY 2019-20 to ₹ 229 crore in FY 2020-21. The Company achieved higher RONW despite the higher net worth on account of the increase in reserves and surplus by ₹ 181 crore.



#### Consolidated

1. Debt to Equity ratio stood at 0.05 as on March 31, 2021 as against 0.07 as on March 31, 2020. The Company's very low debt to equity ratio indicates a strong financial position to repay its debt obligations.
2. RONW increased from 13% to 14% over the previous year due to an increase in profit after tax from ₹ 184 crore to ₹ 229 crore. This was despite an increase in net worth due to the increase in reserves and surplus by ₹ 181 crore.

### Opportunities and Outlook

The industry is closely working with the Government for necessary policy support and on making agriculture activities even more organised. The transformative agriculture reforms enacted will lead to faster adoption of necessary technologies across the agriculture value chain and improve the quantity and quality of the agriculture produce providing growth opportunities to seeds, crop protection and crop nutrition.

India is projected to be a key beneficiary of the global move towards 'China plus one' sourcing strategy of companies, which is expected to provide further momentum to India's crop protection sector. Industry is collaborating with the Government in building an enabling ecosystem to make India an agrochemical powerhouse.

As a part of our strategy 'Repositioning Rallis for Leadership', the Company is focussing on investment in research and development, flexible manufacturing capacities, digital initiatives to enhance internal efficiencies and further leveraging our branding power. These initiatives will help us in attracting partnerships across the value chain, including contract manufacturing.

*(For more information on Opportunities and Outlook, refer pages 7, 9, 22-23 of this Report)*

## Risks & Concerns

There exists a robust risk management policy and framework operating across crop care and seeds division. The major risks and concerns are periodically reviewed and mitigation plans are formulated. A collective view of all the inputs is further used to develop a corporate risk matrix, which is reviewed and monitored at an entity level by the Risk Management Committee.

As part of the assessment, the risk slate is periodically revisited through a top-down and bottom-up approach where select employees/risk owners identify key probable risks through an online mechanism. Based on feedback received, risk prioritisation is done, key risks are shortlisted and assigned to the risk owners to help them define mitigation plans, along with key elements for monitoring, including relevant measures and milestones. The identified mitigation plans are monitored at periodic intervals to assess progress and measure if residual risks are within the organisation's risk appetite.

*(For more information on Risk Management, refer page 18 of this Report)*

## Research & Development

Based in Bengaluru, Rallis Innovation Chemistry Hub ('RICH') is the R&D facility of Rallis for organic synthesis and formulation development and contributes to the Crop Care business. With a burgeoning research team and expanded capabilities across chemistry and formulation, RICH is helping the Company expand its product basket. RICH focusses on novel combinations of active ingredients across the insecticide, fungicide and herbicide classes. A strong pipeline has been conceived and diligent progress has been made in R&D using the Stage-Gate process with a healthy number of projects at each stage.

The formulation department focusses on novel formulations to differentiate between new combinations. Besides formulating crop protection products, the team is now working on crop nutrition solutions to create value and differentiation for the business. The chemical synthesis team is working out the route of synthesis for various molecules. Its knowledge in process chemistry is being leveraged in backward integration projects to drive cost competitiveness, increase revenues and improve efficiency in the production process.

## New Research & Development Areas

New areas of R&D focus have been that of synthetic chemistry and crop nutrition. For synthetic chemistry, a key initiative has been undertaken to establish capabilities in flow chemistry, which has the potential to offer the unique advantage of developing efficient reactions and more sustainable manufacturing practices.

## Domestic formulation

Under domestic formulations, the four key functions of RICH are Process Chemistry, Formulation Development, Product Development and Regulatory Affairs. The two new inhouse Crop Protection products launched during the year are – Kriman (a fungicidal combination formulation for grapes and tomato) and Eevee (an insecticide and fungicide combination formulation for rice and tomato). Four new crop nutrition products launched during the year are AquaFert Foliar and AquaFert Fertigation (water soluble fertilisers), Boron ethanalamine (micro-nutrient) and GroSmart (a plant growth regulator). Two biopesticides were also launched during the year.

## Process chemistry

Process chemistry supports contract manufacturing, domestic formulations and international business. The process development and technology transfer departments have the expertise in handling complex chemical reactions and hazardous/toxic raw materials at laboratory and commercial scale. Its capability in handling several cutting-edge technologies at lab scale is expected to lead to reverse engineering of off-patented molecules to add to our portfolio of active ingredients.

## New research centre

Rallis is working on building a world-class research centre to expand and integrate its R&D activities in the space of agri-inputs including seeds, crop protection and crop nutrients. This centre is expected to have upgraded infrastructure with additional human resources to accommodate multiple projects, compared to the earlier year.



### Key highlights

- Developed and commercially launched 6 new inhouse products – 2 in crop protection and 4 in crop nutrition
- 4 provisional patent applications filed
- Total 13 products registrations obtained in India under various categories
- Technology of 4 formulations transferred to manufacturing units for commercialisation in domestic and international market

Strengthened R&D manpower at Bengaluru is enabling the Company to widen its scope of research with a healthy pipeline of products and molecules. In the past five years, it has invested over ₹ 175 crore in R&D to tap the incremental opportunity across off patent molecules, formulation development and intermediates synthesis.

The R&D unit of our Seeds business is also based in Bengaluru and undertakes cutting-edge technology development in agri-biotech. A new initiative has been undertaken in the area of molecular breeding with the new methods of forward breeding, genomic prediction and trait markers.

With its state-of-the-art manufacturing and R&D capabilities, Rallis has expanded into being a diversified player with presence across the agricultural value chain.

*(For more information on R&D and Innovation, refer page 26 of this Report)*

### Safety, Health & Environment

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. Its key focus continues to be to reduce the environmental impact by minimising the generation of hazardous waste and effluents. The Company is also focussed on reducing water consumption across all the manufacturing facilities. This helped the Company get re-certified for 'Responsible Care' by the Indian Chemicals Council.

### Safety of farmers

Rallis places importance on the well-being and safety of farmers and acknowledges the hazardous nature of crop protection products. It actively participates in farm level events on safe use of crop protection chemicals. It educates farmers on best practices, appropriate use and safe handling of products through its 'You are Safe' campaign. However, during the year, the campaigns could not be conducted in the manner it was carried out in earlier years.

*(For more information on Safety, refer page 28 of this Report)*

### Human Resources

The Company has established a robust Human Resources ('HR') system that nurtures a high performing, conducive and inclusive work culture. It emphasises on the freedom to express views, competitive pay structure, performance-based reward system and growth opportunities and internal job opportunities, critical assignments 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 appropriate policies assist in a holistic workplace environment 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 Whistleblower policy and 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, learning & development, career progression 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 doing business ethically.

The Company conducts several functional capability building training programmes to upgrade employee knowledge and ensure their holistic growth. In FY 2020-21, around 90% of the Company's employees have undergone these learning &

**Strengthened R&D manpower at Bengaluru is enabling the Company to widen its scope of research with a healthy pipeline of products and molecules. In the past five years, it has invested over ₹ 175 crore in R&D to tap the incremental opportunity across off patent molecules, formulation development and intermediates synthesis.**



development programmes. These programmes are conducted in the areas of operations, sales and marketing, functional skills, professional skills, big data, planning and logistics, procurement and digital productivity tools. Skill-based behavioural training is given to various teams. The flagship 'Arjun Training programme' has been revamped to assist the Company's frontline sales employees to excel in selling and commercial skills. The virtual/online mode of training helped not only engage the employees but also to enhance the knowledge and skills during pandemic times.

The Company has undertaken appropriate steps to ensure synergy with the recently merged Seeds division (erstwhile Metahelix - subsidiary of the Company) 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.

Rallis has been certified with 'Great Place to Work' by the Great Place to Work Institute which is a testimony to its high engagement and inclusive culture. The Employee Engagement Survey 2021 score is comparable with Global Top Quartile Companies.

Total employees on the rolls of the Company for the year ended March 31, 2021 were 1,700.

*(For more information on Human Resources, refer page 30 of this Report)*

## Corporate Social Responsibility and Affirmative Action

The Company is committed to making a difference to the society by creating economic opportunities, enhancing the sustainability of its operations, strengthening the local communities and helping the socially and economically backward groups. The Company believes their betterment will lead to a brighter future for it as an organisation and build a sustainable life for the weaker and under-privileged sections of the society.

### Jal Dhan

Through Jal Dhan, the water harvesting intervention, about 3.08 million cubic meters of rain water was collected. This benefitted 2.21 lakh villagers across 70 villages from 20 Tehsils and 8 districts in Maharashtra. 5 new villages were added during the year, covering 21,382 beneficiaries. In these new villages deepening of Nalas and de-silting activities were implemented. Approximately 6.27 kilometres of Nalas and 1.12 hectares of ponds were deepened and de-silted.

The Company gives equal attention to the Affirmative Action ('AA') programme to empower socially disadvantaged and

marginalised sections of society (Scheduled Castes and Scheduled Tribes) through initiatives that promote education, employability, entrepreneurship, etc.

### RUBY

RUBY ('Rallis Ujjwal Bhavishya Yojana') is the educational initiative of Rallis. It provides scholarships to needy students in partnership with Vidyasaarathi for continuing the education. It has till date impacted 6,990 students, 50% of which belong to AA community. During the year, it supported 19 teachers from special schools, junior college and educational initiative in tribal village. During the year, 24 students from Industrial Training Institute ('ITI'), Junior College and postgraduate studies were covered under scholarship. It provides infrastructure support such as software for smart boards, classroom construction, setting up IT lab, desktops, green board, water cooler, projector and screen. On National Science Day, it organised a Virtual Science exhibition of students from Gujarat and Maharashtra.

### Model Tribal Village

During the year, Rallis set up a virtual help desk for Covid-19 with its NGO Partner, All India Institute of Local Self Government ('AIIILSG'). An innovative tool was developed on 'Community Self-Assessment & Planning for Awareness Generation & Prevention of Covid-19 among Disadvantaged Community'. In addition to this, following interventions were also done during the year:

- For preventive health care, kitchen garden kits were distributed among families
- For inculcating professional agri habits among young generation, BAL-TARFAH was launched on Kisan Day
- Shikshan Ranjan Kendra activities were targeted to prevent learning gaps, with schools being closed
- Tailoring training was imparted to women to empower them and provide livelihood opportunities, in partnership with Tata Industries Limited. The programme provided 42 tailoring machines and 3 oil mills covering 4 tribal villages from Karjat region
- National players were invited for Sports Camp in tribal villages and emphasis was given on collective sports such as Kabbadi, Kho-Kho and running.

### Prithvi Mitra

Through this greening initiative, saplings were planted in schools, farm bunds of identified farmers and gardens to ensure better survival rate of saplings. During the year, over 8,200 saplings were planted, with cumulative saplings having crossed more than 1 lakh.



## TaRa

TaRa ('Tata Rallis') is the skilling initiative of Rallis focussing on women empowerment. In partnership with LOLT ('Light of Life Trust'), it initiated the skill training centre in Dhasai near Mumbai, where 346 youth and women were trained in various courses such as tailoring, beautician, computer training, goat rearing, poultry and other short-term courses. Even during the pandemic, the initiative resulted in gainful engagement of 38% of pass-out students and starter kits were distributed to initiate home-based businesses. During the year, Rallis conducted need assessment at Akola to understand the opportunity for initiating skill training centres. It also supported girls from Akola ITI with scholarship and starter kits.

## Internal Control Systems and Adequacy

The Company has established adequate internal financial control systems to ensure reliable financial reporting and compliance in accordance with the laws and regulations. All resources are put to optimal use and adequately protected against any loss. All transactions are authorised, recorded and reported correctly. Policies and procedures are well documented and are being adhered to and improvements in processes are being carried out on an ongoing basis. Principles of risk avoidance such as segregation of duties and approval-based authorisation matrix along with adherence to relevant policies and focus on IT enablement of key processes form the core of these systems.

The efficiency and effectiveness of these systems over financial reporting is performed through evaluation, documentation, testing and reporting of the relevant processes and controls. Internal audits are conducted regularly and their summary as well as recommendations are placed before the Audit Committee of the Company. The Audit Committee reviews the internal financial control systems annually. The Audit Committee regularly reviews significant internal audit findings and closure of all agreed actions and progress of audit plan. The Committee monitors the adequacy and reliability of financial reporting, internal control and risk management systems.

## 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'). The TBEM assesses the Company on its processes and results parameters to identify its level of maturity and improvement. It is a journey from 'pockets of excellence' to 'excellence everywhere'. Rallis has regularly moved up the maturity and excellence scale.

The Company periodically conducts an intensive internal assessment, 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 20 external and 50 internal assessors. The Company has been a part of the parent company, Tata Chemicals Limited's integrated assessment process, which is carried out every two years and the next assessment falls due this year in 2021. In recent years, the continuous improvement efforts got a new dimension through a capability building programme related to Lean 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 70 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 Innovation forum 'Tata Innovista'.

The Company is geared up to move to the next level of excellence by leveraging the Drishti platform. Drishti, one 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. The Company has moved ahead in terms of customer-centricity with the adoption of Salesforce automation application, 'e-sparsh', and charted new ground with channel partners with 'e-bandhan'. To strengthen manufacturing and process control, it implemented '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.

## Cautionary Statement

*Statements in the Management Discussion and Analysis describing the Company's 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

*Business need to go beyond the interest of their companies to the communities they serve.*

**- Ratan Tata**

## 1. Company's Philosophy on Corporate 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 Corporate 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 same is available on the website of the Company at [www.rallis.co.in](http://www.rallis.co.in). The Company has received a confirmation from the Non-Executive Directors and Independent Directors regarding compliance of the Code for the year under review. 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, Anti-Bribery & Anti-Corruption and Anti-Money Laundering Policies and the Tata Business Excellence Model. The Company has also adopted the governance guidelines on Board effectiveness to fulfil its responsibilities towards its stakeholders.

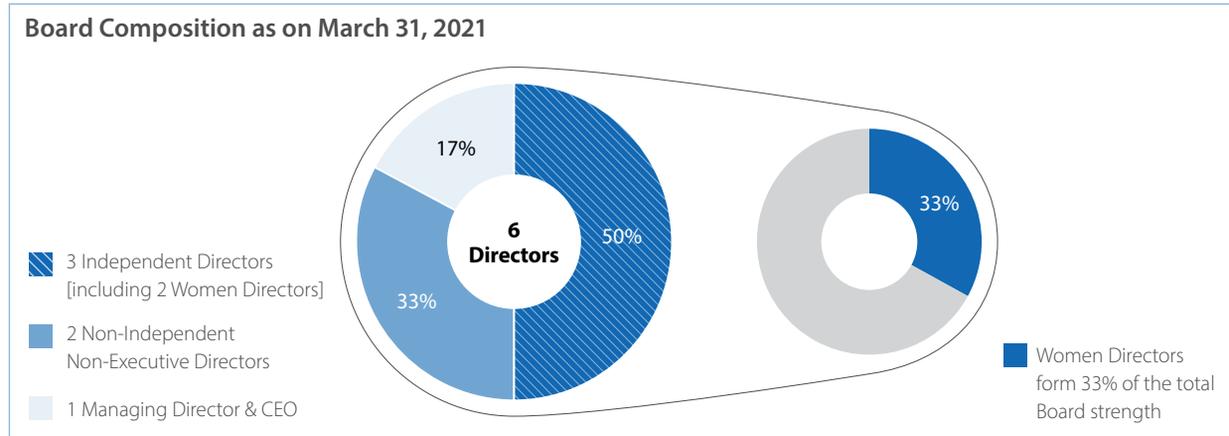
The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as applicable with regard to Corporate Governance.

## 2. Board of Directors

### Composition

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

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected. The Board composition is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Act.



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

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA'). They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

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 SEBI 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 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 SEBI Listing Regulations. The Managing Director & CEO does not serve as an Independent Director in any listed company.

During the year under review, seven (7) Board Meetings were held on the following dates:

- April 24, 2020
- May 5, 2020
- July 22, 2020
- October 19, 2020
- December 3, 2020
- January 18, 2021
- March 16, 2021

The gap between two Meetings did not exceed 120 days. The necessary quorum was present for all the Board Meetings.

## Category and Attendance of Directors

The attendance of Directors at Board Meetings held during the financial year under review, categories of Directors 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 as on March 31, 2021 are given below:

Sr. No.	Name of the Director	No. of Board Meetings attended during the year	No. of Directorships in other public limited companies*		No. of committee positions in other public limited companies**		Directorship in other listed entities	
			Chairperson	Member	Chairperson	Member	Name of the listed entity (including debt listed)	Category of Directorship
<b>Non-Independent, Non-Executive Directors</b>								
1.	Mr. Bhaskar Bhat (Chairperson) DIN: 00148778	7	1	5	-	4	Trent Limited Titan Company Limited Bosch Limited	NINED NINED ID
2.	Mr. R. Mukundan DIN: 00778253	7	-	2	-	1	Tata Chemicals Limited Tata International Limited <sup>^</sup>	MD & CEO NINED
<b>Independent, Non-Executive Directors</b>								
3.	Dr. Punita Kumar Sinha DIN: 05229262	7	-	6	1	5	Lupin Limited JSW Steel Limited SREI Infrastructure Finance Limited	ID ID ID
4.	Dr. C. V. Natraj DIN: 07132764	7	-	1	-	-	Tata Chemicals Limited	ID
5.	Ms. Padmini Khare Kaicker DIN: 00296388	7	-	4	4	-	Tata Cleantech Capital Limited <sup>^</sup> Kotak Mahindra Investments Limited <sup>^</sup> Tata Chemicals Limited J B Chemicals and Pharmaceuticals Limited	ID ID ID ID
<b>Executive Director (MD &amp; CEO)</b>								
6.	Mr. Sanjiv Lal DIN: 08376952	7	-	-	-	-	-	-

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

<sup>^</sup> Debt listed company

\* Excludes Directorships/Chairpersonships in 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 SEBI Listing Regulations

The Seventy-Second (72nd) Annual General Meeting ('e-AGM') of the Company for the Financial Year ('FY') 2019-20 was held on July 3, 2020 through video conferencing ('VC')/other audio visual means ('OAVM') in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ('MCA') and SEBI. All the Directors of the Company were present at the 72nd AGM.



### Shareholding of Directors as on March 31, 2021

Dr. C. V. Natraj, Independent Director holds 4,831 Equity Shares (0.002%) 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 secure application, which can be accessed electronically. This has reduced paper consumption, thereby enhancing the sustainability efforts of the Company and confidentiality of the information. 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 MCA due to the outbreak of Covid-19, the Company has also conducted its Board and Committee Meetings through video conferencing during the year.

At Board Meetings, the Managing Director & CEO appraises 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 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 SEBI 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 TCoC 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>.

As on March 31, 2021, all the Board Members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly 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 have any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management or its subsidiaries, during the two immediately preceding financial years.

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 three Non-Executive Independent Directors which comprise 50% of the total strength of the Board of Directors.

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

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the management.

### Resignation of Independent Director(s)

During the year under review, none of the Independent Director(s) of the Company resigned.

### Meetings of Independent Directors

During the year, a separate Meeting of Independent Directors of the Company was held on March 16, 2021 as required under

Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI 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 Chairperson of the Company, taking into account the views of the Managing Director & CEO and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Meeting was attended by all the Independent Directors as on that date and Dr. C. V. Natraj chaired the said Meeting.

### 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, etc. 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.

Pursuant to Regulation 46 of the SEBI Listing Regulations, 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 SEBI 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 forming part of this Annual Report.

### 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. The 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 and annually reviewed 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:

Sr. No.	Skills & Expertise	Mr. Bhaskar Bhat	Dr. Punita Kumar Sinha	Dr. C. V. Natraj	Ms. Padmini Khare Kaicker	Mr. R. Mukundan	Mr. Sanjiv Lal
1.	Leadership	✓	✓	✓	✓	✓	✓
2.	Industry experience	✓		✓		✓	✓
3.	Science and Technology			✓		✓	✓
4.	IT and Digitalisation				✓	✓	✓
5.	Strategy	✓			✓	✓	✓
6.	Finance and Governance		✓		✓		
7.	HR and Communication	✓		✓	✓		
8.	Safety and Sustainability	✓		✓		✓	✓
9.	Multiple geography experience	✓	✓	✓		✓	✓



### Board and Director evaluation and criteria for evaluation

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at the Board/Committee meetings. Criteria for evaluation of the Committees of the Board are broadly based on the Guidance Note on Board Evaluation issued by the SEBI on January 5, 2017 which *inter alia*, included questionnaire on structure of the Board, meetings of Board, functions of Board and Management.

The Company follows a practice of implementing each of the observations from the annual evaluation by calendarising its implementation through the Action Taken Report which is reviewed by the Board of Directors from time to time.

In terms of the requirement of the Act and the SEBI Listing Regulations, during the year under review, the Board has carried out an annual performance 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 Chairperson of the NRC along with the Chairperson of Board.

The procedure followed for the performance evaluation of the Board, Committees and Individual 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 SEBI 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
- Evaluate internal financial controls and risk management systems
- Review the related party transactions and the functioning of the Whistleblower 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
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations are covered in the terms of reference of the Audit Committee.

Further, pursuant to Regulation 18(2)(c) of the SEBI 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, seven (7) Meetings of the Audit Committee were held on the following dates:

- May 5, 2020
- July 22, 2020
- August 21, 2020
- August 24, 2020
- October 19, 2020
- January 18, 2021
- March 16, 2021

### Composition and Attendance

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the SEBI Listing Regulations and the provisions of Section 177 of the Act.

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

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms. Padmini Khare Kaicker, Chairperson	ID	7	7
Dr. C. V. Natraj	ID	7	7
Dr. Punita Kumar Sinha*	ID	3	3
Mr. R. Mukundan	NINED	7	6

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

\* Dr. Punita Kumar Sinha was inducted as a Member of the Audit Committee with effect from September 1, 2020

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 reviewed the process and controls for Insider Trading and also adopted a framework for levying penalties in case of any violation under the Insider Trading Code. The minutes of each Audit Committee Meeting are placed at the next Meeting of the Board after they are confirmed by the Committee.

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 representatives of the Statutory Auditors. 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 of the Audit Committee has one-on-one meetings both with the Internal Audit team and the Statutory Auditors on a periodic basis to discuss key concerns, if any. 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 e-AGM of the Company held on July 3, 2020.

## 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 SEBI Listing Regulations and its Charter as adopted by the Company. 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 SEBI Listing Regulations. The terms of reference of the NRC, *inter alia*, 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
- Recommend to the Board the appointment or re-appointment of Directors, KMPs and executive team and support the Board for review and refresh of the Committees



- 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
- 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
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company
- Provide guidelines for remuneration of Directors on material subsidiaries
- Review HR and People strategy and its alignment with the business strategy periodically or when a change is made to either and review the efficacy of HR practices

### Meetings Held

During the year under review, three (3) Meetings of the NRC were held on the following dates:

- May 5, 2020
- March 16, 2021
- August 24, 2020

### Composition and Attendance

The NRC is constituted in accordance with the provisions of Regulation 19 of the SEBI 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 under review are given below:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Dr. C. V. Natraj, Chairperson	ID	3	3
Mr. Bhaskar Bhat	NINED	3	3
Ms. Padmini Khare Kaicker	ID	3	3
Mr. R. Mukundan	NINED	3	3

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

Necessary quorum was present at the above Meetings. Dr. C. V. Natraj, Chairperson of the NRC, was present at the e-AGM of the Company held on July 3, 2020.

### 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 and the Policy is also uploaded on the website of the Company at <https://www.rallis.co.in/RPOD.htm>.

### Details of remuneration for FY 2020-21

#### 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 2020-21 is ₹ 3,39,32,436 comprising:

Salary	: ₹ 54,00,000
Perquisites and allowances	: ₹ 88,32,436
Commission for FY 2020-21	: ₹ 1,62,00,000
(payable in FY 2021-22)	In addition, a one-time payment of ₹ 35,00,000 for FY 2020-21 will be payable in FY 2021-22
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, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Safety, Health, Environment and Sustainability Committee, Risk Management Committee and Meeting of Independent Directors and ₹ 10,000 per Meeting for attending the Meetings of the Stakeholders Relationship Committee.

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-Executive Directors are given below:

Name of the Director	Sitting Fees paid during FY 2020-21	Commission for FY 2020-21, payable during FY 2021-22
Mr. Bhaskar Bhat	2,00,000	31,24,000
Dr. Punita Kumar Sinha	3,00,000	33,85,000
Dr. C. V. Natraj	4,20,000	46,34,000
Ms. Padmini Khare Kaicker	4,00,000	44,81,000
Mr. R. Mukundan	**	**
<b>Total</b>	<b>13,20,000</b>	<b>1,56,24,000</b>

(₹)

\*\* Mr. R. Mukundan is in whole-time employment of Tata Chemicals Limited, the holding company, and draws remuneration from it.

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 NRC 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 and oversees the mechanism for redressal of investors' grievances.

The terms of reference of the SRC, *inter alia*, include:

- Review statutory compliance relating to all security holders
- 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 Act 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
- 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, two (2) Meetings of the SRC were held on the following dates:

- July 22, 2020
- January 18, 2021

### Composition and Attendance

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

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Dr. Punita Kumar Sinha, Chairperson	ID	2	2
Mr. R. Mukundan	NINED	2	2
Mr. Sanjiv Lal	MD & CEO	2	2

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 e-AGM held on July 3, 2020.

### 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 6232 7400  
Email: [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com)

### Status of Investor Complaints

Status of Investor Complaints as on March 31, 2021 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints pending as on April 1, 2020	:	Nil
Received during the year	:	4
Resolved during the year	:	4
Pending as on March 31, 2021	:	Nil

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

The Company has taken various investor-friendly activities like encouraging investors to register their email ids, facility for registration of email address for the limited purpose of receiving Annual Report and e-Voting at the Annual General Meeting in view of the Covid-19 pandemic, activities and initiatives during the e-AGM and preparation of the Digital Annual Report for FY 2019-20 to enable a live feel of the Annual Report. Sent communication to shareholders for updating their bank account details and other details for payment of dividend and tax deducted at source related activity and communication of half-yearly financial results to the shareholders via email are some of the other investor-friendly initiatives undertaken by the Company.

## 6. Corporate Social Responsibility Committee

### Terms of reference

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

- Formulate and recommend to the Board the CSR policy containing guiding principles for selection, implementation and monitoring of CSR activities as specified under Schedule VII of the Act
- Recommend the amount to be spent on the CSR activities
- 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
- Formulate and recommend to the Board (including any revisions thereto), an annual action plan in pursuance of the CSR policy and have an oversight over its implementation

- Review the impact assessment carried out for the projects of the Company as per the requirements of the law
- 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 Company has revised the CSR Policy and the Charter of the CSR Committee pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021. The same is displayed on the website of the Company at [https://www.rallis.co.in/CSR\\_Policy.htm](https://www.rallis.co.in/CSR_Policy.htm). The Annual Report on CSR activities for FY 2020-21 forms a part of the Board's Report.

### Meetings Held

During the year under review, two (2) Meetings of the CSR Committee were held on the following dates:

- May 14, 2020
- February 10, 2021

### Composition and Attendance

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 under review are given below:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. R. Mukundan, Chairperson	NINED	2	2
Dr. Punita Kumar Sinha	ID	2	2
Mr. Sanjiv Lal	MD & CEO	2	2

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

The Vice President – HR & Corporate Sustainability was an invitee to the Meetings of the CSR Committee. The Company Secretary also attended the meetings.

Necessary quorum was present at the above Meetings. Mr. R. Mukundan, Chairperson of the CSR Committee was present at the e-AGM held on July 3, 2020.

## 7. Risk Management Committee

Regulation 21 of the SEBI 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'). The primary role of the RMC is that of assisting the Board of Directors in overseeing the Company's risk management processes and controls. The RMC, through Enterprise Risk Management in the Company, seeks to minimise adverse impact on the business objectives and enhance stakeholder value. The Board has adopted a charter for the functioning of the RMC covering the composition, meetings, quorum, responsibilities, etc.

### Terms of reference

The terms of reference of the RMC, *inter alia*, includes:

- Review and recommend the Risk Management Policy or any amendments thereof for the approval of the Board and plan integration through training and awareness programmes
- Review and recommend to the Board periodically 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 ongoing basis
- To review and recommend to the Board 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, two (2) Meetings of the RMC were held on the following dates:

- August 24, 2020
- February 10, 2021



### Composition and Attendance

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

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Dr. Punita Kumar Sinha, Chairperson <sup>^</sup>	ID	1	1
Dr. C. V. Natraj*	ID	1	1
Ms. Padmini Khare Kaicker	ID	2	2
Mr. Sanjiv Lal	MD & CEO	2	2

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

<sup>^</sup> Dr. Punita Kumar Sinha was inducted as a Member and Chairperson of RMC with effect from September 1, 2020

\* Dr. C. V. Natraj ceased to be the Chairperson and Member of RMC with effect from September 1, 2020

The Chief Operating Officer, the Chief Financial Officer and Head - Internal Audit are permanent invitees to the Meetings of the RMC. The Company Secretary acts as the Secretary to the Committee.

The Company has a well-defined risk management framework in place. Further details on risk management are given in the Management Discussion and Analysis which forms part of this Annual Report.

## 8. Safety, Health, Environment and Sustainability Committee

The Safety, Health, Environment and Sustainability ('SHES') Committee of the Company is entrusted with the responsibility to oversee and review the measures undertaken by the Company towards the safety and sustainability of its stakeholders and the environment it operates in.

### Terms of Reference

The terms of reference of SHES Committee are, *inter alia*, as under:

- 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
- 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.

### Meetings Held

During the year under review, two (2) Meetings of the SHES Committee were held on the following dates:

- May 14, 2020
- February 10, 2021

### Composition and Attendance

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

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Dr. C. V. Natraj, Chairperson	ID	2	2
Mr. R. Mukundan	NINED	2	2
Mr. Sanjiv Lal	MD & CEO	2	2

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

The Chief Operating Officer, Vice-President – HR and Corporate Sustainability and Vice President – Manufacturing are permanent invitees to the Meetings of the Committee. The Company Secretary also attended the meetings.

## 9. Subsidiary Companies

Regulation 16 of the SEBI 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 SEBI 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.

The Company does not have any material subsidiary as defined in the SEBI Listing Regulations. Accordingly, the requirement of appointing an Independent Director of the Company on the Board of Directors of the material unlisted subsidiary company as per Regulation 24 of the SEBI Listing Regulations does not apply to the Company.

## 10. General Body Meetings

Location, day, date and time of AGMs held during the last 3 years and special resolutions passed:

Day, Date and Time	Location	Special Resolutions
Friday, July 3, 2020 at 3:00 p.m.	VC/OAVM (Deemed Venue: Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400 001)	There was no matter that required passing of Special Resolution
Friday, June 28, 2019 at 3.00 p.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020	Re-appointment of Dr. Punita Kumar Sinha as an Independent Director for 5 years effective June 30, 2019 up to March 25, 2024
Monday, July 2, 2018 at 3.00 p.m.		There was no matter that required passing of Special Resolution

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 entered into by the Company with Promoters,

Directors, KMPs, Senior Management or other designated persons which may have a potential conflict with the interest 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 SEBI Listing Regulations. The Company has adopted a Related Party Transactions Policy in accordance with the Act and SEBI Listing Regulations and the same is displayed on the Company's website at [https://www.rallis.co.in/Related\\_Party\\_TransactionsPolicy.htm](https://www.rallis.co.in/Related_Party_TransactionsPolicy.htm).

**Policy on Archival** is available on the website of the Company at <https://www.rallis.co.in/AP.htm>.

**Policy on Preservation of Documents** as required under Regulation 9 of the SEBI Listing Regulations is available on the website of the Company 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 SEBI Listing Regulations is available on the website of the Company at <https://www.rallis.co.in/PODOM.htm>.

**Dividend Distribution Policy** as per Regulation 43A of the SEBI 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 SEBI Listing Regulations pertaining to CEO/CFO certification for the financial year ended March 31, 2021.

**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/WBPpolicy.htm>.

A dedicated Ethics Helpline has been set up which is managed by an independent professional organisation for confidentially raising any ethical concerns or practices that violate the Tata Code of Conduct. The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud/misconduct on:

Email: [reportmyconcern@integritymatters.in](mailto:reportmyconcern@integritymatters.in).

Address: Integrity Matters, Alpha, 2nd Floor, Unit 201, Hiranandani Gardens, Powai, Mumbai - 400 076

#### **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 ('the 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. The Code was last amended by the Board of Directors on March 16, 2021 to incorporate the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Mr. Ashish Mehta, Chief Financial Officer 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. Mr. Ashish Mehta 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 inquiry 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>.

With a view to simplify and improvise the compliances under the SEBI Listing Regulations, read with the Code, the Company has in place an 'Employee Self Service Compliance Module', a digital platform for carrying out all the compliances under the Regulations and the Code.

The Company conducted a virtual awareness session during the year and also sent mailers periodically to educate the employees on the Insider Trading laws.

#### **Anti-Bribery and Anti-Money Laundering Policy**

The Company has, from time to time, taken important steps for establishing and reinforcing a culture of business ethics and in this pursuit, the Board has adopted the Anti-Bribery and Anti-Corruption Policy along with the Anti-Money Laundering Policy.

The above Policies require the Company to appoint a senior official as the Compliance Officer who shall be responsible for implementation of the Policies. Under the above Policies, the Compliance Officer has a functional reporting about any violation of the Policies to the Chairperson of the Audit Committee. Aggravated cases of breach of the said Policies shall be escalated to the Board of Directors of the Company.

#### **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 SEBI 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 ₹ 1.04 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/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 and Rules made thereunder, the Company has constituted Internal Committee at all its locations to redress complaints received regarding sexual harassment and recommend appropriate action. The objective being to provide a safe working environment to all employees (permanent, contractual, temporary and trainees) covered under this policy. During the year, e-learning workshops were conducted to create awareness regarding sexual harassment among employees as well as training to the Internal Committee members.

No complaints were pending at the beginning of the year. Further, the Company did not receive any complaints of sexual harassment during the year and accordingly, no complaints were pending as at the end of the financial year.

**Legal Compliance Management Tool:** The Company has 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 addresses previously registered with the Depository Participants ('DPs') and Registrar and 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 Folio Number.

**Discretionary Requirements of SEBI Listing Regulations:** All mandatory requirements of the SEBI Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

- **The Board:** The Non-Executive Chairman maintains a separate office for which the Company is not required to reimburse expenses

- **Shareholder Rights:** Half-yearly financial performance of the Company is sent to all the Members whose e-mail IDs are registered with the Company/Depositories. The results are also available on the Company's website at <https://www.rallis.co.in/FinancialResults.htm>.
- **Modified opinion(s) in Audit Report:** During the year under review, there was no audit qualification in the Company's Financial Statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- **Reporting of Internal Auditor:** The Head - Internal Audit reports to the Audit Committee.

## 12. Means of Communication

### Stock Exchange Intimations:

All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges including Shareholding Pattern and Corporate Governance Report are made through the respective electronic filing systems. Material events or information as detailed in Regulation 30 of the SEBI Listing Regulations are disseminated on the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') through NEAPS and with BSE Limited ('BSE') through BSE Online Portal.

They are also displayed on the Company's website at [www.rallis.co.in](http://www.rallis.co.in) under 'Investor Relations'.

### Financial Results:

The quarterly/half-yearly/annual financial results are published within the timeline stipulated under SEBI Listing Regulations. The results are also uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively. The financial results are published within the time stipulated under the SEBI Listing Regulations in newspapers viz. Business Standard (in English) and Mumbai Lakshadweep (in Marathi). They are also published on the website of the Company at <https://www.rallis.co.in/FinancialResults.htm>.

### Analyst/Investor Meets:

The Managing Director & CEO, Chief Financial Officer and Chief Operating Officer periodically meet or have 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. The transcripts of the call with analysts for quarterly/half-yearly/annual results are available on the Company's website at [www.rallis.co.in](http://www.rallis.co.in).

**Company's Website:**

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. The proceedings of the 72nd AGM held on July 3, 2020 are also available under the 'Investor Relations' 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.

**Letters and Reminders to Shareholders for unclaimed shares/dividends:**

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 account.

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.

The Company has uploaded the names of the Members and the details of the unclaimed dividend by the Members on its website. The Members may log in to find out whether their dividend for any of the years is outstanding.

**Other communication to shareholders during the year:**

Steps to capture email ids of the shareholders: In order to capture email addresses of a larger shareholder base and send all intimations electronically, especially during the lockdown period, the Company appointed National Securities Depository Limited to send SMS to those shareholders whose email addresses were not registered with the Company.

Registration of email address for the limited purpose of receiving Annual Report and e-voting at the AGM: The Company made special arrangements with the help of its Registrar & Transfer Agent for registration of e-mail addresses of those Members whose email addresses were not registered and who wished to receive the Notice of AGM along with the Annual Report including e-Voting credentials electronically.

Updation of bank account and other details for dividend payment and TDS: The Company voluntarily sent a communication to all those shareholders whose email addresses were registered with the Company regarding tax on dividend requesting them to update their bank account details and other detailed process.

### 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 MCA is L36992MH1948PLC014083.

#### Annual General Meeting

<b>Day, date and time</b>	:	Thursday, June 24, 2021 at 3.00 p.m. (IST)
<b>Venue</b>	:	In accordance with the General Circular issued by the MCA on May 5, 2020 read with General Circular dated April 8, 2020, April 13, 2020 and January 13, 2021, the AGM will be held through VC/OAVM only
<b>Financial Calendar</b>	:	April 1 to March 31
<b>Date of book closure</b>	:	Friday, June 11, 2021 to Thursday, June 17, 2021 (both days inclusive for the purpose of AGM and dividend)
<b>Dividend payment date</b>	:	On or after Tuesday, June 29, 2021
<b>Last date for receipt of Proxy Forms</b>	:	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
<b>Listing on Stock Exchanges</b>	:	The Company's Equity Shares are listed on the following Stock Exchanges:  <b>BSE</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001  <b>NSE</b> 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 2020-21 and FY 2021-22.
<b>Stock Code on BSE</b>	:	500355
<b>Stock Code on NSE</b>	:	RALLIS
<b>International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares</b>	:	INE613A01020

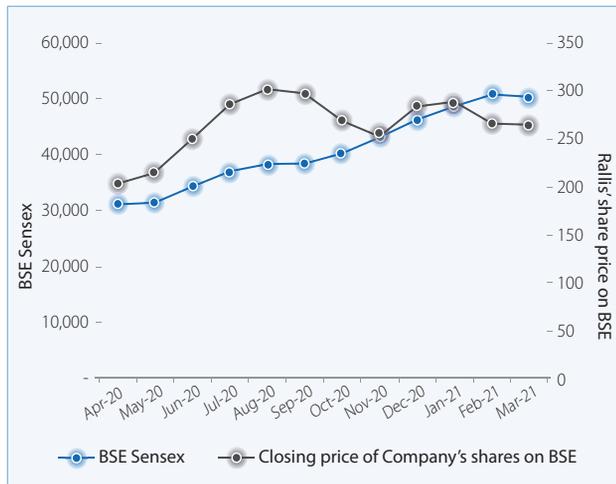


**Market Information:**

Market price data: High/low and number of trades during each month of FY 2020-21:

Month	BSE				NSE			
	High	Low	No. of shares traded	No. of trades	High	Low	No. of shares traded	No. of trades
April 2020	238.80	166.50	10,54,165	49,252	235.00	166.00	1,35,57,760	3,00,185
May 2020	232.00	195.10	7,90,863	28,156	231.70	195.20	1,42,93,893	2,71,098
June 2020	279.00	214.20	15,67,522	66,512	279.50	214.50	2,59,37,880	4,28,311
July 2020	324.60	260.00	19,23,396	63,793	324.00	259.80	3,33,22,669	5,06,990
August 2020	340.00	284.00	14,06,819	42,624	339.80	284.20	2,30,59,488	3,84,289
September 2020	319.70	265.00	7,77,113	32,906	319.90	275.00	1,56,70,375	3,46,867
October 2020	291.90	244.40	4,61,788	23,951	291.60	244.10	1,19,73,806	2,25,252
November 2020	288.60	232.40	7,85,101	41,220	288.50	232.40	1,17,84,215	2,74,538
December 2020	296.60	250.10	8,14,403	35,147	296.80	247.00	84,89,775	2,07,046
January 2021	314.20	270.00	9,74,596	31,197	314.40	269.50	1,24,72,641	2,63,843
February 2021	278.00	255.00	8,19,926	28,332	278.10	254.80	84,57,281	2,34,443
March 2021	286.50	243.90	12,02,645	32,058	286.70	243.90	1,66,96,368	2,99,692

The performance of the Company's average monthly share price data in comparison to broad-based indices like BSE Sensex and Nifty in FY 2020-21 are given below:



**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**

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400 083.  
 Tel. No.: +91 22 6656 8484 | Fax No.: +91 22 6656 8494  
 E-mail: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) Website: [www.tcplindia.co.in](http://www.tcplindia.co.in)  
 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 of TSR:

**Bengaluru:**

TSR Darashaw Consultants Private Limited  
 C/o. Mr. D. Nagendra Rao  
 "Vaghdevi" 543/A, 7th Main, 3rd Cross,  
 Hanumanthnagar, Bengaluru - 560 019.  
 Tel.: +91 80 2650 9004  
 Email: [tsrdlbg@tcplindia.co.in](mailto:tsrdlbg@tcplindia.co.in)

**Kolkata:**

TSR Darashaw Consultants Private Limited  
 C/o. Link Intime India Private Limited  
 Vaishno Chamber, Flat No. 502 & 503, 5th Floor,  
 6, Brabourne Road, Kolkata – 700 001.  
 Tel.: +91 33 4008 1986  
 Email: [tsrdlcal@tcplindia.co.in](mailto:tsrdlcal@tcplindia.co.in)

**New Delhi:**

TSR Darashaw Consultants Private Limited  
 C/o. Link Intime India Private Limited  
 Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block, LSC,  
 Near Savitri Market, Janakpuri, New Delhi – 110 058.  
 Tel.: +91 11 4941 1030  
 Email: [tsrdldel@tcplindia.co.in](mailto:tsrdldel@tcplindia.co.in)

**Jamshedpur:**

TSR Darashaw Consultants Private Limited  
 Bungalow No. 1, "E" Road,  
 Northern Town, Bistupur, Jamshedpur – 831 001.  
 Tel.: +91 657 242 6937  
 Email: [tsrdljsr@tcplindia.co.in](mailto:tsrdljsr@tcplindia.co.in)

**Ahmedabad:**

TSR Darashaw Consultants Private Limited  
 C/o Link Intime India Private Limited  
 Amarnath Business Centre-1 (ABC-1)  
 Beside Gala Business Centre,  
 Near St. Xavier's College Corner,  
 Off. C.G. Road, Ellisbridge, Ahmedabad – 380 006  
 Tel.: +91 79 2646 5179  
 Email: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)

**Share Transfer System:**

Effective April 1, 2019, requests for effecting the transfer of listed securities were required to be processed only in dematerialised form with a Depository.

The Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. In order to address the issue of transfer requests filed prior to April 1, 2019 but rejected due to deficiency in documents, etc., the Company accepted transfer requests up to March 31, 2021 in accordance with SEBI Circular dated September 7, 2020. After March 31, 2021, the Company has stopped accepting any transfer requests.

Dematerialisation of holdings will, *inter alia*, curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.

**Secretarial Audit and other certificates:**

- M/s. Parikh & Associates, Practising Company Secretaries, have conducted the Secretarial Audit of the Company for FY 2020-21. 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, SEBI 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 SEBI 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 read with Regulation 24A of SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. Parikh & Associates, Practising Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2021
- M/s. Parikh & Associates, Practising Company Secretaries 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. The said report is annexed to this Report on Corporate Governance.

**Distribution of shareholding as on March 31, 2021:**

Holding of Nominal Value: ₹ 1

Sr. No.	Range	Number of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to total holders
1.	1 to 500	70,35,898	70,35,898	3.62	83,510	92.28
2.	501 to 1,000	28,17,442	28,17,442	1.45	3,578	3.95
3.	1,001 to 2,000	25,76,580	25,76,580	1.32	1,708	1.89
4.	2,001 to 3,000	15,28,079	15,28,079	0.79	581	0.64
5.	3,001 to 4,000	8,58,367	8,58,367	0.44	237	0.26
6.	4,001 to 5,000	9,17,136	9,17,136	0.47	193	0.21
7.	5,001 to 10,000	26,09,934	26,09,934	1.34	357	0.39
8.	Greater than 10,000	17,61,25,454	17,61,25,454	90.57	344	0.38
	<b>Total</b>	<b>19,44,68,890</b>	<b>19,44,68,890</b>	<b>100.00</b>	<b>90,508</b>	<b>100.00</b>

**Shareholding pattern as on March 31, 2021:**

Sr. No.	Category of Shareholder	Total Holding	Percentage (%)
1.	Promoter & Promoter Group	9,74,16,610	50.09
2.	Government/Other Public, Financial Institutions and Insurance Companies	68,27,217	3.51
3.	Foreign Institutional Investors and Foreign Companies	1,47,36,976	7.58
4.	Non Resident Individuals	13,03,632	0.67
5.	Other Bodies Corporate & Trust	41,10,029	2.11
6.	Nationalised Banks and Mutual Funds	2,49,76,685	12.84
7.	Foreign and Other Banks	29	0.00
8.	Alternative Investment Funds	100	0.00
9.	IEPF	8,48,176	0.44
10.	Individuals	4,42,49,436	22.76
	<b>Total</b>	<b>19,44,68,890</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity:**

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

Shares held in	As on March 31, 2021	As on March 31, 2020	As on March 31, 2019
Physical form	0.80	0.82	0.90
Electronic form with NSDL	91.67	92.93	91.02
Electronic form with CDSL	7.53	6.25	8.08

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:

During the year, there were no changes in the credit ratings of the Company.

As on March 31, 2021, the Company had a short-term credit rating of CRISIL A1+ and a long-term rating of CRISIL AA+/Stable by CRISIL Limited for bank loan facilities aggregating to ₹ 400 crore.

### 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 ('IEPF'). Accordingly, a Final Dividend of ₹ 12,63,451 for FY 2012-13 and an Interim Dividend of ₹ 10,78,594 declared during the FY 2013-14 aggregating to a total Dividend of ₹ 23,42,045 which remained unpaid or unclaimed was transferred to the IEPF Authority in FY 2020-21.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2013-14 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
2013-14	-	30-06-2014	-	1.4	-	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
2019-20	-	03-07-2020	-	2.5	-	31-07-2027

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.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), the Company has uploaded the information in respect of unclaimed dividends as on the date of the previous

AGM i.e. July 3, 2020 (72nd AGM) on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company at <https://www.rallis.co.in/UnclaimedDividend.htm>.



**(b) Transfer of shares to IEPF**

Pursuant to the provisions of Sections 124 and 125 of the Act read with the 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 MCA. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. Accordingly, the Company has transferred 24,063 Equity Shares of face value of ₹ 1 each to the demat account of the IEPF Authority during FY 2020-21.

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](http://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 dividends/shares so transferred.

**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) Plot Nos. Z/110 and Z/112, Dahej SEZ Part - II, P.O. Lakhigam, Taluka Vagra, Dist. Bharuch - 392 130, Gujarat
- (v) Plot No. C44, Port Road, Dahej, Dist. Bharuch - 392 130, Gujarat
- (vi) C 5/6, MIDC Industrial Area, Phase III, Shivani, Akola - 444 104, Maharashtra
- (vii) Plot No. D-26, Lote Parashuram, MIDC, Near Hotel Vakratunda, Taluka Khed, Dist. Ratnagiri - 415 722, Maharashtra

**Processing and drying plants:**

- (i) Survey No. 25/1, Gundlapochampally Village, Medchal Mandal, Medchal Malkajgiri Dist. - 500 100, Telangana
- (ii) Survey No. 318, 321/2, 322, 322/2, Kokkonda Village, Mulugu Mandal, Medak Dist. - 502 336, Telangana
- (iii) Kh. 1287, 1288 & 1290, PH No. 37, Semeriya Village, Ahiwara Taluk, Durg Dist. - 491 332, Chhattisgarh

**Investor correspondence address:**

**Rallis India Limited**

Secretarial Department  
23rd Floor, Lodha Excelus, New Cuffe Parade  
Off Eastern Freeway, Wadala, Mumbai - 400 037  
Tel. No.: +91 22 6232 7400  
E-mail: [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com)  
Website: [www.rallis.co.in](http://www.rallis.co.in)

OR

**TSR Darashaw Consultants Private Limited**

Unit: Rallis India Limited  
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli West, Mumbai - 400 083  
Tel. No.: +91 22 6656 8484 | Fax No.: +91 22 6656 8494  
E-mail: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
Website: [www.tcplindia.co.in](http://www.tcplindia.co.in)  
Business Hours: 10.00 a.m. to 3.30 p.m. (Monday to Friday)

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 financial year ended March 31, 2021.

**Sanjiv Lal**  
Managing Director & CEO  
DIN: 08376952

Mumbai, April 22, 2021

## 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, 2021, 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, 2021.

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**  
Company Secretaries

**Jigyasa N. Ved**  
Partner  
FCS: 6488 CP: 6018  
UDIN: F006488C000153195

Mumbai, April 22, 2021



# Practising Company Secretaries' Certificate on non-disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members**  
**RALLIS INDIA LIMITED**  
23rd Floor, Lodha Excelus  
New Cuffe Parade,  
Off Eastern Freeway,  
Wadala, Mumbai 400037

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **RALLIS INDIA LIMITED** having CIN **L36992MH1948PLC014083** and having registered office at 23rd Floor Lodha Excelus, New Cuffe Parade, Off Eastern Freeway, Wadala, Mumbai 400037 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers 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 certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Bhaskar Bhat	00148778	08/10/2015
2.	Punita Kumar Sinha	05229262	26/03/2014
3.	C. V. Natraj	07132764	22/07/2016
4.	Padmini Khare Kaicker	00296388	22/07/2016
5.	R. Mukundan	00778253	03/12/2009
6.	Sanjiv Lal	08376952	01/04/2019

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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**  
**Company Secretaries**

**Jigyasa N. Ved**  
**Partner**  
**FCS: 6488 CP: 6018**  
**UDIN: F006488C000153250**

Mumbai, April 22, 2021

# Business Responsibility Report

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

## Introduction

The Company believes that sustainable business is founded on good Corporate Governance ('business principles'), with a triple bottom line focus i.e. economic, environmental and social performance creating value for all stakeholders, driven by robust business processes and continued growth. The Company focusses on efficient deployment of resources, including people, processes and materials for the production of safe and eco-efficient products, with a view to create value for all its stakeholders. This ensures that the Company embeds balance in its engagement with all stakeholders, keeping the community at the core of whatever the Company does.

## Section A: General Information about the Company

- Corporate Identity Number (CIN) of the Company:**  
L36992MH1948PLC014083
- Name of the Company:** Rallis India Limited
- Registered address:** 23rd Floor, Lodha Excelus, New Cuffe Parade, Off Eastern Freeway, Wadala, Mumbai - 400 037
- Website:** [www.rallis.co.in](http://www.rallis.co.in)
- E-mail id:** [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com)
- Financial Year reported:** April 1, 2020 – March 31, 2021

## Section B: Financial Details of the Company

Sr. No.	Particulars	₹ in crore)	
		Standalone	Consolidated
1.	Paid-up Capital	19.45	19.45
2.	Total Turnover (Revenue from operations)	2,429.43	2,429.44
3.	Total Profit after Taxes	228.67	228.57
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total CSR spending is ₹ 4.83 crore for FY 2020-21, 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) Covid Relief work               | (e) Education (RUBY)         |
| (b) Rainwater Harvesting (Jal Dhan) | (f) Environment (Greening)   |
| (c) Safe drinking water (Jal Mitra) | (g) Skill Development (TaRa) |
| (d) Model Tribal Village            |                              |

### 7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Agri Inputs; National Industrial Classification (NIC) Code: 3808

### 8. List 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 processing of seeds and provides agri-solutions under its **Rallis Samrudh Krishi**® ('RSK') initiative. Please visit our website [www.rallis.co.in](http://www.rallis.co.in) for complete list of our products.

### 9. Total number of locations where business activity is undertaken by the Company:

- Number of International Locations (provide details of major 5):** N.A.
- Number of National Locations:** The Company's manufacturing operations are situated at seven locations, viz. Ankleshwar and Dahej in Gujarat, Lote and Akola in Maharashtra and Malkajgiri and Medak in Telangana and Durg in Chhattisgarh.

### 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.



**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 only 1 foreign subsidiary as on March 31, 2021.

**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)**

Operations of the subsidiary company were 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? [Less than 30%, 30-60%, More than 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:** 08376952
2. **Name:** Mr. Sanjiv Lal
3. **Designation:** Managing Director & CEO

**(b) Details of the BR head:**

1. **Name:** Mr. Alok Chandra
2. **Designation:** Vice President - Human Resources & Corporate Sustainability
3. **Telephone Number:** +91 22 6232 7400
4. **E-mail id:** alok.chandra@rallis.com

**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:

- |           |   |
|-----------|---|
| <b>P1</b> | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability  |
| <b>P2</b> | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle                                     |
| <b>P3</b> | Businesses should promote the well-being of all employees   |
| <b>P4</b> | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised |
| <b>P5</b> | Businesses should respect and promote human rights  |
| <b>P6</b> | Businesses should respect, protect and make efforts to restore the environment  |
| <b>P7</b> | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner  |
| <b>P8</b> | Businesses should support inclusive growth and equitable development  |
| <b>P9</b> | Businesses should engage with and provide value to their customers and consumers in a responsible manner  |

**(a) Details of compliance (Reply in Y/N):**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being 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?	<p><b>The Tata Code of Conduct is available at:</b>  <a href="https://www.rallis.co.in/TCoC.htm">https://www.rallis.co.in/TCoC.htm</a>.</p> <p><b>Environment, Health &amp; Safety Policy is available at:</b>  <a href="https://www.rallis.co.in/EHS_Policy.htm">https://www.rallis.co.in/EHS_Policy.htm</a>.</p> <p><b>Quality Policy is available at:</b>  <a href="https://www.rallis.co.in/QualityPolicy.htm">https://www.rallis.co.in/QualityPolicy.htm</a>.</p> <p><b>CSR Policy is available at:</b>  <a href="https://www.rallis.co.in/CSR_Policy.htm">https://www.rallis.co.in/CSR_Policy.htm</a>.</p> <p><b>Whistleblower Policy is available at:</b>  <a href="https://www.rallis.co.in/WhistleblowerPolicy.htm">https://www.rallis.co.in/WhistleblowerPolicy.htm</a>.</p>								
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									
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									Not Applicable
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/BRR2021.htm>.

Concern Analysis		
Status	In FY 2020-21, the Company received and addressed 10 concerns	In FY 2019-20, the Company received and addressed 11 concerns
Open	NIL	NIL

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?

Yes. The Policy covers not only the Company but also its associates. The Tata Code of Conduct ('TCoC') (available at <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 by the management? If so, provide details thereof, in about 50 words or so.

A total of 10 stakeholder complaints were received in FY 2020-21. All of them have been satisfactorily resolved during the year.

Stakeholder-wise Concerns received during FY 2020-21

Anonymous	Nil
Contract Employee	4
Employee	4
Non-Employee	1
Vendor (Dealer)	1

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. Eevee, Kriman and Flowbor.

- i. **Eevee:** It is a water suspension concentrate formulation of Insecticide-Fungicide combination for foliar application to manage lepidopteron insect pest, leaf & neck blast on rice and downy mildew, powdery mildew and anthracnose on grapes respectively-

- First ever ready to use pre-mix Diamide insecticide & Strobilurin fungicide formulation developed and launched in India by the Company to reduce number of spray application by farmers
- It provides excellent bio-efficacy to control both insects as well as diseases which occurs concurrently in the same crops
- It also shows Phytotonic & Phytodyna effect which results into greening effect, healthy crop growth and more number of flowers & fruits setting on targeted crops.

- ii. **Kriman:** A fungicidal combination formulation proven to be highly effective against early blight, late blight and fruit rot of tomato and powdery mildew, downy mildew and anthracnose diseases of grapevine respectively-

- It provides excellent disease control and also delays the resistance management
- Meso-stemic & multi-site action contact fungicidal combination exhibits protective, curative, eradivative and long residual disease control
- It is completely solvent, free wetttable powder formulation containing superior adjuvant and carrier – safe to handling
- It has synergistic action with phytodyna effect.

- iii. **Flowbor:** Liquid Boron (B=10%) micronutrient formulation for efficient foliar application-
- It improves quality and quantity of fruit and vegetable by reducing flower drop and helps in better fruit setting
  - It is highly soluble in water and suitable for tank mix
  - Better efficiency compared to other sources of boron.
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 its 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:
- Logistics department is concentrating more on consolidation of supplies by maximising transport space utilisation and thus reducing the number of trips and logistics cost. Mother hub is introduced at the central location and thus the same will act as distribution centre for nearby locations
  - In order to streamline logistics processes and explore possibilities of automation, a Transport Management System has been implemented in the Company
  - Alternative vendor development work is a continuous process in the Company. The Company has developed many domestic sources as alternatives for imported raw materials which has resulted in reducing the lead time as well as carbon footprint
  - The Company has started accepting deliveries in higher truck/tanker loads wherever storage capacity permits to reduce the number of trips
  - Export of key volume 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 import dependence on a particular country. Till date, the Company has successfully achieved 50% reduction in import dependence item and thus by lead time and carbon footprint reduction.
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 & 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 is aiming to source in certain cases from socially backward community and thus provide support to people from the Scheduled Caste/Scheduled Tribe wherever possible.
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 recycling of treated water on a consistent basis.



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

- 1. **Please indicate the total number of employees:** 1,700 employees as on March 31, 2021.
- 2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 5,801 employees as on March 31, 2021.
- 3. **Please indicate the number of permanent women employees:** 53 employees as on March 31, 2021.
- 4. **Please indicate the number of permanent employees with disabilities:** 3 employees as on March 31, 2021.
- 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:** 4.56% employees as on March 31, 2021.
- 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:**

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

- 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, 2021.

**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 scheduled 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. From FY 2020-21, the Company has been focussing on skill enhancement of socially and economically marginalised group with 40% gainful engagement ratio which going forward will be raised to 50%.

**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 & 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](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 with ISO 14001 Environmental Management Systems ('EMS') standard. Two of the Company's manufacturing units at Gujarat, Ankleshwar and Dahej are certified with 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 webpage, 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 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. The Company has signed a Memorandum of Understanding with Tata Motors, Sanand and Gujarat Energy Transmission Corporation Limited 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, 2021, there were no pending show cause or legal notices received from Central Pollution Control Board or State Pollution Control Board, 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. CropLife India
- iii. Confederation of Indian Industry (CII)
- iii. Indian Chemical Council (ICC)
- iv. Bombay Chambers of Commerce and Industry (BCCI)
- v. Federation of Seeds Industries of India (FSII)
- vi. IMC Chamber of Commerce and Industry

**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 and issues related to agriculture.

**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 through its CSR focusses on skill enhancement under its TaRa ('Tata Rallis') Initiative. Women and youths from socially disadvantaged and economically backward communities are trained in various skills and supports them in getting gainfully engaged.

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 NSDL e-Governance Infrastructure 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.

During FY 2020-21, the Company has covered 30 schools under its Education projects, benefitting 6,990 students, of which 3,500 were from the AA communities.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

Rallis is committed to improving the 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 carried out an impact assessment for its Jal Dhan initiative in Latur Tehsil of Maharashtra State covering 10 villages.

#### 4. What is your Company's direct contribution to community development projects – Amount in ₹ and the details of the projects undertaken?

The Company has spent ₹ 4.83 crore, which is more than 2% of the average net profit of the Company for the last three financial years. The key CSR projects focussed are as under:

- (a) Covid Relief work
- (b) Rainwater harvesting (Jal Dhan)
- (c) Safe drinking water (Jal Mitra)
- (d) Model Tribal Village
- (e) Education (RUBY)
- (f) Environment (Greening)
- (g) Skill Development (TaRa)

Under rainwater harvesting and conservation projects, the main thrust is on rain-fed areas, through activities relating to rainwater harvesting and soil and water conservation. As per the topography, activities are planned and implemented like trenches, loose boulders, check-dam, deepening and de-silting and repairing of existing water structures. This intervention was started in Lote, Konkan region of Maharashtra with focus 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. Rallis has scaled-up its water conservation project in Marathwada region of Maharashtra. The geographical coverage of Jal Dhan during FY 2020-21 was in 70 villages, 20 tehsils and 8 districts of Maharashtra.

Through the Jal Dhan project, more than 2.21 lakh people have benefitted across Maharashtra, out of which more than 61,000 belong to Affirmative communities. 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 1,06,000 saplings with 90% survival rate.

Under Model Tribal Village initiative, so far Rallis has worked in 8 villages to convert them into model villages. Out of these 8, Rallis has exited from 2 villages. Model Tribal village concept focusses on basic amenities, capacity building, education, economic empowerment, health and entitlements. The idea of developing Tribal Model Village was not new, hence Rallis created its differentiator in mode of implementing the initiative by involving concern Tribal from day 1 in the process and programmes under Model Tribal Villages.

The Company's approach of describing the problem and carrying its need assessment through third-party and involving community in the process has played a vital role in success of this Model. The model is successful as it has been replicated in other tribal villages but local needs were given due consideration while finalising the key phases and interventions in new villages.

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, 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 and they also contribute via "Shramdaan" in the said 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 except one for International business were resolved and addressed.

Complaint Type	Domestic	International	Total	% Resolution
External	43	8	51	98
Internal	3	0	3	100
<b>Total</b>	<b>46</b>	<b>8</b>	<b>54</b>	<b>98</b>

### 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).

The Company displays what is required as per regulatory requirements and has complied with the requirements of The Insecticides Act, 1968; The Insecticide Rules, 1971; The Fertiliser (Control) Order, 1985; The Seeds Act, 1966; The Seeds Rules, 1968; The Legal Metrology Act, 2009 and The 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. Last survey was concluded in the month of 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. Feedback was sought from more than 11,000 farmers across 18 key states.



# Financial Statements

## **Standalone Financial Statements**

Independent Auditors' Report	118
Balance Sheet	128
Statement of Profit and Loss	129
Statement of Changes in Equity	130
Statement of Cash Flow	131
Notes to Financial Statements	133

## **Consolidated Financial Statements**

Independent Auditors' Report	203
Balance Sheet	210
Statement of Profit and Loss	211
Statement of Changes in Equity	212
Statement of Cash Flow	213
Notes to Financial Statements	215
Form AOC - 1 (Financial Information on Subsidiary Company)	283



# 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 31 March 2021, 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 31 March 2021, 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 44)

The Key Audit Matter	How the matter was addressed in our audit
<p>As disclosed in Note 3.16 and 44 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.</p> <p>Estimation of sales returns involves significant judgement. 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.</p> <p>Recognition and measurement of rebates, discounts and incentives involves significant judgement, 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.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> <li>- Understanding the process followed by the Company to determine the amount of accrual of sales returns, rebates, discounts and incentives;</li> <li>- 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;</li> <li>- 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;</li> <li>- 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;</li> </ul>

The Key Audit Matter	How the matter was addressed in our audit
<p>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 significant auditor judgment. We identified the evaluation of accrual for sales returns, rebates, discounts and incentives as a key audit matter.</p>	<ul style="list-style-type: none"> <li data-bbox="791 278 1421 411">– 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;</li> <li data-bbox="791 431 1421 663">– 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.</li> </ul>

### Impairment testing of other intangible assets and intangible assets under development (Refer note 3.14 and 6(b))

The Key Audit Matter	How the matter was addressed in our audit
<p>The carrying amount of the intangible assets and intangible assets under development represents 2.69% of the Company's total assets.</p>	<p>Our audit procedures in respect of impairment testing of other intangible assets and intangible assets under development included the following:</p>
<p><b>Other intangible assets and intangible assets under development</b></p> <p>As disclosed in Note 3.14 and 6(b) to the standalone financial statements, the Company capitalizes costs incurred to apply for product registrations and cost incurred for developing hybrid seeds once technical feasibility is established.</p> <p>Impairment assessment is done for each product based on value in use.</p> <p>Measurement of value of intangible assets involves significant judgments and estimates in the Company's impairment assessment. The significance and magnitude is in relation to the costs capitalised and likelihood of obtaining product registration/ developing new hybrid seeds. We identified the measurement of value of intangible assets as a key audit matter.</p>	<ul style="list-style-type: none"> <li data-bbox="791 915 1421 1116">– Obtaining an understanding of the Company's process of determining likelihood of obtaining product registration and technical feasibility of hybrid seeds under development, future benefits expected from each product registration and hybrid seeds including intangibles under development using discounted future cash flows;</li> <li data-bbox="791 1137 1421 1177">– Comparing the Company's assessment with the past trends;</li> <li data-bbox="791 1197 1421 1237">– Assessing the discounted cash flow model;</li> <li data-bbox="791 1257 1421 1318">– Evaluating the assumptions and data used by the Company; and</li> <li data-bbox="791 1338 1421 1455">– Focusing on the adequacy of the Company's disclosures on key assumptions used for impairment testing of intangible assets and intangible assets under development.</li> </ul>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the 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 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, 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 Management and 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 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 31 March 2021 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 8 November 2016 to 30 December 2016 have not been made in these



financial statements since they do not pertain to the financial year ended 31 March 2021.

- (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

**Tarun Kinger**

*Partner*

Membership No: 105003

UDIN : 21105003AAAABP3834

Mumbai

22 April, 2021

## Annexure A to the Independent Auditors' Report – 31 March 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, 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	0.69	The agreements were not available for verification.
Building	2	Freehold	57.35	22.77	The Company has filed a 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	1,417.85	The plot has been allotted and is in the possession of the Company. The lease deed has not yet been executed by lessor.

- (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 appropriately dealt with in books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.



(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income tax, Provident fund, Employees' State Insurance, Duty of customs, 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 of 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 sales-tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Income-tax, Duty of customs, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Duty of customs, Duty of excise, Sales tax, Service tax, Value added tax and Goods and Services tax as at 31 March 2021, 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	546.76	486.88	2000-01, 2005-06 to 2010-11, 2012-13 to 2013-14	Joint Commissioner (Appeals)
		166.42	162.59	1996-97, 2006-07, 2007-08, 2009-10, 2010-11, 2012-13, 2014-15, 2015-16, 2016-17	Additional Commissioner
		552.85	274.81	1992-93, 1998-99, 2001-02, 2003-04, 2007-08 to 2017-18	Deputy Commissioner
		15.27	9.63	2003-04, 2014-15	Assistant Commissioner
		130.47	90.35	1992-93, 2001-02, 2010-11, 2011-12, 2012-13,	Tribunal
		20.77	18.79	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
		3,236.97	3,236.97	2010-11, 2012-13, 2011-14, 2013-14, 2014-15, 2015-2016 2016-17	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
	Tax	655.61	655.91	2009-14	High court
Good and Service Tax	Tax, Penalty and Interest	27.87	27.87	2017-18, 2019-20	Superintendent of Excise and Customs

(₹ 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	729.03	674.03	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 debentures or any dues payable to financial institutions 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 accounting standards.
- (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

**Tarun Kinger**  
Partner

Mumbai  
22 April, 2021

Membership No: 105003  
UDIN : 21105003AAAABP3834



# Annexure B to the Independent Auditors' Report – 31 March 2021

## Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, 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 reference 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 reference 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 standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone 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

**Tarun Kinger**  
*Partner*

Mumbai  
22 April, 2021

Membership No: 105003  
UDIN : 21105003AAAABP3834



# Standalone Balance Sheet as at March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	4 (a)	39,246.07	36,077.50
b) Capital work-in-progress	4 (a)	10,571.20	2,875.71
c) Investment property	5	12.40	12.82
d) Right-of-use asset	4 (b)	3,173.92	2,644.04
e) Goodwill on amalgamation	6 (a)	19,582.31	19,582.31
f) Other intangible assets	6 (b)	1,083.41	966.09
g) Intangible assets under development	6 (b)	5,877.18	4,694.65
h) Financial assets			
i) Investments	7	317.68	379.69
ii) Loans	8	1,008.44	907.06
iii) Other financial assets	9	80.77	76.51
j) Non current tax assets	10.1	8,803.51	11,002.26
j) Other non-current assets	14	3,564.53	4,205.12
<b>Total non-current assets</b>		<b>93,321.42</b>	<b>83,423.76</b>
<b>Current assets</b>			
a) Inventories	11	76,319.81	69,920.02
b) Financial assets			
i) Investments	7	28,029.67	29,867.42
ii) Trade receivables	12	40,628.49	45,001.83
iii) Cash and cash equivalents	13.1	904.93	4,585.56
iv) Bank balances other than (iii) above	13.2	4,485.73	213.34
v) Other financial assets	9	751.80	648.54
c) Other current assets	14	13,884.37	10,636.53
d) Assets classified as held for sale	15	413.82	426.78
<b>Total current assets</b>		<b>1,65,418.62</b>	<b>1,61,300.02</b>
<b>Total assets</b>		<b>2,58,740.04</b>	<b>2,44,723.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	16	1,944.71	1,944.71
b) Other equity	17	1,57,192.54	1,39,055.31
<b>Total equity</b>		<b>1,59,137.25</b>	<b>1,41,000.02</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	18.1	778.32	1,236.30
ii) Lease liabilities	18.2	2,155.34	1,438.70
b) Provisions	23	2,686.50	2,564.74
c) Deferred tax liabilities (Net)	20	2,528.83	2,740.16
d) Other non-current liabilities	24	8.30	9.82
<b>Total non-current liabilities</b>		<b>8,157.29</b>	<b>7,989.72</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	3,004.77	4,961.79
ii) Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		1,734.61	369.13
- total outstanding dues of creditors other than micro enterprises and small enterprises		57,870.88	63,364.06
iii) Other financial liabilities	22	14,479.17	9,576.81
iv) Lease liabilities	18.2	1,244.62	1,392.43
b) Other current liabilities	24	11,274.02	12,002.77
c) Provisions	23	1,426.16	1,705.08
d) Current tax liabilities	10.1	411.27	2,361.97
<b>Total current liabilities</b>		<b>91,445.50</b>	<b>95,734.04</b>
<b>Total liabilities</b>		<b>99,602.79</b>	<b>1,03,723.76</b>
<b>Total equity and liabilities</b>		<b>2,58,740.04</b>	<b>2,44,723.78</b>
See accompanying notes to the standalone financial statements	1 to 51		

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

**Tarun Kinger**  
Partner  
Membership No. 105003

Mumbai, April 22, 2021

For and on behalf of the Board of Directors of Rallis India Limited

**Sanjiv Lal** Managing Director & CEO  
(DIN: 08376952)  
**R. Mukundan** Director  
(DIN: 00778253)  
**Ashish Mehta** Chief Financial Officer  
(M. No. 53039)  
**Yashaswin Sheth** Company Secretary  
(M. No. A15388)

Mumbai, April 22, 2021

# Standalone Statement of Profit and Loss for the year ended March 31, 2021

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

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I</b> Revenue from operations	25	2,42,943.49	2,25,149.82
<b>II</b> Other income	26	4,043.86	3,432.98
<b>III Total Income (I+II)</b>		<b>2,46,987.35</b>	<b>2,28,582.80</b>
<b>IV Expenses</b>			
Cost of materials consumed	27	1,40,755.27	1,28,093.19
Purchases of stock-in-trade	28	13,659.10	14,121.26
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(6,892.79)	(3,330.40)
Employee benefits expense	30	21,600.18	19,937.39
Finance costs	31	520.76	611.21
Depreciation and amortisation expense	32	6,406.77	6,150.58
Other expenses	33	41,523.06	40,214.94
<b>Total expenses (IV)</b>		<b>2,17,572.35</b>	<b>2,05,798.17</b>
<b>V Profit before exceptional items and tax (III -IV)</b>		<b>29,415.00</b>	<b>22,784.63</b>
<b>VI Exceptional items</b>	49	944.67	1,142.33
<b>VII Profit before tax (V+VI)</b>		<b>30,359.67</b>	<b>23,926.96</b>
<b>VIII Tax expense</b>			
(1) Current tax	10.2	7,703.28	6,906.72
(2) Deferred tax	10.2	(210.14)	(1,526.36)
<b>Total tax expense (VIII)</b>		<b>7,493.14</b>	<b>5,380.36</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>22,866.53</b>	<b>18,546.60</b>
<b>X Other comprehensive income</b>			
Item that will not be reclassified to profit or loss :			
a) Remeasurement of the employee defined benefit plans		174.73	(241.55)
b) Equity instruments through other comprehensive income		1.08	0.85
Income tax relating to items that will not be reclassified to profit or loss		(43.39)	56.31
<b>Total other comprehensive income (net of taxes)</b>		<b>132.42</b>	<b>(184.39)</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>22,998.95</b>	<b>18,362.21</b>
<b>Earnings per equity share (of ₹ 1 each)</b>	34		
(1) Basic (In ₹)		11.76	9.54
(2) Diluted (In ₹)		11.76	9.54
See accompanying notes to the standalone financial statements	1 to 51		

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

**Tarun Kinger**  
 Partner  
 Membership No. 105003

Mumbai, April 22, 2021

**For and on behalf of the Board of Directors of Rallis India Limited**

**Sanjiv Lal**  
 (DIN: 08376952)

*Managing Director & CEO*

**R. Mukundan**  
 (DIN: 00778253)

*Director*

**Ashish Mehta**  
 (M. No. 53039)

*Chief Financial Officer*

**Yashaswin Sheth**  
 (M. No. A15388)

*Company Secretary*

Mumbai, April 22, 2021



# Standalone Statement of Changes in Equity for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

## A. Equity share capital

<b>Balance as at April 1, 2019</b>	<b>1,944.71</b>
Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>1,944.71</b>
Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>1,944.71</b>

## B. Other equity

Particulars	Other equity						Total other equity
	Reserves & Surplus					Other Comprehensive Income	
	Securities premium reserve	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Equity instrument through OCI	
<b>As at April 1, 2019</b>	<b>17,295.93</b>	<b>82,296.44</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>0.20</b>	<b>1,26,637.37</b>
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)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>18,361.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.85</b>	<b>18,362.21</b>
Payment of dividends	-	(4,861.72)	-	-	-	-	(4,861.72)
Payment of dividend distribution tax	-	(999.34)	-	-	-	-	(999.34)
<b>At March 31, 2020</b>	<b>17,295.93</b>	<b>94,713.53</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>1.05</b>	<b>1,39,055.31</b>
Profit for the year	-	22,866.53	-	-	-	-	22,866.53
Other Comprehensive Income (net of taxes)	-	131.34	-	-	-	1.08	132.42
<b>Total Comprehensive Income</b>	<b>-</b>	<b>22,997.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.08</b>	<b>22,998.95</b>
Payment of dividends	-	(4,861.72)	-	-	-	-	(4,861.72)
<b>At March 31, 2021</b>	<b>17,295.93</b>	<b>1,12,849.68</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>2.13</b>	<b>1,57,192.54</b>

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

**Tarun Kinger**  
 Partner  
 Membership No. 105003

Mumbai, April 22, 2021

**For and on behalf of the Board of Directors of Rallis India Limited**

**Sanjiv Lal**  
 (DIN: 08376952)

*Managing Director & CEO*

**R. Mukundan**  
 (DIN: 00778253)

*Director*

**Ashish Mehta**  
 (M. No. 53039)

*Chief Financial Officer*

**Yashaswin Sheth**  
 (M. No. A15388)

*Company Secretary*

Mumbai, April 22, 2021

# Standalone Statement of Cash Flows for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	30,359.67	23,926.96
<b>Adjustments for :</b>		
Finance costs	520.76	611.21
Depreciation and amortisation expense	6,406.77	6,150.58
Interest income	(638.65)	(402.22)
Dividend income	(3.62)	(226.41)
Fair valuation gain on investment in Mutual fund	(295.87)	(381.45)
Gain on redemption of current investments	(1,217.81)	(156.30)
Credit balances written back	(494.15)	(430.25)
Allowance for doubtful debts (net)	538.26	696.36
Allowance for doubtful advances	-	2.40
Capital work-in-progress written off	-	26.94
Tangible assets written off	-	8.84
Impairment of Intangible assets and intangible assets under development	657.94	177.52
Bad debts	-	222.73
(Reversal) for indirect tax matters	-	(245.37)
Provision for Directors pension liability	65.50	27.87
Provision for supplemental pay	49.49	81.83
(Reversal) / Provision for gratuity	(398.09)	193.27
Provision for compensated absences	256.73	213.11
Mark-to-market loss on forward contract	72.48	3.97
Net unrealised foreign exchange loss	176.59	466.60
(Gain) on disposal of property, plant and equipment and investment property	(895.54)	(1,151.66)
<b>Operating profit before working capital changes</b>	<b>35,160.46</b>	<b>29,816.53</b>
<b>Movements in working capital:</b>		
Decrease / (Increase) in trade receivables	3,792.19	(854.43)
(Increase) in inventories	(6,399.30)	(2,382.97)
(Increase) in loans	(101.38)	(139.74)
Decrease / (Increase) in other financial assets	33.23	(184.34)
(Increase) / Decrease in other assets	(3,105.93)	2,728.59
(Decrease) / Increase in trade payables	(3,767.73)	9,763.03
Increase / (Decrease) in other financial liabilities	4,199.38	(1,403.45)
(Decrease) / Increase in other liabilities	(730.47)	2,092.41
<b>Cash Generated from Operations</b>	<b>29,080.45</b>	<b>39,435.63</b>
Income taxes paid (Net of refunds)	(7,456.42)	(5,636.10)
<b>Net Cash Flows Generated from Operating Activities (A)</b>	<b>21,624.03</b>	<b>33,799.53</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	497.40	392.78
Dividend received	3.62	226.41
Purchase of current investments	(63,002.70)	(71,341.79)
Proceeds from sale of long term investments	63.08	-
Proceeds from sale of current investments	66,354.13	52,560.26
Payments for purchase of property , plant and equipment (including adjustments on account of capital work-in-progress, capital creditors and capital advances)	(14,277.39)	(6,197.21)
Payments for intangible assets	(2,571.70)	(1,662.93)
Proceeds from disposal of property , plant and equipment and investment property	1,065.45	1,297.00
Investments in bank deposits	(4,287.47)	133.10
<b>Net Cash Flows (Used In) Investing Activities (B)</b>	<b>(16,155.58)</b>	<b>(24,592.37)</b>



# Standalone Statement of Cash Flows for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of long-term borrowings (including current maturities)	(411.40)	(398.97)
Proceeds from short-term borrowings	6,833.64	28,900.00
Repayment of short-term borrowings	(6,383.64)	(28,050.00)
Repayment of finance lease obligations	(1,687.70)	(1,684.11)
Dividend paid on equity shares (including dividend distribution tax)	(4,878.13)	(5,873.47)
Interest paid	(230.41)	(347.16)
Bank balances in dividend account	15.58	12.41
<b>Net Cash Flows (Used In) Financing Activities (C)</b>	<b>(6,742.06)</b>	<b>(7,441.30)</b>
<b>Net (Decrease) / Increase in Cash And Cash Equivalents (A) + (B) + (C)</b>	<b>(1,273.61)</b>	<b>1,765.85</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		
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)
<b>Cash and Cash Equivalents as Per Note 13.1</b>	<b>2,173.77</b>	<b>407.92</b>
<b>Net Cash and cash equivalents as per Cash flow statement</b>	<b>900.16</b>	<b>2,173.77</b>
<b>Cash and Cash Equivalents at the End of the Year</b>		
Cash in hand	1.91	3.05
Balances with banks in current account and deposit account	903.02	4,582.51
Bank overdrafts and cash credit facility (secured)*	(4.77)	(2,411.79)
<b>Cash and Cash Equivalents as per Note 13.1</b>	<b>900.16</b>	<b>2,173.77</b>
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Opening balances</b>		
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
<b>Movements</b>		
Long-term borrowings (including current maturities)	(411.40)	(398.97)
Short-term borrowings (excluding bank overdrafts and cash credit facility)	450.00	850.00
<b>Closing balances</b>		
Long-term borrowings (including current maturities)	1,156.34	1,567.74
Short-term borrowings (excluding bank overdrafts and cash credit facility)	3,000.00	2,550.00

\*Bank overdrafts and cash credit facility are part of cash management system of the Company. Hence, considered as part of cash and cash equivalents.

See accompanying notes to the standalone financial statements

1 to 51

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

**Tarun Kinger**  
 Partner  
 Membership No. 105003

Mumbai, April 22, 2021

**For and on behalf of the Board of Directors of Rallis India Limited**

**Sanjiv Lal**  
 (DIN: 08376952)

*Managing Director & CEO*

**R. Mukundan**  
 (DIN: 00778253)

*Director*

**Ashish Mehta**  
 (M. No. 53039)

*Chief Financial Officer*

**Yashaswin Sheth**  
 (M. No. A15388)

*Company Secretary*

Mumbai, April 22, 2021

# Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

## 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 31 March 2021.

The standalone financial statements for the year ended 31 March, 2021 were approved by the Board of Directors and authorised for issue on 22 April, 2021.

During the previous 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 45(a) and 45 (b) to the standalone financial statements.

During the year, subsidiary of the company (Rallis chemistry exports Ltd) received approval for removal of its name from the register of companies wef 29th March, 2021 and stands dissolved with effect from the said date.

During the year, another subsidiary (P T Metahelix Life Sciences Indonesia) got business cancellation approval on Dt. 19th March 2021.

## 2. Recent pronouncements

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

### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### Statement of profit and loss:

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

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

## 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



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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.

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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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

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



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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
Technical Know how	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

The Company has adopted Ind AS 116 effective from 1 April 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 31 March 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 time in exchange for consideration. To assess whether a contract conveys the

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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. 1 April 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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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 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

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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.

Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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 judgments and key sources of estimation uncertainty

The preparation of the standalone financial statements in conformity with the Ind AS requires management to make judgments, 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 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, 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:



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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.

### Employee benefit obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Provisions and contingencies

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the standalone financial statements. Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

### Impairment of investment in subsidiaries and goodwill

The Company reviews its carrying value of investment in subsidiaries and goodwill carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount,

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

the impairment loss is accounted for in the standalone statement of profit and loss.

### Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

### Impairment of 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 debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables the Company applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised upon initial recognition of the receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company reviews its carrying value of investment in subsidiaries and goodwill carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the standalone statement of profit and loss.

### Impairment of PPE, CWIP and intangible assets

The carrying values of assets / cash generating units ('CGU') at each balance sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets / CGU is estimated and in case the carrying amount of

these assets exceeds their recoverable amount, an impairment loss is recognised in the Standalone Statement of Profit and Loss. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each balance sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, consequent to which such reversal of impairment loss is recognised in the Standalone Statement of Profit and Loss.

### Impairment of 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 other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes and duties. 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.

### 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



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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. 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.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial 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.

### Changes in significant accounting policies for FY 2019-20

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.

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, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 4 (a): Property, plant and equipment and capital work-in-progress

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Freehold land	1,751.58	187.01
Leasehold land	1,911.27	1,935.40
Leasehold improvements	367.28	114.62
Buildings	11,082.15	11,310.57
Plant and equipment	23,704.53	22,110.99
Furniture and fixtures	210.20	220.21
Vehicles	34.28	44.70
Office equipments	184.78	154.00
	<b>39,246.07</b>	<b>36,077.50</b>
Capital work-in-progress*	10,571.20	2,875.71
*7,695.25 Lacs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.		
	<b>49,817.27</b>	<b>38,953.21</b>

### 4 (b): Right-of-use asset

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Vehicles	443.49	839.23
Plant and equipment	83.91	104.02
Buildings	2,338.91	1,464.68
Leasehold land	300.68	210.61
Office Equipments	6.93	25.50
	<b>3,173.92</b>	<b>2,644.04</b>

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, 2021

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 March 31, 2021
	Balance as at April 1, 2020	Additions	Deductions/ Reclassification	Reclassification from / (to) from investment property	Balance as at March 31, 2021	Reclassification from / (to) from investment property	Deductions/ Reclassification from / (to) assets held for sale	Reclassification from / (to) from investment property	
Freehold land	187.01	1,564.57	-	-	1,751.58	-	-	-	1,751.58
	187.01	-	-	-	187.01	-	-	-	187.01
Leasehold land	2,275.75	-	-	-	2,275.75	340.35	24.13	-	364.48
	2,275.75	-	-	-	2,275.75	316.23	24.12	-	340.35
Leasehold improvements	165.11	257.51	-	-	422.62	50.49	4.85	-	55.34
	165.11	-	-	-	165.11	48.25	2.24	-	50.49
Buildings	14,747.38	689.82	44.05	-	15,393.15	3,436.81	901.79	27.60	4,311.00
	14,621.07	161.65	5.79	15.60	14,747.38	2,541.52	899.15	1.18	3,436.81
Plant and equipment	36,239.20	5,028.29	1,140.78	-	40,126.71	14,128.21	3,315.77	1,021.80	16,422.18
	33,306.39	3,042.03	1,092.2	-	36,239.20	11,075.09	3,145.49	92.37	14,128.21
Furniture and fixtures	570.87	57.00	44.35	-	583.52	350.66	51.13	28.47	373.32
	526.82	44.12	0.07	-	570.87	302.92	47.81	0.07	350.66
Vehicles	56.57	-	1.20	-	55.37	11.87	10.42	1.20	21.09
	14.23	42.34	-	-	56.57	2.71	9.16	-	11.87
Office equipments	411.98	98.06	23.00	-	487.04	257.98	61.65	17.36	302.27
	359.70	63.34	11.06	-	411.98	216.97	51.74	10.73	257.98
Equipment under finance lease	36.74	-	-	-	36.74	-	-	-	-
	36.74	-	-	-	36.74	-	-	-	-
<b>Total</b>	<b>54,653.87</b>	<b>7,695.25</b>	<b>1,253.38</b>	<b>-</b>	<b>61,095.74</b>	<b>18,576.37</b>	<b>4,369.74</b>	<b>1,096.43</b>	<b>21,849.68</b>
	51,492.82	3,333.48	162.88	15.60	54,653.87	14,516.96	4,179.71	117.62	18,576.37
			(45.15)					(4.72)	

#### footnotes:

- Cost of buildings includes cost of 10 shares (March 31, 2020 - 10 shares) of ₹ 50 each fully paid in respect of ownership flats in 2 (March 31, 2020 - 2 flats) Co-operative Societies.
- Buildings include assets carried at ₹ 0.69 lakhs (March 31, 2020 ₹ 0.76 lakhs) where the conveyance in favor of the Company has not been completed.
- Plant and equipment includes general plant and machinery, electrical installations and equipments, laboratory equipments and computers and data processing units.
- Leasehold land include assets carried at ₹ 1,417.85 lakhs (as at March 31, 2020 ₹ 1,434.56 lakhs) for which the Company is in process of obtaining an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.
- Plant and equipment includes a unit having carrying cost of ₹ 898.95 lakhs (March 31, 2020 ₹ 629.56 lakhs) and land and building with a carrying cost of ₹ 752.63 lakhs (March 31, 2020 ₹ 764.85 lakhs) are subject to first charge to secure two of the Company's bank loans and other corporate body.
- The Company has not capitalised any borrowing cost during the current year (March 31, 2020 - Nil).
- The Company has recognised an impairment loss of ₹ Nil during the current year (March 31, 2020 - ₹ 8.84 lakhs).
- The figures in italics are for the previous year.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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, 2020	Change in Accounting Policy	Additions	Deductions/Reclassification	As at March 31, 2021	As at April 1, 2020	Change in Accounting Policy	Charge for the year	Deductions/Reclassification	IND AS 38 capitalization	As at March 31, 2021	As at March 31, 2021
Vehicles	2,019.26	-	-	712.93	1,306.33	1,180.03	-	395.74	712.93	-	862.84	443.49
	-	1,789.36	229.90	-	2,019.26	-	690.08	489.95	-	-	1,180.03	839.23
Plant and Equipment	168.46	-	-	-	168.46	64.44	-	20.11	-	-	84.55	83.91
	-	168.46	-	-	168.46	-	44.28	20.16	-	-	64.44	104.02
Buildings	3,250.35	-	1,033.73	446.76	3,837.32	1,785.67	-	942.80	1,230.07	-	1,498.40	2,338.92
	-	2,908.25	342.10	-	3,250.35	-	1,002.91	782.76	-	-	1,785.67	1,464.68
Leasehold land	349.57	-	231.68	33.73	547.52	138.96	-	45.48	2.27	64.67	246.84	300.68
	-	185.60	163.97	-	349.57	-	60.14	78.82	-	-	138.96	210.61
Office Equipments	74.35	-	-	33.39	40.96	48.85	-	18.57	33.39	-	34.03	6.93
	-	74.35	-	-	74.35	-	30.22	18.63	-	-	48.85	25.50
<b>Total</b>	<b>5,861.99</b>	<b>-</b>	<b>1,265.41</b>	<b>1,226.81</b>	<b>5,900.59</b>	<b>3,217.95</b>	<b>-</b>	<b>1,422.70</b>	<b>1,978.66</b>	<b>64.67</b>	<b>2,726.66</b>	<b>3,173.93</b>
	-	5,126.02	735.97	-	5,861.99	-	1,827.63	1,390.32	-	-	3,217.95	2,644.04

#### footnotes:

- The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss Note 32.
- The Company's obligations under finance leases are secured by the lessor's title to the leased assets.
- Refer Note no. 36 "Leases" for Right-of-use Assets movement.
- The figures in italics are for the previous year.

### 5: Investment property

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Freehold land	-	-
Buildings	12.40	12.82
<b>Total</b>	<b>12.40</b>	<b>12.82</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 5: Investment property (continued)

Description	Gross block						Accumulated depreciation						Carrying amount	
	Balance as at April 1, 2020	Additions	Deductions	Transfer to Property, Plant and Equipment	Transfer to Assets held for sale	Balance as at March 31, 2021	Balance as at April 1, 2020	Charge for the year	Deductions	Transfer to Property, Plant and Equipment	Transfer to Assets held for sale	Balance as at March 31, 2021	Balance as at March 31, 2021	
Freehold land	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<i>244.91</i>	-	-	-	<i>244.91</i>	-	-	-	-	-	-	-	-	
Buildings	<b>14.90</b>	-	-	-	-	<b>14.90</b>	<b>2.08</b>	<b>0.42</b>	-	-	-	<b>2.50</b>	<b>12.40</b>	
	<i>337.19</i>	-	<i>149.90</i>	<i>15.60</i>	<i>156.79</i>	<i>14.90</i>	<i>32.24</i>	<i>4.65</i>	<i>17.42</i>	<i>2.04</i>	<i>15.35</i>	<i>2.08</i>	<i>12.82</i>	
<b>Total</b>	<b>14.90</b>	-	-	-	-	<b>14.90</b>	<b>2.08</b>	<b>0.42</b>	-	-	-	<b>2.50</b>	<b>12.40</b>	
	<i>582.10</i>	-	<i>149.90</i>	<i>15.60</i>	<i>401.70</i>	<i>14.90</i>	<i>32.24</i>	<i>4.65</i>	<i>17.42</i>	<i>2.04</i>	<i>15.35</i>	<i>2.08</i>	<i>12.82</i>	

#### footnotes:

- Buildings includes 2 flats (March 31, 2020 - 2 flats) which are classified as Investment property by the Company in accordance with IND AS-40 "Investment Property".
- Cost of buildings includes cost of 2 shares (March 31, 2020- 2 shares) of ₹ 100 each fully paid in respect of ownership flats in 2 (March 31, 2020- 2 flats) Co-operative Societies.
- The Company has not capitalised any borrowing cost during the current year (March 31, 2020 - Nil).
- The Company has not recognised any impairment loss during the current year (March 31, 2020 - Nil).
- Total fair value of Investment Property is ₹ 635.22 lakhs (March 31, 2020 ₹ 553.85 lakhs). Refer footnote (a) and (b).
- The figures in italics are for the previous year.

#### (a) Fair Value Hierarchy

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.

#### (b) 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. The Company has not earned any material rental income on the above properties.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 6 (a): Intangible assets

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amount of:</b>		
Goodwill on Amalgamation	19,582.31	19,582.31
	<b>19,582.31</b>	<b>19,582.31</b>

Goodwill includes amount of ₹ 16,522.26 lakhs (March 31, 2020 ₹ 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, 2020 5.00%) annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 14.64 % ( March 31, 2020 11.33%).

Goodwill of ₹ 3,060.05 lakhs (March 31, 2020 ₹ 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, 2020 5.00%) annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 14.64 % ( March 31, 2020 11.33%).

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, 2021	As at March 31, 2020
<b>Carrying amount of:</b>		
Product registrations	508.17	377.99
Computer software	278.62	80.90
Technical Knowhow	296.62	507.20
	<b>1,083.41</b>	<b>966.09</b>
Intangible assets under development (Net of impairment)*	5,877.18	4,694.65
*731.23 Lacs has been capitalised and transferred to Other Intangible assets during the year ended March 31, 2021.		
	<b>6,960.59</b>	<b>5,660.74</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 6 (b) : Other Intangible assets (continued)

Description	Gross block				Accumulated amortisation				Carrying amount
	Balance as at April 1, 2020	Additions	Deductions	Balance as at March 31, 2021	Balance as at April 1, 2020	Charge for the year	Deductions	Balance as at March 31, 2021	Balance as at March 31, 2021
Product registrations	<b>1,259.33</b>	<b>294.80</b>	-	<b>1,554.13</b>	<b>881.34</b>	<b>164.62</b>	-	<b>1,045.96</b>	<b>508.17</b>
	<i>1,016.63</i>	<i>242.70</i>	-	<i>1,259.33</i>	<i>782.20</i>	<i>99.14</i>	-	<i>881.34</i>	<i>377.99</i>
Licences and commercial rights	<b>609.70</b>	-	-	<b>609.70</b>	<b>609.70</b>	-	-	<b>609.70</b>	-
	<i>609.70</i>	-	-	<i>609.70</i>	<i>609.70</i>	-	-	<i>609.70</i>	-
Computer software	<b>243.45</b>	<b>230.58</b>	-	<b>474.03</b>	<b>162.55</b>	<b>32.86</b>	-	<b>195.41</b>	<b>278.62</b>
	<i>210.53</i>	<i>32.92</i>	-	<i>243.45</i>	<i>136.66</i>	<i>25.89</i>	-	<i>162.55</i>	<i>80.90</i>
Technical Knowhow	<b>2,384.11</b>	<b>205.85</b>	-	<b>2,589.96</b>	<b>1,876.91</b>	<b>416.43</b>	-	<b>2,293.34</b>	<b>296.62</b>
	<i>2,086.09</i>	<i>298.02</i>	-	<i>2,384.11</i>	<i>1,426.04</i>	<i>450.87</i>	-	<i>1,876.91</i>	<i>507.20</i>
<b>Total</b>	<b>4,496.59</b>	<b>731.23</b>	-	<b>5,227.82</b>	<b>3,530.50</b>	<b>613.91</b>	-	<b>4,144.41</b>	<b>1,083.41</b>
	<i>3,922.95</i>	<i>573.64</i>	-	<i>4,496.59</i>	<i>2,954.60</i>	<i>575.90</i>	-	<i>3,530.50</i>	<i>966.09</i>

#### footnotes:

1. The Company has not capitalised any borrowing cost during the current year (March 31, 2020- Nil).
2. The Company has recognised impairment loss during the current year ₹ 52.30 lakhs (March 31, 2020 - ₹ Nil).
3. The Company has internally developed Seed development technology for producing hybrid seeds, which is Technical Knowhow. The Carrying amount of Seed development technology of ₹ 296.62 lakhs (March 31, 2020 ₹ 507.20 lakhs) will be fully amortized 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, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 7: Investments

	Nominal value (in ₹)	No. of shares	As at March 31, 2021	No. of shares	As at March 31, 2020
<b>Non-current</b>					
<b>Quoted equity instruments (all fully paid)</b>					
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>					
Spartek Ceramics India Ltd.#	10	7,226	-	7,226	-
Nagarjuna Finance Ltd.#	10	400	-	400	-
Pharmaceuticals Products of India Limited#	10	10,000	-	10,000	-
Balasure Alloys Ltd.	5	504	0.05	504	0.04
J.K. Cement Ltd.	10	44	0.84	44	0.41
<b>Total aggregate quoted investments</b>		<b>A</b>	<b>0.89</b>	<b>A</b>	<b>0.45</b>
<b>A) Investments carried at fair value through other comprehensive income (FVTOCI)</b>					
Gk Chemicals and Fertilizers Limited (formerly known as Aich Aar Chemicals Pvt. Ltd.)#	10	1,24,002	-	1,24,002	-
Biotech Consortium India Ltd.	10	50,000	5.00	50,000	5.00
Indian Potash Ltd.	10	1,08,000	1.80	1,08,000	1.80
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	4,63,271	275.19	5,68,414	337.64
Amba Trading & Manufacturing Company Private Ltd.	10	1,30,000	-	1,30,000	-
Associated Inds. (Assam) Ltd.#	10	30,000	-	30,000	-
Uniscans & Sonics Ltd.#	10	96	-	96	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. \$ 2 each)#		21,00,000	-	21,00,000	-
<b>Total aggregate unquoted investments</b>		<b>B</b>	<b>316.79</b>	<b>B</b>	<b>379.24</b>
<b>Total non-current investments</b>		<b>(A+B)</b>	<b>317.68</b>	<b>(A+B)</b>	<b>379.69</b>

**footnote:**

# Amount is less than ₹ 0.01 lakh.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

Current	Units	As at March 31, 2021	Units	As at March 31, 2020
<b>Investment in mutual funds - unquoted</b>				
<b>Investments carried at fair value through profit and loss (FVTPL)</b>				
ICICI Prudential Liquid Fund - Regular Plan - Growth	1,460.12	4.42	14,29,432.34	4,181.09
TATA Liquid Fund - Direct Plan - Growth	4,841.08	157.22	-	-
ICICI Overnight Fund - Direct Plan - Growth	11,75,064.24	1,304.10	-	-
Kotak Saving Fund - Regular Plan - Growth	88,15,376.19	2,973.48	1,38,99,158.75	4,460.73
SBI Low Duration Fund - Regular Plan - Growth	1,06,759.80	2,936.31	-	-
TATA Treasury Adv. Fund - Regular Plan - Growth	1,33,305.39	4,098.50	-	-
Nippon Money Market Fund - Direct Plan - Growth	1,16,822.59	3,762.56	-	-
Kotak Saving Fund - Regular Plan - Growth	3,14,624.70	106.12	-	-
HDFC Money Market Fund - Zwl - Regular Plan - Growth	41,301.57	1,824.96	41,301.57	1,723.94
TATA Money Market Fund - Regular Plan - Growth	68,717.94	2,501.32	-	-
ICICI Money Market Fund - Regular Plan - Growth	3,07,143.81	900.15	-	-
UTI Treasury Adv Fund - Regular Plan - Growth	1,65,818.22	4,337.22	-	-
DSP Low Duration Fund - Regular Plan - Growth	2,01,17,991.39	3,123.31	-	-
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
Kotak Liquid Regular Plan - Growth	-	-	31,502.27	1,260.24
Tata Liquid Fund - Regular Plan - Growth	-	-	1,31,049.78	4,080.28
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
<b>Total current investments</b>	<b>C</b>	<b>28,029.67</b>	<b>C</b>	<b>29,867.42</b>
<b>Aggregate book value of quoted investments</b>		<b>0.89</b>		<b>0.45</b>
<b>Aggregate market value of quoted investments</b>		<b>0.89</b>		<b>0.45</b>
<b>Aggregate carrying value of unquoted investments</b>	<b>(B+C)</b>	<b>28,346.46</b>	<b>(B+C)</b>	<b>30,246.66</b>
<b>Aggregate amount of impairment in value of investments</b>		-		-

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 8: Loans\*

(Unsecured, considered good)

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Security deposits	1,008.44	907.06
<b>Total</b>	<b>1,008.44</b>	<b>907.06</b>

\*There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

### 9: Other financial assets (at amortised cost)\*

(Unsecured)

	As at March 31, 2021	As at March 31, 2020
<b>(i) Non-current</b>		
In other deposit accounts - original maturity more than 12 months	70.45	70.95
Interest accrued on fixed deposits with bank	10.32	5.56
<b>Total</b>	<b>80.77</b>	<b>76.51</b>
<b>(ii) Current</b>		
a) Unbilled revenue	85.11	50.23
b) Advances/deposits considered doubtful of recovery	3,949.00	3,949.00
Less: Provision for doubtful loans and advances	(3,949.00)	(3,949.00)
c) Interest accrued on fixed deposits with bank	159.14	22.65
d) Others (Facilitation fees and solar power income receivable)	507.55	575.66
<b>Total</b>	<b>751.80</b>	<b>648.54</b>

\*There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

### 10: Income Taxes

	As at March 31, 2021	As at March 31, 2020
<b>10.1: Income-tax assets and liabilities</b>		
<b>Income-tax assets</b>		
Advance tax (Net of provisions for tax ₹ 8,820.76 lakhs (March 31, 2020 ₹ 8,753.27 lakhs))	8,803.51	11,002.26
	<b>8,803.51</b>	<b>11,002.26</b>
<b>Income-tax liabilities</b>		
Provision for current tax (Net of advance tax ₹ 366.67 lakhs (March 31, 2020 ₹ 151.38 lakhs))	411.27	2,361.97
	<b>411.27</b>	<b>2,361.97</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>10.2: Income tax recognised in profit or loss</b>		
<b>Current tax:</b>		
Current income tax charge	7,703.28	7,106.72
Adjustments in respect of current income tax of prior years	-	(200.00)
<b>Total (A)</b>	<b>7,703.28</b>	<b>6,906.72</b>
<b>Deferred tax:</b>		
In respect of current year	(210.14)	(1,526.36)
<b>Total (B)</b>	<b>(210.14)</b>	<b>(1,526.36)</b>
<b>Income tax expense recognised in the Statement of Profit and Loss (A+B)</b>	<b>7,493.14</b>	<b>5,380.36</b>
<b>Income tax recognised in Other Comprehensive Income</b>		
Income tax expenses on remeasurements of employee defined benefit plans	(42.17)	71.79
Deferred tax expense on remeasurements of employee defined benefit plans	(1.22)	(15.48)
<b>Total tax expense recognised in Other Comprehensive Income</b>	<b>(43.39)</b>	<b>56.31</b>

### Reconciliation of the tax expense and the accounting profit for the year is as follows:-

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	30,359.67	23,926.96
Income tax expense calculated @25.17% (PY @ 34.944%)	7,641.53	8,361.04
Effect of income that is exempt from taxation	(450.21)	(531.84)
Effect of expenses that are not deductible in determining taxable profit	110.62	297.10
Effect of expenses that are deductible in determining taxable profit	(4.17)	(79.95)
Effect of concessions (research & developments and others allowances)	(498.43)	(1,132.06)
Effect of Intangible asset writeoff	165.60	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	0.00	(209.28)
Effect of lower tax rates for the long term capital gain	(8.25)	(6.67)
Impact of changes in tax rate	-	(1,327.03)
Others	536.51	209.05
	<b>7,493.20</b>	<b>5,580.36</b>
Adjustments recognised in the current year in relation to the current tax of prior years	-	(200.00)
<b>Income tax expense recognised in the Standalone Statement of Profit and Loss</b>	<b>7,493.20</b>	<b>5,380.36</b>

### Income tax expense recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurement of employee defined benefit liability/(asset)		
Before tax amount	174.73	(241.55)
Tax (expense) benefit	(43.39)	56.31
<b>Net of tax</b>	<b>131.34</b>	<b>(185.24)</b>
Fair value of equity instruments through other comprehensive income	1.08	0.85
<b>Net of tax</b>	<b>1.08</b>	<b>0.85</b>
<b>Total other comprehensive income (net of taxes)</b>	<b>132.42</b>	<b>(184.39)</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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

	As at March 31, 2021	As at March 31, 2020
a. Raw materials (including goods-in-transit of ₹ 2,125.69 lakhs; (March 31, 2020 ₹ 6,347.38 lakhs)	17,868.58	18,374.78
b. Work-in-progress (including intermediate goods)	5,102.10	2,818.79
c. Finished goods	46,218.35	42,250.86
d. Stock in trade (in respect of goods acquired for trading)	4,350.91	4,545.48
e. Stores and spares	961.64	596.75
f. Packing materials	1,818.23	1,333.36
<b>Total</b>	<b>76,319.81</b>	<b>69,920.02</b>

#### footnotes:

- (i) The cost of inventories recognised as an expense during the year was ₹ 1,48,770.88 lakhs ( March 31, 2020 ₹ 1,39,513.41 lakhs).
- (ii) The cost of inventories recognised as an expense includes ₹ 1,259.81 lakhs (March 31, 2020 ₹ 876.73 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 248.17 lakhs (March 31, 2020 ₹ 365.64 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. During the previous year, on account of prolonged lock down, the Company had 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, 2021 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).

### 12: Trade receivables

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Secured, considered good	682.09	863.12
Unsecured, considered good	39,946.40	44,138.71
Credit impaired	3,082.92	2,544.66
Loss allowance	(3,082.92)	(2,544.66)
<b>Total</b>	<b>40,628.49</b>	<b>45,001.83</b>

#### footnotes:

- (i) The credit period ranges from 15 days to 180 days.
- (ii) Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. Of the trade receivable balance as at March 31, 2021, receivables amounting to ₹ 8,810.62 lakhs are due from three customers (as at March 31, 2020 ₹ Nil is due from one customer) for which the credit risk 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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

(iv) Movement in the expected credit loss allowance

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the beginning of the year</b>	2,544.66	1,848.30
Less: balances written off during the year	-	222.73
Add: provision made during the year	538.26	919.09
<b>Balance at the end of the year</b>	<b>3,082.92</b>	<b>2,544.66</b>

(v) Bank overdrafts, cash credit facility and short-term loan from bank are secured by first pari passu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 19).

### 13: Cash and bank balances

	As at March 31, 2021	As at March 31, 2020
<b>13.1: Cash and cash equivalents</b>		
a. Balances with banks in current accounts	903.02	630.34
b. Cash on hand	1.91	3.05
c. Term deposits with original maturity of less than 3 months	-	3,952.17
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>904.93</b>	<b>4,585.56</b>
Bank overdrafts and cash credit facility (secured)	(4.77)	(2,411.79)
<b>Total cash and cash equivalents as per Standalone Statement of Cash Flows</b>	<b>900.16</b>	<b>2,173.77</b>
<b>13.2: Other bank balances</b>		
a. In other deposit accounts - original maturity more than 3 months and less than 12 months	4,003.61	3.61
b. In earmarked accounts:		
i. Balances held for unpaid / unclaimed dividend accounts	146.12	162.53
ii. Bank deposits as margin money against bank guarantees - original maturity more than 3 months and less than 12 months	336.00	47.20
<b>Total other bank balances</b>	<b>4,485.73</b>	<b>213.34</b>

footnote:

The Company has not entered into non cash investing and financing activities.

### 14: Other assets

(Unsecured, considered good)

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Capital advances	700.79	1,199.47
Deposit with public bodies	210.15	233.28
Claims receivable from public bodies	537.42	547.93
Prepaid lease rental	1,967.11	2,056.85
Prepaid expenses	149.06	167.59
<b>Total</b>	<b>3,564.53</b>	<b>4,205.12</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Statutory dues receivable from government authorities		
Goods and Services Tax receivable	4,299.62	3,364.13
Export benefit receivable	702.99	1,143.16
Inventory recoverable	3,997.04	3,160.48
Advances recoverable		
Advances to suppliers	2,546.15	986.89
Less: Provision for doubtful advances	-	(2.40)
Advances to employees	275.94	571.62
Others (Receivable from Govt and gas distribution company etc.)	526.83	413.78
Prepaid lease rental	89.74	89.74
Prepaid expenses	1,446.06	909.13
<b>Total</b>	<b>13,884.37</b>	<b>10,636.53</b>

**footnote:**

Loans to employees includes ₹ Nil (2020: ₹ Nil) due from officer of the Group. Maximum balance outstanding during the year is ₹ Nil (2020 : ₹ Nil).

### 15: Assets classified as held for sale

	As at March 31, 2021	As at March 31, 2020
Freehold land	244.91	244.91
Buildings	168.91	181.87
<b>Total</b>	<b>413.82</b>	<b>426.78</b>

**footnote:**

During the previous year, the Company has reclassified certain Freehold Land (carrying amount of ₹ 244.91 lakhs) and Buildings (carrying amount ₹ 141.44 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, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 16: Share capital

	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital :</b>		
500,000,000 (March 31, 2020 500,000,000) equity shares of ₹ 1 each with voting rights	5,000.00	5,000.00
150,000,000 (March 31, 2020 150,000,000) preference shares of ₹ 10 each	15,000.00	15,000.00
28,887,800 (March 31, 2020 Nil) equity shares of ₹ 10 each with voting rights	2,888.78	-
<b>Issued, subscribed and paid up capital comprises:</b>		
<b>Issued shares</b>		
194,470,890 (March 31, 2020 194,470,890) equity shares of ₹ 1 each	1,944.71	1,944.71
<b>Subscribed and fully paid up</b>		
194,468,890 (March 31, 2020 194,468,890) equity shares of ₹ 1 each	1,944.69	1,944.69
<b>Forfeited shares</b>		
2,000 (March 31, 2020 2,000) equity shares of ₹ 1 each	0.02	0.02
	<b>1,944.71</b>	<b>1,944.71</b>

#### footnotes:

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Fully paid equity shares	Number of shares	Amount of share capital
Balance at March 31, 2020	19,44,68,890	1,944.69
Movements during the year	-	-
<b>Balance at March 31, 2021</b>	<b>19,44,68,890</b>	<b>1,944.69</b>

b. The Company has issued one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of shares held by the Holding Company

	Number of fully paid equity shares	Amount of share capital
<b>Tata Chemicals Limited</b>		
As at March 31, 2020	9,73,41,610	973.42
<b>As at March 31, 2021</b>	<b>9,73,41,610</b>	<b>973.42</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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

	Number of fully paid equity shares	% holding of equity shares
Tata Chemicals Limited		
As at March 31, 2020	9,73,41,610	50.06%
<b>As at March 31, 2021</b>	<b>9,73,41,610</b>	<b>50.06%</b>
Rakesh Jhunjhunwala		
As at March 31, 2020	1,93,05,820	9.93%
<b>As at March 31, 2021</b>	<b>2,00,55,820</b>	<b>10.31%</b>

e. As per records of the Company as at March 31, 2021, no calls remain unpaid by the directors and officers of the Company.

### 17: Other equity

	As at March 31, 2021	As at March 31, 2020
General reserve	17,649.93	17,649.93
Securities premium	17,295.93	17,295.93
Retained earnings	1,12,849.68	94,713.53
Capital redemption reserve	8,151.77	8,151.77
Capital reserve	1,243.10	1,243.10
Reserve for equity instruments through Other Comprehensive Income	2.13	1.05
	<b>1,57,192.54</b>	<b>1,39,055.31</b>

#### 17.1: General reserve

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	17,649.93	17,649.93
<b>Balance at the end of year</b>	<b>17,649.93</b>	<b>17,649.93</b>

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### 17.2: Securities premium

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	17,295.93	17,295.93
<b>Balance at the end of year</b>	<b>17,295.93</b>	<b>17,295.93</b>

Amount received on issue of shares in excess of the par value has been classified as security share premium.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 17.3: Retained earnings

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	94,713.53	82,296.44
Other Comprehensive Income arising from remeasurement of employee defined benefit obligation (Net of taxes)	131.34	(185.24)
Profit for the year	22,866.53	18,546.60
Others	-	27.65
Leases (IND AS 116) transition effect	-	(110.86)
Payment of dividend on equity shares- Final	(4,861.72)	(4,861.72)
Payment of dividend distribution tax on equity shares-Final	-	(999.34)
<b>Balance at the end of year</b>	<b>1,12,849.68</b>	<b>94,713.53</b>

### 17.4: Capital redemption reserve

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	8,151.77	8,151.77
<b>Balance at the end of year</b>	<b>8,151.77</b>	<b>8,151.77</b>

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

### 17.5: Capital reserve

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	1,243.10	1,243.10
<b>Balance at the end of year</b>	<b>1,243.10</b>	<b>1,243.10</b>

Capital reserve includes profit on amalgamation of entities.

### 17.6: Reserve for equity instruments through Other Comprehensive Income

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	1.05	0.20
Additions during the year	1.08	0.85
<b>Balance at the end of year</b>	<b>2.13</b>	<b>1.05</b>

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in Other Comprehensive Income is transferred to retained earnings on disposal of the investment.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 18.1: Non-current borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Secured - at amortised cost</b>		
Secured loan from banks (refer note (ii) )	-	50.00
Secured loan from other corporate bodies (refer note (ii))	9.98	47.01
<b>Unsecured - at amortised cost</b>		
Term loan from bank (refer note (ii))	300.00	600.00
Loan from the Council of Scientific and Industrial Research (refer note(ii))	-	16.65
Sales tax deferral under a state government scheme (refer note(i))	468.34	522.64
<b>Total</b>	<b>778.32</b>	<b>1,236.30</b>

### Summary of borrowing arrangements

#### (i) Sales tax deferral scheme:

The loan is repayable in annual installments which ranges from a maximum of ₹ 113.11 lakhs to a minimum of ₹ 24.12 lakhs over the period stretching from April 1, 2022 to March 31, 2027. The amount outstanding is free of interest.

The balance outstanding as at March 31, 2021 is ₹ 522.64 lakhs (March 31, 2020 ₹ 554.08 lakhs) of which ₹ 54.30 lakhs (March 31, 2020 ₹ 31.44 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, 2021

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from other corporate bodies	25.38	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, 2021 is ₹ 25.38 lakhs which is repayable along with interest in remaining 4 equal half yearly installments for project ended on July 2017 (Maize) of which ₹ 15.40 lakhs has been grouped under note 22 other current financial liabilities, which are payable in next 12 months.	2.00%
Unsecured term loan from bank	600.00	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, 2021 is ₹ 600 lakhs of which ₹ 300 lakhs has been grouped under note 22 Other current financial liabilities, which are payable in next 12 months.	7.35% to 8.35%
Loan from the Council of Scientific and Industrial Research	8.32	Term loan from Council of Scientific and Industrial Research: The balance payable as on March 31, 2021 is ₹ 8.32 lakhs. The same is repayable along with interest in 1 annual installment and has been grouped under note 22 other current financial liabilities, which are payable in next 12 months.	3.00%



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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. Out of the balance outstanding as at March 31, 2020 ₹ 50.00 lakhs has been grouped under other current financial liabilities which are payable in next 12 months.	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). Out of the balance outstanding as at March 31, 2020 ₹ 21.63 lakhs has been grouped under other current financial liabilities which are payable in next 12 months.	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. Out of the balance outstanding as at March 31, 2020 ₹ 8.32 lakhs has been grouped under other current financial liabilities which are payable in next 12 months.	3.00%

### 18.2: Lease liabilities

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Lease liabilities (refer note 36)	2,155.34	1,438.70
<b>Total</b>	<b>2,155.34</b>	<b>1,438.70</b>
<b>Current</b>		
Lease liabilities (refer note 36)	1,244.62	1,392.43
<b>Total</b>	<b>1,244.62</b>	<b>1,392.43</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 19: Current borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
Loans repayable on demand from banks		
Bank overdrafts and cash credit facility (refer note (i) and (ii))	4.77	2,411.79
Short-term loan from bank (refer note (iii))	3,000.00	2,550.00
<b>Total</b>	<b>3,004.77</b>	<b>4,961.79</b>

#### footnotes:

- (i) These bank overdrafts and cash credit facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 12).
- (ii) The weighted average effective interest rate on the bank loans is 7.12% p.a.(for March 31, 2020 8.50 % p.a.).
- (iii) **The terms of short-term loan is stated below**

#### As at March 31, 2021

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)	3,000.00	The loan is repayable in 270 days from the date of availment	4.23%

#### 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%

### 20: Deferred tax balances

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

	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities	4,952.02	4,473.63
Deferred tax assets	(2,423.19)	(1,733.47)
<b>Total</b>	<b>2,528.83</b>	<b>2,740.16</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

2020-21-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	(1,035.03)	-	(133.14)	-	-	(1,168.17)
Creation of Deferred tax assets on account of IND AS 116 "Leases"	(45.73)	-	7.73	-	-	(38.00)
Impact of 43B Disallowances	(6.68)	-	(95.02)	-	0.02	(101.68)
Defined benefit obligation	(362.46)	-	(13.06)	(1.22)	(0.12)	(376.86)
On unused tax losses	(0.16)	-	-	-	0.16	(0.00)
Impairment of subsidiary	(97.46)	-	24.50	-	(0.01)	(72.97)
Tax adjustment on account of indexation of land	(105.91)	-	(8.10)	-	(0.01)	(114.02)
Long-term capital loss on sale of equity instrument	(543.46)	-	-	-	(0.01)	(543.47)
Impact of Disallowance u/s.40(a)(i)	(0.06)	-	0.06	-	-	-
Difference between WDV as per books and income tax	3,945.85	-	6.89	-	-	3,952.74
On intangible assets	991.26	-	-	-	-	991.26
<b>Total</b>	<b>2,740.16</b>	<b>-</b>	<b>(210.14)</b>	<b>(1.22)</b>	<b>0.03</b>	<b>2,528.83</b>

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 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)
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)	(0.00)
<b>Total</b>	<b>1,535.29</b>	<b>(56.65)</b>	<b>(1,526.36)</b>	<b>15.48</b>	<b>2,772.40</b>	<b>2,740.16</b>

\* includes utilization of MAT credit.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 21: Trade payables

	As at March 31, 2021	As at March 31, 2020
<b>Trade payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 46)	1,734.61	369.13
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	46,225.32	46,771.79
(iii) Other payables	11,645.56	16,592.27
<b>Total</b>	<b>59,605.49</b>	<b>63,733.19</b>

### 22: Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
(a) Current maturity of long-term borrowings (refer note 18.1)		
Term loan from bank	300.00	300.00
Others	78.02	31.44
(b) Interest accrued but not due on non-current borrowings	8.96	23.31
(c) Unclaimed dividends (refer footnote)	146.44	162.85
(d) Derivative liabilities		
Forward exchange contracts for hedging	72.48	3.97
(e) Others		
Creditors for capital purchases	863.54	248.86
Customer deposits	2,275.95	2,149.17
Amounts due to customers	10,733.78	6,657.21
<b>Total</b>	<b>14,479.17</b>	<b>9,576.81</b>

#### footnote:

All amounts required to be transferred to the Investor Education and Protection Fund by the Company have been transferred within the time prescribed for the same, except in cases of disputes relating to the ownership of the underlying shares that have remained unresolved amounting to ₹ 0.26 lakhs (as at March 31, 2020 ₹ 0.26 lakhs).

### 23: Provisions

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Supplemental pay (refer note 2)	1,568.69	1,515.97
Directors pension liability (refer note 2)	756.53	691.03
Gratuity (refer note 2)	-	187.83
Compensated absences (refer note 2)	361.28	169.91
<b>Total</b>	<b>2,686.50</b>	<b>2,564.74</b>
<b>Current</b>		
Supplemental pay (refer note 2)	148.45	151.68
Directors pension liability (refer note 2)	59.76	59.76
Gratuity (refer note 2)	26.22	367.27
Compensated absences (refer note 2)	1,149.78	1,084.42
Provisions for indirect taxes (refer note 1)	41.95	41.95
<b>Total</b>	<b>1,426.16</b>	<b>1,705.08</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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 in respect of certain indirect tax matters in dispute which, as at the year-end, aggregates ₹ 41.95 lakhs ( as at March 31, 2020 ₹ 41.95 lakhs). The movement during the year is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance as at April 1	41.95	237.32
Additional provisions made during the year	-	29.95
<b>Total</b>	<b>41.95</b>	<b>267.27</b>
Utilization during the year	-	225.32
<b>Closing Balance as at March 31</b>	<b>41.95</b>	<b>41.95</b>

Due to the numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The 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, 2021	As at March 31, 2020
<b>Non-current</b>		
Deferred revenue	8.30	9.82
<b>Total</b>	<b>8.30</b>	<b>9.82</b>
Provident fund and other employee deductions	260.26	259.74
Goods and Services Tax payable	36.69	55.97
Other taxes (other than income tax payable)	8.80	91.28
Tax deducted at source	218.88	243.25
Advance received from customers	10,486.01	10,518.79
Payable to employees	130.36	650.72
Other liabilities (payable towards past acquisition etc.)	133.02	183.02
<b>Total</b>	<b>11,274.02</b>	<b>12,002.77</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 25: Revenue from operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products (refer note 35 and 44)	2,41,845.65	2,23,773.60
Sale of services	57.50	51.44
Other operating income	1,040.34	1,324.78
<b>Total</b>	<b>2,42,943.49</b>	<b>2,25,149.82</b>

### 26: Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>a) Interest income</b>		
Interest Income on bank deposits carried at amortised cost	286.83	73.20
Interest income on security deposits carried at amortised cost	351.82	345.11
Interest income on income tax refund received	8.84	39.62
<b>b) Dividend income</b>		
Dividend on current investment in mutual fund carried at FVTPL	0.00	224.79
Dividend from equity instruments measured at FVTOCI	3.62	1.62
<b>c) Fair value of investment</b>		
Fair value of investment - realized	1,217.81	353.61
Fair value of investment - unrealized	295.87	381.45
<b>d) Other non-operating income</b>		
Insurance claim	651.77	9.85
Rental income	28.60	55.76
Export benefits	798.32	1,412.27
Miscellaneous income	400.38	526.37
<b>e) Other gains and losses</b>		
Profit on disposal of property, plant and equipment (Net)	-	9.33
<b>Total</b>	<b>4,043.86</b>	<b>3,432.98</b>

### 27: Cost of materials consumed

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year	18,374.78	18,506.44
Add: Purchases	1,32,347.30	1,21,448.36
	<b>1,50,722.08</b>	<b>1,39,954.80</b>
Less: Inventories at end of year	17,868.58	18,374.78
Cost of raw materials and components consumed	<b>1,32,853.50</b>	<b>1,21,580.02</b>
Packing materials consumed	7,901.77	6,513.17
<b>Total</b>	<b>1,40,755.27</b>	<b>1,28,093.19</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 28: Purchases of stock-in-trade

	For the year ended March 31, 2021	For the year ended March 31, 2020
Agri Inputs	13,659.10	14,121.26
<b>Total</b>	<b>13,659.10</b>	<b>14,121.26</b>

### 29: Changes in inventories of finished goods, stock-in-trade and work in-progress

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening stock</b>		
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
	<b>49,615.13</b>	<b>46,914.09</b>
<b>Closing stock</b>		
Finished goods - own manufactured	46,218.35	42,250.86
Stock-in-trade	4,350.91	4,545.48
Work in-progress (including intermediate goods)	5,102.10	2,818.79
	<b>55,671.36</b>	<b>49,615.13</b>
Movement in inventory recoverable	(836.56)	(629.36)
<b>Net (Increase)/decrease</b>	<b>(6,892.79)</b>	<b>(3,330.40)</b>

### 30: Employee benefits expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus		
Wages and salaries	15,669.09	14,898.79
Allowances	3,536.96	2,674.83
Compensated absences	370.63	308.27
Contribution to provident and other funds (refer note 37)	885.75	831.42
Staff welfare expenses	1,137.75	1,224.08
<b>Total</b>	<b>21,600.18</b>	<b>19,937.39</b>

### 31: Finance costs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on long-term loan from bank	59.22	91.09
Interest on bank overdrafts, cash credit facility and short-term loan from bank	156.84	248.39
Interest on lease liabilities	304.70	271.73
<b>Total</b>	<b>520.76</b>	<b>611.21</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 32: Depreciation and amortisation expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 4 (a))	4,369.74	4,179.71
Depreciation of right-of-use asset (refer note 4 (b))	1,422.70	1,390.32
Depreciation of investment property (refer note 5)	0.42	4.65
Amortisation of intangible assets (refer note 6 (b))	613.91	575.90
<b>Total</b>	<b>6,406.77</b>	<b>6,150.58</b>

### 33: Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Freight, handling and packing	8,612.32	7,829.34
Travelling and conveyance	1,445.58	2,275.94
Power and fuel	5,613.04	5,936.19
Brand equity contribution	338.71	314.86
Repairs and maintenance		
Plant and equipment	1,111.38	1,141.10
Property	172.66	223.30
Others	722.70	556.08
Stores and spares consumed	855.37	792.09
Rates and taxes	633.93	225.44
Commission	39.90	39.55
Insurance charges	904.52	643.68
Rent (refer note 36)	1,278.33	1,334.35
Bank charges	156.31	365.48
Director fees and commission	366.44	292.79
Bad debts	-	222.73
Allowance for doubtful debts (Net)	538.26	696.36
Allowance for doubtful advances	-	2.40
Tangible assets written off	-	8.84
Impairment of Intangible assets and intangible assets under development	657.94	204.46
Loss on sale of property, plant and equipment (Net)	49.13	-
Selling expenses	5,825.97	4,521.52
Legal and professional fees	2,131.80	1,456.69
Net loss on foreign currency transactions and translation	289.48	1,440.19
Other expenses (refer note 43 and 47)	9,779.29	9,691.56
<b>Total</b>	<b>41,523.06</b>	<b>40,214.94</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 34: Earnings per share

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year	22,866.53	18,546.60
Weighted average number of equity shares	19,44,68,890	19,44,68,890
Basic and diluted earnings per share	11.76	9.54

### 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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Agri Inputs	2,42,699.46	2,22,446.52	27,366.77	20,811.79
Others	244.03	2,703.30	1.69	763.34
<b>Total</b>	<b>2,42,943.49</b>	<b>2,25,149.82</b>	<b>27,368.46</b>	<b>21,575.13</b>
Other income			4,043.86	3,432.98
Central administration cost, director fees and commission			(531.89)	(469.94)
Finance costs			(520.76)	(611.21)
<b>Profit before tax</b>			<b>30,359.67</b>	<b>23,926.96</b>

#### Notes:

- Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (March 31, 2020 ₹ Nil). The accounting policies of the reportable segments are the same as described in note 3.21.
- 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, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Segment assets and liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Segment assets</b>		
Agri Inputs	2,13,997.08	1,95,897.71
Others	1,431.80	1,965.37
<b>Total segment assets</b>	<b>2,15,428.88</b>	<b>1,97,863.08</b>
Assets classified as held for sale	413.82	426.78
Unallocated	42,897.34	46,433.92
<b>Total assets</b>	<b>2,58,740.04</b>	<b>2,44,723.78</b>

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Segment liabilities</b>		
Agri Inputs	89,812.75	89,172.69
Others	-	314.81
<b>Total segment liabilities</b>	<b>89,812.75</b>	<b>89,487.50</b>
Unallocated	9,790.04	14,236.26
<b>Total liabilities</b>	<b>99,602.79</b>	<b>1,03,723.76</b>

### Details of capital expenditure incurred

Particulars	As at March 31, 2021	As at March 31, 2020
Agri Inputs	8,329.09	3,905.62
Others	97.39	21.50
Unallocated	-	-
<b>Total</b>	<b>8,426.48</b>	<b>3,927.12</b>

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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Geographical information

The Company operates in two principal geographical areas - India and outside India

The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets\* by location of assets are detailed below:

Particulars	Revenue from external customers		Non-current assets*	
	For the year ended March 31, 2021	For the year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
India	1,71,397.38	1,57,156.29	92,328.35	82,487.28
Asia (Other than India)	24,674.41	36,209.65	-	-
North America	26,225.32	18,055.49	-	-
South America	13,729.51	9,048.87	-	-
Africa	1,350.78	2,929.57	-	-
Europe	5,293.39	1,673.52	-	-
Australia	272.69	76.43	-	-
	<b>2,42,943.48</b>	<b>2,25,149.82</b>	<b>92,328.35</b>	<b>82,487.28</b>

\* 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 2020-21 and 2019-20.

### 36: Leases

The Company incurred ₹ 867.09 lakhs for the year ended March 31, 2021 (March 31, 2020 ₹ 1,223.31 lakhs) 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 ₹ 79.05 lakhs (March 31, 2020 ₹ 111.04 lakhs), refer Note 32. The total cash outflow for leases is ₹ 2,243.03 lakhs for the year ended March 31, 2021 (March 31, 2020 ₹ 3,018.46 lakhs), 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 %
<b>March 31, 2021</b>						
Lease liabilities	3,399.96	1,244.62	1,032.85	1,002.87	119.62	8.35%
	<b>3,399.96</b>	<b>1,244.62</b>	<b>1,032.85</b>	<b>1,002.87</b>	<b>119.62</b>	<b>8.35%</b>
<b>March 31, 2020</b>						
Lease liabilities	2,831.13	1,392.43	670.42	652.22	116.06	8.65%
	<b>2,831.13</b>	<b>1,392.43</b>	<b>670.42</b>	<b>652.22</b>	<b>116.06</b>	<b>8.65%</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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 for previous year 2019-20

#### 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	-	<b>3,298.39</b>	<b>3,298.39</b>
Lease liabilities	-	3,465.90	3,465.90
Total liabilities	-	<b>3,465.90</b>	<b>3,465.90</b>
Retained earnings	-	(167.51)	(167.51)
Deferred tax assets	-	56.65	56.65
<b>Total equity</b>	-	<b>(110.86)</b>	<b>(110.86)</b>

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 policies relating to:			
- adoption of Ind AS 116	(19.58)	(0.01)	(0.01)

### Future lease commitments

All leases other than included above are of either low value or cancellable at the option of lessee.

## 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, 2021 ₹ 535.77 lakhs ( March 31, 2020 ₹ 483.32 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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

The Company makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company in case of certain locations. The Company is liable for contributions and any deficiency compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

These plans typically expose the Company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk

### Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

### Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.

### Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

### Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### The principal assumptions used for the purpose of actuarial valuation were as follows.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rates	6.06 % to 6.85% p.a.	5.70% to 6.83% p.a.
Expected rate of salary increase	8.00%	8.00% p.a.
Average longevity at retirement age for current beneficiaries of the plan (years)*	12 Years	8.05 Years
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	12 Years	3.5 Years to 12 Years

\*Based on Indian standard mortality table with modification to reflect expected changes in mortality.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Service cost:</b>				
Current service cost	383.60	331.02	-	-
Past service cost and loss from settlements	-	119.60	-	-
Net interest expense	35.79	15.42	165.18	177.54
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>419.39</b>	<b>466.04</b>	<b>165.18</b>	<b>177.54</b>
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	34.93	(84.15)	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	279.94	(44.58)	170.38	-
Actuarial (gain)/loss arising from changes in financial assumptions	(276.74)	251.74	(3.88)	140.51
Actuarial (gain)/loss arising from experience adjustments	(370.87)	(26.15)	(8.49)	4.18
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>(332.74)</b>	<b>96.86</b>	<b>158.01</b>	<b>144.69</b>
<b>Total</b>	<b>86.65</b>	<b>562.90</b>	<b>323.19</b>	<b>322.23</b>

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Standalone Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligations	3,836.24	3,814.99	1,717.14	1,667.65
Fair value of plan assets	3,810.01	3,259.89	-	-
<b>Funded Status [Deficit/(Surplus)]</b>	<b>26.23</b>	<b>555.10</b>	<b>1,717.14</b>	<b>1,667.65</b>
Additional provision created	-	-	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>26.23</b>	<b>555.10</b>	<b>1,717.14</b>	<b>1,667.65</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Movements in the present value of the defined benefit obligation are as follows

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	3,814.99	3,167.12	1,667.65	1,585.82
Current service cost	383.60	331.02	-	-
Past service cost	-	119.60	-	-
Interest cost	253.50	237.52	113.90	121.95
Liability Transferred In/ Acquisitions	5.69	81.86	-	-
<b>Remeasurement (gain)/loss:</b>				
Actuarial (gain)/loss arising from changes in demographic assumptions	279.94	(44.58)	105.45	-
Actuarial (gain)/loss arising from changes in financial assumptions	(276.74)	251.74	(2.20)	85.46
Actuarial (gain)/loss arising from experience adjustments	(370.87)	(25.00)	(19.22)	27.19
Benefits paid	(253.87)	(265.58)	(148.44)	(152.77)
Others	-	(38.71)	-	-
<b>Closing defined benefit obligation</b>	<b>3,836.24</b>	<b>3,814.99</b>	<b>1,717.14</b>	<b>1,667.65</b>

### Movements in the fair value of the plan assets are as follows

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening fair value of the plan assets	3,259.89	2,999.48	-	-
Interest income	217.71	222.10	-	-
<b>Remeasurement gain/(loss):</b>				
Return on plan assets (excluding amounts included in net interest expense)	(34.93)	84.15	-	-
Assets Transferred In/Acquisitions	5.69	43.14	-	-
Contributions from the employer	615.52	176.60	-	-
Benefits paid	(253.87)	(265.58)	-	-
<b>Closing fair value of plan assets</b>	<b>3,810.01</b>	<b>3,259.89</b>	<b>-</b>	<b>-</b>

The plan assets are managed by the Gratuity Trust formed by the Company. The management of funds is entrusted with the Life Insurance Corporation of India ("LIC") and Kotak Life Insurance.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Directors pension liability

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	750.79	722.92
Current service cost	51.28	55.59
<b>Remeasurement (gain)/loss:</b>		
Actuarial (gain)/loss arising from changes in demographic assumptions	64.93	
Actuarial (gain)/loss arising from changes in financial assumptions	(1.68)	55.05
Actuarial (gain)/loss arising from experience adjustments	10.72	(23.00)
Benefits paid	(59.75)	(59.77)
<b>Closing defined benefit obligation</b>	<b>816.29</b>	<b>750.79</b>

The fair value of the plan assets at the end of the reporting period for each category, are as follow:

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	12.77	13.26	-	-
<b>Investment funds with insurance Group</b>				
Traditional / unit linked	708.53	437.23	-	-
Others - LIC managed fund	3,088.72	2,809.40	-	-
<b>Total</b>	<b>3,810.02</b>	<b>3,259.89</b>	<b>-</b>	<b>-</b>

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. If the discounting rate is 100 basis point higher (lower), the defined benefit obligation would decrease by ₹ 462.16 lakhs (increase by ₹ 388.80 lakhs) (as at March 31, 2020: decrease by ₹ 532.02 lakhs (increase by ₹ 492.55 lakhs)).
2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 313.88 lakhs (decrease by ₹ 278.35 lakhs) (as at March 31, 2020: increase by ₹ 279.04 lakhs (decrease by ₹ 250.35 lakhs)).
3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 48.26 lakhs (decrease by ₹ 39.55 lakhs) (as at March 31, 2020: increase by ₹ 48.94 lakhs (decrease by ₹ 40.05 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 ₹ 33.26 lakhs (as at March 31, 2020 ₹ 367.27 lakhs) to the defined benefit plans during the next financial year.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

The defined benefit obligations shall mature after year ended March 31, 2021 as follows:

Particulars	Defined benefit obligation
<b>As at March 31,</b>	
2022	553.30
2023	461.02
2024	549.87
2025	521.27
2026	578.95
Thereafter	2,823.15

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, 2021 and March 31, 2020.

Amount recognised as expense and included in the Note 30 - in the head "Contribution to Provident and other funds" for March 31, 2021 ₹ 244.82 lakhs ( for March 31, 2020 ₹ 254.25 lakhs).

The details of provident fund and plan asset position are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Plan assets as period end	10,406.67	9,198.72
Present value of funded obligation	10,215.35	8,925.52
<b>Amount recognised in the Balance Sheet</b>	-	-

Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Guaranteed rate of return	8.50%	8.50%
Discount rate for remaining term to maturity of investments	6.41%	6.83%
Expected rate of return on investments	6.41%	7.69%

As at March 31, 2021, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 10,406.67 lakhs and ₹ 10,215.35 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 ₹ 370.63 lakhs (March 31, 2020 ₹ 308.27 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, 2021

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, 2021	As at March 31, 2020
Debt (i)	4,161.11	6,529.53
Lease liabilities (non-current and current)	3,399.96	2,831.13
Cash and bank balances	(5,390.66)	(4,798.90)
<b>Net debt</b>	<b>2,170.41</b>	<b>4,561.76</b>
<b>Total equity</b>	<b>1,59,137.25</b>	<b>1,41,000.02</b>
Net debt to equity ratio	1.36%	3.24%

- (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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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, 2021

Particulars	Carrying amount				Fair value measurement using			
	Total	FVTPL	FVTOCI	Amortised cost	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>								
Cash and cash equivalents	904.93	-	-	904.93	-	-	-	-
Other bank balances	4,485.73	-	-	4,485.73	-	-	-	-
Non-current investments (excluding investment in subsidiaries)	317.68	-	317.68	-	317.68	0.89	-	316.79
Current investments	28,029.67	28,029.67	-	-	28,029.67	-	28,029.67	-
Loans (non-current)	1,008.44	-	-	1,008.44	1,008.44	-	-	1,008.44
Other non current financial assets	80.77	-	-	80.77	80.77	-	-	80.77
Trade receivables	40,628.49	-	-	40,628.49	-	-	-	-
Other current financial assets	751.80	-	-	751.80	-	-	-	-
<b>Financial liabilities</b>								
Non-current borrowings (excluding current portion)	778.32	-	-	778.32	778.32	-	-	778.32
Lease liabilities (current and non-current portion)	3,399.96	-	-	3,399.96	3,399.96	-	-	3,399.96
Current borrowings	3,004.77	-	-	3,004.77	-	-	-	-
Trade payables	59,605.49	-	-	59,605.49	-	-	-	-
Other financial liabilities (current and non-current)	14,479.17	72.48	-	14,406.69	72.48	-	72.48	-

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, 2021

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)
<b>Financial assets</b>								
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	-	-	-	-
<b>Financial liabilities</b>								
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 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 previous year.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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

#### Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3):

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening balance</b>	379.24	378.34
Remeasurement recognised in OCI	-	-
Add: Bonus shares issued on investment	-	0.90
Less: Buy back of shares	62.45	
<b>Closing balance</b>	<b>316.79</b>	<b>379.24</b>

### Financial risk management objectives

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

The corporate treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

### Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk including:

Forward foreign exchange contracts to hedge the exchange rate risk arising on imports and exports.

### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (Foreign currency)		Assets (Foreign currency)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
In US Dollars (USD)	221.74	207.88	191.37	94.35
In Australian Dollars (AUD)	0.01	0.01	-	-
In Euro (EUR)*	-	-	0.38	-
In Japanese Yen (JPY)	995.80	676.60	-	-
In Great Britain Pound (GBP)	-	0.01	0.15	-

Particulars	Liabilities (INR)		Assets (INR)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
In US Dollars (USD)	16,211.27	15,728.91	13,991.33	7,139.19
In Australian Dollars (AUD)	0.38	0.31	-	-
In Euro (EUR)	-	0.22	32.70	-
In Japanese Yen (JPY)	658.37	471.13	-	-
In Great Britain Pound (GBP)	-	1.19	15.28	-

\* 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% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Impact on profit / (loss) and total equity

Particulars	USD impact	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	(111.00)	(429.49)
Decrease in exchange rate by 5%	111.00	429.49

Particulars	AUD impact	
	As at March 31, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
Increase in exchange rate by 5%	1.64	(0.01)
Decrease in exchange rate by 5%	(1.64)	0.01

Particulars	JPY impact	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	(32.92)	(23.56)
Decrease in exchange rate by 5%	32.92	23.56

Particulars	GBP impact	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	0.76	(0.06)
Decrease in exchange rate by 5%	(0.76)	0.06

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and one year. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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, 2021			As at March 31, 2020		
	Number of contracts	₹ lakhs	Foreign currency in lakhs	Number of contracts	₹ lakhs	Foreign currency in lakhs
Payable	2	610.11	JPY 922.80	2	471.13	JPY 676.60
Payable	15	6,027.44	USD 82.44	-	-	-

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, 2021	As at March 31, 2020
Non-current variable interest rate borrowings	600.00	900.00
Non-current fixed interest rate borrowings including current maturities of non-current borrowings	9.98	113.66
Lease Liabilities (Current and Non Current)	3,399.96	2,831.13
Current variable interest rate borrowings	3,004.77	4,961.79
Fixed interest rate financial assets	4,410.06	4,073.93



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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 ₹ 5.96 lakhs (increased by ₹ 12.04 lakhs) (as at March 31, 2020: decrease by ₹ 5.96 lakhs (increase by ₹ 12.04 lakhs).

#### 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 ₹ 14.55 lakhs (increased by ₹ 5.10 lakhs) (as at March 31, 2020: decrease by ₹ 14.55 lakhs (increase by ₹ 5.10 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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Less than 1 year	1-5 years	More than 5 years	Total	Carrying amount
<b>As at March 31, 2021</b>					
Non-Derivative financial liabilities					
Borrowings including future interest payable	3,510.50	453.90	-	3,964.40	4,161.11
Lease liabilities	1,244.62	2,035.73	119.62	3,399.97	3,399.96
Trade payables	59,605.49	-	-	59,605.49	59,605.49
Other financial liabilities	14,028.67	-	-	14,028.67	14,028.67
Derivative financial liabilities					
Forward exchange contracts used for hedging :					
- Outflow	6,637.55	-	-	6,637.55	72.48
- Inflow	(6,565.07)	-	-	(6,565.07)	-
	<b>78,461.76</b>	<b>2,489.63</b>	<b>119.62</b>	<b>81,071.01</b>	<b>81,267.71</b>
<b>As at March 31, 2020</b>					
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	9241.40	-	-	9241.40	9241.40
Derivative financial liabilities					
Forward exchange contracts used for hedging :					
- Outflow	471.13	-	-	471.13	3.97
- Inflow	(467.16)	-	-	(467.16)	-
	<b>79,980.23</b>	<b>2,490.21</b>	<b>346.54</b>	<b>82,816.98</b>	<b>82,339.22</b>

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, 2021 is ₹ 28,347.35 lakhs ( as at March 31, 2020 ₹ 30,247.11 lakhs) and financial assets carried at amortised cost as at March 31, 2021 is ₹ 47,860.16 lakhs ( as at March 31, 2020 ₹ 51,432.84 lakhs). Financial assets classified as Level 1 and Level 2 are having fair value of ₹ 28,029.67 lakhs as at March 31, 2021 ( as at March 31, 2020 ₹ 29,867.87 lakhs). 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 ₹ 5,390.66 lakhs as at March 31, 2021 ( as at March 31, 2020 ₹ 4,798.90 lakhs) 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 ₹ 40,628.52 lakhs as at March 31, 2021 ( as at March 31, 2020 ₹ 45,001.83 lakhs) 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 evaluated the potential impact with respect to customers in domestic 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 ₹ 3,082.92 lakhs as at March 31, 2021 ( as at March 31, 2020 ₹ 2,544.66 lakhs) is considered adequate.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 39: Related party transactions

Details of transactions between the Company and other related party are disclosed below.

#### 1. Holding Company

Name of holding	Country	Holding	
		As at March 31, 2021	As at March 31, 2020
Tata Chemicals Ltd.	India	50.06%	50.06%

#### 2. List of Subsidiaries

Name of subsidiaries	Country	Holding	
		As at March 31, 2021	As at March 31, 2020
<b>Direct</b>			
Rallis Chemistry Exports Ltd. (Refer Note 1)	India	-	-
PT. Metahelix Lifesciences Indonesia (Refer Note 2)	Indonesia	65.77%	65.77%

#### Footnote :

- Consequent to making an application to the Registrar of Companies, Maharashtra by Rallis Chemistry Exports Limited, a wholly-owned subsidiary of the Company (RCEL) for removal of its name from the register of companies, MCA has issued a certificate for striking off its name from the register of companies w.e.f March 29, 2021. Accordingly, RCEL has ceased to be a subsidiary of the Company effective the said date.
- During the year, PT Metahelix Life Sciences Indonesia, a subsidiary of the Company, received approval for the cancellation of its Company Registration Number and revocation of its business license w.e.f March 19, 2021. Further, an application for cancellation of its Tax Identification Number has been made and the approval for the same is awaited.

#### 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

#### 5. Promoter Group

Tata Sons Private Limited

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 6. List of subsidiaries of Tata Sons Private Limited

Infiniti Retail Ltd.  
Tata AIG General Insurance Co. Ltd.  
Tata Consultancy Services Ltd.  
Tata Teleservices Ltd.  
Tata Strategic Management Group (Division of Tata Industries Limited)  
Ewart Investments Ltd.  
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, Company entered into following trading transactions with related parties:

Particulars	Sales of goods		Purchases of goods	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Holding Company</b>				
Tata Chemicals Ltd.	-	-	1,246.79	1,117.43
<b>Subsidiary of Holding Company</b>				
Tata Chemicals International Pte Ltd	14,815.98	17,765.22	-	-
<b>Subsidiary of Tata Sons Private Limited</b>				
Infiniti Retail Ltd.	-	-	5.02	1.25

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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Holding Company</b>				
Tata Chemicals Ltd.	-	-	285.41	137.31
<b>Subsidiary of Holding Company</b>				
Tata Chemicals Magadi Limited	-	-	-	1.65
<b>Promoter Group</b>				
Tata Sons Private Limited	-	-	341.41	307.80
<b>Subsidiaries of Tata Sons Private Limited</b>				
Tata AIG General Insurance Co. Ltd.	-	-	22.36	21.38
Tata Consultancy Services Ltd.	-	-	271.43	294.88
Tata Teleservices Ltd.	-	-	7.65	10.53
Tata Consulting Engineers Limited	-	-	-	68.09
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	35.00	-

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, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 9. Other -Dividend payments

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Holding Company</b>		
Tata Chemicals Ltd.	2,433.54	2,433.54
<b>Subsidiaries of Tata Sons Private Limited</b>		
Ewart Investments Ltd.	1.88	1.88

### 10. Contributions to employee benefit trusts

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Other Related Parties</b>		
Contributions to employee benefit trusts	1,508.82	1,257.69

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Holding Company</b>				
Tata Chemicals Ltd.	-	-	87.04	83.95
<b>Subsidiary of Holding Company</b>				
Tata Chemicals International Pte Ltd	334.43	934.66	-	-
Tata Chemicals Magadi Limited	-	-	-	1.65
<b>Subsidiaries of Tata Sons Private Limited</b>				
Tata AIG General Insurance Co. Ltd.	-	-	0.02	0.41
Tata Consultancy Services Ltd.	-	-	10.80	-
Tata Teleservices (Maharashtra) Ltd.	-	-	0.04	-
Infiniti Retail Ltd.	-	-	-	0.68

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.

### 11. Compensation to key management personnel

The remuneration of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short term benefits	324.74	270.24
Post-Employment benefits ( PF + Superannuation)	14.58	14.58

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. It is exclusive of gratuity and compensated absences.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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, 2021 is ₹ 142.96 lakhs (March 31, 2020 ₹ 142.96 lakhs) these are covered by the charge created in favour of the said Company's bankers by way of hypothecation of stock and debtors.

#### b. Tax contingencies

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of tax	As at March 31, 2021	As at March 31, 2020
Sales tax	1,204.57	1,039.38
Excise duty	30.11	30.11
Customs duty	799.71	144.10
Income tax*	15,051.88	13,301.11
Service tax	3,138.41	36.42
Goods and Service tax	27.87	13.01

\* Excludes ₹ 1,408.70 lakhs (March 31, 2020 ₹ 1,295.88 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. Various claims pending before Industrial Tribunals and Labour Courts of which amounts are indeterminate.

#### c. Amount in respect of other claims

Nature of claim	As at March 31, 2021	As at March 31, 2020
Matters relating to employee benefits	103.11	103.11
Others (claims related to contractual disputes)	502.32	569.36

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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

### 41: Commitments

- (i) Estimated amount of contract with minimum commitment for plant activity ₹ 1,184.50 lakhs (March 31, 2020 ₹ 1,184.50 lakhs).
- (ii) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 9,178.70 lakhs as at March 31, 2021 (March 31, 2020 ₹ 7,441.03 lakhs) and Intangible assets is ₹ 890.84 lakhs as at March 31, 2021 (March 31, 2020 ₹ 787.55 lakhs) against which advances paid aggregate ₹ 781.37 lakhs as at March 31, 2021 (March 31, 2020 : ₹ 1,182.51 lakhs).

### 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, 2021	For the year ended March 31, 2020
On property, plant and equipment	401.95	130.35
On items which have been expensed during the year		
- Materials	339.67	165.06
- Employee benefits expense	1,905.77	1,813.81
- Breeding expense	352.45	299.32
- Professional fees	40.73	37.10
- Consumables	284.82	120.05
- Finance costs	1.71	0.22
- Travelling expenses	13.94	142.00
- Rent	42.25	39.74
- Depreciation and amortisation expense	283.43	195.42
- Others	475.89	447.63
Expenses - External agency	-	9.63
<b>Total</b>	<b>4,142.61</b>	<b>3,400.33</b>

During the year, the Company has also incurred ₹ 207.91 lakhs (March 31, 2020 ₹ 1.87 lakhs) towards capital research and development expenditure which is included under capital work-in-progress.

The total amount included in intangible assets under development as at March 31, 2021 is ₹ 5,877.38 lakhs (as at March 31, 2020 ₹ 4,694.65 lakhs).

#### footnote:

The above figures include the amounts based on separate accounts for the Research and Developments ("R&D") Centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (consonance with the DSIR guidelines for in-house R & D Centre will be evaluated at the time of filing the return with DSIR).

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 43: Other expenses include Auditors' Remuneration as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(a) To statutory auditors</b>		
For audit	57.67	74.57
For limited review of quarterly results	23.10	15.00
For taxation matters	10.60	6.00
For other services	2.75	7.27
Reimbursement of expenses	3.46	8.47

Recoverable taxes which is being claimed for set-off as input credit has not been included in the expenditure above.

### 44: Disclosure under Ind AS 115 - Revenue from contracts with customers

The Company is engaged into manufacturing of agri inputs. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

#### Disaggregation of revenue from contracts with customers

Particulars	2020-21			2019-20		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
<b>1) Revenue from contracts with customers:</b>						
<b>Sale of products (Transferred at point in time)</b>						
Manufacturing						
India	1,45,296.94	-	1,45,296.94	1,32,282.04	-	1,32,282.04
Asia (Other than India)	24,584.82	-	24,584.82	36,117.15	-	36,117.15
North America	25,981.29	244.03	26,225.32	15,352.19	2,703.30	18,055.49
South America	13,729.51	-	13,729.51	9,048.87	-	9,048.87
Africa	1,132.37	-	1,132.37	2,486.15	-	2,486.15
Europe	5,293.39	-	5,293.39	1,673.52	-	1,673.52
Australia	272.69	-	272.69	76.43	-	76.43
<b>Total (A)</b>	<b>2,16,291.01</b>	<b>244.03</b>	<b>2,16,535.04</b>	<b>1,97,036.35</b>	<b>2,703.30</b>	<b>1,99,739.65</b>
<b>Trading</b>						
India	25,002.61	-	25,002.61	23,498.03	-	23,498.03
Asia (Other than India)	89.59	-	89.59	92.50	-	92.50
Africa	218.41	-	218.41	443.42	-	443.42
<b>Total (B)</b>	<b>25,310.61</b>	<b>-</b>	<b>25,310.61</b>	<b>24,033.95</b>	<b>-</b>	<b>24,033.95</b>
<b>Total (A) + (B)</b>	<b>2,41,601.62</b>	<b>244.03</b>	<b>2,41,845.65</b>	<b>2,21,070.30</b>	<b>2,703.30</b>	<b>2,23,773.60</b>
<b>2) Sale of services</b>	57.50	-	57.50	51.44	-	51.44
<b>3) Other operating revenue</b>						
Sale of scrap	546.19	-	546.19	829.12	-	829.12
Liabilities written back	494.15	-	494.15	430.25	-	430.25
Royalty Income	-	-	-	65.41	-	65.41
	<b>1,040.34</b>	<b>-</b>	<b>1,040.34</b>	<b>1,324.78</b>	<b>-</b>	<b>1,324.78</b>
<b>Total Revenue</b>	<b>2,42,699.46</b>	<b>244.03</b>	<b>2,42,943.49</b>	<b>2,22,446.52</b>	<b>2,703.30</b>	<b>2,25,149.82</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Major segment

Particulars	2020-21			2019-20		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Crop Protection*	1,88,090.76	-	1,88,090.76	1,71,943.73	-	1,71,943.73
Crop Nutrition	12,888.07	-	12,888.07	9,991.55	-	9,991.55
Polymer	-	244.03	244.03	-	2,703.30	2,703.30
Seeds	39,890.24	-	39,890.24	35,724.56	-	35,724.56
Others	732.55	-	732.55	3,410.46	-	3,410.46
<b>Total</b>	<b>2,41,601.62</b>	<b>244.03</b>	<b>2,41,845.65</b>	<b>2,21,070.30</b>	<b>2,703.30</b>	<b>2,23,773.60</b>

\*Crop Protection includes Fungicide, Herbicides and Insecticides.

### Sales by performance obligations

Particulars	2020-21			2019-20		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Upon shipment	71,302.08	244.03	71,546.11	65,290.23	2,703.30	67,993.53
Upon delivery	1,70,299.54	-	1,70,299.54	1,55,780.07	-	1,55,780.07
<b>Total</b>	<b>2,41,601.62</b>	<b>244.03</b>	<b>2,41,845.65</b>	<b>2,21,070.30</b>	<b>2,703.30</b>	<b>2,23,773.60</b>

### Reconciliation of revenue from contract with customer

Particulars	2020-21	2019-20
Revenue from contract with customer as per the contract price	3,07,586.60	2,87,302.49
<b>Adjustments made to contract price on account of :-</b>		
a) Discounts / Rebates / Incentives	19,659.84	14,858.56
b) Sales Returns / Credits / Reversals	46,081.11	48,670.33
<b>Revenue from contract with customer</b>	<b>2,41,845.65</b>	<b>2,23,773.60</b>
Sale of services	57.50	51.44
Other operating revenue	1,040.34	1,324.78
<b>Revenue from operations</b>	<b>2,42,943.49</b>	<b>2,25,149.82</b>

## 45: Scheme of arrangement ('the Scheme')

### 45 (a) : Merger of Metahelix Life Sciences Limited with Rallis India Limited

- During the previous year, 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 occurred 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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

- 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 occurred 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, 2021

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	31-Mar-19	1-Apr-18
<b>ASSETS</b>		
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	<b>9,088.15</b>	<b>8,572.73</b>
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>33,216.27</b>	<b>27,936.49</b>
<b>Total assets (A)</b>	<b>42,304.42</b>	<b>36,509.22</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
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
<b>Total non-current liabilities</b>	<b>924.36</b>	<b>971.97</b>
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>28,215.74</b>	<b>24,579.98</b>
<b>Total equity and liabilities (B)</b>	<b>29,140.10</b>	<b>25,551.95</b>
<b>Total net identifiable assets acquired C = (A-B)</b>	<b>13,164.32</b>	<b>10,957.27</b>
<b>Recognition of goodwill (D)</b>	<b>16,522.26</b>	<b>16,522.26</b>
<b>Cost of investment in the Merged Undertaking (E)</b>	<b>24,436.62</b>	<b>24,436.62</b>
<b>Elimination of inter-company transactions (F)</b>	<b>121.51</b>	<b>149.71</b>
<b>Net impact transferred to other equity G= C+D-E-F</b>	<b>5,128.45</b>	<b>2,893.20</b>
Balance in securities premium reserve		6,704.32
Net impact after considering balances in securities premium reserve		(3,811.12)
<b>Total</b>		<b>2,893.20</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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 the preceding period in the financial statements, irrespective of accrual 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.

### 45 (b) : Merger of Zero Waste Agro Organics Limited with Rallis India Limited

i) During the previous year, pursuant to the scheme of Arrangement ('the Scheme') approved by the National Company Law Tribunal ('the NCLT'), Mumbai Bench vide its order dated February 22, 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 occurred 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 occurred 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, 2021

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	31-Mar-19	1-Apr-18	1-Apr-17
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>	<b>124.91</b>	<b>174.47</b>	<b>241.30</b>
<b>Current assets</b>			
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
<b>Total current assets</b>	<b>1,844.39</b>	<b>1,583.71</b>	<b>1,329.90</b>
<b>Total assets (A)</b>	<b>1,969.30</b>	<b>1,758.18</b>	<b>1,571.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>	<b>183.66</b>	<b>138.56</b>	<b>145.69</b>
<b>Total equity and liabilities (B)</b>	<b>183.66</b>	<b>138.56</b>	<b>145.69</b>
<b>Total net identifiable assets acquired C = (A-B)</b>	<b>1,785.64</b>	<b>1,619.62</b>	<b>1,425.51</b>
<b>Recognition of goodwill (D)</b>	<b>3,060.05</b>	<b>3,060.05</b>	<b>3,060.05</b>
<b>Cost of investment in the Merged Undertaking (E)</b>	<b>6,134.39</b>	<b>6,134.39</b>	<b>6,134.39</b>
<b>Elimination of inter-company transactions (F)</b>	<b>48.42</b>	<b>153.34</b>	<b>59.39</b>
<b>Net impact transferred to other equity G= C+D-E-F</b>	<b>(1,337.12)</b>	<b>(1,608.06)</b>	<b>(1,708.22)</b>
Balance in securities premium reserve		1,797.73	
Net impact after considering balances in securities premium reserve		(3,405.79)	
<b>Total</b>		<b>(1,608.06)</b>	

### 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 the 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, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 46: Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year*	1,734.61	369.13
(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, 2020 ₹ Nil)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**47:** The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 470.92 lakhs (March 31, 2019 ₹ 463.06 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, 2021	For the year ended March 31, 2020
<b>Amount spent for the year</b>		
Employee benefits expense	23.54	20.04
Expenses yet to be incurred		27.01
Other expenses ( for healthcare, education, women empowerment, skill development , disaster relief , etc.)	459.72	417.41
	<b>483.26</b>	<b>464.46</b>
In cash	483.26	437.45
Yet to be paid in cash	-	-
	<b>483.26</b>	<b>437.45</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

**48:** During the previous year, The Ministry of Home Affairs vide order No.40-3/2020 dated 24 March, 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.

**49:** Exceptional item comprises profit on sale of flats (net of costs) which was grouped under Assets held for sale.

### 50: Subsequent event

The Board of Directors at its meeting held on April 22, 2021 has recommended a dividend of ₹ 3 per equity share (March 31, 2020 ₹ 2.50 per equity share), subject to shareholders approval at annual general meeting.

**51:** 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

**Tarun Kinger**

*Partner*

Membership No. 105003

Mumbai, April 22, 2021

**For and on behalf of the Board of Directors of Rallis India Limited**

**Sanjiv Lal**

(DIN: 08376952)

*Managing Director & CEO*

**R. Mukundan**

(DIN: 00778253)

*Director*

**Ashish Mehta**

(M. No. 53039)

*Chief Financial Officer*

**Yashaswin Sheth**

(M. No. A15388)

*Company Secretary*

Mumbai, April 22, 2021

# 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 subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, 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 auditor on separate financial statements of a subsidiary, as it was audited by the other auditor, 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 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Revenue recognition (adjustments for sales return, rebate, discounts and incentives) (Refer note 3.18 and 46)

The Key Audit Matter	How the matter was addressed in our audit
<p>As disclosed in Note 3.18 and 46 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.</p> <p>Estimation of sales returns involves significant judgement. 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.</p> <p>Recognition and measurement of rebates, discounts and incentives involves significant judgement, 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.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> <li>- Understanding the process followed by the Group to determine the amount of accrual of sales returns, rebates, discounts and incentives;</li> <li>- 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;</li> <li>- 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;</li> </ul>

### 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.



<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>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 significant auditor judgment. We identified the evaluation of accrual for sales returns, rebates, discounts and incentives as a key audit matter.</p>	<ul style="list-style-type: none"><li>- 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;</li><li>- 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;</li><li>- 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</li></ul>

**Impairment testing of other intangible assets and intangible assets under development (Refer note 3.16 and 6.2)**

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>The carrying amount of the intangible assets and intangible assets under development represents 2.69% of the Group's total assets.</p> <p><b>Other intangible assets and intangible assets under development</b></p> <p>As disclosed in Note 3.16 and 6.2 to the consolidated financial statements, the Group capitalizes costs incurred to apply for product registrations and cost incurred for developing hybrid seeds once technical feasibility is established.</p> <p>Impairment assessment is done for each product based on value in use.</p> <p>Measurement of value of intangible assets involves significant judgments and estimates in the Group's impairment assessment. The significance and magnitude is in relation to the costs capitalised and likelihood of obtaining product registration/ developing new hybrid seeds. We identified the measurement of value of intangible assets as a key audit matter.</p>	<p>Our audit procedures in respect of impairment testing of other intangible assets and intangible assets under development included the following:</p> <ul style="list-style-type: none"><li>- Obtaining an understanding of the Group's process of determining likelihood of obtaining product registration and technical feasibility of hybrid seeds under development, future benefits expected from each product registration and hybrid seeds including intangibles under development using discounted future cash flows;</li><li>- Comparing the Group's assessment with the past trends;</li><li>- Assessing the discounted cash flow model;</li><li>- Evaluating the assumptions and data used by the Group; and</li></ul> <p>Focusing on the adequacy of the Group's disclosures on key assumptions used for impairment testing of intangible assets and intangible assets under development.</p>

**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 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 Management and 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 subsidiary) 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 entity 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 entity 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 entity 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 Rs 1.22

crores as at 31 March 2021, total revenues of Rs Nil and net cash inflows amounting to Rs 0.56 crores for the year ended on that date, as considered in the consolidated financial statements. These standalone financial statements have been audited by other auditor 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 auditor.

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 its respective country and which has been audited by other auditor 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 auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor 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 auditor on separate financial statements of a subsidiary as were audited by other auditor, 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 auditor;
- 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 31 March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2021 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 auditor 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 31 March 2021 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 31 March 2021; and
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.
- 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

**Tarun Kinger**

Partner

Membership No: 105003

UDIN: 21105003AAAABR3601

Mumbai  
22 April, 2021



# Annexure A to the Independent Auditors' Report – 31 March 2021

## **Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

### **(Referred to in paragraph (A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of Rallis India Limited (“the Holding Company”) as of and for the year ended 31 March 2021, 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 31 March 2021, 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 consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company’s internal financial control with reference to consolidated 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 consolidated 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 authorizations 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 consolidated 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

**Tarun Kinger**  
Partner

Mumbai  
22 April, 2021

Membership No: 105003  
UDIN: 21105003AAAABR3601



# Consolidated Balance Sheet as at March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	4 (a)	39,246.07	36,078.05
b) Capital work-in-progress	4 (a)	10,571.20	2,875.71
c) Investment property	5	12.40	12.82
d) Right-of-use asset	4 (b)	3,173.92	2,644.04
e) Goodwill on amalgamation	6.1	19,582.31	19,582.31
f) Other intangible assets	6.2	1,083.41	966.09
g) Intangible assets under development	6.2	5,877.18	4,694.65
<b>Financial assets</b>			
i) Investments	7	317.68	379.69
ii) Loans	8	1,008.44	907.07
iii) Other financial assets	9	80.77	76.51
i) Non current tax assets	10.1	8,803.51	11,002.26
j) Other non-current assets	14	3,564.53	4,205.12
<b>Total non-current assets</b>		<b>93,321.42</b>	<b>83,424.32</b>
<b>Current assets</b>			
a) Inventories	11	76,319.81	69,920.02
<b>Financial assets</b>			
i) Investments	7	28,029.67	29,867.42
ii) Trade receivables	12	40,628.49	45,059.14
iii) Cash and cash equivalents	13.1	1,026.80	4,651.73
iv) Bank balances other than (iii) above	13.2	4,485.73	213.34
v) Other financial assets	9	751.80	648.54
c) Other current assets	14	13,884.37	10,636.53
d) Assets classified as held for sale	15	413.82	426.78
<b>Total current assets</b>		<b>1,65,540.49</b>	<b>1,61,423.50</b>
<b>Total assets</b>		<b>2,58,861.91</b>	<b>2,44,847.82</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	16	1,944.71	1,944.71
b) Other equity	17	1,57,135.24	1,39,000.60
<b>Equity attributable to owners of the Holding Company</b>		<b>1,59,079.95</b>	<b>1,40,945.31</b>
Non-controlling interest	18	68.60	68.55
<b>Total equity</b>		<b>1,59,148.55</b>	<b>1,41,013.86</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	19.1	778.32	1,236.30
ii) Lease liabilities	19.2	2,155.34	1,438.70
b) Provisions	22	2,686.50	2,564.74
c) Deferred tax liabilities (Net)	23	2,638.06	2,849.39
d) Other non-current liabilities	25	8.30	9.82
<b>Total non-current liabilities</b>		<b>8,266.52</b>	<b>8,098.95</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	20	3,004.77	4,961.79
ii) Trade payables	24		
- total outstanding dues of micro enterprises and small enterprises		1,734.61	369.13
- total outstanding dues of creditors other than micro enterprises and small enterprises		57,872.22	63,365.03
iii) Other financial liabilities	21	14,479.17	9,576.81
iv) Lease liabilities	19.2	1,244.62	1,392.43
b) Other current liabilities	25	11,274.02	12,002.77
c) Provisions	22	1,426.16	1,705.08
d) Current tax liabilities	10.1	411.27	2,361.97
<b>Total current liabilities</b>		<b>91,446.84</b>	<b>95,735.01</b>
<b>Total liabilities</b>		<b>99,713.36</b>	<b>1,03,833.96</b>
<b>Total equity and liabilities</b>		<b>2,58,861.91</b>	<b>2,44,847.82</b>
See accompanying notes to the consolidated financial statements	1 to 51		

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

**Tarun Kinger**  
Partner  
Membership No. 105003  
Mumbai, April 22, 2021

For and on behalf of the Board of Directors of Rallis India Limited

**Sanjiv Lal**  
(DIN: 08376952) *Managing Director & CEO*

**R. Mukundan**  
(DIN: 00778253) *Director*

**Ashish Mehta**  
(M. No. 53039) *Chief Financial Officer*

**Yashaswin Sheth**  
(M. No. A15388) *Company Secretary*

Mumbai, April 22, 2021

# Consolidated Statement of Profit and Loss for the year ended March 31, 2021

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

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I</b> Revenue from operations	26	2,42,943.50	2,25,181.55
<b>II</b> Other income	27	4,045.28	3,433.40
<b>III Total Income (I+II)</b>		<b>2,46,988.78</b>	<b>2,28,614.95</b>
<b>IV Expenses</b>			
Cost of materials consumed	28	1,40,755.27	1,28,206.84
Purchases of stock-in-trade	29	13,659.10	14,121.26
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(6,892.79)	(3,330.39)
Employee benefits expense	31	21,600.18	20,010.40
Finance costs	32	520.76	611.22
Depreciation and amortisation expense	33	6,407.03	6,151.16
Other expenses	34	41,533.81	40,237.55
<b>Total expense (IV)</b>		<b>2,17,583.36</b>	<b>2,06,008.04</b>
<b>V Profit before exceptional items and tax (III -IV)</b>		<b>29,405.42</b>	<b>22,606.91</b>
<b>VI Exceptional items</b>	49	944.67	1,142.33
<b>VII Profit before tax (V+VI)</b>		<b>30,350.09</b>	<b>23,749.24</b>
<b>VIII Tax expense</b>			
(1) Current tax	10.2	7,703.56	6,906.80
(2) Deferred tax	10.2	(210.14)	(1,526.36)
<b>Total tax expense</b>		<b>7,493.42</b>	<b>5,380.44</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>22,856.67</b>	<b>18,368.80</b>
<b>X Other comprehensive income</b>			
<b>Item that will not be reclassified to profit or loss :</b>			
a) Remeasurements of the employee defined benefit plans		174.73	(241.55)
b) Equity instruments through other comprehensive income		1.08	0.85
Income tax relating to item that will not be reclassified to profit or loss		(43.39)	56.31
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of a foreign operation		7.33	(3.18)
<b>Total other comprehensive income (net of taxes)</b>		<b>139.75</b>	<b>(187.57)</b>
<b>XI Total comprehensive income for the year</b>		<b>22,996.42</b>	<b>18,181.23</b>
<b>XII Profit for the year attributable to:</b>			
Owners of the Holding Company		22,856.62	18,484.43
Non-controlling interests		0.05	(115.63)
		<b>22,856.67</b>	<b>18,368.80</b>
<b>XIII Other comprehensive income attributable to:</b>			
Owners of the Holding Company		139.75	(187.57)
Non-controlling interests		-	-
		<b>139.75</b>	<b>(187.57)</b>
<b>XIV Total comprehensive income attributable to:</b>			
Owners of the Holding Company		22,996.37	18,296.86
Non-controlling interests		0.05	(115.63)
		<b>22,996.42</b>	<b>18,181.23</b>
<b>Earning per equity share (of ₹ 1 each)</b>	35		
(1) Basic (in ₹ )		11.75	9.51
(2) Diluted (In ₹ )		11.75	9.51
See accompanying notes to the consolidated financial statements	1 to 51		

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

**Tarun Kinger**  
 Partner  
 Membership No. 105003  
 Mumbai, April 22, 2021

For and on behalf of the Board of Directors of Rallis India Limited

**Sanjiv Lal**  
 (DIN: 08376952) *Managing Director & CEO*

**R. Mukundan**  
 (DIN: 00778253) *Director*

**Ashish Mehta**  
 (M. No. 53039) *Chief Financial Officer*

**Yashaswin Sheth**  
 (M. No. A15388) *Company Secretary*

Mumbai, April 22, 2021



# Consolidated Statement of Changes in Equity for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

## A. Equity share capital

<b>Balance as at April 1, 2019</b>	<b>1,944.71</b>
Changes in Equity Share Capital during 2019-2020	-
<b>Balance as at March 31, 2020</b>	<b>1,944.71</b>
Changes in Equity Share Capital during 2020-2021	-
<b>Balance as at March 31, 2021</b>	<b>1,944.71</b>

## B. Other equity

	Attributable to the owners of the Holding 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			
<b>Balance as at April 1, 2019</b>	<b>8,793.88</b>	<b>90,822.35</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>0.20</b>	<b>(13.22)</b>	<b>1,26,648.01</b>	<b>184.18</b>	<b>1,26,832.19</b>
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)
<b>Total comprehensive income</b>	<b>-</b>	<b>18,299.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.85</b>	<b>(3.18)</b>	<b>18,296.86</b>	<b>(115.63)</b>	<b>18,181.23</b>
Transfer to / (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Payment of dividends	-	(4,861.72)	-	-	-	-	-	(4,861.72)	-	(4,861.72)
Payment of dividend distribution tax	-	(999.34)	-	-	-	-	-	(999.34)	-	(999.34)
Others	-	27.65	-	-	-	-	-	27.65	-	27.65
Leases (IND AS 116) transition effect (net of taxes)	-	(110.86)	-	-	-	-	-	(110.86)	-	(110.86)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>8,793.88</b>	<b>1,03,177.27</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>1.05</b>	<b>(16.40)</b>	<b>1,39,000.60</b>	<b>68.55</b>	<b>1,39,069.15</b>
Others	-	-	-	-	-	-	-	-	-	-
Leases (IND AS 116) transition effect (net of taxes)	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	22,856.62	-	-	-	-	-	22,856.62	0.05	22,856.67
Other comprehensive income (net of taxes)	-	131.33	-	-	-	1.08	7.33	139.74	-	139.74
<b>Total comprehensive income</b>	<b>-</b>	<b>22,987.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.08</b>	<b>7.33</b>	<b>22,996.36</b>	<b>0.05</b>	<b>22,996.41</b>
Payment of dividends	-	(4,861.72)	-	-	-	-	-	(4,861.72)	-	(4,861.72)
Payment of dividend distribution tax	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>8,793.88</b>	<b>1,21,303.50</b>	<b>1,243.10</b>	<b>8,151.77</b>	<b>17,649.93</b>	<b>2.13</b>	<b>(9.07)</b>	<b>1,57,135.24</b>	<b>68.60</b>	<b>1,57,203.84</b>

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

**Tarun Kinger**  
 Partner  
 Membership No. 105003

Mumbai, April 22, 2021

**For and on behalf of the Board of Directors of Rallis India Limited**

**Sanjiv Lal**  
 (DIN: 08376952) *Managing Director & CEO*

**R. Mukundan**  
 (DIN: 00778253) *Director*

**Ashish Mehta**  
 (M. No. 53039) *Chief Financial Officer*

**Yashaswin Sheth**  
 (M. No. A15388) *Company Secretary*

Mumbai, April 22, 2021

# Consolidated Statement of Cash Flows for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	30,350.09	23,749.24
<b>Adjustments for :</b>		
Finance costs	520.76	611.22
Depreciation and amortisation expense	6,407.03	6,151.16
Interest income	(640.07)	(402.64)
Dividend Income	(3.62)	(226.41)
Fair valuation gain on investment in Mutual fund	(295.87)	(381.45)
Gain on redemption of current investments	(1,217.81)	(156.30)
Credit balances written back	(494.15)	(430.25)
Allowance for doubtful debts(Net)	538.26	696.36
Allowance for doubtful advances	-	2.40
Capital work-in-progress written off	-	26.94
Tangible assets written off	-	8.84
Impairment of Intangible assets and intangible assets under development	657.94	177.52
Bad debts	-	222.73
(Reversal) for indirect tax matters	-	(245.37)
Provision for directors pension liability	65.50	27.87
Provision for supplemental pay	49.49	81.83
(Reversal) / Provision for gratuity	(390.21)	190.09
Provision for compensated absences	256.73	213.11
Mark-to-market loss on forward contract	72.48	3.97
Net unrealised foreign exchange loss	176.60	466.60
(Gain) on disposal of property, plant and equipment and investment property	(895.54)	(1,151.66)
<b>Operating profit before working capital changes</b>	<b>35,157.61</b>	<b>29,635.80</b>
<b>Movements in working capital:</b>		
Decrease/(Increase) in Trade and other receivables	3,849.47	(825.74)
(Increase) in Inventories	(6,399.30)	(2,350.20)
(Increase) in Loans	(101.37)	(139.65)
Decrease/(Increase) in other financial assets	33.23	(184.34)
(Increase)/Decrease in other assets	(3,105.93)	2,740.14
(Decrease)/Increase in trade payables	(3,767.36)	9,756.18
Increase/(Decrease) in other financial liabilities	4,199.38	(1,403.45)
(Decrease)/Increase in other liabilities	(730.27)	2,091.53
<b>Cash Generated from Operations</b>	<b>29,135.46</b>	<b>39,320.27</b>
Income taxes paid (net of refunds)	(7,456.70)	(5,636.16)
<b>Net Cash Flows Generated from Operating Activities (A)</b>	<b>21,678.76</b>	<b>33,684.11</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	498.82	393.20
Dividend received	3.62	226.41
Payments for property , plant and equipment (including Adjustments on account of capital work-in-progress, capital creditors and capital advances)	(14,277.09)	(6,197.23)
Payments for intangible assets	(2,571.70)	(1,662.93)
Proceeds from disposal of property , plant and equipment and investment property	1,065.45	1,297.00
Purchase of current investments	(63,002.70)	(71,341.78)
Proceeds from sale of long term investments	63.08	
Proceeds from sale of current investments	66,354.13	52,560.25
Investments in bank deposits	(4,288.30)	133.10
<b>Net Cash Flows (Used In) Investing Activities (B)</b>	<b>(16,154.69)</b>	<b>(24,591.98)</b>



# Consolidated Statement of Cash Flows

 for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of long-term borrowings (including current maturities)	(411.40)	(398.98)
Proceeds from short-term borrowings	6,833.64	28,900.00
Repayment of short-term borrowings	(6,383.64)	(28,050.00)
Payment of lease liabilities	(1,688.45)	(1,684.11)
Dividend paid on equity shares (including dividend distribution tax)	(4,878.13)	(5,873.47)
Interest paid	(230.41)	(347.17)
Bank balances in dividend account	16.41	12.41
<b>Net Cash Flows (Used In) Financing Activities (C)</b>	<b>(6,741.98)</b>	<b>(7,441.32)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A) + (B) + (C)</b>	<b>(1,217.91)</b>	<b>1,650.81</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		
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)
	<b>2,239.94</b>	<b>589.13</b>
<b>Net cash and cash equivalents as per Cash flow statement</b>	<b>1,022.03</b>	<b>2,239.94</b>
<b>Cash and Cash Equivalents at the End of the Year</b>		
Cash in hand	1.91	3.14
Balances with banks in current account and deposit account	1,024.89	4,648.59
Bank overdrafts and cash credit facility (secured)*	(4.77)	(2,411.79)
<b>Cash and Cash Equivalents as per Note 13.1</b>	<b>1,022.03</b>	<b>2,239.94</b>
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Opening balances</b>		
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
<b>Movements</b>		
Long-term borrowings (including current maturities)	(411.40)	(398.98)
Short-term borrowings (excluding bank overdrafts and cash credit facility)	450.00	850.00
<b>Closing balances</b>		
Long-term borrowings (including current maturities)	1,156.34	1,567.74
Short-term borrowings (excluding bank overdrafts and cash credit facility)	3,000.00	2,550.00
* Bank overdrafts and cash credit facility are part of cash management system of the Group. Hence, considered as part of cash and cash equivalents		
See accompanying notes to the consolidated financial statements	1 to 51	

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

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

**Tarun Kinger**

Partner

Membership No. 105003

Mumbai, April 22, 2021

For and on behalf of the Board of Directors of Rallis India Limited

**Sanjiv Lal**

(DIN: 08376952)

Managing Director &amp; CEO

**R. Mukundan**

(DIN: 00778253)

Director

**Ashish Mehta**

(M. No. 53039)

Chief Financial Officer

**Yashaswin Sheth**

(M. No. A15388)

Company Secretary

Mumbai, April 22, 2021

# Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

## 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 23<sup>rd</sup> 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 April 22, 2021.

During the previous year, two subsidiaries of the Holding Company (Metahelix Life Sciences Limited and Zero Waste Agro Organics Limited) were merged with the Holding Company pursuant to respective Scheme of arrangements. Refer Note 47(a) and 47(b) to the Consolidated financial statements.

During the year, subsidiary of the company (Rallis chemistry exports Ltd) received approval for removal of its name from the register of companies wef March 29, 2021 and stands dissolved with effect from the said date.

During the year, another subsidiary (P T Metahelix Life Sciences Indonesia) got business cancellation approval on Dt. March 19, 2021.

## 2. Recent pronouncement

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

### Balance Sheet:

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

### Statement of profit and loss:

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

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

## 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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 Holding 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

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

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, 2021	March 31, 2020
Rallis Chemistry Exports Limited*	Subsidiary	India	-	-
PT Metahelix Life Sciences Indonesia	Subsidiary	Indonesia	65.77%	65.77%

\*Consequent to making an application to the Registrar of Companies, Maharashtra by Rallis Chemistry Exports Limited, a wholly-owned subsidiary of the Rallis India Limited (RCEL) for removal of its name from the register of companies, MCA has issued a certificate for striking off its name from the register of companies w.e.f March 29, 2021. Accordingly, RCEL has ceased to be a subsidiary of the Group effective the said date.

### 3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

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 Group's functional currency. All amounts have been rounded-off to the nearest ₹ lakhs, unless otherwise indicated.

### 3.7 Foreign currency translation

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Consolidated Statement of profit and loss.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in Consolidated financial statements.

#### (b) Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM"). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Type/Category of Asset	Useful Lives (in years) – as per Companies Act, 2013	Useful Lives (in years) – as estimated by the Group
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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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 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 Consolidated Statement of Profit and Loss.

### 3.10 Other intangible assets

Other intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

The Group amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Type/Category of Asset	Useful Lives (in years) –as estimated by the Group
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.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 3.11 Leases

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 contact 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### PPE and other intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated Statement of profit and loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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 consolidated 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.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

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.

# Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

## 3A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Consolidated financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the Consolidated financial statements and the reported amounts of the revenues and expenses for the presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### i. Critical Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the Consolidated financial statements:

#### *Discount rate used to determine the carrying amount of the Group's employee defined benefit obligation*

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

#### *Contingences and commitments*

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the Consolidated financial statements. Although there can be no assurance regarding the

final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

### ii. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Useful lives of property, plant and equipment*

As described in Note 3, the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### *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. 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 Group will continue to closely monitor any material changes to future economic conditions.

### *Changes in significant accounting policies for FY 2019-20*

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.

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 Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 4 (a): Property, plant and equipment and capital work-in-progress

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Freehold land	1,751.58	187.01
Leasehold Land	1,911.27	1,935.40
Leasehold improvements	367.28	114.62
Buildings	11,082.15	11,310.57
Plant and equipment	23,704.53	22,111.33
Furniture and fixtures	210.20	220.25
Vehicles	34.28	44.70
Office equipments	184.78	154.17
	<b>39,246.07</b>	<b>36,078.05</b>
Capital work-in-progress*	10,571.20	2,875.71
*7,695.25 Lacs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.		
	<b>49,817.27</b>	<b>38,953.76</b>

### 4 (b): Right-of-use asset

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Vehicles	443.49	839.23
Plant and equipment	83.91	104.02
Buildings	2,338.91	1,464.68
Leasehold Land	300.68	210.61
Office equipments	6.93	25.50
	<b>3,173.92</b>	<b>2,644.04</b>

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 31 March, 2021

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 March 31, 2021	
	As at April 1, 2020	Additions	Deductions/ Reclassification	Reclassification from / (to) assets held for sale	As at March 31, 2021	Charge for the year	Deductions/ Reclassification	Reclassification from / (to) assets held for sale		Reclassification from investment property
Freehold land	187.01	1,564.57	-	-	1,751.58	-	-	-	-	1,751.58
	187.01	-	-	-	187.01	-	-	-	-	187.01
Leasehold land	2,275.75	-	-	-	2,275.75	24.13	-	-	-	1,911.27
	2,275.75	-	-	-	2,275.75	24.12	-	-	-	1,935.40
Leasehold improvements	165.11	257.51	-	-	422.62	4.85	-	-	-	367.28
	165.11	-	-	-	165.11	2.24	-	-	-	114.62
Buildings	14,747.38	689.82	44.05	-	15,393.15	901.79	27.60	-	-	11,082.15
	14,621.07	161.65	5.79	(45.15)	14,747.38	899.15	1.18	(4.72)	2.04	11,310.57
Plant and equipment	36,240.60	5,028.29	1,141.07	-	40,127.82	3,315.99	1,021.96	-	-	23,704.53
	33,307.45	3,042.37	109.22	-	36,240.60	3,146.09	92.37	-	-	22,111.33
Furniture and fixtures	570.91	57.00	45.43	-	582.49	51.18	29.55	-	-	210.20
	527.89	44.15	1.13	-	570.91	47.66	0.67	-	-	220.25
Vehicles	56.57	-	1.20	-	55.37	10.42	1.20	-	-	34.28
	14.23	42.34	-	-	56.57	9.16	-	-	-	44.70
Office equipments	412.35	98.06	24.08	-	486.33	61.65	18.28	-	-	184.78
	360.07	63.34	11.06	-	412.35	51.87	10.83	-	-	154.17
Equipment under finance lease	-	-	-	-	-	-	-	-	-	-
	36.74	-	36.74	-	13.27	-	13.27	-	-	-
<b>Total</b>	<b>54,655.68</b>	<b>7,695.26</b>	<b>1,255.83</b>	<b>(45.15)</b>	<b>61,095.11</b>	<b>4,370.00</b>	<b>1,098.59</b>	<b>(4.72)</b>	<b>-</b>	<b>21,849.04</b>
	51,495.32	3,353.85	163.94	15.60	54,655.68	4,180.29	118.32	2.04	-	18,577.63

#### footnotes:

- Cost of buildings includes cost of 10 shares (March 31, 2020 - 10 shares) of ₹ 50 each fully paid in respect of ownership flats in 2 (March 31 2020- 2 flats) Co-operative Societies.
- Buildings include assets carried at ₹ 0.69 lakhs (March 31, 2020 ₹ 0.76 lakhs) where the conveyance in favor of the Group has not been completed.
- Plant and equipment includes plant and machinery, electrical installations and equipments, laboratory equipments and computers and data processing units.
- Leasehold land include assets carried at ₹ 1,417.85 lakhs (as at March 31, 2020 ₹ 1,434.56 lakhs) for which the Group is in process of obtaining an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.
- Plant and equipment includes a unit having carrying cost of ₹ 895.95 lakhs (March 31, 2020 ₹ 629.56 lakhs) and land and building with a carrying cost of ₹ 752.63 lakhs (March 31, 2020 ₹ 764.85 lakhs) are subject to first charge to secure two of the Group's bank loans and other corporate body.
- The Group has not capitalised any borrowing cost during the year (March 31, 2020 NIL).
- The Group has recognised impairment loss of ₹ Nil lakhs during the year (March 31, 2020 ₹ 8.84 lakhs).
- The figures in italics are for the previous year.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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, 2020	Change in Accounting Policy	Additions	Deductions/Reclassification	As at March 31, 2021	As at April 1, 2020	Change in Accounting Policy	Charge for the year	Deductions/Reclassification	Transferred to Intangible assets under development	As at March 31, 2021	As at March 31, 2021
Vehicles	2,019.26			712.93	1,306.33	1,180.03		395.74	712.93	-	862.84	443.49
	-	1,789.36	229.90	-	2,019.26	-	690.08	489.95	-	-	1,180.03	839.23
Plant and Equipment	168.46				168.46	64.44		20.11		-	84.55	83.91
	-	168.46	-	-	168.46	-	44.28	20.16	-	-	64.44	104.02
Buildings	3,250.35		1,033.73	446.76	3,837.32	1,785.67		942.80	1,230.07		1,498.40	2,338.91
	-	2,908.25	342.10	-	3,250.35	-	1,002.91	782.76	-	-	1,785.67	1,464.68
Leasehold land	349.57		231.68	33.73	547.52	138.96		45.48	2.27	64.67	246.84	300.68
	-	185.60	163.97	-	349.57	-	60.14	78.82	-	-	138.96	210.61
Office Equipments	74.35			33.39	40.96	48.85		18.57	33.39	-	34.03	6.93
	-	74.35	-	-	74.35	-	30.22	18.63	-	-	48.85	25.50
<b>Total</b>	<b>5,861.99</b>	<b>-</b>	<b>1,265.41</b>	<b>1,226.82</b>	<b>5,900.58</b>	<b>3,217.95</b>	<b>-</b>	<b>1,422.70</b>	<b>1,978.65</b>	<b>64.67</b>	<b>2,726.66</b>	<b>3,173.92</b>
	-	5,126.02	735.97	-	5,861.99	-	1,827.63	1,390.32	-	-	3,217.95	2,644.04

#### footnotes:

- The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss Note no 33.
- The Group's obligations under finance leases are secured by the lessor's title to the leased assets.
- Refer Note no. 37 "Leases" for Right-of-use asset movement.
- The figures in italics are for the previous year.

### 5: Investment property

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Freehold land	-	-
Buildings	12.40	12.82
<b>Total</b>	<b>12.40</b>	<b>12.82</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 5: Investment property (continued)

Description	Gross block						Accumulated depreciation						Carrying amount	
	As at April 1, 2020	Additions	Deductions	Transfer to Property, Plant and Equipment	Transfer to Assets held for sale	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions	Transfer to Property, Plant and Equipment	Transfer to Assets held for sale	As at March 31, 2021	As at March 31, 2021	
Freehold land	-	-	-	-	-	-	-	-	-	-	-	-	-	
	244.91	-	-	-	244.91	-	-	-	-	-	-	-	-	
Buildings	<b>14.90</b>	-	-	-	-	<b>14.90</b>	<b>2.08</b>	<b>0.42</b>	-	-	-	<b>2.50</b>	<b>12.40</b>	
	337.19	-	149.90	15.60	156.79	14.90	32.24	4.65	17.42	2.04	15.35	2.08	12.82	
<b>Total</b>	<b>14.90</b>	-	-	-	-	<b>14.90</b>	<b>2.08</b>	<b>0.42</b>	-	-	-	<b>2.50</b>	<b>12.40</b>	
	582.10	-	149.90	15.60	401.70	14.90	32.24	4.65	17.42	2.04	15.35	2.08	12.82	

#### footnotes:

- Buildings includes 2 flats (March 31, 2020 - 2 flats) which are reclassified as Investment Property by the Group in accordance with IND AS-40 "Investment Property".
- Cost of buildings includes cost of 2 shares (March 31, 2020- 2 shares) of ₹ 100 each fully paid in respect of ownership flats in 2 (March 31, 2020- 2 flats) Co-operative Societies.
- The Group has not capitalised any borrowing cost during the current year (March 31, 2020 - Nil).
- Total fair value of Investment Property is ₹ 635.22 lakhs (March 31, 2020 ₹ 553.85 lakhs). Refer footnote (a) and (b).
- The Group has not recognised any impairment loss during the year (March 31, 2020 Nil).
- The figures in italics are for the previous year.

#### (a) Fair Value Hierarchy

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.

#### (b) 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. The Group has not earned any material rental income on the above properties.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 6: Intangible assets

	As at March 31, 2021	As at March 31, 2020
<b>6.1 Carrying amount of:</b>		
Goodwill on Amalgamation	19,582.31	19,582.31
	<b>19,582.31</b>	<b>19,582.31</b>

Goodwill includes amount of ₹ 16,522.26 lakhs (March 31, 2020 ₹ 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, 2020 5.00%) annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 14.64 % (March 31, 2020 11.33%).

Goodwill of ₹ 3,060.05 lakhs (March 31, 2020 ₹ 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, 2020 5.00%) annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 14.64 % (March 31, 2020 11.33%).

An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

### 6.2 Carrying amount of:

	As at March 31, 2021	As at March 31, 2020
<b>Other intangible assets</b>		
Product registrations	508.17	377.99
Computer software	278.62	80.90
Technical knowhow	296.62	507.20
	<b>1,083.41</b>	<b>966.09</b>
Intangible assets under development (Net of impairment)*	5,877.18	4,694.65
*731.23 Lacs has been capitalised and transferred to Other Intangible assets during the year ended March 31, 2021.		
	<b>6,960.59</b>	<b>5,660.74</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 6.2: Other intangible assets (continued)

Description	Gross block				Accumulated amortisation				Carrying amount
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Product registrations	<b>1,259.33</b>	<b>294.80</b>	-	<b>1,554.13</b>	<b>881.34</b>	<b>164.62</b>	-	<b>1,045.96</b>	<b>508.17</b>
	<i>1,016.63</i>	<i>242.70</i>	-	<i>1,259.33</i>	<i>782.20</i>	<i>99.14</i>	-	<i>881.34</i>	<i>377.99</i>
Licences and commercial rights	<b>609.70</b>	-	-	<b>609.70</b>	<b>609.70</b>	-	-	<b>609.70</b>	-
	<i>609.70</i>	-	-	<i>609.70</i>	<i>609.70</i>	-	-	<i>609.70</i>	-
Computer software	<b>243.45</b>	<b>230.58</b>	-	<b>474.03</b>	<b>162.55</b>	<b>32.86</b>	-	<b>195.41</b>	<b>278.62</b>
	<i>210.53</i>	<i>32.92</i>	-	<i>243.45</i>	<i>136.66</i>	<i>25.89</i>	-	<i>162.55</i>	<i>80.90</i>
Technical knowhow	<b>2,384.11</b>	<b>205.85</b>	-	<b>2,589.96</b>	<b>1,876.91</b>	<b>416.43</b>	-	<b>2,293.34</b>	<b>296.62</b>
	<i>2,086.09</i>	<i>298.02</i>	-	<i>2,384.11</i>	<i>1,426.04</i>	<i>450.87</i>	-	<i>1,876.91</i>	<i>507.20</i>
<b>Total</b>	<b>4,496.59</b>	<b>731.23</b>	-	<b>5,227.82</b>	<b>3,530.50</b>	<b>613.91</b>	-	<b>4,144.41</b>	<b>1,083.41</b>
	<i>3,922.95</i>	<i>573.64</i>	-	<i>4,496.59</i>	<i>2,954.60</i>	<i>575.90</i>	-	<i>3,530.50</i>	<i>966.09</i>

#### footnotes:

- The Group has not capitalised any borrowing cost during the year (March 31, 2020 Nil).
- The Group has recognised impairment loss during the current year ₹ 52.30 (March 31, 2020 ₹ Nil).
- The Group has internally developed Seed development technology for producing hybrid seeds, which is Technical Knowhow. The Carrying amount of Seed development technology of ₹ 296.62 lakhs (₹ 507.20 lakhs as at March 31, 2020) will be fully amortized in next 3 years.
- The figures in italics are for the previous year.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 7: Investments

	Nominal value (in ₹)	No. of shares	As at March 31, 2021	No. of shares	As at March 31, 2020
Spartek Ceramics India Ltd.#	10	7,226	-	7,226	-
Nagarjuna Finance Ltd.#	10	400	-	400	-
Pharmaceuticals Products of India Limited#	10	10,000	-	10,000	-
Balasure Alloys Ltd.	5	504	0.05	504	0.04
J.K. Cement Ltd.	10	44	0.84	44	0.41
<b>Total aggregate quoted investments</b>		<b>A</b>	<b>0.89</b>	<b>A</b>	<b>0.45</b>
<b>Unquoted equity instruments</b>					
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>					
Gk Chemicals and Fertilizers Limited (formerly known as Aich Aar Chemicals Pvt. Ltd.)#	10	1,24,002	-	1,24,002	-
Biotech Consortium India Ltd.	10	50,000	5.00	50,000	5.00
Indian Potash Ltd.	10	1,08,000	1.80	1,08,000	1.80
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	275.19	5,68,414	337.64
Amba Trading & Manufacturing Company Private Ltd.#	10	1,30,000	-	1,30,000	-
Associated Inds. (Assam) Ltd.#	10	30,000	-	30,000	-
Uniscans & Sonics Ltd.#	10	96	-	96	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. \$ 2 each)#		21,00,000	-	21,00,000	-
<b>Total aggregate unquoted investments</b>		<b>B</b>	<b>316.79</b>	<b>B</b>	<b>379.24</b>
<b>Total non-current investments</b>		<b>(A+B)</b>	<b>317.68</b>	<b>(A+B)</b>	<b>379.69</b>

**footnote:**

# Amount is less than ₹ 0.01 lakh.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

Current	Units	As at March 31, 2021	Units	As at March 31, 2020
<b>Investment in mutual funds - unquoted</b>				
<b>Investments carried at fair value through profit and loss (FVTPL)</b>				
ICICI Overnight Fund - Direct Plan - Growth	11,75,064.24	1,304.10	-	-
TATA Liquid Fund - Direct Plan - Growth	4,841.08	157.22	-	-
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 - Regular Plan - Growth	1,460.12	4.42	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 - Regular - Growth	88,15,376.19	2,973.48	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
SBI Low Duration Fund - Regular Plan - Growth	1,06,759.80	2,936.31	-	-
TATA Treasury Adv. Fund - Regular Plan - Growth	1,33,305.39	4,098.50	-	-
Nippon Money Market Fund - Direct Plan - Growth	1,16,822.59	3,762.56	-	-
Kotak Saving Fund - Regular Plan - Growth	3,14,624.70	106.12	-	-
TATA Money Market Fund - Regular Plan - Growth	68,717.94	2,501.32	-	-
ICICI Money Market Fund - Regular Plan - Growth	3,07,143.81	900.15	-	-
UTI Treasury Adv Fund - Regular Plan - Growth	1,65,818.22	4,337.22	-	-
DSP Low Duration Fund - Regular Plan - Growth	2,01,17,991.39	3,123.31	-	-
HDFC Money Market Fund - Regular Plan - Growth	41,301.57	1,824.96	41,301.57	1,723.94
Kotak Liquid Direct plan growth	-	-	-	-
<b>Total current investments</b>	<b>C</b>	<b>28,029.67</b>	<b>C</b>	<b>29,867.42</b>
<b>Aggregate book value of quoted investments</b>	-	<b>0.89</b>	-	<b>0.45</b>
<b>Aggregate Market value of quoted investments</b>	-	<b>0.89</b>	-	<b>0.45</b>
<b>Aggregate carrying value of unquoted investments</b>	<b>(B+C)</b>	<b>28,346.47</b>	<b>(B+C)</b>	<b>30,246.66</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-	-	-

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 8: Loans\*

(Unsecured, considered good)

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Security deposits	1,008.44	907.07
<b>Total</b>	<b>1,008.44</b>	<b>907.07</b>

\*There is no amount due from director, other officer of the Group or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

### 9: Other financial assets (at amortised cost)\*

(Unsecured)

	As at March 31, 2021	As at March 31, 2020
<b>(i) Non-current</b>		
a) In other deposit accounts - original maturity more than 12 months	70.45	70.95
b) Interest accrued on fixed deposits with banks	10.32	5.56
	<b>80.77</b>	<b>76.51</b>
<b>(ii) Current</b>		
a) Unbilled revenue	85.11	50.23
b) Advances/Deposits considered doubtful of recovery	3,949.00	3,949.00
Less: Provision for doubtful loans and advances	(3,949.00)	(3,949.00)
c) Interest accrued on fixed deposits with banks	159.14	22.65
d) Others (Facilitation fees and solar power income receivable)	507.55	575.66
<b>Total</b>	<b>751.80</b>	<b>648.54</b>

\*There is no amount due from director, other officer of the Group or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

### 10: Income Taxes

	As at March 31, 2021	As at March 31, 2020
<b>10.1: Income-tax assets and liabilities</b>		
<b>Income-tax assets</b>		
Advance tax (Net of provisions)	8,803.51	11,002.26
	<b>8,803.51</b>	<b>11,002.26</b>
<b>Income-tax liabilities</b>		
Provision for current tax (Net of advance tax)	411.27	2,361.97
	<b>411.27</b>	<b>2,361.97</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>10.2: Income tax recognised in profit or loss</b>		
<b>Current income tax:</b>		
Current income tax charge	7,703.56	7,106.80
Adjustments in respect current income tax of prior years	-	(200.00)
<b>Total (A)</b>	<b>7,703.56</b>	<b>6,906.80</b>
<b>Deferred tax:</b>		
In respect of current year	(210.14)	(1,526.36)
<b>Total (B)</b>	<b>(210.14)</b>	<b>(1,526.36)</b>
<b>Income tax expense recognised in the Consolidated Statement of Profit and Loss in current year (A+B)</b>	<b>7,493.42</b>	<b>5,380.44</b>
<b>Income tax recognised in Other Comprehensive Income</b>		
Income tax expense on remeasurements of employee defined benefit plans	(42.17)	71.79
Deferred tax expense on remeasurements of employee defined benefit plans	(1.22)	(15.48)
<b>Total tax expense recognised in Other Comprehensive Income</b>	<b>(43.39)</b>	<b>56.31</b>

Reconciliation of the tax expense and the accounting profit for the year is as follows:-

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit before tax</b>	<b>30,350.09</b>	<b>23,749.24</b>
Income tax expense calculated @25.17% (PY @ 34.944%)	7,639.12	8,298.94
Effect of income that is exempt from taxation	(450.21)	(531.84)
Effect of expenses that are not deductible in determining taxable profit	110.62	297.10
Effect of expenses that are deductible in determining taxable profit	(4.17)	(79.95)
Effect of concessions (research & developments and others allowances)	(498.43)	(1,132.06)
Effect of Intangible asset Write off	165.60	-
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	(8.25)	(6.67)
Impact of changes in tax rate	-	(1,327.03)
Others	545.81	277.90
	<b>7,493.42</b>	<b>5,580.44</b>
Adjustments recognised in the current year in relation to the current tax of prior years	-	(200.00)
<b>Income tax expense recognised in Consolidated Statement of profit and loss</b>	<b>7,493.42</b>	<b>5,380.44</b>

Income tax expense recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurement of employee defined benefit liability/(asset)		
Before tax amount	174.73	(241.55)
Tax (expense) benefit	(43.39)	56.31
Net of tax	<b>131.34</b>	<b>(185.24)</b>
Fair value of equity instruments through other comprehensive income	1.08	0.85
Net of tax	<b>1.08</b>	<b>0.85</b>
Exchange differences in translating the financial statements of a foreign operation	7.33	(3.18)
Net of tax	<b>7.33</b>	<b>(3.18)</b>
<b>Total other comprehensive income (net of taxes)</b>	<b>139.75</b>	<b>(187.57)</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

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

	As at March 31, 2021	As at March 31, 2020
a) Raw materials (Including goods-in-transit of ₹ 2,125.69 lakhs (March 31, 2020 ₹ 6,347.38 lakhs)	17,868.58	18,374.78
b) Work-in-progress (including intermediate goods)	5,102.10	2,818.79
c) Finished goods	46,218.35	42,250.86
d) Stock-in-trade (in respect of goods acquired for trading)	4,350.91	4,545.48
e) Stores and spares	961.64	596.75
f) Packing materials	1,818.23	1,333.36
<b>Total</b>	<b>76,319.81</b>	<b>69,920.02</b>

#### footnotes:

- (i) The cost of inventories recognised as an expense during the year was ₹ 1,48,770.88 lakhs (March 31, 2020 ₹ 1,39,642.09 lakhs).
- (ii) The cost of inventories recognised as an expense includes ₹ 1,259.81 lakhs (March 31, 2020 ₹ 876.73 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 248.17 lakhs (March 31, 2020 ₹ 365.64 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. During the previous year, 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, 2021	As at March 31, 2020
<b>Current</b>		
Secured, considered good	682.09	863.12
Unsecured, considered good	39,946.40	44,196.02
Credit impaired	3,082.92	2,544.66
Loss allowance	(3,082.92)	(2,544.66)
<b>Total</b>	<b>40,628.49</b>	<b>45,059.14</b>

#### footnotes:

- (i) The average credit period ranges from 15 days to 180 days.
- (ii) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. Of the trade receivable balance as at March 31, 2021, receivables amounting to ₹ 8,810.62 lakhs are due from three customer (as at March 31, 2020 ₹ Nil is due from one customer), for which credit risk 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

(iv) Movement in the expected credit loss allowance

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	2,544.66	1,848.30
Less: balances written off during the year	-	222.73
Add: provision made during the year	538.26	919.09
<b>Balance at the end of the year</b>	<b>3,082.92</b>	<b>2,544.66</b>

(v) Bank overdrafts, cash credit facility and short-term loans from bank are secured by first pari passu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 20).

### 13: Cash and bank balances

	As at March 31, 2021	As at March 31, 2020
<b>13.1: Cash and cash equivalents</b>		
a. Balances with banks in current accounts	1,024.89	696.42
b. Cash on hand	1.91	3.14
c. Term deposits with original maturity of less than 3 months	0.00	3,952.17
<b>Total Cash and cash equivalents as per Balance Sheet</b>	<b>1,026.80</b>	<b>4,651.73</b>
Bank overdrafts and cash credit facility (secured)	(4.77)	(2,411.79)
<b>Cash and cash equivalents as per Consolidated Statement of cash flows</b>	<b>1,022.03</b>	<b>2,239.94</b>
<b>13.2: Other bank balances</b>		
a. In other deposit accounts - original maturity more than 3 months and less than 12 months	4,003.61	3.61
b. In earmarked accounts:		
i. Balances held for unpaid / unclaimed dividend accounts	146.12	162.53
ii. Bank deposits as margin money against bank guarantees - original maturity more than 3 months and less than 12 months	336.00	47.20
<b>Total other bank balances</b>	<b>4,485.73</b>	<b>213.34</b>

footnote:

The Group has not entered into non cash investing and financing activities.

### 14: Other assets

(Unsecured, considered good)

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Capital advances	700.79	1,199.47
Deposit with public bodies	210.15	233.28
Claims receivable from public bodies	537.42	547.93
Prepaid lease rental	1,967.11	2,056.85
Prepaid expenses	149.06	167.59
<b>Total</b>	<b>3,564.53</b>	<b>4,205.12</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Statutory dues receivable from government authorities		
Goods and Services Tax receivable	4,299.62	3,364.13
Export benefit receivable	702.99	1,143.16
Inventory recoverable	3,997.04	3,160.48
Advances recoverable		
Advances to suppliers	2,546.15	986.89
Less: Provision for doubtful advances	-	(2.40)
Advances to employees	275.94	571.62
Others (Receivable from Govt and gas distribution company etc.)	526.83	413.78
Prepaid lease rental	89.74	89.74
Prepaid expenses	1,446.06	909.13
<b>Total</b>	<b>13,884.37</b>	<b>10,636.53</b>

**footnote:**

Loans to employees includes ₹ Nil (2020: ₹ Nil) due from officer of the Group. Maximum balance outstanding during the year is ₹ Nil (2020 : ₹ Nil).

### 15: Assets classified as held for sale

	As at March 31, 2021	As at March 31, 2020
Freehold land	244.91	244.91
Buildings	168.91	181.87
	<b>413.82</b>	<b>426.78</b>

**footnote:**

During the previous year, the Group has reclassified certain Freehold Land (carrying amount of ₹ 244.91 lakhs) and Buildings (carrying amount ₹ 141.44 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 16: Share capital

	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital :</b>		
500,000,000 (March 31, 2020 500,000,000) equity shares of ₹ 1 each with voting rights	5,000.00	5,000.00
150,000,000 (March 31, 2020 150,000,000) preference shares of ₹ 10 each	15,000.00	15,000.00
28,887,800 (March 31, 2020 Nil) equity shares of ₹ 10 each with voting rights	2,888.78	-
<b>Issued, subscribed and paid up capital comprises:</b>		
<b>Issued shares</b>		
194,470,890 (March 31, 2020 194,470,890) equity shares of ₹ 1 each	1,944.71	1,944.71
<b>Subscribed and fully paid up</b>		
194,468,890 (March 31, 2020 194,468,890) equity shares of ₹ 1 each	1,944.69	1,944.69
<b>Forfeited shares</b>		
2,000 (March 31, 2020 2,000) equity shares of ₹ 1 each	0.02	0.02
	<b>1,944.71</b>	<b>1,944.71</b>

#### footnotes:

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Fully paid equity shares	Number of shares	Amount of share capital
Balance at March 31, 2020	19,44,68,890	1,944.69
Movements during the year	-	-
<b>Balance at March 31, 2021</b>	<b>19,44,68,890</b>	<b>1,944.69</b>

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

	Number of fully paid equity shares	Amount of share capital
<b>Tata Chemicals Limited</b>		
As at March 31, 2020	9,73,41,610	973.42
<b>As at March 31, 2021</b>	<b>9,73,41,610</b>	<b>973.42</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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
<b>Tata Chemicals Limited</b>		
As at March 31, 2020	9,73,41,610	50.06%
<b>As at March 31, 2021</b>	<b>9,73,41,610</b>	<b>50.06%</b>
<b>Rakesh Jhunjunwala</b>		
As at March 31, 2020	1,93,05,820	9.93%
<b>As at March 31, 2021</b>	<b>2,00,55,820</b>	<b>10.31%</b>

e. As per records of the Holding Company as at March 31, 2021, no calls remain unpaid by the directors and officers of the Holding Company.

## 17: Other equity

	As at March 31, 2021	As at March 31, 2020
General reserve	17,649.93	17,649.93
Securities premium reserve	8,793.88	8,793.88
Retained earnings	1,21,303.50	1,03,177.27
Foreign currency translation reserve on consolidation	(9.07)	(16.40)
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	2.13	1.05
	<b>1,57,135.24</b>	<b>1,39,000.60</b>

### 17.1: General reserve

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	17,649.93	17,649.93
<b>Balance at the end of year</b>	<b>17,649.93</b>	<b>17,649.93</b>

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

### 17.2: Securities premium reserve

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	8,793.88	8,793.88
<b>Balance at the end of year</b>	<b>8,793.88</b>	<b>8,793.88</b>

Amount received on issue of shares in excess of the par value has been classified as security share premium.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 17.3: Retained earnings

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	1,03,177.26	90,822.35
Other Comprehensive Income arising from remeasurement of employee defined benefit obligation (Net of taxes)	131.34	(185.24)
Profit attributable to the owners of the Holding Company	22,856.62	18,484.43
Leases (IND AS 116) transition effect	-	(110.86)
Others	-	27.65
Payment of dividend on equity shares - Final	(4,861.72)	(4,861.72)
Payment of dividend distribution tax on equity shares-Final	-	(999.34)
<b>Balance at the end of year</b>	<b>1,21,303.50</b>	<b>1,03,177.27</b>

### 17.4: Capital redemption reserve

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	8,151.77	8,151.77
<b>Balance at the end of year</b>	<b>8,151.77</b>	<b>8,151.77</b>

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

### 17.5: Capital reserve

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	1,243.10	1,243.10
<b>Balance at the end of year</b>	<b>1,243.10</b>	<b>1,243.10</b>

Capital reserve includes profit on amalgamation of entities.

### 17.6: Reserve for equity instruments through Other Comprehensive Income

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	1.05	0.20
Additions during year	1.08	0.85
<b>Balance at the end of year</b>	<b>2.13</b>	<b>1.05</b>

The group has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. Balance in Other Comprehensive Income is transferred to retained earnings on disposal of the investment.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 17.7: Foreign currency translation reserve on consolidation

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	(16.40)	(13.22)
<b>Movements</b>		
Additions during year	7.33	(3.18)
<b>Balance at the end of year</b>	<b>(9.07)</b>	<b>(16.40)</b>

These comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries.

### 18: Non-controlling interest

	As at March 31, 2021	As at March 31, 2020
<b>Balance at beginning of year</b>	68.55	184.18
<b>Movements</b>		
Share of loss for the year	0.05	(115.63)
<b>Balance at the end of year</b>	<b>68.60</b>	<b>68.55</b>

### 19.1: Non-current borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Secured - at amortised cost</b>		
Secured loan from banks (refer note (ii))	-	50.00
Secured loan from other corporate bodies (refer note (ii))	9.98	47.01
<b>Unsecured -at amortised cost</b>		
Term loan from bank (refer note(ii))	300.00	600.00
Loan from the Council of Scientific and Industrial Research (refer note(ii))	-	16.65
Sales tax deferral under a state government scheme (refer note(i))	468.34	522.64
<b>Total</b>	<b>778.32</b>	<b>1,236.30</b>

### Summary of borrowing arrangements

#### (i) Sales tax deferral scheme:

The loan is repayable in annual installments which ranges from a maximum of ₹ 113.11 lakhs to a minimum of ₹ 24.12 lakhs over the period stretching from April 1, 2022 to March 31, 2027. The amount outstanding is free of interest.

The balance outstanding as at March 31, 2021 is ₹ 522.64 lakhs (March 31, 2020 ₹ 554.08 lakhs) of which ₹ 54.30 lakhs (March 31, 2020 ₹ 31.44 lakhs) has been grouped under note 21 other current financial liabilities which are payable in next 12 months.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

(ii) The terms of repayment of term loans and other loans are stated below

### As at March 31, 2021

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from other corporate bodies	25.38	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, 2021 is ₹ 25.38 lakhs which is repayable along with interest in remaining 4 equal half yearly installments for project ended on July 2017 (Maize) of which ₹ 15.40 lakhs has been grouped under note 21 other current financial liabilities, which are payable in next 12 months.	2.00%
Unsecured term loan from bank	600.00	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, 2021 is ₹ 600 lakhs of which ₹ 300 lakhs has been grouped under note 21 Other current financial liabilities, which are payable in next 12 months	7.35% to 8.85%
Loan from the Council of Scientific and Industrial Research	8.32	Term loan from Council of Scientific and Industrial Research: The balance payable as on March 31, 2021 is ₹ 8.32 lakhs. The same is repayable along with interest in 1 annual installment and has been grouped under note 21 other current financial liabilities, which are payable in next 12 months.	3.00%

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

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. Out of the balance outstanding as at March 31, 2020 ₹ 50.00 lakhs has been grouped under other current financial liabilities which are payable in next 12 months.	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). Out of the balance outstanding as at March 31, 2020 ₹ 21.63 lakhs has been grouped under other current financial liabilities which are payable in next 12 months.	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. Out of the balance outstanding as at March 31, 2020 ₹ 8.32 lakhs has been grouped under other current financial liabilities which are payable in next 12 months.	3.00%



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 19.2: Lease liabilities

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Lease liabilities (refer note 37)	2,155.34	1,438.70
	<b>2,155.34</b>	<b>1,438.70</b>
<b>Current</b>		
Lease liabilities (refer note 37)	1,244.62	1,392.43
<b>Total</b>	<b>1,244.62</b>	<b>1,392.43</b>

### 20: Current borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
Loans repayable on demand from banks		
Bank overdrafts and cash credit facility (refer footnote (i) and (ii))	4.77	2,411.79
Short-term loan from bank (refer footnote (iii))	3,000.00	2,550.00
<b>Total</b>	<b>3,004.77</b>	<b>4,961.79</b>

#### footnotes:

- (i) These 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 7.12% p.a. (for March 31, 2020 8.50% p.a.).
- (iii) **The terms of short-term loan is stated below**

#### As at March 31, 2021

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).	3,000.00	The loan is repayable in 270 days from the date of availment.	4.23%

#### 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%

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 21: Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
(a) Current maturity of long-term borrowings (refer note 19.1)		
Term loan from bank- unsecured	300.00	300.00
Unsecured - others	78.02	31.44
(b) Interest accrued but not due on non-current and current borrowings	8.96	23.31
(c) Unclaimed dividends (refer footnote)	146.44	162.85
d) Derivative liabilities		
Forward exchange contracts for hedging	72.48	3.97
(e) Others		
Creditors for capital purchases and others	863.54	248.86
Customer deposits	2,275.95	2,149.17
Amounts due to customers	10,733.78	6,657.21
<b>Total</b>	<b>14,479.17</b>	<b>9,576.81</b>

**footnote:**

All amounts required to be transferred to the Investor Education and Protection Fund by the Group have been transferred within the time prescribed for the same, except in cases of disputes relating to the ownership of the underlying shares that have remained unresolved amounting to ₹ 0.26 lakhs (March 31, 2020 ₹ 0.26 lakhs).

### 22: Provisions

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
(a) Supplemental pay (refer note 2 below)	1,568.69	1,515.97
(b) Gratuity (refer note 2 below)	-	187.83
(c) Compensated absences (refer note 2 below)	361.28	169.91
(d) Directors pension liability (refer note 2 below)	756.53	691.03
<b>Total</b>	<b>2,686.50</b>	<b>2,564.74</b>
<b>Current</b>		
(a) Supplemental pay (refer note 2 below)	148.45	151.68
(b) Directors pension liability (refer note 2 below)	59.76	59.76
(c) Gratuity (refer note 2 below)	26.22	367.27
(d) Compensated absences (refer note 2 below)	1,149.78	1,084.42
(e) Provisions for indirect taxes (refer note 1 below)	41.95	41.95
<b>Total</b>	<b>1,426.16</b>	<b>1,705.08</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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 Group holds an overall provision in respect of certain indirect tax matters in dispute which, as at the year-end, aggregates ₹ 41.95 lakhs (March 31, 2020 ₹ 41.95 lakhs). The movement during the year is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as at April 1	41.95	237.32
Additional provisions made during the year	-	29.95
<b>Total</b>	<b>41.95</b>	<b>267.27</b>
Utilisation during the year	-	225.32
<b>Closing balance as at March 31</b>	<b>41.95</b>	<b>41.95</b>

Due to the numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The Group regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, may change its estimates significantly. However, no estimate of the range of any such change can be made at this time.

### 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, 2021	As at March 31, 2020
Deferred tax liabilities	4,952.02	4,473.63
Deferred tax assets	(2,313.96)	(1,624.24)
<b>Total</b>	<b>2,638.06</b>	<b>2,849.39</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

2020-21 - 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
<b>Deferred tax assets (Net)</b>						
Allowance for doubtful debts and advances	(1,035.03)		(133.14)	-	-	(1,168.17)
Creation of Deferred tax assets on account of IND AS 116 "Leases"	(45.73)		7.73	-	-	(38.00)
Impact of 43B Disallowances	(6.68)		(95.02)	-	0.02	(101.68)
Defined benefit obligation	(362.46)		(13.06)	(1.22)	(0.12)	(376.86)
On unused tax losses	(0.16)				0.16	(0.00)
Tax adjustment on account of indexation of land	(105.91)		(8.10)	-	(0.01)	(114.02)
Long-term capital loss on sale of equity instrument	(543.46)			-	(0.01)	(543.47)
Impact of Disallowance u/s.40(a)(i)	(0.06)		0.06	-	-	-
Difference between WDV as per books and income tax	3,945.85		6.89	-	-	3,952.74
On intangible assets	991.26			-	-	991.26
Others	11.77		24.49			36.26
<b>Total</b>	<b>2,849.39</b>	<b>-</b>	<b>(210.15)</b>	<b>(1.22)</b>	<b>0.04</b>	<b>2,638.06</b>

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
<b>Deferred tax assets (Net)</b>						
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
<b>Total</b>	<b>1,644.51</b>	<b>(56.65)</b>	<b>(1,526.36)</b>	<b>15.48</b>	<b>2,772.41</b>	<b>2,849.39</b>

\* represents utilization of MAT credit.

### footnote:

There are no material deferred tax expense on unrecognised tax losses.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 24: Trade payables

	As at March 31, 2021	As at March 31, 2020
(i) Total outstanding dues of micro enterprises and small enterprises	1,734.61	369.13
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	46,223.84	46,771.73
(iii) Other payables	11,648.38	16,593.30
<b>Total</b>	<b>59,606.83</b>	<b>63,734.16</b>

### 25: Other liabilities

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Deferred revenue	8.30	9.82
<b>Total</b>	<b>8.30</b>	<b>9.82</b>
<b>Current</b>		
Provident fund and other employee deductions	260.26	259.74
Goods and Service Tax payable	36.69	55.91
Tax deducted at source	218.88	243.25
Other taxes (other than income tax payable)	8.80	91.28
Advance received from customers	10,486.01	10,518.79
Payable to employees	130.36	650.72
Other liabilities (payable towards past acquisition etc.)	133.02	183.08
<b>Total</b>	<b>11,274.02</b>	<b>12,002.77</b>

### 26: Revenue from operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales of products (refer note 36 and 46)	2,41,845.65	2,23,805.33
Sales of services	57.51	51.44
Other operating income	1,040.34	1,324.78
<b>Total</b>	<b>2,42,943.50</b>	<b>2,25,181.55</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 27: Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>a) Interest income</b>		
Interest Income on bank deposits carried at amortised cost	288.25	73.61
Interest income on security deposits carried at amortised cost	351.82	345.12
Interest income on income tax refund received	8.84	39.62
<b>b) Dividend income</b>		
Dividend from current investment in mutual fund carried at FVTPL	-	224.79
Dividend from equity instruments measured at FVTOCI	3.62	1.62
<b>c) Fair value of investment</b>		
Fair value of investment - realized	1,217.81	353.61
Fair value of investment - unrealized	295.87	381.45
<b>d) Other non-operating income</b>		
Insurance claim	651.77	9.85
Rental Income	28.60	55.76
Export benefits	798.32	1,412.27
Miscellaneous income	400.38	526.37
<b>e) Other gains and losses</b>		
Profit on disposal of property, plant and equipment(net)	-	9.33
<b>Total</b>	<b>4,045.28</b>	<b>3,433.40</b>

### 28: Cost of materials consumed

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year	18,374.78	18,516.26
Add: Purchases	1,32,347.30	1,21,552.19
	<b>1,50,722.08</b>	<b>1,40,068.45</b>
Less: Inventory at the end of the year	17,868.58	18,374.78
Cost of raw material and components consumed	<b>1,32,853.50</b>	<b>1,21,693.67</b>
Packing material consumed	7,901.77	6,513.17
<b>Total</b>	<b>1,40,755.27</b>	<b>1,28,206.84</b>

### 29: Purchases of stock-in-trade

	For the year ended March 31, 2021	For the year ended March 31, 2020
Agri Inputs	13,659.10	14,121.26
<b>Total</b>	<b>13,659.10</b>	<b>14,121.26</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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, 2021	For the year ended March 31, 2020
<b>Opening stock</b>		
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
	<b>49,615.13</b>	<b>46,929.12</b>
<b>Closing stock</b>		
Finished goods - own manufactured	46,218.35	42,250.86
Stock-in-trade	4,350.91	4,545.48
Work in-progress (including intermediate goods)	5,102.10	2,818.79
	<b>55,671.36</b>	<b>49,615.13</b>
Movement in inventory recoverable	(836.56)	(644.38)
<b>Net (Increase)</b>	<b>(6,892.79)</b>	<b>(3,330.39)</b>

### 31: Employee benefit expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus		
Wages and salaries	15,669.09	14,967.65
Allowances	3,536.96	2,674.83
Compensated absences	370.63	308.27
Contribution to provident and other funds (refer note 38)	885.75	831.42
Staff welfare expenses	1,137.75	1,228.23
<b>Total</b>	<b>21,600.18</b>	<b>20,010.40</b>

### 32: Finance costs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on long-term loan from bank	59.22	91.09
Interest on bank overdrafts, cash credit and short-term loan from bank	156.84	248.40
Interest on lease liabilities	304.70	271.73
<b>Total</b>	<b>520.76</b>	<b>611.22</b>

### 33: Depreciation and amortisation expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 4(a))	4,370.00	4,180.29
Depreciation of right-of-use asset (refer note 4 (b))	1,422.70	1,390.32
Depreciation of investment property (refer note 5)	0.42	4.65
Amortization of intangible assets (refer note 6.2)	613.91	575.90
<b>Total</b>	<b>6,407.03</b>	<b>6,151.16</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 34: Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Freight, handling and packing	8,612.32	7,829.34
Travelling and conveyance	1,445.58	2,281.85
Power and fuel	5,613.09	5,938.94
Brand equity contribution	338.71	314.86
Repairs and maintenance		
Plant and equipment	1,111.38	1,141.10
Property	172.66	223.30
Others	722.70	556.08
Stores and spares consumed	855.37	792.09
Rates and taxes	633.93	226.01
Commission	39.90	39.55
Insurance charges	904.52	644.68
Rent (refer note 37)	1,278.33	1,346.23
Bank charges	156.33	365.57
Director fees and commission	366.44	292.79
Bad debts	-	222.73
Allowance for doubtful debts (Net)	538.26	696.36
Allowance for doubtful advances	-	2.40
Tangible assets written off	-	8.84
Intangible assets and intangible assets under development written off	657.94	204.46
Loss on sale of property, plant and equipment (Net)	49.13	-
Selling expenses	5,825.97	4,521.57
Advertisement and promotion	1,363.73	1,312.01
Legal and professional fees	2,134.64	1,459.47
Net loss on foreign currency transactions and translation	296.99	1,432.06
Other expenses (refer note 44)	8,415.89	8,385.26
<b>Total</b>	<b>41,533.81</b>	<b>40,237.55</b>

### 35: Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year attributable to owners of the Group used in the calculation of basic/ diluted earnings per share	22,856.62	18,484.43
Weighted average number of equity shares	19,44,68,890	19,44,68,890
Basic and diluted earnings per share	11.75	9.51



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Agri Inputs	2,42,699.46	2,22,478.25	27,355.77	20,633.66
Others	244.04	2,703.30	1.69	763.34
<b>Total</b>	<b>2,42,943.50</b>	<b>2,25,181.55</b>	<b>27,357.46</b>	<b>21,397.00</b>
Other income			4,045.28	3,433.40
Central administration cost, director fees and commission			(531.89)	(469.94)
Finance costs			(520.76)	(611.22)
<b>Profit before tax</b>			<b>30,350.09</b>	<b>23,749.24</b>

#### Notes:

- Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (March 31, 2020 ₹ Nil). The accounting policies of the reportable segments are the same as described in note 3.23.
- 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, 2021	As at March 31, 2020
<b>Segment assets</b>		
Agri Inputs	2,14,118.95	1,96,021.74
Others	1,431.80	1,965.37
<b>Total segment assets</b>	<b>2,15,550.75</b>	<b>1,97,987.11</b>
Assets classified as held for sale	413.82	426.78
Unallocated	42,897.34	46,433.93
<b>Total assets</b>	<b>2,58,861.91</b>	<b>2,44,847.82</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Segment liabilities</b>		
Agri Inputs	89,814.09	89,173.66
Others	0.00	314.81
<b>Total segment liabilities</b>	<b>89,814.09</b>	<b>89,488.47</b>
Unallocated	9,899.27	14,345.49
<b>Total liabilities</b>	<b>99,713.36</b>	<b>1,03,833.96</b>

### Details of capital expenditure incurred

Particulars	As at March 31, 2021	As at March 31, 2020
Agri Inputs	8,329.10	3,905.99
Others	97.39	21.50
<b>Total</b>	<b>8,426.49</b>	<b>3,927.49</b>

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than investments, other financial assets, non current tax assets, fixed deposits and interest accrued thereon.
- All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, interest accrued on loans, provision for supplemental pay, Director pension scheme, unpaid dividend, current and deferred tax liabilities.

### Geographical information

The Group operates in two principal geographical areas - India and outside India

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets\* by location of assets are detailed below.

Particulars	Revenue from external customers		Non-current assets*	
	For the year ended March 31, 2021	For the year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
India	1,71,397.40	1,57,156.28	92,328.35	82,487.83
Asia (Other than India)	24,674.41	36,241.39	-	-
North America	26,225.32	18,055.49	-	-
South America	13,729.51	9,048.87	-	-
Africa	1,350.78	2,929.57	-	-
Europe	5,293.39	1,673.52	-	-
Australia	272.69	76.43	-	-
	<b>2,42,943.50</b>	<b>2,25,181.55</b>	<b>92,328.35</b>	<b>82,487.83</b>

\* 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 2020-21 and 2019-20.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 37: Leases

The Group incurred ₹ 867.09 lakhs for the year ended March 31, 2021 ( (March 31, 2020 ₹ 1,235.19 lakhs) 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 ₹ 79.05 lakhs((March 31, 2020 ₹ 111.04 lakhs) refer note 33. The total cash outflow for leases is ₹ 2,243.03 lakhs for the year ended March 31, 2021 (March 31, 2020 ₹ 3,030.34 lakhs), 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 %
<b>March 31, 2021</b>	3,399.96	1,244.62	1,032.85	1,002.87	119.62	8.35%
Lease liabilities	<b>3,399.96</b>	<b>1,244.62</b>	<b>1,032.85</b>	<b>1,002.87</b>	<b>119.62</b>	<b>8.35%</b>
<b>March 31, 2020</b>						
Lease liabilities	2,831.13	1,392.43	670.42	652.22	116.06	8.65%
	<b>2,831.13</b>	<b>1,392.43</b>	<b>670.42</b>	<b>652.22</b>	<b>116.06</b>	<b>8.65%</b>

#### Impact of changes in accounting policies

The following table provides the extract of impacts of adopting Ind AS 116 on the financial statements for previous year 2019-20

##### 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
<b>Total assets</b>	-	<b>3,298.39</b>	<b>3,298.39</b>
Lease liabilities	-	3,465.90	3,465.90
<b>Total liabilities</b>	-	<b>3,465.90</b>	<b>3,465.90</b>
Retained earnings	-	(167.51)	(167.51)
Deferred tax assets	-	56.65	56.65
<b>Total equity</b>	-	<b>(110.86)</b>	<b>(110.86)</b>

For the year ended March 31, 2020	Increase/ (decrease) in profit for the year attributable to 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 policies relating to:			
- adoption of Ind AS 116	(19.58)	(0.01)	(0.01)

#### Future lease commitments

All leases other than included above are of either low value or cancellable at the option of lessee.

# Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

## 38: Employee benefit plans

### Defined contribution plans

#### Contribution to provident fund and ESIC

The Group makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to government authorities (PF commissioner) at factories.

Amount recognised as expense and included in the note 31 in the head "Contribution to Provident and other funds" for 31 March 2021 ₹ 535.77 lakhs (31 March 2020 ₹ 483.32 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 31 March, 2021

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, 2021	For the year ended March 31, 2020
Discount rates	6.06 % to 6.85% p.a.	5.70% to 6.83% 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)*	12 Years	8.05 Years
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	12 Years	3.5 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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Service cost:</b>				
Current service cost	383.60	331.02	-	-
Past service cost and loss from settlements	-	119.60	-	-
Net interest expense	35.79	15.42	165.18	177.54
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>419.39</b>	<b>466.04</b>	<b>165.18</b>	<b>177.54</b>
<b>Actuarial (Gain)/Losses arising from changes in demographic assumptions</b>				
Return on plan assets (excluding amounts included in net interest expense)	34.93	(84.15)	-	-
Actuarial (Gain) arising from experience adjustments	279.94	(44.58)	170.38	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	(276.74)	251.74	(3.88)	140.51
Actuarial (Gain)/Losses arising from experience adjustments	(370.87)	(26.15)	(8.49)	4.18
Components of defined benefit costs recognised in Other Comprehensive Income	<b>(332.74)</b>	<b>96.86</b>	<b>158.01</b>	<b>144.69</b>
<b>Total</b>	<b>86.65</b>	<b>562.90</b>	<b>323.19</b>	<b>322.23</b>

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Consolidated Statement of profit and loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligations	3,836.24	3,814.99	1,717.14	1,667.65
Fair value of plan assets	3,810.01	3,259.89	-	-
<b>Funded Status [Deficit/(Surplus)]</b>	<b>26.23</b>	<b>555.10</b>	<b>1,717.14</b>	<b>1,667.65</b>
Additional provision created	-	-	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>26.23</b>	<b>555.10</b>	<b>1,717.14</b>	<b>1,667.65</b>

Movements in the present value of the defined benefit obligation are as follows

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	3,814.99	3,167.12	1,667.65	1,585.82
Current service cost	383.60	331.02	-	-
Past service cost	-	119.60	-	-
Interest cost	253.50	237.52	113.90	121.95
Liability Transferred in/Acquisitions	5.69	81.86	-	-
<b>Remeasurement (Gain)/Losses:</b>				
Actuarial (Gain)/Losses arising from changes in demographic assumptions	279.94	(44.58)	105.45	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	(276.74)	251.74	(2.20)	85.46
Actuarial (Gain)/Losses arising from experience adjustments	(370.87)	(25.00)	(19.22)	27.19
Benefits paid	(253.87)	(265.58)	(148.44)	(152.77)
Others	-	(38.71)	-	-
<b>Closing defined benefit obligation</b>	<b>3,836.24</b>	<b>3,814.99</b>	<b>1,717.14</b>	<b>1,667.65</b>

Movements in the fair value of the plan assets are as follows

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening fair value of the plan assets	3,259.89	2,999.48	-	-
Interest income	217.71	222.10	-	-
<b>Remeasurement gain (loss):</b>				
Return on plan assets (excluding amounts included in net interest expense)	(34.93)	84.15	-	-
Assets Transferred In/Acquisitions	5.69	43.14	-	-
Contributions from the employer	615.52	176.60	-	-
Benefits paid	(253.87)	(265.58)	-	-
<b>Closing fair value of plan assets</b>	<b>3,810.01</b>	<b>3,259.89</b>	<b>-</b>	<b>-</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

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") and Kotak Life Insurance.

### Directors pension liability

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	750.79	722.92
Current service cost	51.28	55.59
<b>Remeasurement (gain)/loss:</b>		
Actuarial (gain)/loss arising from changes in financial assumptions	64.93	
Actuarial (gain)/loss arising from experience adjustments	(1.68)	55.05
Actuarial (gain)/loss arising from experience adjustments	10.72	(23.00)
Benefits paid	(59.75)	(59.77)
<b>Closing defined benefit obligation</b>	<b>816.29</b>	<b>750.79</b>

The fair value of the plan assets at the end of the reporting period for each category, are as follow:

Particulars	Gratuity		Supplemental pay	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	12.77	13.26	-	-
<b>Investment funds with insurance Group</b>				
Traditional / unit linked	708.53	437.23	-	-
	<b>708.53</b>	<b>437.23</b>	-	-
Others - LIC managed fund	3,088.72	2,809.40	-	-
<b>Total</b>	<b>3,810.02</b>	<b>3,259.89</b>	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. If the discounting rate is 100 basis point higher (lower), the defined benefit obligation would decrease by ₹ 462.16 lakhs (increase by ₹ 388.80 lakhs) (as at March 31, 2020: decrease by ₹ 532.02 lakhs (increase by ₹ 492.55 lakhs)).
2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 313.88 lakhs (decrease by ₹ 278.35 lakhs) (as at March 31, 2020: increase by ₹ 279.04 lakhs (decrease by ₹ 250.35 lakhs)).
3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 48.26 lakhs (decrease by ₹ 39.55 lakhs) (as at March 31, 2020: increase by ₹ 48.94 lakhs (decrease by ₹ 40.05 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 ₹ 33.26 lakhs (March 31, 2020 ₹ 367.27 lakhs ) to the defined benefit plans during the next financial year.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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, 2021 as follows:

Particulars	Defined benefit obligation
<b>As at March 31,</b>	
2021	553.30
2022	461.02
2023	549.87
2024	521.27
2025	578.95
Thereafter	2,823.15

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, 2021 and March 31, 2020.

Amount recognised as expense and included in the Note 31 — in the head "Contribution to Provident and other funds" for March 31, 2021 ₹ 244.82 lakhs ( for March 31, 2020 ₹ 254.25 lakhs).

The details of provident fund and plan asset position are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Plan assets as period end	10,406.67	9,198.72
Present value of funded obligation	10,215.35	8,925.52
<b>Amount recognised in the Balance Sheet</b>	-	-

Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Guaranteed rate of return	8.50%	8.50%
Discount rate for remaining term to maturity of investments	6.41%	6.83%
Expected rate of return on investments	6.41%	7.69%

As at March 31, 2021, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 10,406.67 lakhs and ₹ 10,215.35 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 ₹ 370.63 lakhs (31 March, 2020 ₹ 308.27 lakhs ) has been recognised in the Consolidated Statement of profit and loss on account of provision for long-term employment benefit.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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.

#### Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	4,161.11	6,529.53
Lease liabilities (non-current and current)	3,399.96	2,831.13
Cash and bank balances	(5,512.53)	(4,865.07)
<b>Net debt</b>	<b>2,048.54</b>	<b>4,495.59</b>
<b>Total equity</b>	<b>1,59,148.55</b>	<b>1,41,013.86</b>
Net debt to equity ratio	1.29%	3.19%

- (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.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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, 2021

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)
<b>Financial assets</b>								
Cash and cash equivalents	1,026.80	-	-	1,026.80	-	-	-	-
Bank balances other than above	4,485.73	-	-	4,485.73	-	-	-	-
Non-current investments	317.68	-	317.68	-	317.68	0.89	-	316.79
Current investments	28,029.67	28,029.67	-	-	28,029.67	-	28,029.67	-
Loans (non-current)	1,008.44	-	-	1,008.44	1,008.44	-	-	1,008.44
Other non current financial assets	80.77	-	-	80.77	80.77	-	-	80.77
Trade receivables	40,628.49	-	-	40,628.49	-	-	-	-
Other current financial assets	751.80	-	-	751.80	-	-	-	-
<b>Financial liabilities</b>								
Non-current borrowings (excluding current portion)	778.32	-	-	778.32	778.32	-	-	778.32
Lease liabilities (current and non-current portion)	3,399.96	-	-	3,399.96	3,399.96	-	-	3,399.96
Current borrowings	3,004.77	-	-	3,004.77	-	-	-	-
Trade payables	59,606.83	-	-	59,606.83	-	-	-	-
Other financial liabilities (current and non-current)	14,479.17	72.48	-	14,406.69	72.48	-	72.48	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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)
<b>Financial assets</b>								
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
Loans (current)	-	-	-	-	-	-	-	-
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	-	-	-	-
<b>Financial liabilities</b>								
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 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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

#### Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3):

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening balance</b>	379.24	378.34
Remeasurement recognised in OCI	-	-
Add: Bonus shares issued on investment	-	0.90
Less: Buy back of shares	62.45	-
<b>Closing balance</b>	<b>316.79</b>	<b>379.24</b>

### Financial risk management objectives

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk report which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
In US Dollars (USD)	221.74	207.88	191.37	94.35
In Australian Dollars (AUD)	0.01	0.01	-	-
In Euro (EUR)*	-	-	0.38	-
In Japanese Yen (JPY)	995.80	676.60	-	-
In SWISS Franc (CHF)	-	0.01	-	-
In Great Britain Pound (GBP)	-	-	0.15	-

Particulars	Liabilities (INR)		Assets (INR)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
In US Dollars (USD)	16,211.27	15,728.91	13,991.33	7,139.19
In Australian Dollars (AUD)	0.38	0.31	-	-
In Euro (EUR)	-	0.22	32.70	-
In Japanese Yen (JPY)	658.37	471.13	-	-
In Great Britain Pound (GBP)	-	1.19	15.28	-

\* 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% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Impact on profit / (loss) and total equity

Particulars	USD impact	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	(111.00)	(429.49)
Decrease in exchange rate by 5%	111.00	429.49

Particulars	AUD impact	
	As at March 31, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
Increase in exchange rate by 5%	1.64	(0.01)
Decrease in exchange rate by 5%	(1.64)	0.01

Particulars	JPY impact	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	(32.92)	(23.56)
Decrease in exchange rate by 5%	32.92	23.56

Particulars	GBP impact	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	0.76	(0.06)
Decrease in exchange rate by 5%	(0.76)	0.06

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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Derivative instruments:

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	As at March 31, 2021			As at March 31, 2020		
	Number of contracts	₹ lakhs	Foreign currency in lakhs	Number of contracts	₹ lakhs	Foreign currency in lakhs
Payable	2	610.11	JPY 922.80	2	471.13	JPY 676.60
Payable	15	6,027.44	USD 82.44			

Note: USD= US Dollar; JPY = Japanese Yen.

The line item in the balance sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

### Equity risk

There is no material equity risk relating to the Group's equity investments which are detailed in note 7 . The Group equity investments majorly comprises of strategic investments rather than trading purposes.

### Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument that will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market rates relates primarily to the Group's non-current debt obligations with floating interest rates. The Group's policy is generally to undertake non current borrowing using facilities that carry floating interest rate.

Moreover, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

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, 2021	As at March 31, 2020
Non-current variable interest rate borrowings	600.00	900.00
Non-current fixed interest rate borrowings including current maturities of non-current borrowings	9.98	113.66
Lease Liabilities (Current and Non Current)	3,399.96	2,831.13
Current variable interest rate borrowings	3,004.77	4,961.79
Fixed interest rate financial assets	4,410.06	4,073.93

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 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 ₹ 5.96 lakhs (increased by ₹ 12.04 lakhs) (as at March 31, 2020: decrease by ₹ 5.96 lakhs (increase by ₹ 12.04 lakhs).

#### 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 ₹ 14.55 lakhs (increased by ₹ 5.10 lakhs) (as at March 31, 2020: decrease by ₹ 5.10 lakhs (increase by ₹ 5.10 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 31 March, 2021

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
<b>As at March 31, 2021</b>					
<b>Non-Derivative financial liabilities</b>					
Borrowings including future interest payable	3,510.50	453.90	-	3,964.40	4,161.11
Lease liabilities	1,244.62	2,035.73	119.62	3,399.96	3,399.96
Trade payables	59,606.83	-	-	59,606.83	59,606.83
Other financial liabilities	14,028.67	-	-	14,028.67	14,028.67
<b>Derivative financial liabilities</b>					
Forward exchange contracts used for hedging:					
- Outflow	6,637.55	-	-	6,637.55	72.48
- Inflow	(6,565.07)	-	-	(6,565.07)	-
	<b>78,463.10</b>	<b>2,489.63</b>	<b>119.62</b>	<b>81,072.34</b>	<b>81,269.05</b>
<b>As at March 31, 2020</b>					
<b>Non-Derivative financial liabilities</b>					
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	8,596.45	644.95	-	9,241.40	9,241.40
<b>Derivative financial liabilities</b>					
Forward exchange contracts used for hedging:					
- Outflow	471.13	-	-	471.13	3.97
- Inflow	(467.16)	-	-	(467.16)	-
	<b>79,336.25</b>	<b>3,135.16</b>	<b>346.54</b>	<b>82,817.95</b>	<b>82,340.19</b>

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 31 March 2021 is ₹ 28,347.35 lakhs ( as at March 31, 2020 ₹ 30,247.11 lakhs) and financial assets carried at amortised cost as at March 31, 2021 is ₹ 47,982.03 lakhs ( as at March 31, 2020 ₹ 51,566.83 lakhs). Financial assets classified as Level 1 and Level 2 are having fair value of ₹ 28,029.67 lakhs as at March 31, 2021 (as at March 31, 2020 ₹ 29,867.87 lakhs). 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 ₹ 5,512.52 lakhs as at March 31, 2021 ( as at March 31, 2020 ₹ 4,865.07 lakhs) 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 ₹ 40,628.49 lakhs as at March 31, 2020 ( as at March 31, 2020 ₹ 45,059.14 lakhs) 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 evaluated the potential impact with respect to customers in Domestic 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 ₹ 3,082.92 lakhs as at March 31, 2021 ( as at March 31, 2020 ₹ 2,544.66 lakhs) is considered adequate.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

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, 2021	As at March 31, 2020
Tata Chemical Ltd.	India	50.06%	50.06%

#### 2. List of subsidiaries

Name of subsidiaries	Country	Holding	
		As at March 31, 2021	As at March 31, 2020
<b>Direct</b>			
Rallis Chemistry Exports Ltd. (Refer Note 1)	India	-	-
PT. Metahelix Lifesciences Indonesia (Refer Note 2)	Indonesia	65.77%	65.77%

#### Footnote :

- Consequent to making an application to the Registrar of Companies, Maharashtra by Rallis Chemistry Exports Limited, a wholly-owned subsidiary of the Rallis India Limited (RCEL) for removal of its name from the register of companies, MCA has issued a certificate for striking off its name from the register of companies w.e.f March 29, 2021. Accordingly, RCEL has ceased to be a subsidiary of the Group effective the said date.
- During the year, PT Metahelix Life Sciences Indonesia, a subsidiary of the Rallis India Limited, received approval for the cancellation of its Company Registration Number and revocation of its business license w.e.f March 19, 2021. Further, an application for cancellation of its Tax Identification Number has been made and the approval for the same is awaited .

#### 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

#### 5. Promoter Group

Tata Sons Private Limited



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 6. List of subsidiaries of Tata Sons Private Limited

Infiniti Retail Ltd.  
Tata AIG General Insurance Co. Ltd.  
Tata Consultancy Services Ltd.  
Tata Teleservices Limited  
Tata Strategic Management Group (Division of Tata Industries 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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Parent of the Holding Company</b>				
Tata Chemical Ltd.	-	-	1,246.79	1,117.43
<b>Subsidiary of Parent Company</b>				
Tata Chemicals International Pte Ltd	14,815.98	17,765.22	-	-
<b>Subsidiary of Tata Sons Private Limited</b>				
Infiniti Retail Ltd.	-	-	5.02	1.25

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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Parent Company</b>				
Tata Chemical Ltd.	-	-	285.41	137.31
<b>Subsidiary of Parent Company</b>				
Tata Chemicals Magadi Limited	-	-	-	1.65
<b>Promoter Group</b>				
Tata Sons Private Limited	-	-	341.41	307.80
<b>Subsidiaries of Tata Sons Private Limited</b>				
Tata AIG General Insurance Co. Ltd	-	-	22.36	21.38
Tata Consultancy Services Ltd.	-	-	271.43	294.88
Tata Teleservices Limited	-	-	7.65	10.53
Tata Consulting Engineers Limited	-	-	-	68.09
Tata Strategic Management Group (Division of Tata Industries Limited)	-	-	35.00	-

Services were received at market price and any discount to reflect the relationship between the parties.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 9. Other-dividend payments

Particulars	Dividend payments	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Parent Company</b>		
Tata Chemical Ltd.	2,433.54	2,433.54
<b>Subsidiaries of Tata Sons Private Limited</b>		
Ewart Investments Limited	1.88	1.88

### 10. Contributions to employee benefit trusts

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contributions to employee benefit trusts	<b>1,508.82</b>	1,257.69

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Parent Company</b>				
Tata Chemical Ltd.	-	-	87.04	83.95
<b>Subsidiary of Parent Company</b>				
Tata Chemicals International Pte Ltd	334.43	934.66	-	-
Tata Chemicals Magadi Limited	-	-	-	1.65
<b>Subsidiaries of Tata Sons Private Limited</b>				
Tata AIG General Insurance Co. Ltd.	-	-	0.02	0.41
Infiniti Retail Ltd.	-	-	-	0.68
Tata Consultancy Services Ltd.	-	-	10.80	-
Tata Teleservices (Maharashtra) Limited	-	-	0.04	-

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.

### 11. Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short term benefits	324.74	270.24
Post-Employment benefits (PF and Superannuation)	14.58	14.58

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. It is exclusive of gratuity and compensated absences.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 41: Contingent liabilities

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Group in respect of these cases have been summarised below.

#### a. Guarantees

Guarantees issued by bank on behalf of the Group as on March 31, 2021 is ₹ 142.96 lakhs (March 31, 2020 ₹ 142.96 lakhs) these are covered by the charge created in favour of the said subsidiary's bankers by way of hypothecation of stock and debtors.

#### b. Tax contingencies

Amounts in respect of claims asserted by various revenue authorities on the Group, in respect of taxes, which are in dispute, have been tabulated below:

Nature of tax	As at March 31, 2021	As at March 31, 2020
Sales tax	1,204.57	1,039.38
Excise duty	30.11	30.11
Customs duty	799.71	144.10
Income tax *	15,051.88	13,301.11
Service tax	3,138.41	36.42
Goods and Service tax	27.87	13.01

\* Excludes ₹ 1,408.70 lakhs (March 31, 2020 ₹ 1,295.88 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. Various claims pending before Industrial Tribunals and labour courts of which amounts are indeterminate.

#### c. Amount in respect of other claims

Nature of claim	As at March 31, 2021	As at March 31, 2020
Matters relating to employee benefits	103.11	103.11
Others (claims related to contractual disputes)	502.32	569.36

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:

- plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
- the proceedings are in early stages;
- there is uncertainty as to the outcome of pending appeals or motions or negotiations;
- there are significant factual issues to be resolved; and/or
- there are novel legal issues presented.

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Group's financial condition, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period.

### 42: Commitments

- (i) Estimated amount of contract with minimum commitment for plant activity ₹ 1,184.50 lakhs (March 31, 2020 ₹ 1,184.50 lakhs).
- (ii) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 9,178.70 lakhs as at March 31, 2021 (March 31, 2020 ₹ 7,441.03 lakhs) and Intangible assets is ₹ 890.84 lakhs as at March 31, 2021 (March 31, 2020 ₹ 787.55 lakhs) against which advances paid aggregate ₹ 781.37 lakhs as at March 31, 2021 (March 31, 2020 : ₹ 1,182.51 lakhs).

### 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, 2021	For the year ended March 31, 2020
On Property, plant and equipment	401.95	130.35
On items which have been expensed during the year		
- Materials	339.67	165.06
- Employee benefits expense	1,905.77	1,813.81
- Breeding expense	352.45	299.32
- Professional fees	40.73	37.10
- Consumables	284.82	120.05
- Finance costs	1.71	0.22
- Travelling expenses	13.94	142.00
- Rent	42.25	39.74
- Depreciation and amortisation expense	283.43	195.42
- Others	475.89	447.63
Expenses - External agency	-	9.63
<b>Total</b>	<b>4,142.61</b>	<b>3,400.33</b>

During the year, the Group has also incurred ₹ 207.91 lakhs (March 31, 2020 ₹ 1.87 lakhs) towards capital research and development expenditure which is included under tangible assets under development.

The total amount included in intangible assets under development as at March 31, 2021 is ₹ 5,877.38 lakhs (as at March 31, 2020 ₹ 4,694.65 lakhs).

#### footnote:

The above figures include the amounts based on separate accounts for the Research and Developments ("R&D") Centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (consonance with the DSIR guidelines for in-house R & D Centre will be evaluated at the time of filing the return with DSIR).



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 44: Other expenses include Auditors' Remuneration as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(a) To statutory auditors</b>		
For audit	57.67	76.74
For limited review of quarterly results	23.10	15.00
For taxation matters	10.60	6.00
For other services	2.75	7.27
Reimbursement of expenses	3.46	8.47

Recoverable taxes which is being claimed for set-off as input credit has not been included in the expenditure above.

### 45: Disclosures as required under Schedule III to the Companies Act 2013 with respect to consolidated financial statements.

#### a) As at and for the year ended March 31, 2021

Name of the entity in the Group	As at March 31, 2021		For the year ended March 31, 2021		For the year ended March 31, 2021		For the year ended March 31, 2021	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Rallis India Ltd.	99.96%	1,59,137.26	100.05%	18,546.60	94.75%	132.42	100.01%	22,998.96
<b>Subsidiary (Group's share)</b>								
<b>Indian</b>								
Rallis Chemistry Exports Ltd.#	0.00%	-	0.00%	-	-	-	-	-
<b>Foreign</b>								
PT. Metahelix Lifesciences Indonesia	0.04%	68.60	0.00%	0.05	-	-	0.00%	0.05
<b>Total</b>	0.00%		(0.05%)	(9.93)	-	-	(0.04%)	(9.93)
<b>Eliminations/ Adjustments</b>								
Exchange differences on translation of foreign operations	0.00%	-	-	-	5.25%	7.33	0.03%	7.33
<b>Total</b>	<b>100.00%</b>	<b>1,59,205.86</b>	<b>100.00%</b>	<b>18,536.72</b>	<b>100.00%</b>	<b>139.75</b>	<b>100.00%</b>	<b>22,996.41</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### b) As at and for the year ended March 31, 2020

Name of the entity in the Group	As at March 31, 2020		For the year ended March 31, 2020		For the year ended March 31, 2020		For the year ended March 31, 2020	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Rallis India Ltd.	99.99%	1,41,000.02	100.97%	22,866.54	98.30%	(184.39)	101.00%	18,362.21
<b>Subsidiary (Group's share)</b>								
<b>Indian</b>								
Rallis Chemistry Exports Ltd.#	0.00%	-	0.00%	-	-	-	0.00%	-
<b>Foreign</b>								
PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-17)	0.05%	68.55	(0.63%)	(115.63)	-	-	(0.64%)	(115.63)
<b>Total</b>	(0.05%)	(67.94)	(0.34%)	(62.17)	-	-	(0.34%)	(62.17)
<b>Eliminations/ Adjustments</b>								
Exchange differences on translation of foreign operations	0.01%	13.23	-	-	1.70%	(3.18)	(0.02%)	(3.18)
<b>Total</b>	<b>100.00%</b>	<b>1,41,013.86</b>	<b>100.00%</b>	<b>22,688.75</b>	<b>100.00%</b>	<b>(187.57)</b>	<b>100.00%</b>	<b>18,181.23</b>

\*Net assets = total assets minus total liabilities

# less than 0.01%



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### 46: Disclosure 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	2020-21			2019-20		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
<b>1) Revenue from contracts with customers:</b>						
<b>Sale of products (Transferred at point in time)</b>						
<b>Manufacturing</b>						
India	1,45,296.94	-	1,45,296.94	1,32,282.04	-	1,32,282.04
Asia (Other than India)	24,584.82	-	24,584.82	36,148.90	-	36,148.90
North America	25,981.29	244.03	26,225.32	15,352.19	2,703.30	18,055.49
South America	13,729.51	-	13,729.51	9,048.87	-	9,048.87
Africa	1,132.37	-	1,132.37	2,486.15	-	2,486.15
Europe	5,293.39	-	5,293.39	1,673.52	-	1,673.52
Australia	272.69	-	272.69	76.43	-	76.43
<b>Total (A)</b>	<b>2,16,291.01</b>	<b>244.03</b>	<b>2,16,535.04</b>	<b>1,97,068.10</b>	<b>2,703.30</b>	<b>1,99,771.40</b>
<b>Trading</b>						
India	25,002.61	-	25,002.61	23,498.01	-	23,498.01
Asia (Other than India)	89.59	-	89.59	92.50	-	92.50
Africa	218.41	-	218.41	443.42	-	443.42
<b>Total (B)</b>	<b>25,310.61</b>	<b>-</b>	<b>25,310.61</b>	<b>24,033.93</b>	<b>-</b>	<b>24,033.93</b>
<b>Total (A) + (B)</b>	<b>2,41,601.63</b>	<b>244.03</b>	<b>2,41,845.66</b>	<b>2,21,102.03</b>	<b>2,703.30</b>	<b>2,23,805.33</b>
<b>2) Sale of services</b>	57.50	-	57.50	51.44	-	51.44
<b>3) Other operating revenue</b>						
Sale of scrap	546.19	-	546.19	829.12	-	829.12
Liabilities written back	494.15	-	494.15	430.25	-	430.25
Royalty Income	-	-	-	65.41	-	65.41
	<b>1,040.34</b>	<b>-</b>	<b>1,040.34</b>	<b>1,324.78</b>	<b>-</b>	<b>1,324.78</b>
<b>Total Revenue</b>	<b>2,42,699.47</b>	<b>244.03</b>	<b>2,42,943.50</b>	<b>2,22,478.25</b>	<b>2,703.30</b>	<b>2,25,181.55</b>

#### Major segment

Particulars	2020-21			2019-20		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Crop Protection*	1,88,090.76	-	1,88,090.76	1,71,943.70	-	1,71,943.70
Crop Nutrition	12,888.07	-	12,888.07	9,991.55	-	9,991.55
Polymer	-	244.03	244.03	-	2,703.30	2,703.30
Seeds	39,890.24	-	39,890.24	35,756.32	-	35,756.32
Others	732.55	-	732.55	3,410.46	-	3,410.46
	<b>2,41,601.62</b>	<b>244.03</b>	<b>2,41,845.65</b>	<b>2,21,102.03</b>	<b>2,703.30</b>	<b>2,23,805.33</b>

\*Crop Protection includes Fungicides, Herbicides and Insecticides

## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

### Sales by performance obligations

Particulars	2020-21			2019-20		
	Agri Inputs	Others	Total	Agri Inputs	Others	Total
Upon shipment	71,302.08	244.03	71,546.11	65,321.98	2,703.30	68,025.28
Upon delivery	1,70,299.54	-	1,70,299.54	1,55,780.05	-	1,55,780.05
	<b>2,41,601.62</b>	<b>244.03</b>	<b>2,41,845.65</b>	<b>2,21,102.03</b>	<b>2,703.30</b>	<b>2,23,805.33</b>

### Reconciliation of revenue from contract with customer

Particulars	2020-21	2019-20
Revenue from contract with customer as per the contract price	3,07,586.61	2,87,350.89
<b>Adjustments made to contract price on account of :-</b>		
a) Discounts / Rebates / Incentives	19,659.84	14,875.23
b) Sales Returns /Credits / Reversals	46,081.11	48,670.33
<b>Revenue from contract with customer as per the statement of Profit and Loss</b>	<b>2,41,845.66</b>	<b>2,23,805.33</b>
Sale of services	57.50	51.44
Other operating revenue	1,040.34	1,324.78
<b>Revenue from Operations</b>	<b>2,42,943.50</b>	<b>2,25,181.55</b>

### 47 (a): Amalgamation of Metahelix Life Sciences Limited with Rallis India Limited

- i) During the previous year, 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 occurred 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.

### (b): Amalgamation of Zero waste Agro-Organics Limited with Rallis India Limited

- i) During the previous year, pursuant to the scheme of Arrangement ('the Scheme') approved by the National Company Law Tribunal ('the NCLT'), Mumbai Bench vide its order dated February 22, 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 occurred 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are in ₹ lakhs unless otherwise stated

- 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.

**48:** During the previous year, The Ministry of Home Affairs vide order No.40-3/2020 dated 24 March, 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.

**49:** Exceptional item comprises profit on sale of flats (net of costs) which was grouped under Assets held for sale.

### 50: Subsequent event

The Board of Directors of the Holding Company at its meeting held on April 22, 2021 has recommended a dividend of ₹ 3 per equity share (March 31, 2020 ₹ 2.50 per equity share), subject to shareholders approval at annual general meeting.

**51:** The MCA wide notification dated October 11, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Group has incorporated appropriate changes in the above results.

As per our attached report of even date attached

**For B S R & Co. LLP**

*Chartered Accountants*

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

**Tarun Kinger**

*Partner*

Membership No. 105003

Mumbai, April 22, 2021

**For and on behalf of the Board of Directors of Rallis India Limited**

**Sanjiv Lal**

(DIN: 08376952)

*Managing Director & CEO*

**R. Mukundan**

(DIN: 00778253)

*Director*

**Ashish Mehta**

(M. No. 53039)

*Chief Financial Officer*

**Yashaswin Sheth**

(M. No. A15388)

*Company Secretary*

Mumbai, April 22, 2021

# Form AOC-1

Rallis India Limited

For the year ended 31st March, 2021

[Statement Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures]

## Part "A": Subsidiary

₹ in crore

Sl. No.	Particulars	Name of the Subsidiary PT Metahelix Lifesciences Indonesia
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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: IDR Exchange Rate Assets/ Liabilities: 0.005033 Turnover : 0.005059
3.	Share Capital	6.83
4.	Reserves & Surplus	(5.64)
5.	Total Assets	1.22
6.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	0.03
7.	Investments	-
8.	Turnover	-
9.	Profit before taxation	(0.10)
10.	Provision for taxation	-
11.	Profit after taxation	(0.10)
12.	Proposed Dividend	-
13.	% of shareholding	65.77%

### Notes:

- Consequent to making an application to the Registrar of Companies, Maharashtra by Rallis Chemistry Exports Limited, a wholly-owned subsidiary of the Rallis India Limited (RCEL) for removal of its name from the register of companies, MCA has issued a certificate for striking off its name from the register of companies w.e.f March 29, 2021. Accordingly, RCEL has ceased to be a subsidiary of the Company effective the said date.
- 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, 2021.
- During the year, PT Metahelix Lifesciences Indonesia, a subsidiary of the Company, received approval for the cancellation of its Company Registration Number and revocation of its business license w.e.f March 19, 2021. Further, an application for cancellation of its Tax Identification Number has been made and the approval for the same is awaited.
- Reporting period of the above subsidiary is the same as that of the Company.
- Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2021.

### For and on behalf of the Board of Directors of Rallis India Limited

**Sanjiv Lal**  
(DIN: 08376952)

Managing Director & CEO

**R. Mukundan**  
(DIN: 00778253)

Director

**Ashish Mehta**  
(M. No. 53039)

Chief Financial Officer

**Yashaswin Sheth**  
(M. No. A15388)

Company Secretary

Mumbai, April 22, 2021



## Notice

**NOTICE IS HEREBY GIVEN THAT THE SEVENTY-THIRD (73RD) ANNUAL GENERAL MEETING OF THE MEMBERS OF RALLIS INDIA LIMITED WILL BE HELD ON THURSDAY, JUNE 24, 2021 AT 3.00 P.M. (IST) THROUGH VIDEO CONFERENCING FACILITY OR OTHER AUDIO VISUAL MEANS 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, 2021 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, 2021 together with the Report of the Auditors thereon.
3. To declare dividend for the financial year 2020-21 on Equity Shares.
4. To appoint a Director in place of Mr. Bhaskar Bhat (DIN: 00148778), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business

5. **Re-appointment of Dr. C. V. Natraj (DIN: 07132764) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 ('the Act') read with Schedule IV and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof], the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, Dr. C. V. Natraj (DIN: 07132764), who was appointed as an Independent Director of the Company at the 69th Annual General Meeting of the Company and holds office upto July 21, 2021 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the

rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from July 22, 2021 upto July 21, 2026."

6. **Re-appointment of Ms. Padmini Khare Kaicker (DIN: 00296388) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 ('the Act') read with Schedule IV and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof], the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, Ms. Padmini Khare Kaicker (DIN: 00296388), who was appointed as an Independent Director of the Company at the 69th Annual General Meeting of the Company and holds office upto July 21, 2021 and who being eligible for re-appointment as an Independent Director has given her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from July 22, 2021 upto July 21, 2026."

7. **Ratification of Remuneration of the Cost Auditors**

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

**“RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Audit and Auditors) Rules, 2014, as amended, 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 M/s. 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, 2022.”

### Notes:

- In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated January 13, 2021 read with General Circulars dated April 8, 2020, April 13, 2020 and May 5, 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. Further, the Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 12, 2020 and January 15, 2021 ('SEBI Circulars') has also granted certain relaxations. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on **Thursday, June 24, 2021 at 3.00 p.m. (IST)**. The proceedings of the 73rd AGM shall be deemed to be conducted at the Registered Office of the Company at 23rd Floor, Lodha Excelus, New Cuffe Parade, Off Eastern Freeway, Wadala, Mumbai – 400 037.
- 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 AND SEBI CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, 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.**
- The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 7 of the Notice is annexed hereto. The Board of Directors have considered and decided to include Item Nos. 5 to 7 as given above, as Special Business in the forthcoming AGM as they are unavoidable in nature.  
  
The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking re-appointment at this AGM are also annexed to this Notice.
- The Members can join the AGM in the VC/OAVM mode 30 minutes before 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 live proceedings by logging into the National Securities Depository Limited's ('NSDL') e-voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.  
  
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.
- Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 73rd AGM through VC/OAVM facility. Corporate/Institutional 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](mailto:navnitlb@nlba.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send their requests to the Company at [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com).
- In line with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/



Depositories. The Notice convening the 73rd AGM has been uploaded on the website of the Company at [www.rallis.co.in](http://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 National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

8. **Book Closure and Dividend:**

i. **The Register of Members and the Share Transfer Books of the Company will be closed from Friday, June 11, 2021 to Thursday, June 17, 2021, both days inclusive.** The dividend of ₹ 3/- per share (i.e. 300%) 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, June 29, 2021** as under:

**For Shares held in electronic form:** To all the Beneficial Owners as at the end of the day on **Thursday, June 10, 2021** in the list of beneficial owners to be furnished by NSDL and Central Depository Services (India) Limited ('CDSL'); and

**For Shares held in physical form:** To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on **Thursday, June 10, 2021**.

ii. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders 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/Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited ('Registrar' or 'TSR') by sending documents through e-mail by **Monday, June 7, 2021**. For the detailed process, the information is available on the Company's website at <https://www.rallis.co.in/TDSIntimation.htm>.

iii. **Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner:**

**Shares held in physical form:** Members are requested to send the following documents in original to TSR latest by **Monday, June 7, 2021**:

- 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. original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self-attested photocopy of the PAN Card; and
- d. self-attested photocopy 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.

**Shares held in electronic form:** Members 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 be able to accede to 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.

iv. 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 at the earliest once the normalcy is restored in view of the outbreak of Covid-19 pandemic.

9. Effective April 1, 2019, the Company had stopped accepting any fresh transfer requests for securities held in physical form. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to dematerialise their holdings. Members may contact TSR at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) 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>.
10. 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' at <https://www.rallis.co.in/UpdationForm.htm> as also attached to this Annual Report. Members holding shares in physical form are requested to submit the filled-in form to the Company or to the Registrar in physical mode as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DPs only and not to the Company or TSR.

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@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) in case the shares are held in physical form, quoting their folio number. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.

11. **Nomination Facility:** 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](http://www.rallis.co.in) under 'Investor Relations' section. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio number.

12. **Consolidation of Physical Share Certificates:** 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.
13. 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.
14. **Process for registering e-mail addresses to receive this Notice along with credentials for remote e-voting:**
  - 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 along with credentials for remote e-voting. 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 Thursday, June 17, 2021** by following the process for registering e-mail address as mentioned below:
    - a. Visit the link: [https://tcpl.linkintime.co.in/EmailReg/Email\\_Register.html](https://tcpl.linkintime.co.in/EmailReg/Email_Register.html)
    - b. Select the Name of the Company from the dropdown list: **Rallis India Limited**
    - c. Enter the Folio No./DP ID, Client ID, Shareholder Name, PAN details, Mobile No. and E-mail address.
 

Members holding shares in physical form are additionally required to enter one of their share certificate numbers and upload a self attested copy of PAN Card and address proof viz. Aadhaar Card, Passport or front and back side of their share certificate
    - d. The system will send OTP on the Mobile No. and E-mail address
    - e. Enter OTP received on Mobile No. and E-mail address
    - f. The system will then confirm the E-mail address for the limited purpose of service of Notice of AGM along with Annual Report 2020-21 and e-voting credentials



After successful submission of the e-mail address, NSDL will e-mail a copy of this Notice and Annual Report for FY 2020-21 along with the e-voting User ID and Password. In case of any queries, Members may write to [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- ii. **Registration of e-mail address permanently with the 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. The request letter should be signed by the first named shareholder. 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.

15. **Remote e-voting before/during the AGM:**

- i. 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 SEBI 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 appointed NSDL for facilitating voting through electronic means. 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.
- ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Thursday, June 17, 2021** may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. 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 non-individual shareholder or shareholder holding securities in physical mode 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. **Thursday, June 17, 2021**, may obtain the User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Individual shareholders holding securities in demat mode, who acquire shares of the Company and

become a Member of the Company after despatch of the Notice and holding shares as of the cut-off date i.e. **Thursday, June 17, 2021** may follow the login process mentioned below in point 17(B)(i).

- iii. The remote e-voting period commences on **Monday, June 21, 2021 at 9.00 a.m. (IST)** and ends on **Wednesday, June 23, 2021 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 **Thursday, June 17, 2021**.
- iv. Members will be provided with the facility for voting through remote 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 at the end of discussion on such resolutions upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- v. The remote e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

16. Mr. N. L. Bhatia, Partner (Membership No. FCS 1176/CP No. 422) or failing him Mr. Bhaskar Upadhyay (Membership No. FCS 8663/CP No. 9625) of N. L. Bhatia & Associates, Practicing Company Secretaries, has been appointed as the Scrutiniser for providing facility to the Members of the Company to scrutinise remote e-voting process as well as voting during the AGM in a fair and transparent manner.

The Scrutiniser will submit his/her 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 through remote e-voting before/during the AGM) within the time stipulated under the applicable laws. The results declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges on which the Company's shares are listed, NSDL and TSR and will also be displayed on the Company's website at [www.rallis.co.in](http://www.rallis.co.in).

17. 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. Members will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast through the NSDL e-Voting system. Members may access by following the steps mentioned below for login to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join General Meeting" menu against the Company's name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company i.e. **116016** will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
- 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 might 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 with regard to the financial statements or any other matter to be placed at the 73rd AGM from their registered e-mail address, mentioning their name, DP ID and Client ID/Folio number and mobile number in advance at [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com) before 3.00 p.m. (IST) on Monday, June 21, 2021. 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 name, DP ID and Client ID/Folio number, PAN and mobile number at [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com) from Thursday, June 17, 2021 (9.00 a.m. IST) to Sunday, June 20, 2021 (5.00 p.m. IST). 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](mailto:evoting@nsdl.co.in)/1800 1020 990/1800 224 430 or contact Mr. Amit Vishal, Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in).

## B. INSTRUCTIONS FOR E-VOTING BEFORE/DURING THE AGM

### Step 1: Access to NSDL e-Voting system

#### i) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail address in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>i. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-services website of NSDL <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>. Once the home page of e-services is launched, click on the <b>'Beneficial Owner'</b> icon under <b>'Login'</b> which is available under <b>'IDeAS'</b> section. Please enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on <b>'Access to e-voting'</b> under e-voting services and you will be able to see e-voting page. Click on options available against the Company's name or <b>e-voting service provider - NSDL</b> and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</p> <p>ii. If the user is not registered for IDeAS e-services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>'Register Online for IDeAS'</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>iii. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a>. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. Please enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/One Time Password (OTP) and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against the Company's name or <b>e-voting service provider - NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</p> <p>iv. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>i. Existing users who have opted for Easi/Easiest can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>ii. After successful login of Easi/Easiest, the user will also be able to see the e-voting menu. The menu will have links of <b>e-voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>iii. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>iv. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link at <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile No. &amp; e-mail address as recorded in the demat account. After successful authentication, user will be provided links for the respective <b>e-voting service provider i.e. NSDL</b> where the e-voting is in progress.</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once you login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against the Company's name or <b>e-voting service provider-NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 or 1800 224 430
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542/43

**ii) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode**

**The instructions for remote e-Voting before the AGM are as under:**

**How to Log-in to NSDL e-voting website?**

- Visit the e-voting website of NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
- A new screen will open. Please 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 login at <https://eservices.nsdl.com> with your existing IDeAS login. Once you login to NSDL e-services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Details of User ID 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 followed by Folio Number registered with the Company For example, if EVEN is 116016 and Folio Number is 001***, then User ID is 116016001***



- E. Details of Password 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 prompt 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 your Beneficiary ID for CDSL account or Folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.  
If your e-mail ID is not registered, please follow the process mentioned in the Notice in case of those shareholders whose email ids are not registered.
- 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?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (If you are holding shares in demat account with NSDL or CDSL).
  - ii) Click on 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (If you are holding shares in physical mode).
  - iii) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - iv) Members can also use the OTP based login for casting the votes on the e-Voting system of NSDL.
- G. After entering your password, tick on 'Agree to I hereby agree to all Terms and Conditions' by selecting on the check box.
- H. Now, you will have to click on the 'Login' button.
- I. After you click on the 'Login' button, home page of e-voting will open.

## Step 2: Cast your vote electronically and join the AGM 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 EVEN of all the companies in which you are holding shares and whose voting cycle and General Meeting is in active status.
- B. Select EVEN of Company i.e. **116016** for which you wish to cast your vote during the remote e-Voting period and during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting"
- C. Now you are ready for e-voting as the Voting page opens.
- D. 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.
- E. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- F. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- G. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**The instructions for remote 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 remote e-voting system during the AGM.
- iii. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for remote e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**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](http://www.evoting.nsdl.com) to reset the password.
- ii. In case of any queries/grievances pertaining to remote e-voting (before the AGM/during the AGM), you may refer to the Frequently Asked Questions ('FAQs') for shareholders and e-voting user manual for shareholders available in the 'Downloads' section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll-free number: 1800 1020 990/1800 224 430 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal or Ms. Pallavi Mhatre from NSDL at the designated e-mail IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in).

**By Order of the Board of Directors**

**Yashaswin Sheth**  
**Company Secretary**

ACS 15388

Mumbai, April 22, 2021

**Registered Office:**

Rallis India Limited  
23<sup>rd</sup> Floor, Lodha Excelus,  
New Cuffe Parade, Off Eastern Freeway,  
Wadala, Mumbai - 400 037  
CIN: L36992MH1948PLC014083  
Tel. No.: +91 22 6232 7400  
E-mail: [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com)  
Website: [www.rallis.co.in](http://www.rallis.co.in)



# Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 7 of the accompanying Notice dated April 22, 2021:

## Item No. 5:

Dr. C.V. Natraj is currently an Independent Director of the Company and the Chairman of Nomination & Remuneration Committee ('NRC') and Safety, Health, Environment and Sustainability Committee and Member of the Audit Committee.

Dr. C. V. Natraj was appointed as an Independent Director of the Company by the Members at the 69th AGM of the Company to hold office upto July 21, 2021 and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director. Based on the recommendations of the NRC, the Board of Directors propose the re-appointment of Dr. C. V. Natraj as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing from July 22, 2021 to July 21, 2026, subject to the approval of the Members by a Special Resolution. The Company has in terms of Section 160(1) of the Act received a notice from a Member proposing his candidature for the office of Director.

Based on the performance evaluation of the Independent Directors and as per the recommendations of the NRC, given his background, experience and contribution, the Board is of the opinion that Dr. Natraj's continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from Dr. Natraj confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, Dr. Natraj has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Dr. Natraj has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited

and National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Dr. Natraj is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director, subject to re-appointment by the Members. Dr. Natraj has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). Dr. Natraj is exempt from the requirement to undertake online proficiency self-assessment test conducted by IICA.

In the opinion of the Board, Dr. C. V. Natraj fulfils the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and that he is independent of the Management. The terms and conditions of the re-appointment of Independent Directors would be made available for inspection to the Members by sending a request along with their DP/Client ID or Folio No. from their registered email address to the Company at [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com).

Dr. Natraj holds a Ph.D. degree in Chemistry from the Indian Institute of Science ('IISc'), Bangalore and has more than 30 years of experience in research. He also has post-doctoral research experience in Biochemistry from the University of Michigan, Ann Arbor.

Dr. Natraj joined Hindustan Lever Limited ('HLL') in their Research Centre, where he gained experience working in a number of scientific disciplines, eventually getting to head the function as Director on the Board of HLL. He went on to lead the Corporate Research function for Unilever as Senior Vice President and was responsible for the global exploratory research in Unilever. He is the Technical Advisor to the Society of Innovation and Development at the IISc, where he helps in setting up a technology transfer process that will take the inventions in IISc to the market.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Dr. Natraj as an Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board commends the Special Resolution set out in Item No. 5 of the accompanying Notice for approval of the Members.

Except Dr. Natraj and his relatives, none of the Directors or Key Managerial Personnel ("KMP") of the Company and their respective relatives are concerned or interested in the resolution set out at Item No. 5 of the accompanying Notice. Dr. Natraj is not related to any other Director or KMP of the Company.

#### Item No. 6:

Ms. Padmini Khare Kaicker is currently an Independent Director of the Company and the Chairperson of Audit Committee and Member of the NRC and Risk Management Committee.

Ms. Padmini Khare Kaicker was appointed as an Independent Director of the Company by the Members at the 69th AGM of the Company held on June 23, 2017 to hold office upto July 21, 2021 and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director. Based on the recommendations of the NRC, the Board of Directors propose the re-appointment of Ms. Padmini Khare Kaicker as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing from July 22, 2021 to July 21, 2026, subject to the approval of the Members by a Special Resolution. The Company has in terms of Section 160(1) of the Act received a notice from a Member proposing her candidature for the office of Director.

Based on the performance evaluation of the Independent Directors and as per the recommendations of the NRC, given her background, experience and contribution, the Board is of the opinion that Ms. Kaicker's continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail her services as an Independent Director.

The Company has received a declaration from Ms. Kaicker confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, Ms. Kaicker has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Ms. Kaicker has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Further, Ms. Kaicker is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director, subject to re-appointment by the Members. Ms. Kaicker has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). Ms. Kaicker is exempt from the requirement to undertake online proficiency self-assessment test conducted by IICA.

In the opinion of the Board, Ms. Kaicker fulfils the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and that she is independent of the Management. The terms and conditions of the re-appointment of Independent Directors would be made available for inspection to the Members by sending a request along with their DP/Client ID or Folio No. from their registered email address to the Company at [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com).

Ms. Kaicker joined the accountancy profession in 1990 after completing her B.Sc. in Mathematics. She is a qualified 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 over 25 years of experience serving large and mid-sized clients in several sectors in areas of audit, taxation, corporate finance, risk management and corporate governance. She has been involved in Corporate Advisory, M&A and restructuring initiatives and has also been serving on the Boards of some companies, including being Chairperson of Audit Committee.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Ms. Kaicker as an Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board commends the Special Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members.

Except Ms. Kaicker and her relatives, none of the Directors or Key Managerial Personnel ("KMP") of the Company and their respective relatives are concerned or interested in the resolution set out at Item No. 6 of the accompanying Notice. Ms. Kaicker is not related to any other Director or KMP of the Company.



**Item No. 7:**

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, 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 M/s. 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, 2022, at a remuneration of ₹ 5,00,000 plus applicable taxes and out-of-pocket expenses.

M/s. 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. 7 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, 2022.

The Board commends the Ordinary Resolution set out at Item No. 7 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. 7 of the accompanying Notice.

**By Order of the Board of Directors**

**Yashaswin Sheth**  
**Company Secretary**  
ACS 15388

Mumbai, April 22, 2021

**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 6232 7400  
E-mail: [investor\\_relations@rallis.com](mailto:investor_relations@rallis.com)  
Website: [www.rallis.co.in](http://www.rallis.co.in)

# Details of Directors seeking re-appointment at the AGM

[Pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings]

Name of Director	Mr. Bhaskar Bhat	Dr. C. V. Natraj	Ms. Padmini Khare Kaicker
DIN	00148778	07132764	00296388
Date of Birth	August 29, 1954	July 31, 1953	April 15, 1965
Age	66 years	67 years	56 years
Date of first appointment	October 8, 2015	July 22, 2016	July 22, 2016
Qualifications	B.Tech (Mechanical Engineering) from IIT – Madras, Post Graduate Diploma Holder in Management from IIM – Ahmedabad	Ph.D. in Chemistry from the Indian Institute of Science, Bangalore. Post-doctoral research experience in Biochemistry from the University of Michigan, Ann Arbor	Chartered Accountant, B.Sc. in Mathematics, Certified Public Accountant (USA) and Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India
Expertise in specific functional areas	Mr. Bhat has extensive experience in the field of sales and marketing, HR, international business and general management	Dr. Natraj has more than 30 years of experience in the field of science & research, general management, strategic planning and multiple geography experience	Ms. Kaicker has over 25 years of experience in areas of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management and Corporate Governance, M&A and restructuring initiatives
Terms and conditions of re-appointment	N. A.	Re-appointment as an Independent Director for a period commencing from July 22, 2021 to July 21, 2026	Re-appointment as an Independent Director for a period commencing from July 22, 2021 to July 21, 2026
Details of remuneration last drawn (FY 2020-21)	Sitting Fees: ₹ 2,00,000 Commission: ₹ 31,24,000 <sup>#</sup>	Sitting Fees: ₹ 4,20,000 Commission: ₹ 46,34,000 <sup>#</sup>	Sitting Fees: ₹ 4,00,000 Commission: ₹ 44,81,000 <sup>#</sup>
No. of Board Meetings attended during the year	7	7	7
Relationship with other Directors and KMPs	None	None	None
No. of shares held in the Company:			
A) Own	NIL	4,831	NIL
B) For other persons on a beneficial basis	NIL	NIL	NIL
List of other companies in which Directorship held as on March 31, 2021 (excluding foreign companies)	1. Tata Sons Private Limited 2. Trent Limited* 3. Titan Company Limited* 4. Bosch Limited* 5. Tata SIA Airlines Limited 6. Caratlane Trading Private Limited	1. Tata Chemicals Limited*	1. Tata Cleantech Capital Limited* 2. Kotak Mahindra Investments Limited* 3. Tata Chemicals Limited* 4. J B Chemicals and Pharmaceuticals Limited* 5. Mumbai Mobile Creches



Name of Director	Mr. Bhaskar Bhat	Dr. C. V. Natraj	Ms. Padmini Khare Kaicker
<b>Chairperson/Member of the Committees of the Board of companies in which he/she is a Director as on March 31, 2021</b>	<p><b>1. Tata Sons Private Limited</b></p> <ul style="list-style-type: none"> <li>- Group Risk Management Committee (Member)</li> </ul> <p><b>2. Trent Limited</b></p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee (Member)</li> <li>- Corporate Social Responsibility Committee (Member)</li> <li>- Executive Committee (Member)</li> </ul> <p><b>3. Titan Company Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee (Member)</li> <li>- Stakeholders Relationship Committee (Member)</li> <li>- Investment Committee (Member)</li> </ul> <p><b>4. Bosch Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee (Member)</li> <li>- Stakeholders Relationship Committee (Member)</li> <li>- Nomination and Remuneration Committee (Member)</li> <li>- Corporate Social Responsibility Committee (Chairman)</li> </ul>	<p><b>1. Tata Chemicals Limited</b></p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee (Chairman)</li> <li>- Corporate Social Responsibility Committee (Member)</li> <li>- Safety, Health, Environment and Sustainability Committee (Member)</li> </ul>	<p><b>1. Tata Cleantech Capital Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairperson)</li> <li>- Nomination and Remuneration Committee (Member)</li> <li>- Corporate Social Responsibility Committee (Member)</li> <li>- Asset Purchase Committee (Member)</li> </ul> <p><b>2. Kotak Mahindra Investments Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairperson)</li> <li>- Nomination and Remuneration Committee (Member)</li> </ul> <p><b>3. Tata Chemicals Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairperson)</li> <li>- Risk Management Committee (Member)</li> </ul> <p><b>4. J B Chemicals and Pharmaceuticals Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairperson)</li> <li>- Risk Management Committee (Chairperson)</li> <li>- Compensation Committee (Member)</li> <li>- Share Transfer Committee (Member)</li> </ul>

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

# Commission is for FY 2020-21, which will be paid during FY 2021-22

## FINANCIAL STATISTICS

### Year-end Financial Position

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Fixed Assets	79,960	67,280	63,147	37,554	37,313	36,608	33,977	40,775	39,866	40,243	36,761
Deferred Tax Asset/(Liability)	(2,529)	(2,740)	(1,535)	(4,053)	(4,982)	(3,579)	(3,252)	(3,301)	(2,864)	(1,308)	(323)
Investments	28,347	30,247	10,927	38,969	53,403	30,497	23,162	21,878	19,348	18,094	15,193
Net Non current Assets	10,762	12,971	8,575	8,523	9,002	12,138	13,025	8,577	5,133	7,227	8,470
<b>Total</b>	<b>116,541</b>	<b>107,758</b>	<b>81,114</b>	<b>80,994</b>	<b>94,736</b>	<b>75,664</b>	<b>66,911</b>	<b>67,929</b>	<b>61,483</b>	<b>64,256</b>	<b>60,101</b>
Current Assets	136,975	131,006	130,460	86,867	53,815	50,089	55,198	41,008	38,749	35,657	33,877
Current Liabilities	88,063	87,011	75,708	47,855	33,855	30,324	31,884	33,629	29,654	32,990	34,406
<b>Net Current Assets</b>	<b>48,912</b>	<b>43,995</b>	<b>54,752</b>	<b>39,012</b>	<b>19,959</b>	<b>19,765</b>	<b>23,313</b>	<b>7,380</b>	<b>9,095</b>	<b>2,668</b>	<b>(529)</b>
<b>TOTAL CAPITAL EMPLOYED</b>	<b>165,454</b>	<b>151,753</b>	<b>135,866</b>	<b>120,006</b>	<b>114,695</b>	<b>95,430</b>	<b>90,225</b>	<b>75,308</b>	<b>70,578</b>	<b>66,924</b>	<b>59,572</b>
Capital	-	-	-	-	-	-	-	-	-	-	-
- Preference	-	-	-	-	-	-	-	-	-	-	-
- Equity	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945
<b>Total</b>	<b>1,945</b>										
Reserves	157,193	139,055	126,637	115,940	110,595	89,890	80,742	69,380	60,204	53,420	48,391
Less: <i>Miscellaneous Expenditure</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Net Worth</b>	<b>159,137</b>	<b>141,000</b>	<b>128,582</b>	<b>117,885</b>	<b>112,540</b>	<b>91,835</b>	<b>82,687</b>	<b>71,324</b>	<b>62,149</b>	<b>55,365</b>	<b>50,336</b>
Borrowings	-	-	-	-	-	-	-	-	-	-	-
- Short term	3,005	4,962	5,296	15	10	208	4,277	1,642	-	3,122	972
- Long term	3,312	5,791	1,988	2,107	2,146	3,387	3,261	2,341	8,429	8,437	8,265
<b>Total</b>	<b>6,316</b>	<b>10,753</b>	<b>7,284</b>	<b>2,121</b>	<b>2,155</b>	<b>3,595</b>	<b>7,538</b>	<b>3,983</b>	<b>8,429</b>	<b>11,559</b>	<b>9,236</b>
<b>TOTAL SOURCES</b>	<b>165,454</b>	<b>151,753</b>	<b>135,866</b>	<b>120,006</b>	<b>114,695</b>	<b>95,430</b>	<b>90,225</b>	<b>75,308</b>	<b>70,578</b>	<b>66,924</b>	<b>59,572</b>
<b>Summary of Operations</b>											
Revenue from operations	242,943	225,150	198,361	151,594	149,039	138,672	159,632	162,145	140,984	124,680	111,322
Other Income	4,044	3,433	3,061	893	1,051	466	172	576	1,145	750	3,436
<b>Total Income</b>	<b>246,987</b>	<b>228,583</b>	<b>201,422</b>	<b>152,487</b>	<b>150,090</b>	<b>139,138</b>	<b>159,804</b>	<b>162,720</b>	<b>142,130</b>	<b>125,430</b>	<b>114,758</b>

₹ lakhs

## FINANCIAL STATISTICS

### Year-end Financial Position



	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
											₹ lakhs
<b>Expenses</b>											
Materials consumed	147,522	138,884	117,087	86,701	79,601	73,702	88,453	93,334	83,419	70,893	62,824
Personnel cost	21,600	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	521	611	525	329	267	792	479	805	1,251	1,037	332
Depreciation	6,407	6,151	4,607	4,057	4,218	3,783	4,459	3,597	2,881	2,711	1,716
Other expenses	41,523	40,215	39,360	27,957	24,042	24,231	25,116	24,938	19,979	18,146	16,340
<b>Total</b>	<b>217,572</b>	<b>205,798</b>	<b>179,564</b>	<b>133,361</b>	<b>129,997</b>	<b>122,620</b>	<b>139,229</b>	<b>141,816</b>	<b>124,794</b>	<b>108,702</b>	<b>96,400</b>
<b>Profit before tax and prior year adjustment and exceptional item</b>	<b>29,415</b>	<b>22,785</b>	<b>21,857</b>	<b>19,126</b>	<b>20,094</b>	<b>16,518</b>	<b>20,575</b>	<b>20,904</b>	<b>17,335</b>	<b>16,728</b>	<b>18,357</b>
Exceptional item:Cessation Cost	-	-	-	-	-	-	-	-	-	1,719	-
Exceptional item:Sale of Turbhe Plant	-	-	-	15,839	-	-	-	-	-	-	-
Exceptional item:Sale of Flats	945	1,142	-	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>30,360</b>	<b>23,927</b>	<b>21,857</b>	<b>19,126</b>	<b>35,933</b>	<b>16,518</b>	<b>20,575</b>	<b>20,904</b>	<b>17,335</b>	<b>15,009</b>	<b>18,357</b>
Tax	7,493	5,380	6,439	4,977	9,329	3,902	6,034	6,268	5,397	4,870	5,736
<b>Profit after tax</b>	<b>22,867</b>	<b>18,547</b>	<b>15,419</b>	<b>14,149</b>	<b>26,603</b>	<b>12,616</b>	<b>14,542</b>	<b>14,636</b>	<b>11,938</b>	<b>10,139</b>	<b>12,621</b>
<b>Other comprehensive income (net of taxes)</b>	<b>132</b>	<b>(184)</b>	<b>(145)</b>	<b>(16)</b>	<b>(47)</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>22,999</b>	<b>18,362</b>	<b>15,273</b>	<b>14,133</b>	<b>26,557</b>	<b>12,648</b>	<b>14,542</b>	<b>14,636</b>	<b>11,938</b>	<b>10,139</b>	<b>12,621</b>
<b>IMPORTANT RATIOS</b>											
Current Assets : Liabilities	1.8	1.7	1.7	1.9	1.6	1.7	1.7	1.2	1.3	1.1	1.0
Debt : Equity	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2
PBT/Turnover %	12.1	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 %	17.9	15.6	16.6	15.5	17.8	18.1	23.3	28.8	26.3	26.5	31.4
Dividend (per share)	3.0	2.5	2.5	2.5	3.8	2.5	2.5	2.4	2.3	2.2	2.0
Earnings (per share)*	12	10	8	7	14	6	7	8	6	5	65
Net Worth (per share)*	82	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 2018-19, FY 2019-20 and FY 2020-21 are after considering Impact of Metahelix Life Sciences Limited and Zero waste Agro Organics Ltd.

To,  
TSR Darashaw Consultants Private Limited  
**Unit: Rallis India Limited**  
C-101, 1st Floor, 247 Park,  
Lal Bahadur Shastri Marg, Vikhroli West,  
Mumbai - 400 083

## 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











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**Rallis, A TATA Enterprise** is a subsidiary of Tata Chemicals, with its business presence in the Agri sciences vertical. It is one of India's leading crop care companies. Rallis is known for its deep understanding of Indian agriculture, sustained contact with farmers, quality agri inputs, branding and marketing expertise and its strong product portfolio of comprehensive crop care solutions. Empowering the trust and quality delivered by Rallis India in the past decades, We are happy to highlight our new brand architecture that brings synchronisation and uniformity in the entire packaging. Distinct visibility and Simplified identification is the crux of this New Brand Architecture.



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

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