SUMITOMO CHEMICAL INDIA LIMITED

ANNUAL REPORT 2018-19

CONTENTS

19th Annual General Meeting on Friday, 27th December, 2019, at 2.30 p.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai - 400064.

A REQUEST

We are sure you will read with interest the Annual Report for the year 2018-19. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us at least ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.

BOARD OF DIRECTORS

MUKUL G. ASHER, *Chairman*

CHETAN SHAH, *Managing Director*

SUSHIL MARFATIA, *Executive Director*

KIYOSHI TAKAYAMA, *Executive Director – Planning and Coordination Office*

HIROYOSHI MUKAI

B. V. BHARGAVA

NINAD D. GUPTE

TADASHI KATAYAMA

PREETI MEHTA

VICE PRESIDENT – LEGAL AND COMPANY SECRETARY

PRAVIN D. DESAI

BANKERS

Citibank N.A.

DBS Bank Ltd.

HDFC Bank Ltd.

Sumitomo Mitsui Banking Corporation

Kotak Mahindra Bank Ltd.

Mizuho Bank, Ltd.

MUFG, Mumbai Branch

Standard Chartered Bank

AUDITORS

BSR & ASSOCIATES LLP
Chartered Accountants

REGISTERED OFFICE

Building No. 1, Ground Floor, Shant Manor Co-op Housing Society Ltd.,
Chakravarti Ashok ‘X’ Road,
Kandivli (East), Mumbai - 400 101

CORPORATE OFFICE

13 & 14, Aradhana Industrial Development Corporation,
Near Virwani Industrial Estate,
Goregaon (East), Mumbai - 400 063
Tel: 42522200

REGISTRARS AND TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai - 400 083
Tel.: 49186000

NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of SUMITOMO CHEMICAL INDIA LIMITED will be held at **Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai - 400064 on Friday, the 27th December, 2019, at 2.30 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.

2. To declare final dividend on equity shares.

3. To appoint a director in place of **Mr. Hiroyoshi Mukai** (DIN: 07835814), who retires by rotation and, being eligible, offers himself for re-appointment.

4. To appoint **auditors** of the Company and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT, pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendations of the Board of Directors, Messrs. SRBC & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this annual general meeting, until the conclusion of the twenty fourth annual general meeting of the Company, on a remuneration of ₹ 30,00,000 (Rupees thirty lac) for the financial year 2019-20 and that the Board of Directors be and is hereby authorised to fix remuneration of the Auditors for other financial years during their tenure.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

5. To appoint **Mr. Ninad D. Gupte** as a Director liable to retire by rotation and in this regard to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT, Mr. Ninad D. Gupte (DIN: 00027523), who was appointed as an Additional Director of the Company with effect from 31st August, 2019 by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act") and who holds office up to the date of this annual general meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

6. To appoint **Mr. Tadashi Katayama** as a Director liable to retire by rotation and in this regard to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT, Mr. Tadashi Katayama (DIN: 07628973), who was appointed as an Additional Director of the Company with effect from 31st August, 2019 by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act") and who holds office up to the date of this annual general meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

7. To appoint **Mrs. Preeti Mehta** as an Independent Director and in this regard to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV to the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), Mrs. Preeti Mehta (DIN: 00727923) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st August, 2019 in terms of Section 161 of the Act and who holds office up to the date of this annual general meeting, and who is eligible for appointment as Independent Director as per the provisions of the Act and Rules framed thereunder and LODR 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 of the Company be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 30th August, 2024 and that she shall not be liable to retire by rotation."

8. To appoint **Mr. Chetan Shah** as Managing Director and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT, pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule V to the Act and pursuant to the resolution passed by the Board of Directors of the Company and subject to all such consents, sanctions, approvals and permissions as may be required and further subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, sanctions, approvals and permissions, and as are agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall, unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), the members hereby accord their approval to appoint Mr. Chetan Shah (DIN: 00488127), as Managing Director of the Company for a period of 3 (three) years with effect from 1st September, 2019, on the terms and conditions including as to remuneration as set out in the Contract executed between the Company and Mr. Chetan Shah on 14th October, 2019.

   RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts and take all such steps, as it may, in its absolute discretion, deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution, and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this resolution."

9. To appoint **Mr. Sushil Marfatia** as Executive Director and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT, pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule V to the Act and pursuant to the resolution passed by the Board of Directors of the Company and subject to all such consents, sanctions, approvals and permissions as may be required and further subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, sanctions, approvals and permissions, and as are agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall, unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), the members hereby accord their approval to appoint Mr. Sushil Marfatia (DIN: 07618601), as Executive Director for a period of 3 (three) years with effect from 1st September, 2019, on the terms and conditions including as to remuneration as set out in the Contract for Appointment of Executive Director executed between the Company and Mr. Sushil Marfatia on 14th October, 2019.

   RESOLVED FURTHER THAT, Mr. Sushil Marfatia shall retire by rotation in accordance with the provisions of Section 152 of the Act.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts and take all such steps, as it may, in its absolute discretion, deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution, and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this resolution."

10. To appoint **Mr. Kiyoshi Takayama** as Executive Director – Planning and Coordination Office and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule V to the Act and pursuant to the resolution passed by the Board of Directors of the Company and subject to all such consents, sanctions, approvals and permissions as may be required and further subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, sanctions, approvals and permissions, and as are agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall, unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), the members hereby accord their approval to appoint Mr. Kiyoshi Takayama (DIN: 08063585), as Executive Director – Planning and Coordination Office for a period of 1 (one) year with effect from 1st September, 2019, on the terms and conditions including as to remuneration as set out in the Contract for Appointment of Executive Director – Planning and Coordination Office executed between the Company and Mr. Kiyoshi Takayama on 1st October, 2019.

RESOLVED FURTHER THAT, Mr. Kiyoshi Takayama shall retire by rotation in accordance with the provisions of Section 152 of the Act.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts and take all such steps, as it may, in its absolute discretion, deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution, and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this resolution."

11. To ratify the appointment of **Dr. Mukul G. Asher** as Independent Director and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT, the appointment of Dr. Mukul G. Asher (DIN: 00047673) as an Independent Director of the Company for a term of 5 (five) consecutive years commencing on 27th August, 2019 till 26th August, 2024, approved by the members of the Company through a Special Resolution passed at the extra ordinary general meeting held on 27th August, 2019 be and is hereby ratified."

12. To ratify the appointment of **Mr. B. V. Bhargava** as Independent Director and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT, the appointment of Mr. B. V. Bhargava (DIN:00001823) as an Independent Director of the Company for a term of 5 (five) consecutive years commencing on 27th August, 2019 till 26th August, 2024, approved by the members of the Company through a Special Resolution passed at the extra ordinary general meeting held on 27th August, 2019 be and is hereby ratified."

13. To approve keeping certain **records at a place other than the registered office of the Company** and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT, consent of the Company be and is hereby accorded pursuant to the provisions of Section 94 of the Companies Act, 2013, ("the Act") and Rules thereunder, for keeping the Register of Members, Registers of Debenture holders and other security holders, Indexes thereof, copies and other documents referred to in Section 94 of the Act at the Office of the Company's Registrars and Transfer Agents – M/s. Link Intime India Private Limited at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083 instead of at the registered office of the Company."

14. To ratify the remuneration of the **Cost Auditors** and in this regard to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

    "RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the remuneration of ₹ 5,50,000 (Rupees five lac fifty thousand only) plus applicable taxes and duties and reimbursement of actual out-of-pocket expenses fixed by the Board of Directors of the Company payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Registration Number: 00294) in respect of the cost audit for the financial year 2019-20 be and is hereby approved and ratified.

    RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

15. To approve **payment of commission to non-executive directors** and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

    "RESOLVED THAT, pursuant to the provisions of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013, ("the Act") and subject to such other approvals as may be required, such sum by way of commission, not exceeding in the aggregate 1% per annum of the net profits of the Company, computed in the manner laid down in Section 198 of the Act, be paid to and distributed amongst the Directors of the Company (excluding the Managing Director and the Whole Time Director) in such proportion and manner as the Board of Directors may, from time to time, decide."

16. To approve **payment of retainership fees to Mr. Ninad D. Gupte**, non-executive director and in this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

    "RESOLVED THAT, pursuant to the provisions of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals as may be required, consent be and is hereby given to payment of retainership fees of ₹ 18,60,000 per month to Mr. Ninad D. Gupte, a non-executive director, for a period of three months from 1st September, 2019 up to 30th November, 2019 for which period Mr. Ninad D. Gupte has been appointed as a consultant."

17. To **alter the provision in Article 34** of the Articles of Association of the Company and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

    "RESOLVED THAT in accordance with the provisions of Section 14 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act and Rules made there under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and subject to the approval, permission and sanctions of appropriate authorities, if any, consent of the members of the Company, be and is hereby accorded to add the following provision in Article 34 – "Restrictions on power to call" of the Articles of Association of the Company after the words '.............................. shall not be deemed to fall under the same class':

    'The Board of the Company shall not delegate the option or right to call on shares to any person.'

    The altered Article 34- Restrictions on power to call, shall read as follows:

    'No call shall exceed one-half to the nominal amount of a share or be made payable within two months after the last preceding call was payable. All the calls shall be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class. The Board of the Company shall not delegate the option or right to call on shares to any person.'

RESOLVED FURTHER THAT the Managing Director, the Executive Director and the Company Secretary be and they are hereby severally authorised to sign the documents and file the necessary forms and returns with the Registrar of Companies with regard to the alteration of the Articles of Association of the Company and to do all such acts, deeds, matters and things as may be required in order to give effect to this resolution."

18. To approve **transactions** entered into/proposed to be entered into **with Sumitomo Chemical Company, Limited**, a related party, during the Financial Year 2019-20 and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

    "RESOLVED THAT, approval of the members of the Company be and is hereby accorded pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to all the material related party transactions entered into or proposed to be entered into ("the transactions") by the Company with Sumitomo Chemical Company, Limited, Japan, the Holding Company and a related party of the Company, during the financial year 2019-20, including for purchase, sale and supply of goods (including raw materials, intermediates, finished products, capital goods and other items), for providing and availing services and other transactions (including payment of dividend on shares) in the ordinary course of business and on arm's length basis, provided that the total amount of the transactions shall not exceed ₹ 425 crore (Rupees four hundred twenty five crore) plus applicable taxes and duties.

    RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and instruments as may be required in its absolute discretion pursuant to this resolution and that the Board of Directors be and is further authorised to settle any question, difficulty or doubt that may arise with regard to this resolution."

19. To approve **transactions** proposed to be entered into **with Sumitomo Chemical Company, Limited**, a related party, during the Financial Year 2020-21 and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

    "RESOLVED THAT, approval of the members of the Company be and is hereby accorded pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to all the material related party transactions proposed to be entered into ("the transactions") by the Company with Sumitomo Chemical Company, Limited, Japan, the Holding Company and a related party of the Company, during the financial year 2020-21, including for purchase, sale and supply of goods (including raw materials, intermediates, finished products, capital goods and other items), for providing and availing services and other transactions (including payment of dividend on shares) in the ordinary course of business and on arm's length basis, provided that the total amount of the transactions shall not exceed ₹ 480 crore (Rupees four hundred and eighty crore) plus applicable taxes and duties.

    RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and instruments as may be required in its absolute discretion pursuant to this resolution and that the Board of Directors be and is further authorised to settle any question, difficulty or doubt that may arise with regard to this resolution."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

2. The instrument of proxy should be deposited with the Company at its Registered Office, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith.

3. A corporate member intending to send its authorised representative to attend the meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board Resolution authorising such representative to attend and vote on its behalf at the meeting.

4. A Statement pursuant to Section 102 of the Companies Act, 2013, setting out details relating to the businesses under Items No. 4 to 19 is annexed hereto.

5. The Register of Members of the Company will remain closed from **Saturday, the 21st December, 2019 to Friday, the 27th December, 2019 (both days inclusive)**.

6. **Payment of Dividend**:

   Payment of dividend as recommended by the Board of Directors, if declared at the Meeting, will be made on or after Tuesday, the 31st December, 2019, to the Members whose names stand on the Company's Register of Members on Friday, the 27th December, 2019 and to the Beneficial Owner(s) as per the Beneficiary List at the close of business hours on Friday, the 20th December, 2019, provided by the National Securities and Depository Limited and Central Depository Services (India) Limited.

7. Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centres by crediting the dividend amount to the Bank Accounts of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under the RBI Centres who have not furnished the requisite information should furnish the information to M/s. Link Intime India Private Limited, the Registrars and Transfer Agents. Members holding shares in electronic form should furnish the information to their Depository Participants in order to receive dividend through the NECS mechanism.

8. Members holding shares in electronic share accounts are requested to notify immediately any change in their addresses to their Depository Participants (DPs) quoting Client ID No. Members holding shares in physical form are requested to notify any change in their addresses to M/s. Link Intime India Private Limited, the Company's Registrars and Transfer Agents quoting Folio No.

9. The amounts of dividend remaining unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund.

   Details of dividend declared by Excel Crop Care Limited (which amalgamated with the Company) and remaining unclaimed for the year 2012-13 onwards are given below:

Date of Declaration	Dividend for the year	Dividend ₹ per Share	Due date of the proposed transfer to the Investor Education and Protection Fund
31.07.2013	2012-13	3.00	06.09.2020
10.09.2014	2013-14	12.50	16.10.2021
23.09.2015	2014-15	12.50	29.10.2022
28.07.2016	2015-16	12.50	02.09.2023
07.07.2016	2016-17 (Interim)	11.50	12.08.2023
02.08.2018	2017-18	8.75	08.09.2025
29.05.2019	2018-19 (Interim)	6.25	05.07.2026

   Members who have not encashed their dividend warrants for the above years are requested to write to the Company's Registrars and Transfer Agents for claiming the dividend before such unclaimed dividend is transferred to the Investor Education and Protection Fund.

10. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and the rules made thereunder, the shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred to Investor Education and Protection Fund.

11. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report is being sent.

12. Electronic copy of the Notice of the nineteenth annual general meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Notice along with Attendance Slip and Proxy Form is being sent.

    Members may also note that the Notice of the nineteenth annual general meeting and the Annual Report for 2018-19 will also be available on the Company's website www.sumichem.co.in for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office as well as the Corporate Office for inspection during normal business hours on working days (Monday to Friday), between 10.00 a.m. and 4.00 p.m. up to the date of the meeting.

    Even after registering for e-communication, members are entitled to receive such communication in physical form by post free of cost, upon making a request for the same. The shareholders may send requests for the same to the Company's investor relations email ID: investor.relations@sumichem.co.in.

13. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.

14. **Voting through electronic means:**

    In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to members the facility to exercise their right to vote on businesses to be transacted at the 19th annual general meeting by electronic means through remote e-voting services provided by Central Depository Services (India) Limited ("CDSL"). A member who has voted on a resolution through the e-voting facility will not be entitled to change it subsequently. Further, a member who has voted through the remote e-voting facility may attend the meeting but will not be permitted to vote again at the venue of the annual general meeting. Conversely, members attending the meeting who have not cast their vote by remote e-voting shall be entitled to exercise their right at the meeting through the voting facility made available at the venue of the annual general meeting.

    The instructions for **remote e-voting** are as under:

    (i) Open your web browser during the voting period and log on to the e-voting website **www.evotingindia.com**

    (ii) Click on "shareholders" to cast your votes.

    (iii) Select the Company's name from the drop down menu and click on "SUBMIT".

    (iv) Then enter your user ID

    Fill up the following details in the appropriate boxes:

    a. For CDSL: 16 digits beneficiary ID

    b. For NSDL: 8 character DP ID followed by 8 digits Client ID

    c. Members holding share in physical form should enter Folio Number registered with the Company.

    (v) Next enter the Image Verification as displayed and click on Login.

    (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DoB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the Depository or Company please enter the member ID/Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the Electronic Voting Sequence Number (EVSN) for the relevant company name viz. "SUMITOMO CHEMICAL INDIA LIMITED" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under the help section or write an email to helpdesk.evoting@cdslindia.com or to the Company's Officials at investor.relations@sumichem.co.in

15. **Other instructions and information:**

The remote e-voting period begins on **Tuesday, the 24th December, 2019 (09:00 a.m.) and ends on Thursday, the 26th December, 2019 (05:00 p.m.).** During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date which shall be the close of business hours on **Friday, the 20th December, 2019**, may cast their votes electronically. At the end of the remote e-voting period, the said facility shall be blocked and the e-voting module shall be disabled by CDSL for voting thereafter.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

Any person, who acquires shares of the Company and becomes a member of the Company after despatch of the Notice and who holds shares as of the cut-off date, may obtain the login ID and password by sending a request to helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use the existing User ID and password for casting vote.

When a Member produces his/her attendance slip at the venue of the annual general meeting, a ballot paper will be given to the member, if he/she has not cast his/her vote through remote e-voting. The Member can cast his/her vote in the the annual general meeting by using the ballot paper.

Mr. Prashant Diwan, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sumichem.co.in and on the website of CDSL and communicated to the BSE Limited and National Stock Exchange of India Limited.

By Order of the Board of Directors
For Sumitomo Chemical India Limited

Pravin D. Desai
Vice President – Legal & Company Secretary

Registered Office:
Building. No. 1, Ground Floor, Shant Manor Co-op. Housing Society Ltd.
Chakravarti Ashok 'X' Road, Kandivli (East),
Mumbai - 400 101.

Mumbai, 14th October, 2019

STATEMENT IN RESPECT OF THE BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

This explanatory statement for Item No. 4 is provided though strictly not required by Section 102 of the Companies Act, 2013.

The members of the Company at the previous annual general meeting approved the appointment of M/s. BSR & Associates LLP, Chartered Accountants, as the Auditors of the Company. The term of M/s. BSR & Associates LLP as the Auditors ends on the conclusion of this meeting in terms of the said approval. M/s. BSR & Associates LLP are not eligible for re-appointment as Auditors pursuant to the provisions of Section 139 of the Companies Act, 2013 ('the Act').

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommend for the approval of the members, the appointment of M/s. SRBC & CO LLP, Chartered Accountants, as the Auditors of the Company for a period from the conclusion of this meeting till the conclusion of the 24th annual general meeting.

It is proposed that the remuneration of M/s. SRBC & CO LLP for conducting audit for the financial year 2019-20 will be ₹ 30,00,000 (Rupees thirty lac). It is also proposed to authorise the Board of Directors to fix the remuneration of the Auditors for audit for other financial years during their tenure.

The Audit Committee considered various parameters like capability to serve a diverse and complex business landscape, audit experience including experience in the operating segments in which the Company operates, market standing of the firm, clientele served, technical knowledge etc., and found M/s. SRBC & CO LLP suitable for appointment as the Company's Auditor.

M/s. SRBC & CO LLP is a member of the S. R. Batliboi & Affiliates network of firms registered with the Institute of Chartered Accountants of India comprising of 85 partners, more than 3250 professionals and twelve offices in India.

M/s. SRBC & CO LLP have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

The proposed Audit fees of ₹ 30,00,000 for the first financial year is determined in consultation with M/s. SRBC & CO LLP.

None of the Directors and key managerial personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for the approval of the members.

Item No. 5

The Board of Directors, at their meeting held on 31st August, 2019, appointed Mr. Ninad D. Gupte as an Additional Director of the Company. Under Section 161 of the Companies Act, 2013 ("the Act"), Mr. Gupte holds office up to the date of this annual general meeting of the Company.

The Company received a notice from a member under Section 160 of the Companies Act, 2013, signifying her intention to propose the candidature of Mr. Ninad D. Gupte (DIN: 00027523) for the office of Director of the Company.

The Company has also received from Mr. Gupte consent in writing to act as a Director and intimation to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Company has recommended to the Board and the members, appointment of Mr. Ninad D. Gupte as Non-Executive Non Independent Director.

In the opinion of the Board of Directors, Mr. Ninad D. Gupte is a person of integrity, possesses relevant expertise and experience and fulfills the conditions for appointment specified in the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Board considers that the appointment of Mr. Ninad D. Gupte as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board recommends his appointment as a Director of the Company.

The Resolution at Item No. 5 seeks approval of the members for appointment of Mr. Ninad D. Gupte as a Director of the Company liable to retire by rotation.

Except Mr. Ninad D. Gupte, none of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Following are the particulars of Mr. Ninad D. Gupte :

Name of the Director	**Mr. Ninad D. Gupte**
Date of Birth	31.08.1953
Date of Appointment	31.08.2019
Qualifications	B.SC., PGDBM (XLRI – Jamshedpur) and Diploma in Tax Management from Bajaj Institute of Management
Expertise in specific functional areas	Commercial functions, Corporate Management and Indirect Taxes
Experience	Over 43 years
Other Indian companies in which directorship held	Transpek Industry Limited (Listed)
Other companies in which committee membership/ chairmanship held	Chairman of Audit Committee and Nomination & Remuneration Committee of Transpek Industry Limited
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2018-19	NA
Remuneration drawn in 2018-19	NA
Remuneration and other terms and conditions of appointment	Entitled to receive sitting fees for attending meetings of the Board/Committees and commission as approved by the members and the Board of Directors. Appointed Consultant for a period of three months from 1st September, 2019 on monthly fees of ₹ 18,60,000

Item No. 6

The Board of Directors at their meeting held on 31st August, 2019 appointed Mr. Tadashi Katayama as Additional Director of the Company. Under Section 161 of the Companies Act, 2013 ("the Act"), Mr. Tadashi Katayama holds office up to the date of this annual general meeting.

The Company received a notice from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Tadashi Katayama (DIN: 07628973) for the office of Director of the Company.

The Company has also received from Mr. Tadashi Katayama consent in writing to act as a Director and intimation to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Company has recommended to the Board and the members, appointment of Mr. Tadashi Katayama as Non-Executive Non Independent Director.

In the opinion of the Board of Directors, Mr. Tadashi Katayama is person of integrity, possesses relevant expertise and experience and fulfills the conditions for appointment specified in the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Board considers that the appointment of Mr. Tadashi Katayama as Director of the Company would be of immense benefit to the Company. Accordingly, the Board recommends his appointment as Director of the Company.

The Resolution at Item No. 6 seeks approval of the members for appointment of Mr. Tadashi Katayama as a Director of the Company liable to retire by rotation.

Except Mr. Tadashi Katayama, none of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Following are the particulars of Mr. Tadashi Katayama:

Name of the Director	**Mr. Tadashi Katayama**
Date of Birth	23.10.1966
Date of Appointment	31.08.2019
Qualifications	MBA degree from Vanderbilt University, USA and Master's Degree from Kyoto University, Japan
Expertise in specific functional areas	Strategy, planning, business development and marketing for crop protection business
Experience	Over 26 years
Other Indian companies in which directorship held	Nil
Other companies in which committee membership/ chairmanship held	Nil
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meeting(s) attended during the year 2018-19	NA
Remuneration drawn in 2018-19	NA
Remuneration and other terms and conditions of appointment	Mr. Tadashi Katayama has instructed the Company not to pay him sitting fees for Board/Committee meetings and commission of Non-Executive Directors.

Item No. 7

The Board of Directors, at their Meeting held on 31st August, 2019, appointed Mrs. Preeti Mehta as an Additional Director to hold office as Independent Director. Under Section 161 of the Companies Act, 2013, Mrs. Preeti Mehta holds office up to the date of this annual general meeting.

The Company received a notice from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mrs. Preeti Mehta (DIN: 00727923) for the office of Independent Director of the Company.

The Company has also received from Mrs. Mehta consent in writing to act as a Director, an intimation to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013 and a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee of the Company has recommended to the Board and the members, appointment of Mrs. Preeti Mehta as Independent Director.

In the opinion of the Board of Directors, Mrs. Preeti Mehta is a person of integrity, possesses relevant expertise and experience, fulfills the conditions specified for appointment in the Companies Act, 2013, including in Schedule IV thereto, and the Companies (Appointment & Qualification of Directors) Rules, 2014 and is independent of the management of the Company.

The Board considers that the appointment of Mrs. Preeti Mehta as Independent Director of the Company would be of immense benefit to the Company. Accordingly, the Board recommends her appointment as Director of the Company.

The Resolution at Item No. 7 seeks approval of the members for appointment of Mrs. Preeti Mehta as an Independent Director of the Company for a term of 5 (five) consecutive years up to 30th August, 2024. She will not be liable to retire by rotation.

Upon approval by the members of the appointment of Mrs. Preeti Mehta as an Independent Director, the appointment shall be formalised by issue of a letter of appointment by the Company. A copy of the draft letter for the appointment of Independent Directors setting out the terms and conditions is available for inspection by the members at the Company's Registered Office and Corporate Office on all working days (Monday to Friday) between 2.00 p.m. and 4.00 p.m. up to the date of the meeting. It is also accessible on the Company's website www.sumichem.co.in

Except Mrs. Preeti Mehta, none of the directors, key managerial personnel of the Company or their relatives, is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

Following are the particulars of Mrs. Preeti Mehta:

Name of the Director	**Mrs. Preeti Mehta**
Date of Birth	01.10.1959
Date of Appointment	31.08.2019
Qualifications	B.A., Mumbai University LLB, Mumbai University Advocate, High Court, Bombay Solicitor, Bombay & England Intensive Course in Franchising, Middlesex University, U.K.
Expertise in specific functional areas	Lawyer specialising in Corporate laws, foreign investments and collaboration, mergers and acquisitions and private equity investments.
Experience	Over 29 years
Other Indian companies in which directorship held	1. AMJ Land Holdings Limted (Listed) 2. Bagalkot Cement & Industries Limited 3. JCB India Limited
Other companies in which committee membership/ chairmanship held	Member of Audit Committee 1. AMJ Land Holdings Limted 2. Bagalkot Cement & Industries Limited 3. JCB India Limited Member of Nomination and Remuneration Committee 1. AMJ Land Holding Limited 2. JCB India Limited 3. Bagalkot Cement & Industries Limited Chairman of Corporate Social Responsibility Committee of AMJ Land Holdings Limited Member of Corporate Social Responsibility Committee of JCB Limited
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meeting(s) attended during the year 2018-19	NA
Remuneration drawn in 2018-19	NA
Remuneration and other terms and conditions of appointment	Remuneration: Entitled to receive sitting fees for attending meetings of the Board/Committees and commission as approved by the members and the Board of Directors. Other terms and conditions as specified in the draft letter of appointment referred to above

Item No. 8

The Board of Directors have approved, subject to the approval of the members of the Company in general meeting and in accordance with the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the appointment of Mr. Chetan Shah as Managing Director of the Company for a period of 3 (three) years with effect from 1st September, 2019 on the terms and conditions including remuneration as set out in the Contract for Appointment of Managing Director ("Contract") executed between the Company and Mr. Chetan Shah on 14th October, 2019, subject to such other necessary approvals as may be necessary.

Mr. Chetan Shah fulfills all the conditions of appointment under Part I of Schedule V to the Companies Act, 2013.

The Contract contains, inter-alia, the following terms and conditions of his appointment:

I. Compensation:

1. Annual Gross Salary: ₹ 3,35,40,000 as per the break up given below and subject to annual increment as may be approved by the Nomination and Remuneration Committee of Directors of the Company and the Board of the Company (up to a maximum limit of ₹ 5,00,00,000 with annual increments in the subsequent years).

   Break up of Annual Gross Salary of ₹ 3,35,40,000:

Particulars	₹
Basic Salary (₹ 27,95,000 per month)	3,35,40,000

   For the purpose of calculating the above annual gross salary, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

   Mr. Chetan Shah will not be eligible to Provident Fund and Superannuation Scheme benefits.

2. The annual performance bonus, not exceeding 40% of Annual Gross Salary based on the criteria specified in the said contract, as may be determined by the Board pursuant to the recommendation of the Nomination and Remuneration Committee based on the results of the performance goals of the preceding fiscal year determined under the evaluation system which is in line with Sumitomo Chemical global performance evaluation standard.

3. If, in any financial year, the Company has no or inadequate profits as per the requirements of the Companies Act, 2013, the Company shall undertake reasonable efforts and follow process to obtain suitable approvals as may be required for payment of remuneration as stated hereinabove to Mr. Chetan Shah.

II. The first annual increment of Mr. Chetan Shah will be due on 1st April, 2020 and thereafter on 1st April, 2021 and 1st April, 2022.

III. Term: Three years from 1st September, 2019 to 31st August, 2022.

IV. Mr. Chetan Shah shall devote his full time, ability, attention, energy, knowledge and skill solely for performance of his duties and responsibilities assigned/delegated to him as Managing Director by the Board of Directors.

V. Mr. Chetan Shah will be entitled to leave as per the Company's rules and policies.

VI. Mr. Chetan Shah will be provided car(s) with driver(s) as per the Company's policy to discharge his day to day duties. The Company shall bear costs related to activities/services for the Company's official business purpose such as traveling costs, hotel costs, conveyance, telephone at residence, mobile bills, club costs or any other similar costs and such costs shall not be considered as part of his remuneration. As per and subject to the Company's applicable policies, Mr. Chetan Shah will be entitled to reimbursement of actual expenses reasonably incurred by him for the Company's official business purpose.

   The Special Resolution at Item No. 8 seeks approval and consent of the members for appointment of Mr. Chetan Shah as Managing Director of the Company for a period of 3 years with effect from 1st September, 2019, on the terms and conditions contained in the Contract.

Except Mr. Chetan Shah, none of the Directors, key managerial personnel of the Company or their relatives, is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Contract is open for inspection by the members at the Registered Office and Corporate Office of the Company on all working days (Monday to Friday) between 2.00 p.m. and 4.00 p.m. up to the date of the Meeting.

Following are the particulars of Mr. Chetan Shah:

Name of the Director	**Mr. Chetan Shah**
Date of Birth	22.07.1954
Date of Appointment	01.09.2019
Qualifications	Bachelor of Commerce from Mumbai University and Master's degree in Business Administration from North Rope University, Los Angeles, U.S.A.
Expertise in specific functional areas	Management and operations of crop protection business
Experience	Over 42 years
Other Indian companies in which directorship held	1. Vulcan Products Private Limited 2. Dharmesh Services Private Limited
Other companies in which committee membership/ chairmanship held	Nil
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2018-19	NA
Remuneration drawn in 2018-19	NA
Remuneration and other terms and conditions of appointment	As specified in the Contract

Item No. 9

The Board of Directors have approved, subject to the approval of the members of the Company in general meeting and in accordance with the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the appointment of Mr. Sushil Marfatia as Executive Director of the Company for a period of 3 (three) years with effect from 1st September, 2019 on the terms and conditions including remuneration as set out in the Contract for Appointment of Executive Director ("Contract") executed between the Company and Mr. Sushil Marfatia on 14th October, 2019, subject to such other approvals as may be necessary.

Mr. Sushil Marfatia fulfills all the conditions of appointment under Part I of Schedule V to the Companies Act, 2013.

The Contract contains, inter-alia, the following terms and conditions of his appointment:

I. Compensation:

   1. Annual Gross Salary: ₹ 1,00,00,004 as per the break up given below and subject to annual increment as may be approved by the Board of the Company (upto a maximum limit of ₹ 1,60,00,000 with annual increments in the subsequent years).

Break up of Annual Gross Salary of ₹ 1,00,00,004:

Particulars	**₹**
Basic Salary (₹ 3,23,000 per month)	38,76,000
House Rent Allowance	19,38,000
Conveyance Allowance	4,80,000
Children Education Allowance	4,80,000
Medical Allowance	4,80,000
Refreshment Allowance	3,00,000
Contribution to Provident Fund	4,65,120
Leave Travel Allowance	3,23,000
Other Allowance	16,57,884
Total	**1,00,00,004**

For the purpose of calculating the above annual gross salary, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

2. The annual performance bonus, as may be determined by the Board, based on the results of the performance goals of the preceding fiscal year, subject to minimum of 60% and maximum of 80% of the Annual Gross Salary.

3. If, in any financial year, the Company has no or inadequate profits as per the requirements of the Companies Act, 2013, the Company shall undertake reasonable efforts and follow process to obtain suitable approvals as may be required for payment of remuneration as stated hereinabove to Mr. Sushil Marfatia.

II. Term: Three years from 1st September, 2019 to 31st August, 2022.

III. The office of Director of Mr. Sushil Marfatia shall be liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013

IV. Mr. Sushil Marfatia shall devote his full time, ability, attention, energy, knowledge and skill solely for performance of his duties and responsibilities assigned/delegated to him as Executive Director by the Board of Directors.

V. Mr. Sushil Marfatia's annual increment will be decided by the Board. The first annual increment will be due on 1st April, 2020 and thereafter on 1st April, 2021 and 1st April, 2022.

VI. Mr. Sushil Marfatia shall be entitled to leave as per the Company's rules and policies.

VII. Mr. Sushil Marfatia will be provided car(s) with driver(s) as per the Company's policy to discharge his day to day duties. The Company shall bear costs related to activities/services for the Company's official business purpose such as traveling costs, hotel costs, conveyance, telephone at residence, mobile bills or any other similar costs and such costs shall not be considered as part of his remuneration. As per and subject to the Company's applicable policies, Mr. Sushil Marfatia will be entitled to reimbursement of actual expenses reasonably incurred by him for the Company's official business purpose.

The Special Resolution at Item No. 9 seeks approval and consent of the members for appointment of Mr. Sushil Marfatia as Executive Director of the Company for a period of three years with effect from 1st September, 2019, on the terms and conditions contained in the Contract.

Except Mr. Sushil Marfatia, none of the Directors, key managerial personnel of the Company or their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Contract is open for inspection by the members at the Registered Office and Corporate Office of the Company on all working days (Monday to Friday) between 2.00 p.m. and 4.00 p.m. up to the date of the Meeting.

Following are the particulars of Mr. Sushil Marfatia :

Name of the Director	**Mr. Sushil Marfatia**
Date of Birth	02.12.1951
Date of Appointment	01.09.2019
Qualifications	B.Com; Chartered Accountant
Expertise in specific functional areas	Accounts, Finance, Taxation, Legal & Secretarial, Production planning, Sales and marketing strategies and procurement of raw materials
Experience	Over 42 years
Other Indian companies in which directorship held	Nil
Other companies in which committee membership/ chairmanship held	Nil
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2018-19	5
Remuneration drawn in 2018-19	₹ 116.31 lac
Remuneration and other terms and conditions of appointment	As specified in the Contract

Item No. 10

The Board of Directors at their meeting held on 31st August, 2019 have approved, subject to the approval of the members of the Company in general meeting and in accordance with the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the appointment of Mr. Kiyoshi Takayama as Executive Director - Planning and Coordination Office of the Company for a period of 1 (one) year with effect from 1st September, 2019 on the terms and conditions including remuneration as set out in the Contract for Appointment of Executive Director – Planning and Coordination Office (“Contract”) executed between the Company and Mr. Kiyoshi Takayama on 1st October, 2019, subject to such other approvals as may be necessary.

Mr. Kiyoshi Takayama fulfills all the conditions of appointment under Part I of Schedule V to the Companies Act, 2013.

Mr. Kiyoshi Takayama is an employee of Sumitomo Chemical Company, Limited, Japan, the Company’s holding company, who have seconded his services to the Company.

The Contract contains, inter-alia, the following terms and conditions of his appointment:

I. Compensation:

1. Annual Gross Salary: ₹ 1,39,80,000 as per the break up given below and subject to annual increment as may be approved by the Nomination and Remuneration Committee and the Board of the Company (upto a maximum limit of ₹ 1,80,00,000 with increments).

   Break up of Annual Gross Salary of ₹ 1,39,80,000:

   i. Salary and perquisites

Particulars	**₹**
Basic Salary (₹ 9,35,000 per month)	1,12,20,000
Rent for furnished accommodation and House Maintenance Expenses	24,00,000
Reimbursement of Medical Expenditure and Premium of Medical Insurance Policy	2,25,000
Other perquisites	1,35,000
Total	**1,39,80,000**

ii. Additional Furnishings/Furniture/Household goods in the accommodation as per the discretion of the Managing Director costs whereof shall not exceed ₹ 10 lac.

Value of perquisite for the same shall be computed as per the provisions of the Income – Tax Act and Rules.

iii. Airfare (business class) for visit to Japan on holidays once every year for self, spouse and children based in India–on actual basis.

Mr. Kiyoshi Takayama will not be eligible to Provident Fund and Superannuation Scheme benefits.

2. If, in any financial year, the Company has no profits or inadequate profits as per the requirements of the Companies Act, 2013, the Company shall undertake reasonable efforts and follow process to obtain suitable approvals as may be required for payment of remuneration as stated hereinabove to Mr. Kiyoshi Takayama.

II. Mr. Kiyoshi Takayama's annual increment with effect from 1st April, 2020 shall be decided by the Board on the basis of recommendations of the Company's Nomination & Remuneration Committee.

III. Term: One year from 1st September, 2019 to 31st August, 2020.

IV. The office of Director of Mr. Kiyoshi Takayama shall be liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013.

V. During his tenure as Executive Director – Planning and Coordination Office of the Company, Mr. Kiyoshi Takayama, who is an employee of Sumitomo Chemical Company, Limited, Japan (SCC), shall continue to remain employee of SCC and shall draw salary remuneration from SCC as per the policies and norms of SCC which salary remuneration shall be in addition to the remuneration drawn from the Company.

VI. Mr. Kiyoshi Takayama shall devote his full time, ability, attention, energy, knowledge and skill solely for performance of his duties and responsibilities assigned/delegated to him as Executive Director – Planning and Coordination Office by the Board of Directors.

VII. Mr. Kiyoshi Takayama shall be entitled to leave as per the Company's rules and policies.

VIII. Mr. Kiyoshi Takayama will be provided car with driver as per the Company's policy to discharge his day to day duties. The Company shall bear costs related to activities/services for the Company's official business purpose such as traveling costs, hotel costs, conveyance, telephone at residence, mobile bills or any other similar costs and such costs shall not be considered as part of his remuneration. As per and subject to Company's applicable policies, Mr. Kiyoshi Takayama will be entitled to reimbursement of actual expenses reasonably incurred by him for the Company's official business purpose.

The Special Resolution at Item No. 10 seeks approval and consent of the members for appointment of Mr. Kiyoshi Takayama as Executive Director – Planning and Coordination Office of the Company for a period of 1 year with effect from 1st September, 2019, on the terms and conditions contained in the Contract.

Except Mr. Kiyoshi Takayama, none of the Directors, key managerial personnel of the Company or their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Contract is open for inspection by the members at the Registered Office and Corporate Office of the Company on all working days (Monday to Friday) between 2.00 p.m. and 4.00 p.m. up to the date of the Meeting.

Following are the particulars of Mr. Kiyoshi Takayama:

Name of the Director	**Mr. Kiyoshi Takayama**
Date of Birth	03.07.1962
Date of Appointment	01.09.2019
Qualifications	Bachelor's degree in analytical chemistry from Ritsumeikan University, Kyoto prefecture, Japan.
Expertise in specific functional areas	Research and development, domestic and international sales, supply chain and planning functions in the business of pharmaceutical active ingrediants/intermediates.
Experience	Over 32 years
Other Indian companies in which directorship held	Nil
Other companies in which committee membership/ chairmanship held	Nil
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2018-19	NA
Remuneration drawn in 2018-19	NA
Remuneration and other terms and conditions of appointment	As specified in the Contract

Item Nos. 11 & 12

The members of the Company at the extra ordinary general meeting held on 27th August, 2019 have appointed, through Special Resolutions, Dr. Mukul G. Asher and Mr. B.V. Bhargava, who are over seventy five years of age, as Independent Directors for term of five years commencing on 27th August, 2019.

As the appointment of Dr. Mukul G. Asher and Mr. B.V. Bhargava was made at the extra ordinary general meeting held prior to allotment of shares of the Company to the shareholders of Excel Crop Care Limited ("Transferor Company") pursuant to the provisions of the Scheme of Amalgamation for amalgamation of the Transferor Company with the Company, it is felt prudent to seek ratification of the appointment by the members through the Special Resolutions at Item Nos. 11 and 12 of the Notice.

Except Dr. Mukul G. Asher, none of the directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

Similarly, except Mr. B.V. Bhargava, none of the directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 12.

Upon ratification by the members of the appointment of Dr. Mukul G. Asher and Mr. B.V. Bhargava as Independent Directors, the appointments shall be formalised by issue of letters of appointment by the Company. A copy of the draft letter for the appointment of Independent Directors setting out the terms and conditions is available for inspection by the members at the Company's Registered Office and Corporate Office on all working days (Monday to Friday) between 2.00 p.m. and 4.00 p.m. up to the date of the meeting. It is also accessible on the Company's website www.sumichem.co.in.

The Nomination and Remuneration Committee of the Company has recommended to the Board and the members ratification of appointment of Dr. Mukul G. Asher and Mr. B.V. Bhargava as Independent Directors,.

The Board recommends the Special Resolutions set out at Item Nos. 11 and 12 in respect of ratification of appointment of Dr. Mukul G. Asher and Mr. B.V. Bhargava as Independent Directors for approval by the members of the Company.

Following are the particulars of Dr. Mukul G. Asher:

Name of the Director	**Dr. Mukul G. Asher**
Date of Birth	17.12.1943
Date of Appointment	27.08.2019
Qualifications	B.A. (Hons.) M.A., Ph.D
Expertise in specific functional areas	Economics, Public Finance and Social Security
Experience	Over 50 years
Other Indian companies in which directorship held	Nil
Other companies in which committee membership/ chairmanship held	Nil
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2018-19	NA
Remuneration drawn in 2018-19	NA
Remuneration and other terms and conditions of appointment	Remuneration: Entitled to receive sitting fees for attending meetings of the Board/Committees and commission – as approved by the members and the Board of Directors. Other terms and conditions as specified in the draft letter of appointment of Independent Director.

Following are the particulars of Mr. B. V. Bhargava :

Name of the Director	**Mr. B. V. Bhargava**
Date of Birth	16.04.1936
Date of Appointment	27.08.2019
Qualifications	M.Com., LLB
Expertise in specific functional areas	Development Banking, Project Finance and Credit Rating
Experience	Over 50 years
Other Indian companies in which directorship held	1. Supreme Industries Ltd. (Listed) 2. J.K. Lakshmi Cement Ltd. (Listed) 3. Aditya Birla Renewable SPV 1 Limited 4. Aditya Birla Renewable Subsidiary Limited.
Other companies in which committee membership/ chairmanship held	Member of Audit Committee of J.K. Lakshmi Cement Ltd. Member of Nomination and Remuneration Committee 1. Supreme Industries Ltd. 2. J.K. Lakshmi Cement Ltd.
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2018-19	NA
Remuneration drawn in 2018-19	NA
Remuneration and other terms and conditions of appointment	Remuneration : Entitled to receive sitting fees for attending meetings of the Board/Committees and commission as approved by the members and the Board of Directors. Other terms and conditions as specified in the draft letter of appointment of Independent Director.

Item No. 13

Section 94 of the Companies Act, 2013 ("the Act") and the rules made thereunder provide that every company shall keep and maintain registers and copies of the annual returns referred to in Sections 88 and 92 of the Act at its registered office.

The Act, however, permits keeping and maintenance of such registers and copies of the annual returns at other place in India in which more than one-tenth of the total number of members entered in the register of members reside provided a special resolution is passed by the members in this behalf.

The Company has appointed M/s. Link Intime India Private Limited as its Registrars & Transfer Agents for maintaining registers of members and other relevant records. The Registrars & Transfer Agents will maintain the Company's Registers of Members and other security holders, their indexes and copies of the annual returns at their office at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083 and the same would be available for inspection by members and others.

The resolution at Item No. 13 is set out as a Special Resolution for seeking approval of the members for keeping and maintaining the Company's Registers of Members and other security holders, Indexes, copies of the annual returns at the office of M/s. Link Intime India Private Limited, the Company's Registrars & Transfer Agents. The Board recommends the Special Resolution for approval by the members of the Company.

None of the Directors and key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 13.

Item No. 14

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), the Company is required to appoint a cost auditor to audit the cost records of the Company.

M/s. Kishore Bhatia & Associates, Cost Accountants (Registration Number: 00294) have been appointed as Cost Auditors of the Company for the financial year 2019-20 by the Board of Directors of the Company on the recommendation of the Audit Committee.

The Board has fixed the remuneration of the Cost Auditors at ₹ 5,50,000 plus applicable taxes and duties and reimbursement of actual out-of-pocket expenses.

Under Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as approved by the Board shall be considered and ratified by the members of the Company.

The Resolution at Item No. 14 of the Notice is set out as an Ordinary Resolution for ratification by the members in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends the Resolution in respect of the remuneration of M/s. Kishore Bhatia & Associates as Cost Auditors of the Company, for ratification by the members of the Company.

None of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14.

Item No. 15

Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that payment of fees or compensation to non-executive directors requires approval of the shareholders in general meeting.

The Company proposes to pay commission, not exceeding in the aggregate 1% per annum of the Company's net profits computed in accordance with the provisions of Section 198 of the Companies Act, 2013, to its non-executive directors.

The resolution at Item No. 15 of the Notice is set out as an Ordinary Resolution approving payment of commission to the non-executive directors up to 1% of the Company's net profits in a financial year. The Board recommends the Resolution for approval by the members of the Company.

Dr. Mukul G. Asher, Mr. B.V. Bhargava, Mrs. Preeti Mehta, Mr. Ninad D. Gupte, Mr. Tadashi Katayama and Mr. Hiroyoshi Mukai, non-executive directors are concerned/interested in the resolution at Item No. 15 of the Notice.

None of the other Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 15.

Item No. 16

Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that payment of fees or compensation to non-executive directors requires approval of the shareholders in general meeting.

The Company has appointed Mr. Ninad D. Gupte, a non-executive director, as a consultant for a period of three months from 1st September, 2019 to 30th November, 2019 on a monthly retainership fees of ₹ 18,60,000.

The Resolution at Item No. 16 of the Notice is set out as a Special Resolution approving payment of retainership fees to Mr. Ninad D. Gupte. The Board recommends the Resolution for approval by the members of the Company.

Except Mr. Ninad D. Gupte, none of the directors, key managerial personnel of the Company or their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 16 of the Notice.

Item No. 17

The Company is making application for listing its shares on BSE Limited and the National Stock Exchange of India Limited. Upon listing, the Company's Articles of Association need to conform to the provisions of Rule 19(2)(a)(v) of the Securities Contracts (Regulation) Rules, 1957. With a view to meet this requirement, Article 34 of the Company's Articles of Association is proposed to be altered.

Pursuant to provisions of Section 14 of the Companies Act, 2013, amendment of Articles of Association requires approval of Shareholders by way of Special Resolution. Accordingly, this matter has been placed before the Shareholders for approval.

The Board recommends the Special Resolution for approval by the members of the Company.

None of the Directors and key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 17.

Item Nos. 18 and 19

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the said Regulations") all related party transactions require prior approval of the Audit Committee and all material related party transactions require approval of the members through a resolution. The said Regulations define the term 'material' to mean a transaction with a related party which individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Sumitomo Chemical Company, Limited, Japan ("SCC") is the Company's Holding Company and Promoters. Accordingly, SCC is the Company's related party. As a part of its regular business, the Company has business dealings with SCC which comprise purchase, sale and supply of goods (including raw materials, intermediates, finished product, capital goods and other items), providing and availing services, payment of dividend on shares and other transactions in the ordinary course of business. The transactions with SCC are at arm's length. All the related party transactions are approved by the Company's Audit Committee pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and the said Regulations.

The maximum amount of transactions with SCC for the financial year 2019-20 is estimated to be ₹ 425 crore which will exceed ten percent of the annual consolidated turnover of the Company for the financial year 2018-19.

Similarly, the maximum amount of transactions with SCC for the financial year 2020-21 is estimated to be ₹ 480 crore which is likely to exceed ten percent of the estimated annual consolidated turnover of the Company for the financial year 2019-20.

The Ordinary Resolutions at Item Nos. 18 and 19 seek approval of the Members for material related party transactions with SCC in terms of Regulation 23 of the said Regulations for the financial years 2019-20 and 2020-21.

The Board recommends the resolutions for approval of the members.

None of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions.

No related party of the Company is eligible to vote on the resolutions set out at Item Nos. 18 and 19 pursuant to the provisions of the Regulations.

By Order of the Board of Directors
For Sumitomo Chemical India Limited

Pravin D. Desai
Vice President – Legal & Company Secretary

Registered Office:
Building. No. 1, Ground Floor, Shant Manor Co-op. Housing Society Ltd.
Chakravarti Ashok 'X' Road, Kandivli (East),
Mumbai - 400 101.

Mumbai, 14th October, 2019

Location of Annual General Meeting Venue

REPORT OF THE BOARD OF DIRECTORS

TO THE MEMBERS,

Your Directors have pleasure in presenting the Nineteenth Annual Report and the Audited Financial Statements of the Company for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

The financial results presented below pertain to the Company after giving effect to the Scheme of Amalgamation for amalgamation of Excel Crop Care Limited with the Company with effect from the Appointed Date 1st April, 2018 as specified in the Scheme.

The salient features of the Company's working are:

(₹ in Million)

	2018-19	2017-18
Gross Profit for the year	**2,857.84**	2,444.30
Less: Depreciation and amortization expense	**277.91**	237.31
Profit before tax	**2,579.93**	2,206.99
Less: Tax expense (current and deferred tax)	**909.91**	756.13
Profit after tax	**1,670.02**	1,450.86
Add: Balance of Retained earnings brought forward from the previous year	**2,334.57**	1,549.68
Available retained earnings	**4,004.59**	3,000.54
Other Comprehensive Income	**3.70**	34.03
	4,008.29	3,034.57
Dividend paid during the year	**590.53**	—
Tax on Dividend	**124.52**	—
Transfer to General Reserve	**800.00**	700.00
Retained earnings carried forward to the next year	**2,493.24**	2,334.57

2. DIVIDEND

On 16th October, 2018, your Directors declared an interim dividend at the rate of ₹ 1.87 per share on 274,588,095 equity shares of ₹ 10 each fully paid up for F.Y. 2018-19 aggregating ₹ 513.48 million.

On 1st August, 2019, your Directors declared second interim dividend at the rate of ₹ 0.22 per share on 274,588,095 equity shares of ₹ 10 each fully paid up for F.Y. 2018-19 aggregating ₹ 60.41 million.

Similarly, on 29th May, 2019, the Board of Directors of Excel Crop Care Limited declared an interim dividend at the rate of ₹ 6.25 per share on its 11,005,630 equity shares of ₹ 5 each fully paid for F.Y. 2018-19 aggregating ₹ 68.79 million.

Your Directors have recommended final dividend of ₹ 0.20 per equity share on 499,145,736 shares of ₹ 10 each aggregating ₹ 99.83 million. The Directors consider this appropriate having regard to the requirements for funds for future growth of the Company.

3. CONVERSION INTO PUBLIC COMPANY

Your Company was converted from private company to public company by a resolution passed by the members at the extra ordinary general meeting held on 26th October, 2018. Consequent to conversion of the Company as public company, new Memorandum and Articles of Association were adopted.

4. INCREASE IN AUTHORISED SHARE CAPITAL

On 26th October, 2018, the Authorised Share Capital of the Company was increased from ₹ 3,000 million to ₹ 4,940 million. Further, on 31st August, 2019 ['Effective Date' of the Scheme of Amalgamation for amalgamation of Excel Crop Care Limited (Transferor Company) with the Company], the Authorised Share Capital of ₹ 60 million of the Transferor Company was consolidated with the Authorised Share Capital of the Company and accordingly, the Company's Authorised Share Capital stands increased to ₹ 5,000 million divided into 500 million equity shares of ₹ 10 each.

5. REGISTERED OFFICE

On 26th October, 2018, the Company's Registered Office was shifted from Moti Mahal, 7th Floor, 195, Jamshedji Tata Road, Churchgate, Mumbai, Maharashtra - 400 020 to Plot No. T 137, 138, 113 and 251 MIDC Tarapur, Kambhavali Naka, Taluka Palghar, Maharashtra - 401 506 and subsequently, with effect from 19th November, 2018, the Registered Office has been shifted to Building No. 1, Ground Floor, Shant Manor Co-op. Housing Society Limited, Chakravarti Ashok 'X' Road, Kandivli (East), Mumbai - 400 101.

6. AMALGAMATION

On 1st August, 2018, the Board approved a Scheme of Amalgamation ("Scheme") for amalgamation of Excel Crop Care Limited, a subsidiary of Sumitomo Chemical Company, Limited, Japan, the Company's Holding Company, with the Company. The 'Appointed Date' under the Scheme is 1st April, 2018. At the Meeting of the Shareholders of the Company held on 30th March, 2019 pursuant to the Order of Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT"), the Scheme was approved unanimously by the Shareholders.

By its Order dated 27th June, 2019, ("Order") the Hon'ble NCLT approved the Scheme. Certified copy of the Order was filed with the Registrar of Companies on 31st August, 2019 and accordingly 31st August, 2019 is the 'Effective Date' of the Scheme.

In accordance with the provisions of the Scheme, entire business and the undertaking of Excel Crop Care Limited (together with all the estate, properties, assets, rights, claims, title and authorities, benefits, liabilities and interest therein and subject to existing charges thereon in favour of banks and financial institutions) stand transferred to and vested in the Company with effect from 1st April, 2018, the Appointed Date.

Accordingly, the Audited Financial Statements (Standalone and Consolidated) for the Financial Year 2018-19, accompanying this Annual Report give effect to the Scheme from the Appointed Date.

The Company has undertaken intensive and exhaustive initiatives for integration of the business of Excel Crop Care Limited with that of the Company.

7. ALLOTMENT OF SHARES PURSUANT TO THE SCHEME AND LISTING OF SHARES

In terms of the Scheme, 21,99,448 equity shares of Excel Crop Care Limited held by the Company representing its 19.98% share capital stand cancelled. On 7th October, 2019, the remaining shareholders of Excel Crop Care Limited holding shares as on 31st August, 2019 ('Record Date') have been allotted shares of the Company in the following ratio :

'51 equity shares of the Company of ₹ 10 each fully paid up for every 2 equity shares of Excel Crop Care Limited of ₹ 5 each fully paid up'.

Accordingly, the Company has issued and allotted its 224,557,641 shares of ₹ 10 each as fully paid up to the other shareholders of Excel Crop Care Limited.

As provided in the Scheme, the fractional share entitlements have been consolidated in favour of an Escrow Account. The Custodian of the Escrow Account will sell these shares and the sale proceeds (net of expenses) will be distributed among the beneficiaries in the ratio of their entitlement.

With this allotment of shares, the shareholding of Sumitomo Chemical Company, Limited, Japan, the Holding Company and its Japan based subsidiary, in the Company stands reduced from 100% to about 80.3%. The shares held by the Promoters in the Company to the extent of about 55.01% of the Company's share capital will be locked-in for a period of one/three years from the date of listing.

The Company is in the process of making applications to BSE Limited and The National Stock Exchange of India Limited for listing of its equity shares including the shares allotted to the shareholders of Excel Crop Care Limited pursuant to the Scheme. The equity shares of the Company allotted pursuant to the Scheme shall remain frozen and shall not be permitted to be traded/dealt with till the Listing and Trading approvals are obtained.

Subsequent to the Listing, the Promoters will need to reduce their shareholding in the Company to 75% or less within one year of Listing.

8. OPERATIONS

During the year under review, the sales increased from ₹ 19,332.36 million in the previous year to ₹ 21,736.54 million. Domestic sales turnover increased to ₹ 17,002.88 million from ₹ 15,456.69 million in the previous year. Export turnover also increased from ₹ 3,875.67 million in the previous year to ₹ 4,733.66 million in the year under review. After making provision for depreciation, interest and Tax, the Net profit during the year under report amounts to ₹ 1,670.02 million as against ₹ 1,450.86 million of profit earned in the previous year.

9. NEW PRODUCTS/IMPROVEMENTS/EXPANSIONS

In the year under review, your Company continued to pursue initiatives to optimise utilization of its manufacturing facilities. Your Company commercialised two new formulated products in herbicide and insecticide segments. It expanded manufacturing capacities for its two major technical products and also added new formulation and packing lines during the year under review.

Your Company continues its efforts in the area of product and process improvement for enhancing yields, reducing manufacturing costs, reducing effluent load and effluent treatment cost for staying innovative and competitive. Your Company also continues to focus on energy conservation and energy cost reduction.

The Company continues to maintain ISO:9001:2015, ISO-14001:2015 and OHSAS18001:2007 for the manufacturing sites at Bhavnagar, Gajod, Tarapur and Silvassa. The Company's Vapi site holds and maintains ISO:9001:2015 certification. The quality of products is maintained and upgraded to the applicable national and international standards through rigorous pursuit of the quality management systems. The Company continues to enjoy the reputation of a consistent and reliable quality supplier.

Your Company continues to operate wind and solar power generation plants which contribute about 50% of its total power requirements. This initiative towards green energy also helps in reducing dependence on outsourced power as well as in energy cost reduction.

10. OUTLOOK

Agrochemicals play key role in increasing production of foodgrains and other agri-produces. The short and medium term outlook for the agrochemicals industry is reasonably good in the backdrop of need for increasing foodgrain production and the Government's emphasis on raising the farmers' income. The Government is promoting several schemes for farming and farmers' welfare. The Government's emphasis on 'Make in India' also offers good growth opportunity to the industry.

The rainfall in 2019 has been extreme in several areas – there are regions which have witnessed excessive rains and there are areas which have received sub-normal rains. The fortunes of the agrochemicals industry are directly linked to that of farming and farmers which in turn get impacted by the monsoon performance. Overall good rainfall point to improvement in farming in the second season.

11. SAFETY, HEALTH AND ENVIRONMENT

The Company continues to play the role of a responsible corporate citizen in the fulfilment of its aims of protecting and enriching the environment and human health and safety. The Company continues to hold and maintain ISO-14001:2015 and OHSAS18001:2007 certifications which help in continuous improvement in the field of safety, health and environment. The Company also continues to sustain its SA8000 Certification for Social Accountability in Bhavnagar and Gajod manufacturing sites. Safety audit, training programmes and other safety management processes and programmes are carried out at regular intervals.

12. EDUCATION, LEARNING AND HUMAN RESOURCES

Learning and development is one of the top priority for the Company. The Company focuses on enhancing skills and capabilities at all levels, strengthening the leadership talent, effective succession planning and fostering employee engagement.

Your Company has taken systematic and detailed development initiatives to build right skills and competencies as well as reskilling of its existing and new employees to meet the present and future needs of its business. Your Company endeavours to ensure that it has requisite competencies to meet the new challenges in the ever changing business environment.

The employee relations in the Company continued to remain healthy, cordial and progressive in the year under review. Your Directors wish to record their appreciation of the continued support, efforts and cooperation of the employees at all levels.

Your Company is making continuous and intensive efforts to educate farmers with various aspects of farming, latest technology and also ensuring to educate the efficient use of crop protection chemicals for improving / increasing crop productivity.

13. INSURANCE

The Company continues to carry adequate insurance cover for all its assets against foreseeable perils like fire, flood, earthquake, etc. and continues to maintain Consequential Loss (Fire) Policy and the Liability Policy as per the provisions of the Public Liability Insurance Act.

14. SUBSIDIARIES

As a result of implementation of the Scheme of Amalgamation, Excel Crop Care (Africa) Limited, Tanzania and Excel Crop Care (Europe) NV, Belgium, the subsidiaries of Excel Crop Care Limited have become the Company's subsidiaries.

Highlights of the financial performance of Excel Crop Care (Africa) Limited, Tanzania and Excel Crop Care (Europe) NV, Belgium, the subsidiary companies, are as follows:

Excel Crop Care (Africa) Limited, Tanzania

(Tanzania Schillings in million)

	2018-19	2017-18
Sales Turnover	**2,060**	5,584
Profit before Tax	**473**	385
Profit after Tax	**315**	269

Excel Crop Care (Europe) NV, Belgium

(Euros in thousand)

	2018-19	2017-18
Sales Turnover	**897**	2,544
Loss	**89**	41

Excel Crop Care (Australia) Pty Limited, Australia, another subsidiary of Excel Crop Care Limited did not have commercial activities during F.Y. 2018-19 as in the past several years. Excel Crop Care (Australia) Pty Limited has been closed and wound up with effect from 8th May, 2019.

The Financial Statements and the Reports of the Board of Directors and the Auditors of the Company's subsidiaries shall be made available to the members on requisition. These are also available for inspection at the Registered Office and Corporate Office of the Company and are also being posted on the Company's website: www.sumichem.co.in.

15. DISCLOSURE UNDER THE COMPANIES ACT, 2013

Information is given below pursuant to various disclosure requirements prescribed under the Companies Act, 2013 and rules thereunder, to the extent applicable to the Company. Some of the disclosures have been included in appropriate places in the Corporate Governance Report which is part of the Board's Report.

a) Energy Conservation, 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 Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in **Annexure I**.

b) Extract of Annual Return:

The extract of the annual return in form MGT-9 are given in **Annexure II**.

c) Policy on Directors' appointment, Remuneration Policy and information regarding remuneration:

Particulars of the Company's Policy on Directors' appointment, Remuneration Policy and information pursuant to Rule 5(1) of the Companies (Appointment & Remuneration) Rules, 2014 are given in **Annexure III**.

d) Particulars of Loans, Guarantees and Investments:

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

e) Related Party Transactions:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis.

Subsequent to the Scheme of Amalgamation becoming effective, the Company has formed Audit Committee.

All related party transactions are placed before the Audit Committee for their approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a repetitive nature. The transactions entered into pursuant to the omnibus and specific approvals are reviewed periodically by the Audit Committee.

Pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the said Regulations") all material related party transactions require approval of the members through a resolution. The said Regulations define the term 'material' to mean a transaction with a related party which individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

During the year, the Company entered into transactions with Sumitomo Chemical Company, Limited, Japan, the Holding Company which are considered 'material transactions' in terms of the said Regulations. The Company is seeking approval of the members through Ordinary Resolutions at the ensuing annual general meeting for the transactions entered into and proposed to be entered into with the Holding Company in the F.Y. 2019-20, and 2020-21.

The Policy on related party transactions as approved by the Board may be accessed on the Company's website www.sumichem.co.in.

Form AOC-2 in respect of contracts with related parties is given in **Annexure IV**.

f) Business Risk Management:

Over the years, the Company has evolved and implemented its Enterprise Risk Management Policy.

As a part of its risk management process, the Company has identified and compiled a list of risks which need to be addressed, managed and mitigated. The mitigation measures for such risks are also identified and implemented. The major risk areas relate to forex fluctuation, credit risks mainly relating to exports, regulatory risks, business competition risks and insurance adequacy risks.

g) Evaluation of the performance of the Board, Committees of Directors and Individual Directors:

The Board has adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. As a part of this mechanism, a structured questionnaire, which has been approved by the Company's Nomination and Remuneration Committee, to carry out evaluation of performance of the Board, Committees of Directors and individual Directors has been finalised. The questionnaires take into consideration various criteria and factors.

h) Material orders passed by the regulatory authorities or courts/material changes or commitments:

On 21st June, 2019, Gujarat Pollution Control Board ("GPCB") issued a notice to Excel Crop Care Limited (ECCL), which amalgamated with the Company, instructing it to close manufacturing operations of its Bhavnagar Plant after 15 days from the date of the notice. The notice was caused as GPCB had found waste which was associated to a product which has been discontinued over 20 years back. ECCL submitted an action plan to GPCB for scientific disposal of waste and agreed to undertake other remedial measures. Based on the action plan, GPCB has withdrawn its Closure Order for a period of three months thereby granting time to execute the remediation plan. The manufacturing operations at the Bhavnagar plant are being carried on uninterrupted. The Company has implemented the action plan which it had submitted to GPCB and has submitted reports of the same to GPCB. Based on the same, the Company has requested GPCB to permanently withdraw its Closure Order.

i) Internal Financial Controls and their adequacy:

The Company has adequate system of internal controls to safeguard and protect from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for proper maintenance of books of accounts and for financial reporting.

j) Performance of Subsidiaries:

Details of performance and financial position of the Subsidiaries are given in Form AOC-1 in **Annexure V**. The Company has no associate company.

k) Corporate Social Responsibility (CSR) initiatives:

The Company has formulated its Corporate Social Responsibility Policy which has been posted on its website www.sumichem.co.in

A brief outline of the Policy and the Annual Report on CSR Activities is given in **Annexure VI**.

l) Particulars of Employees:

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure VII**.

m) Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s Manish Ghia & Associates, Company Secretaries, Mumbai, were appointed Secretarial Auditors to conduct secretarial audit for the year ended 31st March, 2019. The Report of the Secretarial Auditors is attached as **Annexure VIII**.

n) Secretarial Standards:

The Company has complied with the applicable 'Secretarial Standards on Meetings of the Board of Directors - SS 1' and 'Secretarial Standards on General Meetings - SS 2'.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Rasika Kulkarni, Company Secretary, was appointed as a Director of the Company with effect from 2nd March 2019.

Mr. Prannath Arora, Deputy Managing Director and Mr. Hideo Wada, Director, resigned from the Board with effect from 31st March, 2019. Mr. Akira Harada, Managing Director, resigned with effect from 10th May, 2019. The Board places on record its appreciation of their contribution to the Company's business and growth.

Mr. Sushil Marfatia, Whole Time Director, was appointed as Managing Director for a period of two years with effect from 10th May, 2019. With effect from 1st September, 2019, Mr. Sushil Marfatia stepped down as Managing Director and was appointed Executive Director for a term of three years.

Mr. Hisayuki Hoshi was appointed as Whole Time Director for a period of two years with effect from 10th May, 2019.

At the extra-ordinary general meeting held on 27th August, 2019, the members have appointed Dr. Mukul G. Asher and Mr. B.V. Bhargava as Independent Directors for a term of five years commencing from 27th August, 2019 through Special Resolutions.

At the Meeting of the Board of Directors held on 31st August, 2019, the Board has appointed Mr. Ninad D. Gupte and Mr. Tadashi Katayama as Additional Non Executive Non Independent Directors. The Board also appointed Mrs. Preeti Mehta as Additional Independent Director with effect from 31st August, 2019.

The Board has appointed Mr. Chetan Shah as Managing Director for a period of three years with effect from 1st September, 2019 and Mr. Kiyoshi Takayama as Executive Director – Planning and Coordination Office for a period of one year with effect from 1st September, 2019.

Mr. Hisayuki Hoshi resigned as Whole Time Director with effect from 31st August, 2019. Ms. Rasika Kulkarni resigned as Director with effect from 31st August, 2019. The Directors place on record their appreciation for the valuable services of Mr. Hoshi and Ms. Kulkarni during their directorship.

Mr. Keiichi Sakata, Director, resigned from the Board with effect from 31st August, 2019. The Board places on record its deep appreciation of the leadership provided by Mr. Sakata to the Company since its inception. The Board also places on record its deep appreciation of Mr. Sakata's immense and rich contribution to the growth of the Company's business.

Ms. Rasika Kulkarni resigned as Company Secretary with effect from 31st August, 2019. Mr. Pravin D. Desai has been appointed Company Secretary and Compliance Officer of the Company with effect from 1st September, 2019.

Mr. Sushil Marfatia who was appointed as Chief Financial Officer with effect from 2nd March, 2019 resigned as Chief Financial Officer of the Company with effect from 1st September, 2019. Mr. Anil Nawal has been appointed Chief Financial Officer of the Company with effect from 1st September, 2019.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

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

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

(e) 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; and

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

18. CORPORATE GOVERNANCE

Your Company is committed to the principles of good Corporate Governance and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has taken steps to comply with the requirements of the Code of Corporate Governance contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and, pursuant thereto, Management Discussion and Analysis and the Corporate Governance Report are annexed and form part of the Annual Report.

19. AUDITORS

Statutory Auditors:

The term of M/s. BSR & Associates LLP, Chartered Accountants, as the Auditors of the Company will end at the conclusion of the ensuing annual general meeting.

As per the provisions of the Companies Act, 2013 relating to rotation of Auditors, M/s. BSR & Associates LLP are not eligible for re-appointment as Auditors.

M/s. SRBC & CO LLP, Chartered Accountants, who are eligible to be appointed as Auditors of the Company, have given their consent to their proposed appointment as Auditors of the Company.

The Board recommends to the members to appoint M/s. SRBC & CO LLP as the Auditors of the Company from the conclusion of the 19th annual general meeting until the conclusion of the 24th annual general meeting pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The information with respect to the proposed appointment of M/s. SRBC & CO LLP as the auditors of the Company is given in the explanatory statement annexed to the notice of the annual general meeting.

Cost Auditor:

The Board of Directors has appointed M/s. Kishore Bhatia & Associates as the Cost Auditor for the financial year 2019-20 to carry out audit of the Company's cost records as prescribed under Section 148 of the Companies Act, 2013. The Cost Audit Report of Mr. Chinmay Joshi, Cost Auditor for the financial year 2018-19, which was required to be filed with the Ministry of Corporate Affairs on or before 31st August, 2019 was filed on 23rd August, 2019 vide SRN: H84605419.

20. ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation of the wholehearted co-operation received from the Company's Shareholders, Bankers, various authorities of the Governments and business associates.

For and on behalf of the Board of Directors

CHETAN SHAH	**SUSHIL MARFATIA**
Managing Director	*Executive Director*
DIN: 00488127	*DIN: 07618601*

Mumbai, 14th October, 2019.

ANNEXURE - I TO THE REPORT OF THE BOARD OF DIRECTORS

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

(A) CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy and impact:

- Replacement of low efficiency pumps and motors with energy efficient pumps and motors.
- Installation of VFD at various locations in plants with a view to reduce power consumption.
- Installation of waste heat recovery system.
- Replacement of conventional industrial lighting with LED lights

The measures undertaken for conservation of energy resulted in savings of power and fuel cost.

(ii) Steps taken by the Company for utilizing alternative sources of energy:

Over the years, the Company has taken several initiatives in the area of utilisation of alternative sources of energy. Towards this, the Company has set up windmills with capacities of 5.875 MW and solar power generation unit of 748 KW. The power generated by windmills/solar power plant is captively consumed for the Company's industrial operations.

(B) TECHNOLOGY ABSORPTION

a) Major efforts made towards technology absorption:

- To develop new energy efficient and environment friendly processes.
- Backward integration of some of the existing molecules to attain self-sufficiency to attain competitiveness in market.
- To develop new formulations and to scale up the technologies for commercial production.
- Absorption of new technology to reduce fuel and power consumption.

b) Benefits derived as a result of the above efforts:

The above efforts enable the Company to develop and commercialise new technical and formulated products using efficient and environment friendly processes.

c) Information regarding imported technology (imported during last three years):

The Company has not imported any technology.

d) Expenditure incurred on research and development:

	(₹ '000)
(a) Capital	31,770
(b) Recurring	118,070
(c) Total	149,840
(d) Total R&D expenditure as a percentage of total turnover	0.69%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's total foreign exchange earnings in 2018-19 amounted to ₹ 4,395.74 million and the amount of foreign exchange used was ₹ 6,229.91 million.

ANNEXURE - II TO THE REPORT OF THE BOARD OF DIRECTORS

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN:	U24110MH2000PLC124224
2	Registration Date:	15th February, 2000
3	Name of the Company:	Sumitomo Chemical India Limited
4	Category/Sub-Category of the Company:	Company having Share Capital
5	Address of the Registered office and Contact details:	Bldg No.1, Ground Floor, Shant Manor Co-op Housing Society Ltd, Chakravarti Ashok 'X' Road, Kandivli (E), Mumbai-400 101. Tel: 022 - 2886 6666
6	Whether listed Company	No
7	Name, Address and Contact details of the Registrar and Transfer Agent, if any	Link Intime India Pvt. Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel: 022 - 4918 6000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacture of other Chemical Products	202	90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	**Sumitomo Chemical Company, Limited** 27-1, Shinkawa, 2-Chome, Chuo-ku, Tokyo, Japan	Foreign Company	Holding	99.99%	2(46)
2	**Excel Crop Care (Africa) Ltd.** P.O. Box - 38651, Flat No. 1103, 11th floor, Haadi Apartments, Morogoro Road X Libya Street, Citi Centre, Dar Es Salaam, Tanzania	Foreign Company	Subsidiary	99.94%	2(87)
3	**Excel Crop Care (Australia) Pty Ltd.** Level 8, 80 Clarence Street Sydney NSW 2000, Australia (Wound up w.e.f. 8th May, 2019)	Foreign Company	Subsidiary	100%	2(87)
4	**Excel Crop Care (Europe) NV** Uitbreidingsstraat 84/3, 2600 Antwerpen, Belgium	Foreign Company	Subsidiary	99%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters/Promoter Group									
(1) Indian									
a) Individual/Hindu Undivided Family	—	—	—	—	—	—	—	—	—
b) Central Government/ State Government(s)	—	—	—	—	—	—	—	—	—
c) Financial Institutions/ Banks	—	—	—	—	—	—	—	—	—
d) Any Other (Specify)	—	—	—	—	—	—	—	—	—
Sub-Total (A)(1):	—	—	—	—	—	—	—	—	—
(2) Foreign									
a) Individuals (Non-Resident Individuals/Foreign Individuals)	—	—	—	—	—	—	—	—	—
b) Government	—	—	—	—	—	—	—	—	—
c) Institutions	—	—	—	—	—	—	—	—	—
d) Foreign Portfolio Investor	—	—	—	—	—	—	—	—	—
e) Any Other (Specify)									
Bodies Corporate (including nominees)	—	274588095	274588095	100.00	—	274588095	274588095	100.00	—
Sub-Total (A)(2):	—	274588095	274588095	100.00	—	274588095	274588095	100.00	—
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**—**	**274588095**	**274588095**	**100.00**	**—**	**274588095**	**274588095**	**100.00**	**—**
B. Public Shareholding									
(1) Institutions									
a) Mutual Fund/UTI	—	—	—	—	—	—	—	—	—
b) Venture Capital Funds	—	—	—	—	—	—	—	—	—
c) Alternate Investment Funds	—	—	—	—	—	—	—	—	—
d) Foreign Venture Capital Investors	—	—	—	—	—	—	—	—	—
e) Foreign Portfolio Investors	—	—	—	—	—	—	—	—	—
f) Financial Institutions/ Banks	—	—	—	—	—	—	—	—	—
g) Insurance Companies	—	—	—	—	—	—	—	—	—
h) Provident Funds/Pension Funds	—	—	—	—	—	—	—	—	—
i) Any Other (Specify)	—	—	—	—	—	—	—	—	—
Sub-Total (B)(1):	—	—	—	—	—	—	—	—	—

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
(a) Bodies Corporate	—	—	—	—	—	—	—	—	—
(b) Individuals									
i) Individual Shareholders holding nominal share capital up to ₹ 1 lakh	—	—	—	—	—	—	—	—	—
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	—	—	—	—	—	—	—	—	—
(c) Any Others (specify)	—	—	—	—	—	—	—	—	—
Sub Total (B)(2):	—	—	—	—	—	—	—	—	—
Total Public Shareholding (B)=(B)(1)+(B)(2)	—	—	—	—	—	—	—	—	—
Total (A)+(B)	**—**	**274588095**	**274588095**	**100.00**	**—**	**274588095**	**274588095**	**100.00**	**—**
C. Non Promoter – Non Public									
(1) Custodian/DR Holder	—	—	—	—	—	—	—	—	—
(2) Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	**—**	**274588095**	**274588095**	**100.00**	**—**	**274588095**	**274588095**	**100.00**	**—**

ii. Shareholding of Promoters/Promoter Group

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
A.	**Individuals**	—	—	—	—	—	—	—
B.	**Bodies Corporate**							
1.	Sumitomo Chemical Company Limited (including nominees)	274588093	99.99%	—	274588093	99.99%	—	—
2.	SC Environmental Science Co. Limited – Japan	2	0.01%	—	2	0.01%	—	—
	Total (A+B)	**274588095**	**100.00%**	**—**	**274588095**	**100.00%**	**—**	**—**

iii. Change in Promoters'/Promoter Group's Shareholding (Specify if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1. Sumitomo Chemical Company, Limited				
a. At the beginning of the year	274588093	99.99%		
b. Changes during the year	No change during the year			
c. At the end of the year			274588093	99.99%
2. SC Environmental Science Co. Limited – Japan				
a. At the beginning of the year	2	0.01%		
b. Changes during the year	No change during the year			
c. At the end of the year			2	0.01%

iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
a. At the beginning of the year	NA			
b. Changes during the year				
c. At the end of the year				

v. Shareholding of Directors and Key Managerial Personnel

Name(s)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
a. At the beginning of the year	NA			
b. Changes during the year				
c. At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,014.58	—	2,252.94	3,267.52
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	**1,014.58**	**—**	**2,252.94**	**3,267.52**
Change in indebtedness during the financial year				
Addition	12,141.55	1,974.49	54,592.50	68,708.54
Reduction	13,156.13	—	54,829.64	67,985.77
Net Change	**-1,014.58**	**1,974.49**	**-237.14**	**722.77**
Indebtedness at the end of the financial year				
i) Principal Amount	—	1,974.49	2,015.80	3,990.29
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	**—**	**1,974.49**	**2,015.80**	**3,990.29**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and Key Managerial Personnel: (₹ in lacs)

Sr. No.	Particulars of Remuneration	Akira Harada (Managing Director)	Prannath Khairati Arora (Deputy Managing Director)	Sushil Marfatia (Whole Time Director and Chief Financial Officer)	Rasika Kulkarni (Director and Company Secretary)	Total Amount
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	193.10	292.59	112.68	9.25	607.62
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	27.31	0.40	0.32	—	28.03
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	—	—	—	—	—
2	Stock Options	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—
4	Commission	—	—	—	—	—
	– as % of profit before Tax as per Financial Statements	—	—	—	—	—
	– others, specify	—	—	—	—	—
5	Others, please specify (contribution to PF/SA and others)	—	6.91	3.31	0.37	10.59
	Total (A)	**220.41**	**299.90**	**116.31**	**9.62**	**646.24**
Ceiling as per the Act		**1,398.10**	**1,398.10**	**1,398.10**	**1,398.10**	**2,796.30**

B. Remuneration to other Directors: Nil

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

ANNEXURE - III TO THE REPORT OF THE BOARD OF DIRECTORS

Policy on Directors' appointment and remuneration, Remuneration Policy and information regarding remuneration:

(a) Policy on Directors' appointment and remuneration:

i. The Policy lays down criteria for determining qualifications, skills, experience, expertise, competencies, integrity, positive attributes and independence for appointment of Executive and Non-Executive Directors and to determine their remuneration.

ii. The Policy also endeavours to ensure Board diversity in terms of gender, thought process, experience, knowledge and perspective and strives to evolve succession plans for the Board.

iii. The Policy strives to devise remuneration levels for the Directors taking into account individual performance and strives to attract and retain talent relevant to the Company.

iv. The Policy also lays down criteria for evaluation of performance of Directors.

v. A Whole-Time Director shall not hold office as Whole-Time Director in any other Company except in the Company's subsidiary. However, Managing Director may hold office of Managing Director in one more Company with specific approval of the Nomination and Remuneration Committee and the Board, subject to the provisions of the Companies Act, 2013 and rules made thereunder.

vi. A Managing Director/Whole-Time Director shall be appointed for a tenure of up to five years.

vii. An Independent Director shall be appointed for a term not exceeding five years and may be reappointed for the second term of up to five years, subject to the provisions of the Companies Act, 2013 and rules made thereunder.

viii. The remuneration, including annual performance bonus of the Managing Director and Executive Directors shall be determined and recommended by the Nomination and Remuneration Committee to the Board and shall be subject to the approval of the Board within the overall remuneration approved by a Resolution of the Members.

ix. The minimum remuneration of Managing Director/Whole-Time Director in case of loss or inadequacy of profit in a particular year shall be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The Company shall, however in such a case, undertake reasonable efforts and follow the process to obtain suitable approval as may be required for payment of such higher remuneration to the Director as has been agreed to with the Directors.

x. The Non-Executive Directors shall be paid sitting fees for attending meetings of the Board and Committees of Directors. The amount of sitting fees shall be determined by the Board from time-to-time within and subject to the limits stipulated by the Companies Act, 2013 and rules made thereunder.

xi. The Non-Executive Directors shall be paid commission, not exceeding in the aggregate 1% of the net profits of the Company, computed in the manner laid down in the Companies Act, 2013 and rules thereunder. Individual Director shall be paid commission within the overall limit of 1% of net profits as the Board may determine taking into account the number of Meetings attended, contribution in deliberations in meetings and such other criteria and factors as the Board may deem fit.

xii. A Non-Executive Director may be appointed Advisor, Consultant or in any other capacity on a fees/remuneration as may be determined by the Board of Directors subject to approval of the members as required under the Companies Act, 2013 and rules made thereunder and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xiii. The Company shall bear costs and expenses incurred by the Directors for attending meetings of the Board/Committees of Directors and for attending to the Company's official business.

(b) Remuneration Policy for the Management Employees.

(I) In determining the remuneration of the Senior Management Employees (i.e. KMPs, HODs and Management Cadre Employees) the Company ensures/considers the following:

(i) The relationship of remuneration and performance benchmark is clear.

(ii) The balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

(iii) The remuneration is divided into two components viz. fixed component comprising of salaries, perquisites and retirement benefits and variable component comprising of performance bonus/incentive etc.

(iv) The remuneration including annual increment and performance incentive is based on the criticality of the roles and responsibilities, the Company's performance, individuals' performance vis-a-vis KRAs, industry benchmark and current compensation trends in the market.

(II) The Company carries out Individual Performance Review based on the Standard Appraisal Matrix and takes into account the Appraisal Score Card and other factors mentioned herein-above while fixing the annual increment and performance incentives.

(c) Remuneration of employees in staff/worker categories is based on periodical agreements/understandings reached through negotiations with Trade Union/Employees' Representatives. The increase in their remuneration depends upon such agreements/understandings.

(d) The Company follows its Remuneration Policy in determining employee remuneration.

(e) This Policy is also available on the Company's website www.sumichem.co.in

Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration) Rules, 2014

1. Remuneration of Directors in 2018-19:

Sr. No.	Director(s)	Remuneration (Amount ₹ in lac)	Ratio to Median Remuneration of employees	% increase/ (decrease) in remuneration in 2018-19 over 2017-18
1	Mr. Keiichi Sakata	Nil	NA	NA
2	Mr. Akira Harada* (Managing Director)	220.41	43.52	8.91%
3	Mr. Prannath Arora (Deputy Managing Director)	299.90	59.21	(-)10.95%
4	Mr. Sushil Marfatia (Whole-time Director and also CFO with effect from 02/03/2019)	116.31	22.97	18.44%
5	Mr. Hideo Wada	Nil	NA	NA
6	Mr. Hiroyoshi Mukai	Nil	NA	NA
7	Mrs. Rasika Kulkarni (Company Secretary and also Director with effect from 02/03/2019)	9.62	1.90	13.95%

* *Note: Mr. Akira Harada, Managing Director, being an employee of Sumitomo Chemical Company, Limited, Holding Company, whose services were seconded to the Company, was in receipt of salary remuneration from the Holding Company during the financial year in addition to remuneration received from the Company.*

2. The median remuneration of employees increased by 2.38% in 2018-19 over 2017-18.
3. The average remuneration of employees (other than Directors) increased by 2.52% in 2018-19 over 2017-18.
4. The total number of employees on the Company's rolls as on 31st March, 2019 is 544.

ANNEXURE - IV TO THE REPORT OF THE BOARD OF DIRECTORS

FORM AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangement entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	Nil
c)	Duration of the contracts/arrangements/transactions	Nil
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date(s) of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the resolution was passed in general meeting as required under first proviso to Section 188	Nil

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	Nil
c)	Duration of the contracts/arrangements/transactions	Nil
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e)	Date(s) of approval by the Board	Nil
f)	Amount paid as advances, if any	Nil

ANNEXURE - V TO THE REPORT OF THE BOARD OF DIRECTORS

FORM AOC-1

[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]

Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures

Part A - Subsidiaries

(₹ in million)

Sr. No.	Name of the Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary Company	Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of holdings
1.	Excel Crop Care (Europe) NV	EUR	**77.54** (80.33)	**4.89** (5.06)	**103.33** (114.15)	**110.17** (122.50)	**1.95** (3.29)	**—** (—)	**69.55** (190.06)	**-6.90** (3.14)	**—** (—)	**-6.90** (3.14)	**—** (—)	**99.00%** (100.00%)
2.	Excel Crop Care (Africa) Limited	TZS	**0.03** (0.03)	**5.13** (4.93)	**24.22** (41.11)	**51.90** (102.94)	**22.55** (56.90)	**—** (—)	**36.25** (148.03)	**14.12** (11.20)	**30.16** (3.36)	**-16.04** (7.84)	**1.28** (2.47)	**99.94%** (100.00%)

(Figures in brackets relate to the Previous Year)

Notes:

1. Excel Crop Care (Australia) Pty Limited, a wholly owned subsidiary company, in Australia was wound up on 8th May, 2019.
2. As required by the notification issued by MCA, Indian Rupees equivalent of the figures given in foreign currencies in the accounts of the foreign subsidiaries have been given based on exchange rate as on 31st March, 2019 for Balance Sheet items and at average exchange rate for Revenue items.
3. The Company does not have Associate and Joint Ventures as on 31st March, 2019, hence Part B is not applicable.

CHETAN SHAH
Managing Director

SUSHIL MARFATIA
Executive Director

PRAVIN D. DESAI
Vice President (Legal)
& Company Secretary

ANIL NAWAL
Chief Financial Officer

Mumbai
14th October, 2019

ANNEXURE - VI TO THE REPORT OF THE BOARD OF DIRECTORS

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline of the Company's CSR Policy:

   The Company's CSR Policy encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

   The Policy applies to all CSR initiatives and activities taken up at the various work-centres and manufacturing locations of the Company and in the locations where the Company works with the farmers, dealers and distributors, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

   Our vision – In alignment with the *vision* of the Company, it will, through its CSR initiatives, continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a *Socially Responsible Corporate*, with environmental concern.

   The major CSR thrust areas under the Company's Policy generally are as follows:

   - Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
   - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
   - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
   - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
   - Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
   - Measures for the benefit of armed forces veteran, war widows and their dependents.
   - Training to promote rural sports nationally recognized sports and Olympic sports.
   - PM Relief fund: contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
   - Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
   - Rural development projects.
   - Slum area development.

   Activities, setting measurable targets with timeframes and performance management:

   Prior to the commencement of projects, the Company carries out a baseline study of the villages/communities. The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, population data – below the poverty line and above the poverty line, state of infrastructure, among others. From the data generated, a one year plan and a long-term rolling plan are developed for the holistic and integrated development of the marginalised. These plans are, thereafter presented to the CSR Committee to decide about the CSR activities to be undertaken by the Company and the expenditure thereon. All projects are assessed under the agreed strategy, and are monitored at regular intervals, measured against targets and budgets. Wherever necessary, midcourse corrections are effected.

2. The composition of the CSR Committee as on 31st March, 2019:
   (a) Mr. Akira Harada, Chairman of the Committee
   (b) Mr. Sushil Marfatia, Member
3. Average net profit of the company for last 3 financial years: ₹ 2054.17 Million
4. Prescribed CSR Expenditure (2% of this amount as in 3 above): ₹ 41.08 Million
5. Details of CSR spend during the financial year:
   (a) Total amount required to be spent for the year: ₹ 41.08 Million
   (b) Total amount spent for the year: ₹ 40.97 Million
   (c) Amount unspent, if any: ₹ 0.11 Million. The shortfall in spending was due to oversight and will be included and made up in the CSR Budget spending in F.Y. 2019-20.
   (d) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount of Outlay (budget) project or programme wise	Amount spent
				(₹ in Million)	(₹ in Million)
1.	Provided 7 computers with UPS and microsoft license.	Education and Vocation skills (Sch. VII, ii)	Boisar in Maharastra	0.50	0.50
2.	Provided 1 smart class - softwares		Boisar in Maharastra	0.24	0.24
3.	Provided 1 smart class, and 4 white board - softwares		Boisar in Maharastra	0.25	0.25
4.	Provided computer lab with microsoft window license and 10 computers provided with UPS and license.		Vapi in Gujarat	0.72	0.72
5.	Established facility for new technical education course V3- Electrical and electronics equipments for the development of the students under skill India development. Supplied equipments and instruments.		Boisar in Maharastra	0.42	0.42
6.	Educational Website for farmers		Gurgaon in Haryana	3.60	3.60
7.	Educational Website for farmers		Gurgaon in Haryana	1.40	1.40
8.	Promoting drawing skills among children		Vapi in Gujarat	0.03	0.03
9.	Mini science centre including modules of physics, maths for easy understanding of students		Boisar in Maharastra	0.33	0.33
10.	Braille Keyboard For Blind		Valsad in Gujarat	0.02	0.02
11.	Talking Digital Pocket Player		Valsad in Gujarat	0.09	0.09
12.	Jaws Talking Screen Reader For Blind		Valsad in Gujarat	0.06	0.06
13.	Physics, Chemistry, Biology equipment & instruments for 11th standard		Valsad in Gujarat	0.33	0.33
14.	Supporting activities of SPRJ Kanyashala Trust		Mumbai in Maharashtra	0.50	0.50
15.	Provided 5 sewing machines		Vapi in Gujarat	0.14	0.14
16.	Provided 40 School Benches for class room		Boisar in Maharastra	0.18	0.18

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount of Outlay (budget) project or programme wise	Amount spent
				(₹ in Million)	(₹ in Million)
17.	Rain water harvesting – Design, fabrication, along with plumbing, material and labour etc. to increase the ground water table as well as overflow line connected to recharge the bore well.	Environmental sustainability (Sch. VII. vi)	Boisar in Maharastra	0.83	0.83
18.	Provided Jain solar water heating systems, tanks, etc.		Vapi in Gujarat	0.57	0.57
19.	Provided 40 Solar street lights in Villages		Vapi in Gujarat	0.90	0.90
20.	Provided 20 Bunker bed 2 tier with bed, matresses, pillow, bed sheet etc.	Gender equality and empowering women (Sch. VII. iii)	Vapi in Gujarat	0.74	0.74
21.	Established 6 bathrooms		Vapi in Gujarat	1.09	1.09
22.	Provided Drinking water cooler + RO and for 100 no. children and other staff.	Sanitation and making availability of safe drinking water (Sch. VII. i)	Boisar in Maharastra	0.10	0.10
23.	Provided Drinking water cooler + RO for Blind girls hostel		Valsad in Gujarat	0.07	0.07
24.	Provided Drinking water cooler and RO system		Vapi in Gujarat	0.08	0.08
25.	Mid day meal program for 1137 children in Puri	Eradicating hunger, poverty and malnutrition (Sch. VII. i)	Puri in Odhisha	1.25	1.25
26.	Provided 1000 nos. Mosquito net for the poor and farm workers of village.	Promoting Health Care including preventive health care (Sch. VII. ii)	Boisar in Maharastra	0.64	0.64
27.	Provided 10,000 Mosquito net to tribals		Vapi in Gujarat	3.21	3.21
28.	Provided Multi purpose rapid disaster relief vehicle (Mahindra TUV 300)		Vapi in Gujarat	1.28	1.28
29.	Promoting health care		Mumbai in Maharashtra	1.15	1.15
30.	Provided Medical equipment (for Disaster relief car)		Vapi in Gujarat	0.04	0.04
31.	Provided Car Accessories (for Disaster relief car)		Vapi in Gujarat	0.05	0.05
	Total amount spent			**20.81**	**20.81**

Note: All the above amounts were spent through implementing agencies

Total amount spent by Excel Crop Care Limited during the financial year 2018-19:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount of Outlay (budget) project or programme wise (₹ in Million)	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads & (3) Cumulative expenditure upto the reporting period (₹ in Million)	Amount spent: Direct or through implementing agency ₹ in Million	
						Direct through Excel	Implementing agency
1.	Individual Sanitation blocks & spreads of individual sanitation awareness, Water Tank Facility for individual sanitation	Sanitation (Sch. VII. i)	Bhavnagar & Kutch Districts in Gujarat	1.66	1.51	—	1.51
2.	Animal Vaccination & Fodder distribution, sustainability & Security	Animal Welfare (Sch. VII. iv)	Bhavnagar & Kutch Districts in Gujarat	2.00	1.85	0.06	1.79
3.	Natural Resource Conservation	Natural Resource Conservation (Sch. VII. iv)	Bhavnagar & Kutch Districts in Gujarat	2.28	2.19	0.20	1.99
4.	School enrolment, teacher training and support, Vocational skills development, Youth development	Education and Vocation skills (Sch. VII. ii)	Bhavnagar & Kutch Districts in Gujarat, & Mumbai	4.01	3.41	2.48	0.93
5.	Health check-ups and medical aids	Healthcare (Sch. VII. ii)	Bhavnagar & Kutch Districts in Gujarat	0.40	0.37	0.37	—
6.	Rural Development – Community Halls/ Crematorium)	Rural Development (Sch. VII. x)	Bhavnagar & Kutch Districts in Gujarat	1.82	1.82	—	1.82
7.	Other Important Projects of Importance	Eradicating Hunger & Poverty (Sch. VII. i) and Education & Vocational Skills (Sch. VII. ii)	Mumbai, Bhavnagar, Puri, Delhi	8.58	8.79	4.95	3.84
			Provided air cooler to Armed forces – Gajod	0.25	0.21	0.21	—
			Total	**21.00**	**20.15**	**8.27**	**11.88**

ANNEXURE - VII TO THE REPORT OF THE BOARD OF DIRECTORS

Particulars of Employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of the Employee	Designation/ Nature of duties	Remuneration (₹ in lac)	Qualifications	Experience (Years)	Date of commencement of employment	Age (Years)	Particulars of last employment
								Employer, last post and period for which post held
1.	Prannath Khairati Arora	Deputy Managing Director	299.90	B.Sc., MBA	29	18/02/2011	52	Sinochem Designation: Country Lead & Founder Director (2.6 years)
2.	Akira Harada	Managing Director	220.41	Master of Science (Agronomy)	34	01/03/2015	64	Sumitomo Chemical Co. Ltd., Designation: Manager, Crop Protection Div. – International (7 months)
3.	Hisayuki Hoshi	Manager, Agrosolutions	188.33	Bachelor in Applied Bio Chemistry, Master Degree of Environmental Science	27	04/09/2017	51	Sumitomo Chemical Asia, Designation: Manager for R&D (2 years)
4.	Kiyotaka Ito	General Manager, Planning and Coordination	64.45	Bachelor in Law	23	01/04/2014	49	Sumitomo Chemical Co. Ltd., Designation: Manager (19 years)
5.	Yuya Miyajima	General Manager, Planning and Coordination	106.56	Bachelor in Economics	17	01/08/2018	41	Sumitomo Chemical Asia, Designation: Manager Planning, Coordination and logistics (1.3 years)
6.	Kalpesh Patel	Senior Sales Director	118.22	B.Sc. (Agri.)	30	18/02/2013	51	FMC India, Designation: Marketing Manager (7 years)
7.	Sushil C. Marfatia	Whole time Director	116.31	B. Com. and Chartered Accountant	41	07/11/1996	68	New Chemi Industries Pvt. Ltd., Designation: CEO (15 years)
8.	Pankaj Garara	Senior Sales Director	103.36	B.Sc. (Agri.)	27	02/05/2011	50	Monsanto India, Designation: Regional Sales Manager (13 years)
9.	Gaganpreet Singh	Senior Sales Director	99.31	M.Sc. (Agri.), MBA	23	11/05/2011	45	Sinochem, Designation: National Sales Manager (1 year)
10.	Maddika Nagarjuna Reddy	Sales Director	81.57	B.Sc. (Agri.)	27	02/05/2016	52	Adama India, Designation: General Manager (2 years)

Notes:
1. Remuneration includes salary, performance bonus, commission, allowances, value of perquisites, Company's contribution to Provident Fund and Superannuation Fund and gratuity paid, if any.
2. The nature of employment is contractual in all the above cases.
3. The employees are not relatives of any Director of the Company.
4. Employees at Sr. No. 4 and 5 have been in service only for a part of the year.

ANNEXURE - VIII TO THE REPORT OF THE BOARD OF DIRECTORS

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

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sumitomo Chemical India Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sumitomo Chemical India Limited** (CIN: U24110MH2000PLC124224) and having its registered office at Building No. 1, Ground Floor, Shant Manor Co-op Housing Society Ltd., Chakravarti Ashok 'X' Road, Kandivli (East), Mumbai - 400101 (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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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 maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder(Not applicable to the Company during the audit period);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder,

(iv) The 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 prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);

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

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

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period); and

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Not applicable to the Company during the audit period).

(vi) The Insecticides Act, 1968 and the rules issued thereunder; Essential Commodities Act, 1955 and the Fertiliser (Control) Order, 1985 issued thereunder, being the laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. mentioned above and in respect of laws specifically applicable to the Company based on their sector/industry, in so far as registration required/licences to be obtained from appropriate authority.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

a) Board of Directors of the Company at their meeting held on October 16, 2018, declared an interim dividend of Rs. 1.87 per share in respect of 27,45,88,095 equity shares of the face value of Rs.10/- each for the financial year 2018-19;

b) the company was converted into a public limited company vide approval of shareholders obtained by way Special Resolution passed at the Extra-Ordinary General Meeting held on October 26, 2018;

c) the registered office of the company was shifted within the State of Maharashtra as under:

   — from Mumbai City to District Palghar vide approval of shareholders by a special resolution passed in the Extra-Ordinary General Meeting held on October 26, 2018;

   — from District Palghar to Mumbai City vide approval of shareholders by a special resolution passed in the Extra-Ordinary General Meeting held on November 19, 2018;

d) the authorised share capital of the company was increased from Rs. 300,00,00,000/- (comprised of 30,00,00,000 Equity Shares of Rs. 10/ - each) to Rs. 494,00,00,000/- (comprised of 49,40,00,000 Equity Shares of Rs. 10/- each) vide resolution passed by shareholders in the Extra-ordinary General Meeting held on October 26, 2018;

e) the Board of Directors at their meeting held on August 1, 2018 approved a Scheme of Amalgamation of Excel Crop Care Limited with the Company subject to the approval of shareholders, creditors and the sanction of National Company Law Tribunal; and

f) pursuant to the directions of National Company Law Tribunal, Mumbai Bench in an application moved by the company, a meeting of Equity Shareholders of the Company was convened and held on March 30, 2019 for approval of the Scheme of Amalgamation of Excel Crop Care Limited with the Company; the said Scheme has been duly approved by the Equity Shareholders in the said meeting.

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

For **Manish Ghia & Associates**
Company Secretaries

Place : Mumbai
Date : October 14, 2019
UDIN: F004557A000068797

A.N. Sarma
Partner
M. No. FCS 4557 C.P. No. 7812

Annexure "A"

To,
The Members,
Sumitomo Chemical India Limited
Mumbai

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

1. Maintenance of secretarial records 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 processes 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 processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report 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 **Manish Ghia & Associates**
Company Secretaries

A.N. Sarma
Partner
M. No. FCS 4557 C.P. No. 7812

Place : Mumbai
Date : October 14, 2019
UDIN: F004557A000068797

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure & Developments:

The Indian agrochemicals industry operates in a highly competitive and dynamic business environment. The industry is highly diverse with players ranging from small and medium entities dealing in generic off-patent molecules to large multinationals with high-priced new generation and patented molecules. The industry has players who manufacture only technical grade pesticides as well as those who are pure formulators. It also has some balanced players who produce both – technical grade pesticides and their formulations. There is an ancillary segment which manufactures intermediates for technical grade pesticides. Your Company is one of the major players in the industry having a balanced portfolio of technical as well as formulation products alongwith backward integration for some products.

India is the fourth largest manufacturer of agrochemicals. This position can be attributed to two factors - relatively low manufacturing costs and the ability and expertise in efficient handling of toxic and hazardous products and processes. Globally, India is the thirteenth largest exporter of agrochemicals. Agrochemical exports have increased on account of India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, production capacities built to cater to overseas markets, better price realization globally and strong presence in generic segment. Exports account for almost 40-50% of the industry production. Domestic market has been attracting multinationals due to good growth opportunity. The domestic segment has been witness to a steady increase in market acceptance of new generation molecules.

Your Company is well balanced in terms of manufacturing capabilities for technical grade and formulated products. It has a presence in all the product segments - insecticides, weedicides, fungicides, fumigants and rodenticides as well as plant growth nutrition products, bio-rationals and plant growth regulators. Your Company also has presence in animal nutrition and environment health businesses. Your Company is known for marketing in India, the proprietary products of its Japanese parent – Sumitomo Chemical Company, Limited in agrochemicals, animal nutrition and environment health segments. With integration of Excel Crop Care Limited through amalgamation, it now has strong portfolio of generics as well. The combined marketing network of the Company also stands strengthened. With this integration, your Company has moved up several notches in the pecking order of the Indian crop protection industry. Your Company is also one of the few industry players having both chemical and biological products in its portfolio.

On a global level, a number of new active ingredients are introduced by various players. It is pertinent to note that R&D requires high investments in terms of capital and time. Indian players tend to build strategic partnerships with global pesticides and nutrition companies. In return, Indian companies offer strong distribution network and marketing and sales infrastructure.

Overall, the agrochemicals industry is moving towards developing and promoting environment friendly chemistries and products and also promoting sustainable agricultural practices. In order to increase quality and quantity of farm produce in a sustainable manner, your Company continues to identify and introduce environment friendly products which support farm eco-systems to enhance yield and improve quality of produce. Your Company also undertakes extensive work at the grassroot level to showcase the long term benefits of these products and cultivation practices in order to encourage the farmers to adopt the new concepts.

As per the Government data for cropping season of 2018, the area under cultivation of various crops is close to 168 million hectares. However, only a small part of this area is irrigated while the rest is entirely monsoon dependent. Additionally, small size of land holding and gradual fragmentation of land compounds the problem for adoption of farm mechanization and advanced cultivation techniques.

2. Opportunities and Threats:

Indian agriculture continues to remain the backbone of the Indian economy as it generates employment for almost 49% of the population and accounts for about 15% of the national GDP. However, less than 40% of cultivated area is irrigated thus making Indian agriculture a highly monsoon dependent. Apart from high dependency on monsoon, the situation becomes critical as more than 20% of potential crop production is lost due to pests, weeds and diseases. In the face of rising population putting pressure on food availability and gradual loss of arable land due to urbanisation, enhancement of crop productivity and efficient land utilization gain importance. Pesticides offer a solution to the problems by providing crop productivity enhancement and reduction of crop losses.

The recent events of mergers, acquisitions, joint ventures and strategic partnerships between domestic players and foreign multi-national entities open up a number of avenues for qualitative enhancement of the industry offerings in terms of products and practices.

These developments however are overshadowed by the fact that the domestic business is highly seasonal in nature with higher dependency on the Kharif season which in turn is dictated by the Indian south-west monsoon. Inefficiencies in supply chain and long credit periods adversely impact efficient inventory management. The scenario is slowly changing for the better with rising awareness amongst the farming population. Policy initiatives by the government and exposure to new farming techniques bodes well for the domestic pesticide market and a steady growth can be expected in the foreseeable future.

Government of India has taken several steps towards amelioration of the agrarian problems and for sustainable agricultural development. Soil health card scheme, Pradhan Mantri Krishi Sinchai Yojana (PMKSY), Paramparagat Krishi Vikas Yojana (PKVY), linking of small mandis to eNAM, revising minimum support price for key crops are some positive steps taken by the Government to boost the income of farmers.

3. Segment-wise performance and major changes in ratios:

The Company's domestic sale in 2018-19 increased to ₹ 17,002.88 million from ₹ 15,456.69 million in 2017-18. Exports also increased to ₹ 4,733.66 million as compared to ₹ 3,875.67 million in 2017-18.

The Company continues to focus on promotion of its branded products in order to increase its customer interface.

Segment wise sales turnover:

	2018-19	2017-18
Agro solution business	**92%**	92%
Animal nutrition business	**5%**	4%
Industrial Chemicals business	**2%**	2%
Environment health business	**1%**	2%
	100%	100%

4. Risks and Concerns:

The complexity of rural marketing presents several challenges which are further compounded by the vast geographic spread of the country as well as the lower literacy levels and low spending power of the rural community. Even today, the farmer continues to bear the entire risk in the marketing cycle of farm produce. High volatility in the produce prices and rising cost of production affect the farmers' income. This impacts his willingness to adopt better products, practices and technologies creating a ripple effect on the industry as a whole.

While the government has launched several initiatives aimed at enhancing farmers' well being, it will take considerable time for the benefits to become visible at the ground level. Till then, the inherent problems of Indian agriculture – seasonal production glut, non-remunerative produce prices, slow adoption of latest technology and new practices and skewed benefits of policy framework will continue to adversely affect the industry growth.

The Indian agrochemicals industry has large imports as well as exports. Drastic movement in Rupee valuation affects the business dynamics of the industry.

Sale of spurious products, concoction of various chemicals under the garb of bio-pesticides, adulterated and sub-standard products pose a grave threat to the industry at large and genuine players in particular. It is the need of the hour for the industry to partner with the policy makers to formulate and strengthen regulatory framework which will deter such unethical and illegal activities and ensure the sustainability of Indian industry and farming.

Over the years, genetically modified (GM) crops are gaining popularity across the world. The Indian regulators have restricted these crops in India citing the need for additional review and studies on the suitability of these varieties in the Indian context. However, on the whole, GM crops present challenge and threat to the industry in the long run.

Over the last couple of years, in its endeavour to promoting environmentally safe cultivation practices, regulatory authorities have restricted/banned sale of several agrochemical products. The industry has to take these actions in its stride.

5. Internal control systems and their adequacy:

The Company has proper and adequate system of internal audit and controls which ensure that all the assets are safeguarded against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

The Company continuously strives to improve upon/evolve and implement best practices for each of its major functional areas with a view to strengthen its internal control systems.

The Company has assigned internal audit function to a leading firm of Chartered Accountants. Regular internal audit and checks are carried out to ensure that the responsibilities are discharged effectively. All major findings and suggestions arising out of internal audit are reported and reviewed by the Audit Committee. The Management ensures implementation of these suggestions and reviews them periodically.

6. Financial Performance & Analysis:

The sales for the year under review are ₹ 21,736.54 million as compared to ₹ 19,332.36 million in the previous year. The profit before tax for the year under review is ₹ 2,579.93 million as compared to ₹ 2,206.99 million in the previous year. The profit after tax is ₹ 1,670.02 million in the current year as against profit after tax of ₹ 1,450.86 million in the previous year.

In the financial year 2018-19, Return on Net worth is 16.13% as compared to 15.44% in the financial year 2017-18 - an increase by 4.47% which is not considered material.

In the financial year 2018-19, Debt-Equity Ratio is 0.02 as compared to 0.01 in the financial year 2017-18. Though, in relative term there is major change in the ratio, in absolute term the ratio itself is insignificant in both the years – the Company does not have material amount of borrowings.

7. Human Resource Development/Industrial Relations:

Your Company introduced several internal HR digital interventions through newly introduced “Darpan – HR Connect” HRIS portal.

Your Company is making continuous efforts to build performance based work culture in the organisation through effective implementation of Performance Management System. The Company has effective goal setting process for ensuring alignment of Company, functional and individual goals for all the management category employees.

Your Company is continuously grooming its employees for taking up higher responsibilities. The Company identifies key talent i.e. employees having high performance and high potential and develop them for taking up higher/future responsibilities.

Your Company attaches high importance to attract, retain and engage a talented pool of individuals at its plants, offices and field staff level.

Your Company has an excellent track record on industrial relations. It has maintained a record of zero loss of man-days due to industrial unrest. Your Company’s grievance re-dressal mechanisms ensure that employees can raise issues and concerns and have them addressed in time.

The employee strength of the Company as on 31st March, 2019 was 544. The employee strength of Excel Crop Care Limited, which amalgamated with the Company, was 1085 on 31st March, 2019.

8. Cautionary Statement:

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in government regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Corporate Governance

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Corporate Governance Code has also been incorporated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsequent to the amalgamation of Excel Crop Care Limited with the Company, your Company has decided to adopt the concept of Corporate Governance as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 involving transparency, empowerment, accountability and integrity with a view to enhance stakeholders' value.

The Company endeavours not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the contemporary global trends of making management completely transparent and institutionally sound.

The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. Board of Directors

As on 31st March, 2019, the strength of the Board was five Directors. The Board comprised of Managing Director, Whole-Time Directors and two Non-Executive Directors.

The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies and membership/chairmanship in committees of other companies.

The particulars of composition of the Board of Directors as on 31st March, 2019 and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of directorships/memberships of committees of other companies are as under:

Name	Category	No. of Board Meetings attended during 2018-19	Attendance at last AGM
Mr. Akira Harada	Managing Director	5	Yes
Mr. Sushil Marfatia	Whole-Time Director	5	Yes
Mr. Keiichi Sakata	Non-Executive	6	No
Mr. Hiroyoshi Mukai	Non-Executive	2	No
Ms. Rasika Kulkarni	Director and Company Secretary	1	Yes

None of the Directors held directorship in other Indian Companies or were members of Committees of Directors of any other Indian Company.

Particulars of Mr. Hiroyoshi Mukai, Non-Executive Director, who retires by rotation and being eligible for re-appointment are as follows:

Name of the Director	**Mr. Hiroyoshi Mukai**
Date of Birth	03.10.1966
Date of Appointment	06.06.2017
Qualifications	Bachelor degree of Economics from Osaka University
Expertise in specific functional areas	Strategy, planning, business development and marketing for crop protection business

Experience	30 years in Sales, Marketing and Business Planning for IT Related Chemical Sector, and 10 years in Business Planning in Health & Crop Sciences Sector
Other Indian companies in which directorship held	Nil
Other companies in which committee membership/ chairmanship held	Nil
No. of shares held in the Company as on 31st March, 2019	Nil
Relationship with other Directors and KMPs	None
Number of Board Meeting(s) attended during the year 2018-19	2
Remuneration drawn in 2018-19	NA
Remuneration and other terms and conditions of appointment	Mr. Hiroyoshi Mukai has instructed the Company not to pay him sitting fees for Board/Committee meetings and commission of Non-Executive Directors.

Particulars of the other Directors, whose appointment/ratification of appointment is sought at the ensuing Annual General Meeting, are given as a part of the Statement pursuant to Section 102 of the Companies Act, 2013 annexed to the Notice of the Annual General Meeting.

None of the Non-Executive Directors holds shares in the Company as on 31st March, 2019.

The Company held 6 meetings of its Board of Directors during the year on the following dates:

4th June, 2018	19th July, 2018	1st August, 2018
25th October, 2018	15th November, 2018	2nd March, 2019

In the opinion of the Board of Directors, Dr. Mukul G. Asher, Mr. B. V. Bhargava and Mrs. Preeti Mehta, who have been appointed Independent Directors of the Company in August, 2019, are independent of the Company's management and fulfill the conditions laid down for independence by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Audit Committee

Composition:

The Company has constituted Audit Committee during 2019-20. The Company has complied with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as regards the composition of the Audit Committee.

Details of the composition of the Audit Committee of the Company is summarised below:

Name of Director(s)	**Category**
Mr. B. V. Bhargava, Chairman	Independent, Non-Executive Director
Dr. Mukul G. Asher, Member	Independent, Non-Executive Director
Mr. Tadashi Katayama, Member	Non-Independent, Non-Executive Director
Mrs. Preeti Mehta, Member	Independent, Non-Executive Director

The Secretary of the Company acts as the Secretary to the Committee.

The Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken on record.

Audit Committee Meetings are attended by the Chief Financial Officer and senior finance and accounts executives, when required. The Statutory Auditors, Internal Auditors and Cost Auditors of the Company are invited to the Meetings for discussing their reports.

Terms of reference:

The role of the Audit Committee is to supervise the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors, Internal Auditors and Cost Auditors and fixation of their remuneration and other terms of their appointment, review and monitor the auditors' independence and performance, to approve the appointment of the Chief Financial Officer, to review and discuss with the Auditors about the adequacy of internal control systems, the scope of audit including the observations of the Auditors, major accounting policies, practices and entries, compliances with Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legal requirements concerning financial statements, approval and subsequent review of related party transactions, to review the Company's internal financial controls and risk management policies, to review functioning of Whistle Blower Policy, to review Management Discussion and Analysis of financial condition and results of operations, the financial statements of the Company's subsidiaries and discuss with Internal Auditors any significant findings for follow-up thereon and to review with the Management the Quarterly and Annual Financial Statements before they are submitted to the Board of Directors, scrutiny of loans and investments, reviewing the adequacy of internal audit function and such other roles and functions as may be prescribed from time to time by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Nomination and Remuneration Committee

Composition:

The Company has constituted Nomination and Remuneration Committee during 2019-20.

Details of the composition of the Nomination and Remuneration Committee of the Company is summarised below:

Name of Director(s)	Category
Mrs. Preeti Mehta (Chairperson)	Independent, Non-Executive Director
Dr. Mukul G. Asher, Member	Independent, Non-Executive Director
Mr. B. V. Bhargava, Member	Independent, Non-Executive Director
Mr. Ninad D. Gupte, Member	Non-Independent, Non-Executive Director
Mr. Tadashi Katayama, Member	Non-Independent, Non-Executive Director

The Secretary of the Company acts as the Secretary to the Committee.

Terms of reference and composition:

The Nomination and Remuneration Committee identifies persons who are qualified to become directors and who may be appointed in senior management position in accordance with the criteria laid down, recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee formulates criteria for evaluation of performance of Directors, Committees of Directors and the Board and devises policy on Board diversity.

The other terms of reference of the Company's Nomination and Remuneration Committee are to determine and recommend to the Board and the members, remuneration payable to the Managing Director and Executive Directors, to determine and advise the Board on the payment of their annual increments and annual performance bonus to the Managing Director and Executive Director and to recommend to the Board, all remuneration, in whatever form, payable to senior management. The Committee also has such other roles and functions as may be prescribed from time to time by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The criteria for evaluation of performance of independent directors include, inter-alia, the following:

— independence from the Company, its management, other Directors and Promoters;
— professional qualifications, experience, expertise, knowledge, skill and competence in the area of his/her specialization;
— knowledge and understanding about the Company, its business and industry segment and the risk areas; and
— high level of integrity and devotion of time and efforts for Board/Committee deliberations and the quality of contribution in the deliberations.

Remuneration of Directors:

The Company pays remuneration to its Managing Director and Executive Directors by way of salary, annual performance bonus (where applicable), perquisites and allowances. Salary is paid within the range as approved by the members. The Board, on the recommendations of the Nomination and Remuneration Committee, approves annual increments to the Managing Director and Executive Directors.

If, in any financial year, the Company has no or inadequate profits as per the requirements of the Companies Act, 2013, the Company undertakes reasonable efforts and follows process to obtain suitable approvals as may be required for payment of remuneration as stated hereinabove to the Managing Director and Executive Directors.

The Non-Executive Directors are paid sitting fees for meetings of the Board of Directors and of Committees of Directors and commission not exceeding in the aggregate 1% of the net profits of the Company computed in the manner laid down in the Companies Act, 2013 in such proportion and manner as the Board may decide.

Following are the details of remuneration of Directors for the financial year 2018-19.

(₹ in lac)

Director(s)	Salaries and other Perquisites
Mr. Akira Harada (Managing Director)	220.41
Mr. Prannath Arora (Deputy Managing Director)	299.90
Mr. Sushil Marfatia (Whole-time Director)	116.31
Mrs. Rasika Kulkarni (Director and Company Secretary)	9.62

5. Stakeholders Relationship Committee

The Company has constituted Stakeholders Relationship Committee during 2019-20 to look into the investors' complaints and to redress them expeditiously.

Details of the composition of the Stakeholders Relationship Committee of the Company is summarised below:

1. Dr. Mukul G. Asher (Chairman)
2. Mr. Chetan Shah, Member
3. Mr. Sushil Marfatia, Member
4. Mr. Kiyoshi Takayama, Member

Mr. Pravin D. Desai, Vice President - Legal and Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

6. Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee of Directors pursuant to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

In 2018-19, the Committee comprised of three members – Mr. Akira Harada (Chairman), Mr. Prannath Arora and Mr. Sushil Marfatia.

During the year 2019-20, the Company has re-constituted Corporate Social Responsibility Committee.

Details of the composition of the reconstituted Corporate Social Responsibility Committee of the Company is summarised below:

1. Mr. Chetan Shah (Chairman)
2. Mr. Sushil Marfatia, Member
3. Mr. Ninad D. Gupte, Member
4. Mrs. Preeti Mehta, Member

7. Meeting of Independent Directors

Meeting of Independent Directors as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, will be held during F.Y. 2019-20.

8. General Meetings

Location and time of the last three Annual General Meetings:

Year	Location	Day/Date	Time	No. of Special Resolutions
2015-16	Moti Mahal, 7th floor, 195, Jamshedji Tata Road, Churchgate, Mumbai - 400020	Friday, 30th September, 2016	11.00 a.m.	Nil
2016-17	Moti Mahal, 7th floor, 195, Jamshedji Tata Road, Churchgate, Mumbai - 400020	Saturday, 30th September, 2017	11.00 a.m.	Nil
2017-18	Moti Mahal, 7th floor, 195, Jamshedji Tata Road, Churchgate, Mumbai - 400020	Friday, 28th September, 2018	11.00 a.m.	Nil

9. Disclosures

- **Statutory Compliance, Penalties and Strictures**

  The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authorities on all matters related to capital markets. There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities relating to the above.

- **Commodity Price/Forex Risks**

  The Company carries commodity price risk and foreign exchange risk. Commodity price risk is addressed through close commodity price monitoring and appropriate procurement policies and strategies. Foreign exchange risk is addressed through forward contracts/options.

- **Whistle Blower Policy**

  The Company has adopted a Vigil Mechanism/Whistle Blower Policy. Any employee can approach Chairman of the Audit Committee with information/disclosure under the said Policy. No employee has been denied access to the Audit Committee as a part of such Mechanism/Policy.

- **Compliance with Corporate Governance Requirements**

  The Company undertakes to comply with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Internal Auditors directly report to the Audit Committee. The Company endeavours to ensure unmodified audit opinion on its financial statement.

- **Policy on 'Material' Subsidiaries**

  The Company's policy for determining 'material' subsidiaries is disclosed on its website www.sumichem.co.in

- **Policy on Related Party Transactions**

  The Company's policy on dealing with related party transactions is disclosed on its website www.sumichem.co.in

  The Company has no materially significant related party transactions that may have potential conflict with the Company's interest at large.

- **Code of Conduct and Ethics**

  The Company's Code of Conduct and Ethics is disclosed on its website www.sumichem.co.in

- **Terms and conditions of appointment of independent directors**

  The terms and conditions of appointment of Independent Directors are disclosed on the Company's website www.sumichem.co.in

- **Dividend transferred to Investor Education & Protection Fund**

  During 2018-19, Excel Crop Care Limited, which amalgamated with the Company, transferred a sum of ₹5.27 lac, being unclaimed/unpaid dividend relating to the financial year 2010-11, to Investor Education and Protection Fund pursuant to the provisions of the Companies Act, 2013 and rules thereunder.

- **Shares transferred to Investors Education and Protection Fund**

  During 2018-19, Excel Crop Care Limited, which amalgamated with the Company, transferred its 6,008 shares, in respect of which dividend was not claimed/paid for seven consecutive years, to Investor Education and Protection Fund, pursuant to the provisions of the Companies Act, 2013 and rules thereunder.

- **Dividend Distribution Policy**

  The Company's Dividend Distribution Policy is disclosed on its website www.sumichem.co.in

  The Policy seeks to balance members' need for a fair, reasonable and predictable return by way of dividend with the Company's funding needs and requirements for long term sustainable growth.

10. Means of Communication

— The extracts of the unaudited quarterly and summarised audited annual results of the Company will be published in the dailies viz. The Financial Express (English) and Loksatta (Marathi).

— The unaudited financial results, summarised audited annual results, press releases and other major events/ developments concerning the Company are/will be posted on the Company's website: www.sumichem.co.in and also will be submitted to BSE Limited and National Stock Exchange of India Limited for disclosure on their websites at www.bseindia.com and www.nseindia.com

— Management Discussion and Analysis forms part of the Annual Report.

11. General Shareholder Information

- **Annual General Meeting:**

  The Nineteenth Annual General Meeting of the Members will be held on Friday, the 27th December, 2019.

• **Venue**	:	Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai - 400 064
• **Financial Year**	:	1st April – 31st March
• **Dates of Book Closure**	:	Saturday, the 21st December, 2019 to Friday, the 27th December, 2019 (both days inclusive)
• **Listing on Stock Exchanges**	:	Applications being made to BSE Limited and the National Stock Exchange of India Limited for listing of equity shares

- **Stock Codes (for shares):**

BSE Limited (BSE)	Not yet allotted
The National Stock Exchange of India Limited (NSE)	Not yet allotted
Demat ISIN Number in NSDL and CDSL	INE258G01013

- **Share Related Functions/Activities:**

The share related functions and activities are carried out by the Company's Registrars and Transfer Agents – **Link Intime India Private Limited** at their office at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083 (Tel.: 49186000).

- **Categories of Shareholders as on 31st March, 2019:**

Category	No. of Shareholders	Voting Strength %	No. of Shares
Promoter and Promoter Group	7	100	274588095
Others	—	—	—
Total	**7**	**100**	**274588095**

- **Dematerialisation of Shares and Liquidity:**

The entire share capital of the Company as on 31st March, 2019 (27,45,88,095 shares) was held in physical form which have been dematerialized subsequently.

- **Equity Shares in the Demat Suspense Account (relating to Excel Crop Care Limited, which amalgamated with the Company):**

Details of Unclaimed equity shares lying in Excel Crop Care Limited – Unclaimed Shares Suspense Account (in demat form) are given below:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate Number of Shareholders and the outstanding shares in the Suspense Account lying as on 1st April, 2018	61	10,213
Number of Shareholders who approached the Company for transfer of shares from Suspense Account during the year	2	234
Number of Shareholders to whom share were transferred from the Suspense Account during the year	2	234
Number of Shareholders whose shares were transferred to Investor Education and Protection Fund during the year	5	610
Aggregate Number of Shareholders and the outstanding shares in the Suspense Account lying as on 31st March, 2019	54	9369

The Company has allotted 2,95,941 shares in respect of the shares held in Excel Crop Care Limited Unclaimed Shares Suspense Account as on 31st August, 2019 – the Record Date.

The voting rights on the shares outstanding in the Suspense Account shall remain frozen till such shares are claimed by their rightful owners.

- **Board skills, expertise and experience:**

  The Board has determined the following skills, competence and expertise which the Board members should possess:

  — Industry experience/knowledge

  — Sector knowledge/experience

  — Experience and expertise in strategic thinking and planning

  — Knowledge and experience of international business

  — Finance and accounting knowledge and experience

  — Legal and Regulatory experience and knowledge.

- **Credit Rating held by the Company:**

  During the F.Y. 2018-19, the Company held no credit rating assigned by any rating agency.

- **Fees paid to the statutory auditors and their network entities:**

  The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to BSR & Associates, LLP, the statutory auditors and all the entities in the network firm/network entity of which the statutory auditors are a part, are as follows:

(₹ in lac)

Type of Service	**F.Y. 2018-19**	**F.Y. 2017-18**
Audit Fees	71.80	67.13
Tax Fees	5.00	5.00
Others	38.64	8.33
Total	**115.44**	**80.46**

- **Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

  There were no complaints relating to sexual harassment filed during the year and there were no complaint pending at the beginning or end of the financial year.

- **Certificate regarding Directors:**

  A certificate from M/s. Manish Ghia & Associates, Practicing Company Secretaries, to the effect that none of the Company's Directors has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report.

- **Plant Locations:**

  Factories:

  a. 6/2, Ruvapari Road, Bhavnagar - 364 005, Gujarat.

  b. Plot No. 205-209, Bhuj-Mundra Road, Near Kera Village, Taluka: Bhuj, Dist. Kutch, Gajod - 370 430, Gujarat.

  c. Plot No. 60, B Nanji Industrial Estate, Athal Luhari Road, Kharadpada - 396 235, Silvassa, Dadara and Nagar Haveli.

  d. Plot No. C-5/184-185, National Highway No. 8, Near GPCB Office, G.I.D.C, Vapi - 396 195, Gujarat.

  e. Plot No. T137, 138, 113 and 251, M.I.D.C., Tarapur, Boiser, Palghar, Thane - 401 506, Maharashtra.

- **Address for Correspondence:**

Corporate Office:	**Registered Office:**
Sumitomo Chemical India Limited 13 & 14, Aradhana Industrial Development Corporation, Near Virwani Industrial Estate, Goregaon (East), Mumbai - 400 063. Tel: 022-42522200 Fax: 022-42522380	Sumitomo Chemical India Limited Bldg. No. 1, Ground Floor, Shant Manor Co-op Housing Society Ltd., Chakravarti Ashok 'X' Road, Kandivli (E) Mumbai - 400 101 Tel: 022-28866666

- **Address for Correspondence for share related work:**

  M/s. Link Intime India Pvt. Ltd.
  C 101, 247 Park,
  L B S Marg, Vikhroli West,
  Mumbai - 400 083 (Tel.: 49186000)

- **Email-id of the Compliance Officer and other officials for communicating investor complaints/grievances:**

  investor.relations@sumichem.co.in

CERTIFICATE OF 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 of
Sumitomo Chemical India Limited
Bldg. No. 1, GF, Shant Manor Co-op Housing Society Ltd.
Chakravarti Ashok 'X' Road, Kandivli(E), Mumbai - 400 101

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sumitomo Chemical India Limited having CIN U24110MH2000PLC124224 and having registered office at Bldg. No. 1, GF, Shant Manor Co-op Housing Society Ltd., Chakravarti Ashok 'X' Road, Kandivli (E), Mumbai - 400 101 (hereinafter referred to as 'the Company'), produced before 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) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Sushil Champaklal Marfatia	07618601	07/10/2016
2	Rasika Abhishek Kulkarni	08370963	02/03/ 2019
3	Hiroyoshi Mukai	07835814	06/06/2017
4	Akira Harada	07131237	01/04/2015
5	Keiichi Sakata	02662456	21/05/2009

Ensuring the eligibility of/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 **Manish Ghia & Associates**
Company Secretaries

Manish L Ghia
Partner
M.No. FCS 6252 C.P. No. 3531

Place: Mumbai
Date: October 14, 2019
UDIN: F006252A000063771

INDEPENDENT AUDITORS' REPORT

To the Members of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)

Report on the Audit of the Standalone financial statements

Opinion

We have audited the standalone financial statements of Sumitomo Chemical India Limited (formerly known as Sumitomo Chemical India Private Limited) ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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.

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 2019, 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.

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 Responsibility for the Standalone financial statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

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 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 made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2018 prepared in accordance with Ind AS, included in these standalone financial statements are adjusted to give effect to the merger of Excel Crop Care Limited ('ECCL') with the Company. The merger is pursuant to the Scheme of Amalgamation (Merger by absorption) ('Scheme') which has been approved by the Hon'ble National Company Law Tribunal, Mumbai bench ('NCLT'), vide its order dated 27 June 2019. The certified copy of the Order was received by the Company on 22 August 2019.The Scheme is effective from the appointed date of 01 April 2018, and the merger being a common control business combination, the comparative financial statements of the Company have been restated to record the merger from 01 April 2017. Our Opinion is not modified in respect of this matter.

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. 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. 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 2019 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.
   ii. The Company has no long-term contracts including derivative contacts for which there were any material foreseeable losses.
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
4. 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 & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060
ICAI UDIN: 19100060AAAAEI7431

Mumbai
14 October 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2019

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management during the year and the discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone financial statements are held in the name of the Company.

(ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them and in respect of goods in transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and 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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) 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 with respect to investments. The Company has not granted any loans or provided any guarantee or security to the parties covered under Section 186 of the Act.

(v) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duties of customs, goods and service tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us and records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and records of the Company examined by us, in our opinion, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Appendix I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks. The Company neither has any loans or borrowings from financial institutions or Government, nor has it issued any debentures during the year.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records, 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. Accordingly, paragraph 3(xii) of the Order is not applicable.

(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. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records, 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, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) 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 & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060
ICAI UDIN: 19100060AAAAEI7431

Mumbai
14 October 2019

Appendix I

Nature of the Statue	Nature of the dues	Amount	Period to which amount relates	Forum on which dispute is pending
Income Tax Act 1961	Disallowance of capital subsidy and expenses	411,220	AY 2004-05	ITAT Mumbai
	Disallowance of royalty expenses	926,382	AY 2004-05	Mumbai High Court
	Transfer Pricing and Disallowance of certain expenses	13,867,594	AY 2011-12	ITAT Mumbai
	Transfer Pricing and disallowance of certain expenses	31,105,690	AY 2012-13	ITAT Mumbai
	Disallowance of certain expenses	16,800,476	AY 2016-17	CIT (Appeals) Mumbai
Central Sales Tax Act, 1956	Non submission of F Form	192,806	1998-99	Sales Tax Officer, Thane
Sales Tax (VAT)	Non submission of F Form	304,794	2002-03	Deputy Commissioner, Ahmedabad
The Finance Act, 1994	Service tax on Royalty	1,257,000	April 2002 to March 2004	Superintendent of Central Excise, Mumbai
The Central excise Act, 1944	Disallowance of availment of Service Tax Credit	149,528	July'14 to Dec'14	Commissioner, Central Excise, Boisar
	Disallowance of availment of Service Tax Credit	293,521	Jan.'15 & Feb.'15	Commissioner, Central Excise, Boisar
	Disallowance of availment of Service Tax Credit	4,375,989	March 2015 to Sept 2015	Commissioner, Central Excise, Thane
	Disallowance of availment of Service Tax Credit	1,730,852	October 2015 to Sept 2016	Commissioner, Central Excise, Thane
	Denial of Cenvat Credit	734,238	2007-08 and 2008-09	Additional Commissioner of Central Excise
	Disallowance of availment of Service Tax Credit	3,037,651	October 2016 to June 2017	Assistant Commissioner, Division-IV, CGST and Central Excise, Palghar
Service Tax Rules	Service tax demands	5,265,654	2005-06 to 2006-07, 2007-08 to 2015-16	Additional / Joint Commissioner (Bhavnagar), Assistant Commissioner (Silvassa), Joint Commissioner (Gandhidham)
Custom Act	Custom duty demands	6,513,849	2012-13, 2015-16, 2016-17	Joint Commissioner of Customs
Bihar VAT Act, 2005	VAT Liability	2,091,706	2007-08, 2011-12, 2012-13	Deputy Commissioner of Commercial Taxes, Patna

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(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 financial statements of Sumitomo Chemical India Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to 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 financial controls with reference to 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060
ICAI UDIN: 19100060AAAAEI7431

Mumbai
14 October 2019

SUMITOMO CHEMICAL INDIA LIMITED

(formerly known as Sumitomo Chemical India Private Limited)

CIN: U24110MH2000PLC124224

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2019

(Currency: Indian Rupees in million)

	Notes	**As at 31 March, 2019**	As at 31 March, 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	**2,770.49**	2,647.87
(b) Capital work-in-progress	3	**31.86**	44.52
(c) Other Intangible assets	4	**21.35**	19.32
(d) Intangible assets under development		**48.72**	42.59
(e) Investment in subsidiaries	5	**7.61**	15.92
(f) Financial Assets			
(i) Investments	6	**1.41**	1.43
(ii) Loans	7	**78.46**	72.58
(g) Non-current tax assets (Net)		**184.05**	226.86
(h) Other non-current assets	8	**43.90**	50.56
Total non-current assets		**3,187.85**	3,121.65
(2) Current Assets			
(a) Inventories	9	**6,800.38**	6,051.59
(b) Financial Assets			
(i) Trade receivables	10	**6,689.40**	5,508.90
(ii) Cash and cash equivalents	11a	**392.89**	649.66
(iii) Bank balances other than cash and cash equivalents mentioned above	11b	**8.86**	7.78
(iv) Loans	12	**33.42**	36.62
(v) Other financial assets	13	**168.80**	103.08
(c) Other current assets	14	**1,181.05**	962.05
Total Current Assets		**15,274.80**	13,319.68
TOTAL ASSETS		**18,462.65**	16,441.33
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	**2,745.88**	2,745.88
(b) Other equity	16	**7,607.23**	6,648.56
Total Equity		**10,353.11**	9,394.44
(2) Liabilities			
Non-current liabilities			
(a) Provisions	17	**156.42**	127.10
(b) Deferred tax liabilities (net)	30	**145.92**	180.74
(c) Other non-current tax liabilities (net)		**52.15**	17.43
Total Non-current liabilities		**354.49**	325.27
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**197.45**	101.46
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	19	**195.10**	129.11
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	19	**5,769.18**	5,146.60
(iii) Other financial liabilities	20	**632.02**	555.51
(b) Other current liabilities	21	**868.99**	700.43
(c) Provisions	22	**25.78**	22.93
(d) Current Tax liabilities		**66.53**	65.58
Total Current liabilities		**7,755.05**	6,721.62
Total Liabilities		**8,109.54**	7,046.89
TOTAL EQUITY AND LIABILITIES		**18,462.65**	16,441.33
Significant accounting policies	2		

The accompanying notes 1 to 45 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

SUMITOMO CHEMICAL INDIA LIMITED

(formerly known as Sumitomo Chemical India Private Limited)

CIN: U24110MH2000PLC124224

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(Currency: Indian Rupees in million)

		Notes	**Year Ended 31 March, 2019**	Year Ended 31 March, 2018
REVENUE				
I.	Revenue from Operations	23	**22,063.54**	19,595.36
II.	Other income	24	**278.86**	305.41
III.	**Total Income (I+II)**		**22,342.40**	19,900.77
IV.	**Expenses**			
	Cost of materials consumed	25	**13,288.10**	10,770.08
	Purchase of stock-in-trade		**2,283.31**	2,065.05
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	**(1,020.39)**	(449.67)
	Excise duty		**—**	487.92
	Employee benefits expense	27	**1,604.23**	1,465.89
	Finance costs	28	**36.50**	28.36
	Depreciation and amortisation expense	3 & 4	**277.91**	237.31
	Other expenses	29	**3,292.81**	3,088.84
	Total Expenses (IV)		**19,762.47**	17,693.78
V.	**Profit before Tax (III-IV)**		**2,579.93**	2,206.99
VI.	**Tax expense:**			
	1. Current Tax	30	**940.28**	796.50
	2. Adjustment of tax relating to earlier years		**2.98**	(15.78)
	3. Deferred Tax credit		**(33.35)**	(24.59)
	Total Tax Expenses (VI)		**909.91**	756.13
VII.	**Profit for the Year (V-VI)**		**1,670.02**	1,450.86
VIII.	**Other comprehensive income**			
	(i) Items that will not be reclassified to Profit or Loss			
	Remeasurements of defined benefit liability		**2.23**	33.68
	(ii) Income tax related to items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		**1.47**	0.35
	Total other comprehensive income for the year (VIII)		**3.70**	34.03
IX.	**Total comprehensive income for the year (VII + VIII)**		**1,673.72**	1,484.89
X.	**Earnings per equity share (Face value of ₹ 10 each)**			
	Basic and diluted earnings per share	31	**3.35**	2.91
Significant accounting policies		2		

The accompanying notes 1 to 45 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

SUMITOMO CHEMICAL INDIA LIMITED

(formerly known as Sumitomo Chemical India Private Limited)

CIN: U24110MH2000PLC124224

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

(Currency: Indian Rupees in million)

(a) Equity share capital

	Note	
As at 1 April, 2017	15	2,745.88
Changes in equity share capital during the year		—
As at 31 March, 2018	15	**2,745.88**
As at 1 April, 2018		2,745.88
Changes in equity share capital during the year		—
As at 31 March 2019	15	**2,745.88**

(b) Other equity

Particulars	Reserves & Surplus				Total Other equity
	General Reserve	Securities Premium	Share Pending Issuance (refer note 43)	Retained earnings	
Balance as at 1 April 2017	**3,981.25**	**2,350.60**	**2,245.58**	**1,549.68**	**10,127.11**
Consideration in excess of the carrying value of the net assets (including the reserves). Refer Note 43	(4,963.44)	—	—	—	(4,963.44)
Balance as at 1 April 2017	(982.19)	2,350.60	2,245.58	1,549.68	5,163.67
Profit for the year	—	—	—	1,450.86	1,450.86
Other comprehensive income for the year (net of tax)	—	—	—	34.03	34.03
Total comprehensive income for the year	**(982.19)**	**2,350.60**	**2,245.58**	**3,034.57**	**6,648.56**
Transfer to General Reserve	700.00	—	—	(700.00)	—
Balance as at 31 March 2018	(282.19)	2,350.60	2,245.58	2,334.57	6,648.56
Profit for the year				1,670.02	1,670.02
Other comprehensive income for the year (net of tax)	—	—	—	3.70	3.70
Total comprehensive income for the year	—	—	—	**1,673.72**	**1,673.72**
Transfer to General Reserve	800.00	—	—	(800.00)	—
Dividend on equity shares for the year (refer note 15f)	—	—	—	(590.53)	(590.53)
Dividend Distribution Tax (DDT) (refer note 15f)	—	—	—	(124.52)	(124.52)
Balance at 31 March 2019	**517.81**	**2,350.60**	**2,245.58**	**2,493.24**	**7,607.23**

Refer note 16 B for nature and purpose of reserves

The accompanying notes 1 to 45 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019
(Currency: Indian Rupees in million)

		Year Ended 31 March 2019	Year Ended 31 March 2018
A.	**Cash flow from operating activities**		
	Profit before tax	**2,579.93**	2,206.99
	Adjustments for:		
	Depreciation and amortisation Expense	**277.91**	237.31
	Bad Debts written Off	**12.04**	30.57
	Provision for Doubtful Debts / Write back	**71.18**	39.48
	Excess Provisions in respect of earlier years written back (net)	**(200.65)**	(243.50)
	(Profit) on sale / disposal of property, plant and equipment	**(2.17)**	(1.35)
	Property, plant and equipment & Intangible Assets written off	**0.61**	24.33
	Loss on sale of Investment	**8.15**	—
	Interest Income	**(37.26)**	(29.49)
	Measurement of Investments at Fair value through Profit & loss	**0.02**	(0.03)
	Dividend Income	**(3.59)**	(8.63)
	Interest Expenses	**36.50**	28.36
	Unrealised Exchange differences (net)	**30.95**	(25.28)
	Operating cash flow before working capital changes	**2,773.62**	2,258.76
	Working capital adjustments		
	(Increase) in Trade Receivables	**(301.90)**	(313.92)
	(Increase) in Inventories	**(1,829.83)**	(1,853.85)
	(Increase) in Other Non Current Assets and Current Assets	**(276.06)**	(356.04)
	Decrease in Long Term & Short Term Loans	**0.37**	89.12
	Increase in Trade Payables	**1,031.24**	1,137.44
	Increase in Long Term and Short Term Provisions	**45.72**	7.35
	Increase in Other Non Current and Other Current Liabilities	**173.41**	347.89
	Cash generated from operating activites	**1,616.57**	1,316.75
	Income Tax paid (net)	**(869.00)**	(828.53)
	Net cash flows generated from operating activities (A)	**747.57**	488.22
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, and intangible assets	**(396.01)**	(434.05)
	Proceeds from Sale of property, plant and equipment	**6.89**	3.28
	Purchase/(Sale) of Investments (net)	**0.15**	(0.30)
	Proceeds / (Investments) in dividend accounts, (net)	**(1.07)**	1.27
	Loans recovered	—	0.02
	Interest received	**36.81**	28.01
	Dividend received	**3.59**	8.63
	Purchase of Investments in Subsidiary	—	(2.55)
	Loan given	**(0.21)**	—
	Net cash flows used in investing activities (B)	**(349.85)**	(395.69)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

(Currency: Indian Rupees in million)

		Year Ended 31 March 2019	Year Ended 31 March 2018
C.	**Cash flow from financing activities**		
	Proceeds of short-term borrowings (net)	**95.99**	101.46
	Interest paid	**(36.50)**	(28.36)
	Dividend Paid	**(589.46)**	(1.27)
	Tax on distributed Profits	**(124.52)**	—
	Net cash flows generated from / (used in) from financing activities (C)	**(654.49)**	71.83
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(256.77)**	164.36
	Cash and cash equivalents at the beginning of the year	**649.66**	485.30
	Cash and cash equivalents at the end of the year (Refer note 11a)	**392.89**	649.66

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, 'Statement of Cash Flows'
2. Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated 27th June, 2019 ("NCLT order") has sanctioned the Scheme of Amalgamation (Merger by absorption) of Excel Crop Care Limited ("the Transferor Company" or "ECC") with Sumitomo Chemical India Limited ("the Transferee Company" or "SCIL" or "the Company") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013. The certified copy of the Order was received by the Company on 22nd August 2019.
3. The amendment to Ind AS 7 required entities to provide disclosures to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, the following disclosure has been given below :

Particulars	**31 March 2018**	**Cash flows**	**Non-Cash Changes**	**31 March 2019**
Short-term borrowings	101.46	95.99	—	197.45
	101.46	**95.99**	—	**197.45**

Significant accounting policies 2

The accompanying notes 1 to 45 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

1 CORPORATE INFORMATION

Sumitomo Chemical India Limited ('SCIL' or 'the Company') (Formerly known as Sumitomo Chemical India Private Limited) was incorporated originally on February 15, 2000 and was converted from Private Limited to Public Limited w.e.f. 24th November 2018. SCIL is a subsidiary of Sumitomo Chemical Company Limited, Japan ('SCCL'). The Company is primarily engaged in manufacturing and sales of Household Insecticides, Agricultural Pesticides, Public Health Insecticides and Animal Nutrition Products. Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated 27th June, 2019 ("NCLT order") has sanctioned the Scheme of Amalgamation (Merger by absorption) of Excel Crop Care Limited ("the Transferor Company" or "ECC") with Sumitomo Chemical India Limited ("the Transferee Company" or "SCIL" or "the Company") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013. The certified copy of the Order was received by the Company on 22nd August 2019 (refer note 43).

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

a) Basis of preparation

These Standalone financial statements have been prepared in accordance with Indian Accounting standards ("Ind AS") notified, by the Ministry of Corporate Affairs , under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as subsequently amended and other relevant provisions of the act.

The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 14 October , 2019.

Current-non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non current.

a. An asset shall be classified as current when it satisfies any of the following criteria:
   - i) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
   - ii) it is held primarily for the purpose of being traded;
   - iii) it is expected to be realized within twelve months after the reporting date; or
   - iv) it is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

   Current assets include the current portion of non-current financial assets.

b. All assets other than current assets shall be classified as non-current.

c. A liability shall be classified as current when it satisfies any of the following criteria:
   - i) it is expected to be settled in the company's normal operating cycle;
   - ii) it is held primarily for the purpose of being traded;
   - iii) it is due to be settled within twelve months after the reporting date; or
   - iv) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

   Current liabilities include the current portion of non-current financial liabilities.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i) Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments -2.5 (q),

ii) Defined benefit plans – plan assets/(liability) and share based payments measured at fair value (Note 37)

2.2 Key Accounting Estimates, judgments and assumptions

The preparation of these financial statements in conformity with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the standalone balance sheet and statement of profit and loss. The management believes that the estimates used in preparation of these standalone financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

The areas involving critical estimates or judgments are:

i. Property, plant and equipment & Intangible assets.

Determination of the estimated useful lives of tangible and intangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. (Note 2.5(c))

ii. Discounting of long-term financial instruments :

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

iii. Fair value of financial instruments :

Derivatives are carried at fair value. Derivatives includes Foreign currency forward contracts, fair value of which, is determined using the fair value reports provided by respective merchant bankers. (Note 2.3)

iv. Impairment of Financial and Non Financial Asset:

Impairment of financial and Non- Financial assets (Note 2.5(d) for Non Financial assets and (Note 2.5(p)) for financial assets)

v. Recognition and measurement of provisions and contingencies :

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions. Refer 2.5(k))

vi. Assessment of lease transactions

Management assesses the contractual terms of the lease agreements to evaluate whether it is an operating lease or finance lease. (Refer 2.5(f))

vii. Recognition and measurement of defined benefit obligations

Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. (Refer 2.5(g))

2.3 Measurement of fair values

The company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(Refer to note 35 for information on detailed disclosures pertaining to measurement of fair values)

2.4 Standard Issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

IND AS 116-Leases:

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements would be as follows:

- the total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straight line basis whilst the lease liability reduces by the principal amount of repayments;
- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Company at various stages of their terms; and
- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach, with no restatement of comparative information.

Other amendments

The MCA has notified below amendments which are effective 1st April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial statements.

2.5 Statement of significant accounting policies

a Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and all purchase applicable taxes, after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is recognised in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs and related incidental expenses

Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

b Intangible assets

The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Technical know-how fees for new product development is amortised over the period not exceeding five years from the date of agreement with supplier of technology.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

c Depreciation and amortisation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in schedule II to the Companies Act, 2013 except for the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act 2013:

Leasehold land and leasehold improvements are amortised over the term of lease.

The key assets and related lives are:

Nature of asset	**Life in Years**
Furniture and fixtures	2 to 20
Office equipment	2 to 21
Vehicles	3 to 7
Buildings	5 to 38
Plant and machinery (including computers)	3 to 10
Electrical installation	10 to 15
Factory road	10

Assets costing less than INR 5,000/- are fully depreciated in the year of purchase.

Amortisation in respect of all the intangible assets is provided on straight line method over the useful lives of assets.

Nature of asset	**Life in Years**
Data Registration Expenses	3
Software and License and Registration	4
Technical Knowhow	5

d *Impairment*

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater 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.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

e *Inventories*

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Raw materials and packing materials, components, stores and spares: Cost is determined on a moving weighted avergae basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventory.

ii) Work-in-progress and finished goods . Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity and other cost bringing the inventories at their present condition and location. Cost is determined on weighted average basis.

iii) Traded products: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

f *Leases*

Operating leases

Where the Company is the Lessee

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Payments made under operating leases are recognised in Statement of Profit and Loss on a straight-line basis over the lease term

Where the Company is the Lessor

The Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term.

g *Employee benefits*

1) Short-term employee benefits

Defined contribution plans

The Company makes contribution towards provident fund, pension fund, superannuation fund and employee's state insurance contribution to a defined contribution retirement benefit plan for qualifying employees. Both the employee and the Company make monthly contribution equal to a specified percentage of the covered employee's salary or a fixed monthly contribution. The monthly contributions payable by the Company are charged to the statement of profit and loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employement benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognised during the period when the employee renders the service.

2) *Other long-term benefits*

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the balance sheet date using Projected unit cost method.

h Foreign currency transactions

i. *Functional and Presentation currency*

The Company's financial statements are prepared in Indian Rupees (INR) which is also the Company's functional currency.

ii. *Initial recognition*

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

iii. *Subsequent measurement*

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

i Income taxes

Tax expense for the year comprises of current tax and deferred tax charge or credit. It is recognised in profit or loss except to the extent that it relates items recognised directly in equity or in OCI

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

j Earnings per share

The basic earnings per equity share ('EPS') is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

k Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l Research and development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period expected future sales from the related project, not exceeding ten years.

m Cash and cash equivalents

In Cash flow statement, cash and cash equivalents includes cash in hand, bank balances, term deposits with banks and other short term highly liquid investments with original maturities within three months or less.

n Segmental Reporting

As per Ind AS-108 'Operating Segments', if a financial statements contains both the consolidated financial statements of the parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

o Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

i. Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The Performance Obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

ii. Other income

a. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.

b. Revenue in respect of insurance / other claims, Interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.

c. Dividend income is recognised in profit or loss on the date on which right to receive the payment is established.

iii. Sale of services

Revenue from services contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of service tax.

p Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

i. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Impairment of financial assets

Financial assets of the company comprise of trade receivable and other receivables consisting of debt instruments e.g., loans, debt securities, deposits, and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in profit or loss for the period.

Equity Investments:

Equity investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Company has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives which are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet 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.

q Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater 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.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets, such reversal is not recognised.

r Borrowing Cost

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

s Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution in the nature of final dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

t Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder 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 financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(Currency: Indian Rupees in million)

Note-3 Property, plant and equipment and capital work in progress

For the year ended 31 March 2019

	Gross Block				Accumulated Depreciation				Net Block	
BLOCK OF ASSET	**As at 1 April 2018**	**Additions**	**Disposals/ Adjustments**	**As at 31 March 2019**	**As at 1 April 2018**	**Charge for the year**	**Deduction during the year**	**As at 31 March 2019**	**As at 31 March 2019**	**As at 31 March 2018**
Land - Freehold	117.62	—	—	**117.62**	—	—	—	**—**	**117.62**	117.62
Leasehold land	163.41	—	—	**163.41**	4.92	2.46	—	**7.38**	**156.03**	158.49
Factory road	3.17	—	—	**3.17**	1.08	0.54	—	**1.62**	**1.55**	2.09
Buildings	618.87	59.91	—	**678.78**	46.89	41.96	—	**88.85**	**589.93**	571.98
Plant & Machinery	1,843.55	259.90	10.05	**2,093.40**	227.90	165.64	5.63	**387.91**	**1,705.49**	1,615.65
Furniture and fixtures	48.49	6.35	0.17	**54.67**	13.73	9.06	0.05	**22.74**	**31.93**	34.76
Vehicles	64.78	18.47	4.55	**78.70**	11.87	13.12	3.35	**21.64**	**57.06**	52.91
Office equipments	45.41	16.93	0.60	**61.74**	14.05	8.86	0.39	**22.52**	**39.22**	31.36
Leasehold improvements	8.46	—	—	**8.46**	5.56	1.45	—	**7.01**	**1.45**	2.90
Electrical installations	55.54	15.86	—	**71.40**	14.69	8.96	—	**23.65**	**47.75**	40.85
Laboratory equipments	24.65	5.51	(1.31)	**31.47**	5.39	2.93	(0.69)	**9.01**	**22.46**	19.26
	2,993.95	382.93	14.06	**3,362.82**	346.08	254.98	8.73	**592.33**	**2,770.49**	2,647.87

Capital work in progress

Capital work in progress as at 31st March, 2019 is ₹ 31.86 million (31 March 2018: ₹ 44.52 million)

For the year ended 31 March 2018

	Gross Block						Accumulated Depreciation						Net Block	
BLOCK OF ASSET	**As at 1 April 2017**	**Effect of merger of ECCL (refer note 43)**	**Cost as at 1 April 2017**	**Additions**	**Disposals**	**As at 31 March 2018**	**As at 1 April 2017**	**Effect of merger of ECCL (refer note 43)**	**Accumulated Depreciation as at 1 April 2017**	**Charge for the year**	**Deduction during the year**	**As at 31 March 2018**	**As at 31 March 2018**	**As at 31 March 2017**
Land - Freehold	—	117.62	117.62	—	—	117.62	—	—	—	—	—	—	117.62	117.62
Leasehold land	163.41	—	163.41	—	—	163.41	2.46	—	2.46	2.46	—	4.92	158.49	160.95
Factory road	3.17	—	3.17	—	—	3.17	0.54	—	0.54	0.54	—	1.08	2.09	2.63
Buildings	97.03	321.22	418.25	200.62	—	618.87	13.02	9.56	22.58	24.31	—	46.89	571.98	395.67
Plant & Machinery	248.11	1,407.15	1,655.26	266.27	77.98	1,843.55	33.83	112.09	145.92	147.75	65.77	227.90	1,615.65	1,509.34
Furniture and fixtures	30.09	11.25	41.34	8.85	1.70	48.49	4.14	2.83	6.97	8.40	1.64	13.73	34.76	34.37
Vehicles	15.46	55.21	70.67	7.92	13.81	64.78	4.13	8.24	12.37	12.15	12.65	11.87	52.91	58.30
Office equipments	25.26	12.61	37.87	9.30	1.76	45.41	3.38	5.28	8.66	6.98	1.59	14.05	31.36	29.21
Leasehold improvements	8.46	—	8.46	—	—	8.46	4.11	—	4.11	1.45	—	5.56	2.90	4.35
Electrical installations	—	47.92	47.92	8.91	1.29	55.54	—	7.66	7.66	8.18	1.15	14.69	40.85	40.26
Laboratory equipments	—	21.32	21.32	4.03	0.70	24.65	—	2.91	2.91	3.17	0.69	5.39	19.26	18.41
	590.99	1,994.30	2,585.29	505.90	97.24	2,993.95	65.61	148.57	214.18	215.40	83.48	346.08	2,647.87	2,371.11

Capital work in progress

Capital work in progress as at 1 April 2017	74.04
Effect of merger of ECCL (refer note 43)	57.32
Balance as at 1 April 2017	131.36
Balance as at 31 March 2018	**44.52**

Notes:

1 Buildings include ₹ 0.002 million (31 March, 2018 : ₹ 0.002 million) being the value of shares in co-operative housing societies.

2 The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 38 B.

3 For Property, plant and equipment pledged as security refer Note 18.

(Currency: Indian Rupees in million)

Note-4 Intangible assets

For the year ended 31 March 2019

PARTICULARS	Gross Block: As at 1 April 2018	Additions	Disposals	As at 31 March 2019	Accumulated Amortisation: As at 1 April 2018	Charge for the year	Deduction during the year	As at 31 March 2019	Net Block: As at 31 March 2019	As at 31 March 2018
Data registration expenses	44.40	22.49	—	**66.89**	32.32	16.60	—	**48.92**	**17.97**	12.08
Software	0.19	—	—	**0.19**	0.04	0.08	—	**0.12**	**0.07**	0.15
License and Registration	9.64	2.47	—	**12.11**	5.70	3.10	—	**8.80**	**3.31**	3.94
Technical Know-how	9.45	—	—	**9.45**	6.30	3.15	—	**9.45**	—	3.15
	63.68	24.96	—	**88.64**	44.36	22.93	—	**67.29**	**21.35**	19.32

For the year ended 31 March 2018

PARTICULARS	Gross Block: As at 1 April 2017	Effect of merger of ECCL (refer note 43)	Cost as at 1 April 2017	Additions	Disposals	As at 31 March 2018	Accumulated Amortisation: As at 1 April 2017	Effect of merger of ECCL (refer note 43)	Accumulated Depreciation as at 1 April 2017	Charge for the year	Deduction during the year	As at 31 March 2018	Net Block: As at 31 March 2018	As at 31 March 2017
Data registration expenses	—	35.49	35.49	8.91	—	44.40	—	16.47	16.47	15.85	—	**32.32**	**12.08**	19.02
Software	—	—	—	0.19	—	0.19	—	—	—	0.04	—	**0.04**	**0.15**	—
License and Registration	—	7.41	7.41	2.23	—	9.64	—	2.83	2.83	2.87	—	**5.70**	**3.94**	4.58
Technical Know-how	—	9.45	9.45	—	—	9.45	—	3.15	3.15	3.15	—	**6.30**	**3.15**	6.30
	—	52.35	52.35	11.33	—	63.68	—	22.45	22.45	21.91	—	44.36	19.32	29.90

Note-5 Investments in Subsidiaries

	Numbers: As at 31 March 2019	As at 31 March 2018	Amount: As at 31 March 2019	As at 31 March 2018
Unquoted and Fully Paid up				
Carried at Cost				
Investments in Equity Instruments				
Excel Crop Care (Australia) Pty Limited Face Value of Australian Dollar 1 each.	—	175,000	—	8.31
Excel Crop Care (Europe) N.V Face Value of Euro 630 each	**99**	99	**2.50**	2.50
Excel Crop Care (Africa) Limited Face value of Tanzanian Schillings 1,00,000 each	**1,699**	1,699	**5.11**	5.11
Total			**7.61**	15.92
Aggregate amount of quoted investments			—	—
Aggregate Market value of quoted investments			—	—
Aggregate amount of unquoted investments			**7.61**	15.92
Aggregate amount of impairment in value of investments			—	—

Note-6 Non current Investments

	Numbers: As at 31 March 2019	As at 31 March 2018	Amount: As at 31 March 2019	As at 31 March 2018
A. Investments at Fair value through Profit or loss				
Investments in Equity Instruments				
Investments in Other entities (Quoted)				
Tata Steel Limited Face Value of ₹ 10 each fully paid-up	**393**	393	**0.21**	0.23
Tata Steel Limited Face Value of ₹ 10 each partly paid-up	**27**	27	**0.00**	0.00
Investments in Other entities (Unquoted)				
Investment in co-operative societies	**9,132**	9,132	**1.17**	1.17

(Currency: Indian Rupees in million)

	Numbers		Amount	
	As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
B. Investments stated at Amortised cost				
Investments in Government securities (Unquoted)				
National Saving Certificates Face Value ₹ 0.03 million			**0.03**	0.03
Total			**1.41**	1.43
Aggregate Market Value of Quoted Investments			0.21	0.23
Aggregate amount of Quoted Investments			0.21	0.23
Aggregate amount of Unquoted Investments			1.20	1.20
Aggregate amount of impairment in value of investments			—	—

Note-7 Non Current Loans

	As at 31 March 2019	As at 31 March 2018
Security deposits	**69.33**	63.15
Loans to employees	**9.13**	9.43
Total	**78.46**	72.58
Sub-classification of Loans:		
Loan Receivables considered good- Secured	**—**	—
Loan Receivables considered good- Unsecured	**78.46**	72.58
Loan Receivables which have significant increase in Credit Risk	**—**	—
Loan Receivables - credit impaired	**—**	—

Note-8 Other non-current assets

	As at 31 March 2019	As at 31 March 2018
Capital advances	**41.17**	46.55
Prepaid expenses	**2.73**	3.98
Others	**—**	0.03
Total	**43.90**	50.56

Note-9 Inventories

	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and net realisable value)		
Raw Materials (including in transit as on 31 March 2019, 375.23 million, 31 March 2018 : 827.80 million)	**1,888.79**	2,182.45
Work-in-progress	**331.37**	453.04
Finished Goods (including in transit as on 31 March 2019, 2.72 million, 31 March 2018 : 0.58 million)	**3,964.69**	2,706.06
Stock-in-Trade	**294.51**	411.08
Containers and Packing Materials	**295.72**	278.67
Stores and Spares (including Fuel)	**25.30**	20.29
Total	**6,800.38**	6,051.59

During the year ended 31 March 2019, an amount of ₹ 18.59 million was charged to the Statement of Profit and Loss on account of damaged and slow moving inventories (31 March 2018 ₹ 20.41 million).

(Currency: Indian Rupees in million)

Note-10 Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade Receivables considered good - Secured	**42.58**	3.70
Trade Receivables considered good - Unsecured	**6,646.82**	5,505.20
Trade Receivables which have significant increase in credit risk	**—**	—
Trade Receivables – credit impaired	**366.65**	295.47
	7,056.05	5,804.37
Less: Allowance for expected credit loss	**366.65**	295.47
	6,689.40	5,508.90

Notes:

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided. Refer note 35 for information about credit risk and market risk of trade receivables.

Note-11a Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balance with banks :		
In current account	**188.53**	424.01
In deposit accounts (with original maturity of less than three months)	**201.50**	225.22
Cash on hand	**0.50**	0.24
Cheques on hand	**2.36**	0.19
Total	**392.89**	649.66

Note-11b Bank Balances Other than Cash and Cash Equivalents

	As at 31 March 2019	As at 31 March 2018
Deposits with maturity more than 3 months but less than 12 months	**0.08**	0.07
In unpaid dividend accounts earmarked with banks*	**8.78**	7.71
Total	**8.86**	7.78

* These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

Note-12 Current Loans

	As at 31 March 2019	As at 31 March 2018
Security deposits		
Considered good - Unsecured	**20.69**	22.49
Security deposits which have significant increase in credit risk	**—**	—
Security deposits – credit impaired	**2.71**	2.71
Less: Provision for doubtful security deposits	**(2.71)**	(2.71)
Loans to employees		
Considered good - Unsecured	**5.75**	8.01
Loans to employees which have significant increase in credit risk		
Loans to employees – credit impaired	**0.43**	0.43
Less: Provision for doubtful loans	**(0.43)**	(0.43)
Earnest money deposit	**4.91**	4.28
Others	**2.07**	1.84
Total	**33.42**	36.62

(Currency: Indian Rupees in million)

Note-13 Other current financial assets

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good unless otherwise stated		
Advance to employees	**15.16**	16.75
Export incentive receivable	**122.62**	72.58
Derivatives - foreign exchange forward contracts	**29.30**	11.18
Others	**1.72**	2.57
Total	**168.80**	103.08

Note-14 Other current assets

	As at 31 March 2019	As at 31 March 2018
Balances with government authorities	**918.50**	767.03
Prepaid expenses	**62.44**	29.01
Contract Asset (Right to Receive Inventory)	**24.59**	—
Employee benefit assets (Refer note 37)	—	7.11
Others (advances other than capital advances)	**175.52**	158.90
Total	**1,181.05**	962.05

Note-15 Share Capital

	Number of shares		**Amount**	
	As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Authorised				
Equity shares of ₹ 10 each	**494,000,000**	300,000,000	**4,940.00**	3,000.00
	494,000,000	300,000,000	**4,940.00**	3,000.00
Issued, subscribed and paid-up:				
Equity shares of ₹ 10 each, fully paid-up	**274,588,095**	274,588,095	**2,745.88**	2,745.88
	274,588,095	274,588,095	**2,745.88**	2,745.88

a) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2019		As at 31 March 2018	
Equity shares	**Number**	**Amount**	Number	Amount
At the commencement of the year	**274,588,095**	**2,745.88**	274,588,095	2,745.88
Equity shares issued during the year	—	—	—	—
At the end of the year	**274,588,095**	**2,745.88**	274,588,095	2,745.88

b) Particulars of shareholders holding more than 5% of a class of shares

		As at 31 March 2019		As at 31 March 2018	
Name of shareholder	**Relationship**	**No. of Shares**	**%**	No. of Shares	%
Sumitomo Chemical Company Limited, Japan	Holding Company	**274,588,093**	**99.99%**	274,588,093	99.99%

(Currency: Indian Rupees in million)

c) Particulars of shares held by holding company and associates

		31 March 2019		31 March 2018	
Name of shareholder	**Relationship**	**No. of Shares**	**%**	No. of Shares	%
Sumitomo Chemical Company Limited, Japan *	Holding Company	**274,588,093**	**99.99%**	274,588,093	99.99%
SC Enviromental Science Co. Ltd, Japan	Associate Company	**2**	**0.01%**	2	0.01%
		274,588,095	**100.00%**	274,588,095	100.00%

* Sumitomo Chemical Company Limited, Japan is beneficial owner of five shares of the Company and have nominated five shareholders for each such share.

d) Terms/rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

e) The above disclosures, are without giving effect to the further issuance of equity shares. Also, the authorised share capital of the Company will be increased by the authorised share capital of ECCL pursuant to the Scheme of Amalgamation. (refer note 43).

f) Dividend on Equity Share declared and paid during the year

	Year ended 31 March 2019	Year ended 31 March 2018
Interim dividend on 274,588,095 shares @ ₹ 1.87 per share for FY 2018-19 (2017-18: ₹ Nil per share) on equity shares of ₹ 10 each	**513.48**	—
Dividend distribution tax on interim dividend	**105.55**	—
Final dividend on 8,806,182 shares @ ₹ 8.75 for FY 2017-18 (2016-17: ₹ Nil per share) on equity shares of ₹ 5 each	**77.05**	—
Dividend distribution tax on final dividend	**18.97**	—
Total	**715.05**	—

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend on equity shares not recognised as liability		
Interim dividend paid subsequent to 31st March 2019 on 274,588,095 shares @ ₹ 0.22 per share for FY 2018-19 (2017-18: ₹ Nil per share) on equity shares of ₹ 10 each	**60.41**	—
Dividend distribution tax on interim dividend	**12.42**	—
Interim dividend paid subsequent to 31st March 2019 on 11,005,630 shares @ ₹ 6.25 per share for FY 2018-19 (2017-18: ₹ Nil per share) on equity shares of ₹ 5 each	**68.79**	—
Dividend distribution tax on interim dividend	**13.88**	—
Proposed Final dividend on 499,145,376 shares @ 0.20 per share on equity shares of ₹ 10 each for FY 2018-19 (2017-18: ₹ 8.75 per 8,806,182 shares on equity shares of ₹ 5 each)	**99.83**	77.05
Dividend distribution tax on final dividend	**20.52**	18.97
	275.85	96.02

(Currency: Indian Rupees in million)

Note-16 Other Equity

A Summary of Other Equity Balance

	As at 31 March 2019	As at 31 March 2018
General reserve		
Balance at the beginning of the year	**(282.19)**	3,981.25
Add: Consideration in excess of the carrying value of net assets (including the reserves) refer Note 43	**—**	(4,963.44)
Balance at the beginning of the year	**(282.19)**	(982.19)
Add: Amount transferred from Retained earnings	**800.00**	700.00
Balance at the end of the year	**517.81**	(282.19)
Securities premium	**2,350.60**	2,350.60
Other Comprehensive Income - Fair valuation of investments		
Opening Balance	**—**	—
Fair value changes during the year	**—**	—
Closing balance	**—**	—
Share pending issuance (refer note 43)	**2,245.58**	2,245.58
Retained earnings		
Balance at the beginning of the year	**2,334.57**	1,549.68
Additions during the year:		
Profit for the year	**1,670.02**	1,450.86
Other comprehensive income for the year, net of tax	**3.70**	34.03
Reductions during the year:		
Dividends (refer note 15e)	**(590.53)**	—
Income Tax on dividend (refer note 15e)	**(124.52)**	—
Transfer to General Reserve	**(800.00)**	(700.00)
Net surplus of retained earnings	**2,493.24**	2,334.57
Balance at the end of the year	**7,607.23**	6,648.56

B Nature and purpose of each reserves

1. General Reserve

The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

2. Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The Securities Premium is utilised in accordance with the provisions of the Companies Act, 2013

3. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

4. Share pending issuance

Share pending issuance represents shares to be issued pursuant to the merger of Excel Crop Care Limited. (refer note 43).

(Currency: Indian Rupees in million)

Note-17 Non current Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for Employee Benefits		
Compensated absences	**146.86**	127.10
Gratuity (Refer note 37)	**9.56**	—
Total	**156.42**	127.10

Note-18 Borrowings

	As at 31 March 2019	As at 31 March 2018
Loans repayable on demand		
From banks:		
On cash / packing credit accounts (secured) (refer note below)	**—**	101.46
On working capital demand loan (unsecured)	**110.00**	—
On overdraft account (unsecured)	**87.45**	—
Total	**197.45**	101.46

The secured borrowings from banks carries interest @ 9.50% p.a. and are secured by way of hypothecation of all tangible movable assets, both present and future, including stock of raw materials, finished goods, work-in-process, stores and trade receivables.

Note-19 Current Trade payables

	As at 31 March 2019	As at 31 March 2018
Due to micro enterprises and small enterprises (Refer note 39)	**195.10**	129.11
Due to others	**5,769.18**	5,146.60
Total	**5,964.28**	5,275.71

Note-20 Other Current financial liabilities

	As at 31 March 2019	As at 31 March 2018
Salary, wages and bonus payable	**314.46**	302.40
Security and trade deposits	**259.21**	237.88
Unclaimed dividend	**8.78**	7.71
Derivative financial liabilities - forward contracts	**49.57**	7.52
Total	**632.02**	555.51

Note-21 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Contract liabilities (advance received from customers)	**536.31**	524.43
Statutory dues (including provident fund, tax deducted at source and others)	**310.10**	164.38
Other payables	**22.58**	11.62
Total	**868.99**	700.43

(Currency: Indian Rupees in million)

Note-22 Current Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Compensated Absences	**24.51**	22.93
Other provision	**1.27**	—
Total	**25.78**	22.93

Note-23 Revenue from Operations

			Year ended 31 March 2019	Year Ended 31 March 2018
A.	**Sales of products (including excise duty)***		**21,736.54**	19,332.36
B.	**Sale of services**		**0.83**	7.25
C.	**Other operating revenue**			
	a)	Export incentives	**288.37**	219.82
	b)	Commission income	**0.98**	2.91
	c)	Miscellaneous receipts	**36.82**	33.02
			326.17	255.75
Total			**22,063.54**	19,595.36

* **Upto 30 June 2017**

Notes:

Sales for the year ended March 31, 2019 and March 31, 2018, is net of Goods and Service tax (GST). However, for the previous year ended March 31, 2018, sales till period ended 30 June, 2017 is gross of excise duty.

a Revenue information

	Year Ended 31 March 2019
Revenue by product categories	
Agro Chemicals	**19,477.49**
Industrial Chemical	**2,106.97**
Public Health	**152.08**
Total	**21,736.54**

b Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year Ended 31 March 2019
Revenue as per contracted price	**24,687.39**
Rebates/Discounts	**(2,531.02)**
Sales returns	**(419.83)**
Revenue from contract with customers	**21,736.54**

(Currency: Indian Rupees in million)

c Contract Balances

	Year Ended 31 March 2019	Year Ended 31 March 2018
Trade receivables (Note 10)	**6,689.40**	5,508.90
Contract assets (Note 14)	**24.59**	—
Contract liabilities (Note 21)	**536.31**	524.43

Note:

Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of goods at the reporting date.

Note-24 Other Income

	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest income		
On national savings certificates and bank deposit carried at amortised cost	**3.22**	6.28
On interest income on security deposits	**30.09**	23.21
On income tax refund	**3.95**	—
Dividend income		
On investment in subsidiaries	**2.67**	0.73
On mutual fund investments	**0.92**	7.90
Other non operating income		
Rent received (refer note 34)	**4.25**	8.79
Gain on revaluation on quoted equity instruments measured at FVTPL	**—**	0.03
Excess provision no longer required written back	**200.65**	243.50
Net profit on sale of property, plant & equipment	**2.17**	1.35
Miscellaneous income	**30.94**	13.62
Total	**278.86**	305.41

Note-25 Cost of materials consumed

	Year Ended 31 March 2019	Year Ended 31 March 2018
Raw materials consumed		
Opening Inventory	**2,182.45**	1,562.83
Add: Purchases (Net)	**11,294.18**	9,952.03
	13,476.63	11,514.86
Less: Closing Inventory	**1,888.79**	2,182.45
	11,587.84	9,332.41
Containers and packing materials consumed		
Opening Inventory	**278.67**	269.12
Add: Purchases (Net)	**1,717.31**	1,447.22
	1,995.98	1,716.34
Less: Closing Inventory	**295.72**	278.67
	1,700.26	1,437.67
Total cost of materials consumed	**13,288.10**	10,770.08

(Currency: Indian Rupees in million)

Note-26 Changes in inventories of finished goods, work in progress and stock-in-trade

	Year Ended 31 March 2019	Year Ended 31 March 2018
Opening Inventories :		
Work in progress (refer note 9)	**453.04**	250.93
Finished goods (refer note 9)	**2,706.06**	2,784.16
Stock-in-Trade (refer note 9)	**411.08**	282.30
Less: Allocated towards corporate social responsibility	**—**	(3.41)
Less: Closing Inventories:		
Work in progress (refer note 9)	**331.37**	453.04
Finished goods (refer note 9)	**3,964.69**	2,706.06
Stock-in-Trade (refer note 9)	**294.51**	411.08
Changes In Inventories:		
Work in progress	**121.67**	(202.11)
Finished goods	**(1,258.63)**	74.69
Stock-in-Trade	**116.57**	(128.78)
	(1,020.39)	(256.20)
Excise Duty on increase/ (decrease) of finished goods	**—**	(193.47)
Total	**(1,020.39)**	(449.67)

Note-27 Employee benefits expense

	Year Ended 31 March 2019	Year Ended 31 March 2018
Salaries and wages, bonus etc.	**1,404.75**	1,277.07
Contribution to provident and other funds (refer note 37)	**83.93**	75.72
Gratuity expense (refer note 37)	**24.09**	27.29
Staff welfare expenses	**91.46**	85.81
	1,604.23	1,465.89

Note-28 Finance costs

	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest expense on borrowings	**21.77**	15.66
Others	**14.73**	12.70
	36.50	28.36

(Currency: Indian Rupees in million)

Note-29 Other expenses

	Year Ended 31 March 2019	Year Ended 31 March 2018
Processing charges	**21.62**	38.67
Contract and labour charges	**209.02**	195.46
Carriage and freight	**316.82**	334.90
Power and fuel	**260.25**	246.86
Stores and spares consumed	**64.17**	58.11
Repairs and Maintenance		
- Buildings	**8.42**	7.46
- Plant and Equipment	**183.24**	194.48
- Others	**49.30**	38.63
Rent (refer note 34)	**157.93**	142.68
Rates and taxes	**32.86**	35.01
Insurance	**26.48**	21.72
Travelling and conveyance	**405.88**	351.08
Sales promotion and advertisement	**522.61**	531.90
Donations	**1.15**	29.60
Commission	**103.84**	85.72
Corporate social responsibility (refer note 41)	**40.97**	35.43
Provision for doubtful debts	**71.18**	39.48
Bad debts written off	**12.04**	30.57
Directors sitting fees	**7.20**	6.52
Property, Plant and Equipment and Intangible assets written off	**0.61**	24.33
Exchange difference (net)	**56.72**	24.98
Research and development	**6.24**	13.65
Product testing expenses	**27.27**	19.93
Communication expenses	**17.73**	21.89
Legal and professional fees	**166.70**	101.96
Sub-Contracting Charges	**271.34**	214.78
Bank charges	**10.95**	25.39
Payment to auditors (refer note below)	**11.54**	8.05
Security charges	**20.22**	19.74
Loss on sale of investment in subsidiary	**8.15**	—
Miscellaneous expenses	**200.36**	189.86
	3,292.81	3,088.84

Note:

Auditors remuneration (Net of taxes where applicable)

Statutory audit fees	**7.18**	6.71
Tax Audit Fees	**0.50**	0.50
Others		
Fees for other audit related services	**3.45**	0.60
Reimbursement of out-of-pocket expenses	**0.41**	0.24
	11.54	8.05

(Currency: Indian Rupees in million)

Note-30 Income taxes

A The major components of Income tax expenses for the year is as under:

(i) Income tax recognized in the Statement of Profit and Loss:

	Year Ended 31 March 2019	Year Ended 31 March 2018
Current income tax		
In respect of current year	**940.28**	796.50
Adjustment of tax related to earlier years	**2.98**	(15.78)
Deferred tax Charge/(credit)		
Origination and reversal of temporary difference	**(33.35)**	(24.59)
Income tax expense recognized in the Statement of Profit and Loss	**909.91**	756.13

(ii) Deferred Tax related to items recognised in other comprehensive income

	Year Ended 31 March 2019	Year Ended 31 March 2018
On remeasurements of the defined benefit plans	**1.47**	0.35
	1.47	0.35

B Reconciliation of effective tax rate

	Year Ended 31 March 2019	Year Ended 31 March 2018
Profit before tax	**2,579.93**	2,206.99
Statutory Income Tax Rate	**34.944%**	34.610%
Expected Income tax Expenses	**901.53**	763.84
Tax effect of:		
Weighted deduction on research and development expenses	**16.84**	19.05
Tax effect on non-deductible expenses	**(15.53)**	(21.80)
Deduction under section 80IA	**9.35**	10.37
Effect of Income that is exempted from tax	**0.80**	2.99
Interest on tax expense not deductible for tax purposes	**(4.41)**	(2.81)
Impact of change in rate	**—**	(2.48)
Others	**(12.45)**	(13.39)
Tax expense as per profit or loss	**906.93**	771.91
Adjustment in respect of current income tax of previous year	**2.98**	(15.78)
Total Income Tax Expense	**909.91**	756.13

C The major components of deferred tax (liabilities)/assets arsing on account of temporary differences are as follows:

Movement during the year ended 31st March, 2019	**Net deferred tax asset/ (liability) 1 April 2018**	**Recognised in profit or loss**	**Recognised in OCI**	**Net deferred tax asset/(liability) 31 March 2019**	**Deferred tax asset**	**Deferred tax liability**
Depreciation	(391.44)	(12.13)	—	**(403.57)**	—	**(403.57)**
Provision for doubtful debts and advances	102.29	25.07	—	**127.36**	127.36	**—**
Fair value gain/(loss) on investments	0.07	(0.08)	—	**(0.01)**	(0.01)	**—**
Expenses allowable for tax purposes when paid	85.63	3.85	1.47	**90.95**	90.95	**—**
Other temporary differences	22.71	16.64	—	**39.35**	39.35	**—**
Deferred tax liabilities (net)	(180.74)	33.35	1.47	**(145.92)**	257.65	(403.57)

(Currency: Indian Rupees in million)

Movement during the year ended 31st March, 2018	Net deferred tax asset/ (liability) 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability) 31 March 2018	Deferred tax asset	Deferred tax liability
Depreciation	(355.10)	(36.34)	—	(391.44)	—	(391.44)
Provision for doubtful debts and advances	94.36	7.93	—	102.29	102.29	—
Fair value gain/(loss) on investments	0.48	(0.41)	—	0.07	0.07	—
Expenses allowable for tax purposes when paid	53.55	31.73	0.35	85.63	85.63	—
Other temporary differences	1.03	21.68	—	22.71	22.71	—
Deferred tax liabilities (net)	(205.68)	24.59	0.35	(180.74)	210.70	(391.44)

The Company does not have any tax losses carried forward as at 31 March 2019 and 31 March 2018.

Note-31 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. There are no dilutive impacts, therefore Basic EPS and Diluted EPS is same.

	Year Ended 31 March 2019	Year Ended 31 March 2018
Earnings per share has been computed as under:		
Profit attributable to owners of the Company for basic earnings (A)	**1,670.02**	1,450.86
Weighted average number of equity shares for the purpose of basic and dilutive earnings per share		
Number of shares at the beginning of the year	**274,588,095**	274,588,095
Equity shares to be issued pursuant to scheme of amalgamation (refer note 43)	**224,557,641**	224,557,641
Number of equity shares outstanding at the end of the year (B)	**499,145,736**	499,145,736
Basic and diluted earnings per share (Face value of ₹ 10 Each)	**3.35**	2.91

Note-32 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern.

The Company has adequate cash and bank balances and minimum borrowings. The Company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements.

Note-33 Related Party disclosures

A Names of the related parties where control exists irrespective of whether transactions have occurred or not:

(1) Holding Company

Sumitomo Chemical Company, Limited, Japan

(2) Post Employment Benefit Plans entity

Excel Crop Care Gratuity Trust

Excel Crop Care Superannuation Trust

(3) Subsidiary Companies:

Excel Crop Care (Australia) Pty Limited
(closed and deregistered with effect from 8th May, 2019)

Excel Crop Care (Europe) N.V.

Excel Crop Care (Africa) Limited

B Names of other related parties with whom transactions have taken place during the year:

(1) Fellow Subsidiaries

Sumitomo Chemical Do Brazil Representacoes Ltda (Brazil)

Valent BioSciences LLC - USA
(Previously Known as Valent Biosciences Corporation)

Sumika Agro Manufacturing Co. Ltd.- Japan

Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)

SCA South Asia Petrochemical Pvt. Limited - India

Mycorrhizal Applications, LLC - USA

(2) Key Management Personnel

i) Executive Directors

Chetan Shah (Managing Director)

Ninad D Gupte (Joint Managing Director)

Kiyoshi Takayama (Executive Director)

Akira Harada – (Executive Director)

Sushil Marfatia - (Executive Director)

Prannath Arora – (Executive Director)

ii) Non Executive Directors

Dr. Mukul G. Asher

B. V. Bhargava

Tadashi Katayama

Preeti Mehta

Dipesh K Shroff

iii) Chief Financial Officer

Anil Nawal

iv) Company Secretary

Pravin D Desai

Rasika Kulkarni

(3) Relatives of Key Management Personnel

Mrs. Minoti Ninad Gupte (Wife of Ninad Gupte)

Mrs Seema Arora (Wife of Prannath Arora)

(4) Enterprises controlled by key management personnel and their relatives:

Agrocel Industries Private Limited

Hyderabad Chemicals Pvt Ltd.

Transchem Agritech Limited

Transpek Industry Limited

Kanga & Company

(Currency: Indian Rupees in million)

Disclosures of Material transactions between the Company and the Related parties and the status of outstanding balances as at 31 March 2019

	Year Ended 31 March 2019	Year Ended 31 March 2018
Sale of Goods (Net of rebate and discount)		
Sumitomo Chemical Company Limited	**934.19**	664.93
Sumitomo Chemical Asia Pte Limited	—	0.77
Excel Crop Care (Europe) NV	**45.65**	181.54
Excel Crop Care (Africa) Limited	**6.70**	135.18
Agrocel Industries Private Limited	**35.75**	54.73
Sale of Services		
Agrocel Industries Private Limited	**3.03**	2.97
Sumitomo Chemical Company Limited	**0.83**	2.09
Sumitomo Dainippon Pharma Co Ltd	—	1.79
Purchase of Goods		
Agrocel Industries Private Limited	**457.24**	269.17
Sumitomo Chemical Company Limited	**2,182.23**	1,975.97
Valent BioSciences LLC	**479.95**	401.38
Mycorrhizal Applications, LLC	**72.47**	27.32
Purchase of Services		
Sumitomo Chemical Do Brazil Representacoes Ltda (Brazil)	**9.25**	7.43
Kanga & Company	**6.59**	0.24
Commission Income		
Sumitomo Chemical Company Limited	**0.98**	1.71
Excel Crop Care (Africa) Limited	**26.03**	14.36
Miscellaneous Income - Technical Service		
Sumitomo Chemical Company, Limited	**24.08**	3.74
Mycorrhizal Applications, LLC	**0.69**	2.24
Reimbursement of expenses (net)		
Sumitomo Chemical Company, Limited	**5.72**	1.93
Valent BioSciences LLC	**(8.82)**	(2.72)
Sumitomo Chemical Asia Pte Limited	**2.56**	0.79
Mycorrhizal Applications, LLC	**(3.48)**	—
Contribution to Funds		
Excel Crop Care Gratuity Trust	**1.79**	30.65
Excel Crop Care Superannuation Trust	**15.88**	14.91
Advances paid		
Excel Crop Care Gratuity Trust	**14.16**	20.50
Rent Received		
Agrocel Industries Private Limited	—	2.19
Dividend Received		
Excel Crop Care (Africa) Limited	**2.67**	0.73

(Currency: Indian Rupees in million)

	Year Ended 31 March 2019	Year Ended 31 March 2018
Processing Charges paid		
Agrocel Industries Private Limited	**—**	7.47
Dividend paid		
Sumitomo Chemical Company, Limited, Japan	**556.80**	—
Remuneration		
Chetan Shah	**35.50**	33.87
Ninad D Gupte	**31.75**	27.10
Prannath Arora	**29.99**	33.68
Akira Harada	**22.04**	20.24
Sushil Marfatia	**11.63**	9.82
Kiyoshi Takayama	**15.15**	—
Anil Nawal	**8.13**	7.30
Pravin D Desai	**6.14**	5.30
Rasika Kulkarni	**0.96**	0.84
Transactions and balances with relatives of key managerial personnel		
Rent paid		
Seema Arora (Wife of Director)	**—**	0.81

Outstanding as at the year end

	Year Ended 31 March 2019	Year Ended 31 March 2018
Trade Receivables		
Sumitomo Chemical Company Limited	**179.54**	43.09
Valent BioSciences LLC	**2.00**	—
Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)	**0.49**	—
Excel Crop Care (Africa) Limited	**20.41**	60.21
Trade Payables		
Agrocel Industries Private Limited	**38.69**	47.34
Sumitomo Chemical Company Limited	**1,088.80**	1,035.57
Valent BioSciences LLC	**142.74**	133.57
Mycorrhizal Applications, LLC	**39.27**	15.39
Sumitomo Chemical Asia Pte Limited	**—**	0.71
Excel Crop Care (Africa) Limited	**26.62**	14.39

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm’s length basis.

For the year ended 31st March, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2017-18: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The above remuneration to Key Management personnel compensation excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Company’s liability to all its employees. Further, the above disclosures have been made considering related parties of both the Companies.

(Currency: Indian Rupees in million)

Note-34 Leases

Assets taken on operating lease

a. The Company has taken certain assets such as vehicles, office space and other premises on operating lease. The lease typically run for a period of three to five years. There are no restrictions imposed by lease agreements/arrangements. There are subleases entered into by the Company in respect of the office premises taken on lease.

b. Amounts recognised in Statement of Profit or Loss

	Year ended 31 March 2019	Year ended 31 March 2018
Lease expense	**157.93**	142.68
Sub-lease income	**4.25**	8.79

c. Future minimum lease payments for non-cancellable operating lease as at 31 March is as follows:

	As at 31 March 2019	As at 31 March 2018
Not later than one year	**81.42**	100.22
Later than one year but not later than five years	**200.93**	146.61
Later than five years	**—**	—

Note-35 Financial Instruments

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2019	**Carrying amount / Fair Value**				**Fair value Hierarchy**			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non-current								
Investments								
Equity Instruments in Tata Steel Limited	**0.21**	—	—	**0.21**	**0.21**	—	—	**0.21**
Equity instrument in Co-operative socities	**1.17**	—	—	**1.17**	—	**1.17**	—	**1.17**
Government Securities	—	—	**0.03**	**0.03**	—	—	—	—
Loans	—	—	**78.46**	**78.46**	—	—	—	—
Current								
Trade receivables	—	—	**6,689.40**	**6,689.40**	—	—	—	—
Cash and cash equivalents	—	—	**392.89**	**392.89**	—	—	—	—
Other bank balances	—	—	**8.86**	**8.86**	—	—	—	—
Loans	—	—	**33.42**	**33.42**	—	—	—	—
Derivative Assets	**29.30**	—	—	**29.30**	—	**29.30**	—	**29.30**
Export incentives receivable	—	—	**122.62**	**122.62**	—	—	—	—
Other financial assets	—	—	**16.88**	**16.88**	—	—	—	—
	30.68	—	**7,342.56**	**7,373.24**	**0.21**	**30.47**	—	**30.68**
Financial liabilities								
Current								
Borrowings	—	—	**197.45**	**197.45**	—	—	—	—
Trade payables	—	—	**5,964.28**	**5,964.28**	—	—	—	—
Derivative liabilities	**49.57**	—	—	**49.57**	—	**49.57**	—	**49.57**
Other financial liabilities	—	—	**582.45**	**582.45**	—	—	—	—
	49.57	—	**6,744.18**	**6,793.75**	—	**49.57**	—	**49.57**

(Currency: Indian Rupees in million)

As at 31 March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Investments								
Equity Instruments in Tata Steel Limited	0.23	—	—	0.23	0.23	—	—	0.23
Equity instrument in Co-operative socities	1.17	—	—	1.17	—	1.17	—	1.17
Government Securities	—	—	0.03	0.03	—	—	—	—
Loans	—	—	72.58	72.58	—	—	—	—
Current								
Trade receivables	—	—	5,508.90	5,508.90	—	—	—	—
Cash and cash equivalents	—	—	649.66	649.66	—	—	—	—
Other bank balances	—	—	7.78	7.78	—	—	—	—
Loans	—	—	36.62	36.62	—	—	—	—
Derivative Assets	11.18	—	—	11.18	—	11.18	—	11.18
Export incentives receivable	—	—	72.58	72.58	—	—	—	—
Other financial assets	—	—	19.33	19.33	—	—	—	—
	12.58	—	6,367.48	6,380.06	0.23	12.35	—	12.58
Financial liabilities								
Current								
Borrowings	—	—	101.46	101.46	—	—	—	—
Trade payables	—	—	5,275.71	5,275.71	—	—	—	—
Derivative liabilities	7.52	—	—	7.52	—	7.52	—	7.52
Other financial liabilities	—	—	547.99	547.99	—	—	—	—
	7.52	—	5,925.16	5,932.68	—	7.52	—	7.52

The carrying amounts for current borrowings, cash and bank balances, trade and other receivables and trade payables approximate their respective fair values as the impact of discounting is not expected to be material.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B. 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.

(Currency: Indian Rupees in million)

Financial instruments measured at fair value

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Forward contracts for foreign exchange contracts	Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable
Non current financial assets / liabilities measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	Not applicable

C. Financial risk management

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Management of Credit risk

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and investment securities.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company has no concentration of credit risk as the customer base is widely distributed.

Summary of the ageing for trade receivables are as follows.

	Carrying amount (in INR)	
Particulars	**31 March 2019**	31 March 2018
Not due	**3,476.16**	3,000.52
Past due		
Past due 1–90 days	**1,998.32**	1,384.94
Past due 91–180 days	**1,084.23**	978.43
Past due 181–270 days	**135.85**	239.66
Past due 271–360 days	**74.71**	35.46
More than 361 days	**286.78**	165.36
	7,056.05	5,804.37

Expected credit loss assessment for customers as at 31 March 2019 and 31 March 2018

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

(Currency: Indian Rupees in million)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	**Amount ₹**
Balance as at April 1, 2017	272.63
Add: Impairment loss recognised / (reversed)	51.19
Less: Amounts written off	28.35
Balance as at 31 March 2018	295.47
Add: Impairment loss recognised	71.18
Less: Amounts written off	—
Balance as at 31 March 2019	**366.65**

The impairment loss at March 31, 2019 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Investments

The Company limits its exposure to credit risk by investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities sanctioned with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 March 2019			**Contractual cash flows**		
Particulars	**Carrying amount**	**Total**	**Upto 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Current liabilities					
Borrowings - current	**197.45**	**197.45**	**197.45**	**—**	—
Trade Payables	**5,964.28**	**5,964.28**	**5,964.28**	**—**	—
Other Financial Liabilities	**582.45**	**582.45**	**582.45**	**—**	—
Derivative financial liabilities					
Current liabilities					
Forward Exchange Contracts	**49.57**	**49.57**	**49.57**	**—**	—
	6,793.75	**6,793.75**	**6,793.75**	**—**	—

(Currency: Indian Rupees in million)

31 March 2018			Contractual cash flows		
Particulars	**Carrying amount**	**Total**	**Upto 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Current liabilities					
Borrowings - current	101.46	101.46	101.46	—	—
Trade Payables	5,275.71	5,275.71	5,275.71	—	—
Other Financial Liabilities	547.99	547.99	547.99	—	—
Derivative financial liabilities					
Current liabilities					
Forward Exchange Contracts	7.52	7.52	7.52	—	—
	5,932.68	**5,932.68**	**5,932.68**	**—**	—

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, foreign currency receivables/payables, investments and derivative financial instruments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

i) Currency risk

The Company is exposed to currency risk on account of its operations with other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognised underlying assets / liabilities and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure to the Company is mainly on account of its foreign currency trade receivables and trade payables. The Company has a policy of taking forward covers against such trade receivables and trade payables on a timely basis, with the objective of minimising its foreign currency exposure.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

	31 March 2019	**31 March 2019**	**31 March 2019**
	USD	**EURO**	**Others**
Financial assets			
Cash and cash equivalents	**0.19**	**—**	**1.18**
Trade and other receivables	**1,416.89**	**22.08**	**—**
	1,417.08	**22.08**	**1.18**
Financial liabilities			
Trade and other payables	**1,507.13**	**—**	**13.06**
	1,507.13	**—**	**13.06**
Net statement of financial position exposure	**(90.05)**	**22.08**	**(11.88)**
Forward exchange contracts - Sell	**1,391.92**	**21.98**	**—**
Forward exchange contracts - Buy	**(1,174.62)**	**—**	**—**

(Currency: Indian Rupees in million)

	31 March 2018 USD	31 March 2018 EURO	31 March 2018 Others
Financial assets			
Cash and cash equivalents	0.23	—	1.28
Trade and other receivables	900.65	78.30	—
	900.88	78.30	1.28
Financial liabilities			
Trade and other payables	1,220.16	4.89	8.33
	1,220.16	4.89	8.33
Net statement of financial position exposure	(319.28)	73.41	(7.05)
Forward exchange contracts - Sell	573.65	80.68	—
Forward exchange contracts - Buy	(1,350.33)	—	—

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollars and EURO would have affected the measurement of financial instruments denominated in US dollars and EURO and affected the profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
31 March 2019		
1% movement		
USD	**(1.27)**	1.27
EUR	**(0.44)**	0.44
Others	**0.12**	(0.12)
	(1.59)	1.59

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
31 March 2018		
1% movement		
USD	**10.96**	(10.96)
EUR	**(1.54)**	1.54
Others	**0.07**	(0.07)
	9.49	(9.49)

ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

Note-36 Segment Information

The Company has disclosed segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

(Currency: Indian Rupees in million)

Note-37 Employee benefits

The Company contributes to the following post-employment plans in India.

(A) Defined Contribution Plans:

I Provident Fund is a defined contribution scheme established under a State Plan.

II Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

III Contribution to Employees State Insurance Corporation (ESIC)

Current service cost included under the head Contribution to Provident Fund and other funds in Note 27 'Employee Benefits Expense':

	31 March 2019	31 March 2018
Provident Fund and Family Pension Fund	**54.60**	50.22
Superannuation Fund	**16.71**	14.99
ESIC	**4.52**	4.48
Other funds	**8.10**	6.03
	83.93	75.72

(B) Defined Benefit Plan:

Gratuity Plan is classified as a defined benefit plan as the Company's obligation is to provide agreed benefit plan to members. Actuarial and investment risks are borne by the Company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

	31 March 2019	31 March 2018
Defined benefit obligation	**(340.32)**	(312.06)
Fair value of plan assets	**330.76**	319.17
Net defined benefit (obligation)/assets	**(9.56)**	7.11

i. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Opening balance	**312.06**	318.37	**319.17**	288.17	**(7.11)**	30.20
Included in profit or loss:						
Current service cost	**25.87**	26.20	**—**	—	**25.87**	26.20
Interest cost (income)	**22.33**	21.78	**24.11**	20.69	**(1.78)**	1.09
Sub-total included in Statement of Profit and Loss					**24.09**	27.29
	360.26	366.35	**343.28**	308.86	**16.98**	57.49
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Financial assumptions	**4.68**	(10.18)	**—**	—	**4.68**	(10.18)
Experience adjustment	**(9.31)**	(20.85)	**—**	—	**(9.31)**	(20.85)
Return on plan assets excluding interest	**—**	—	**(2.40)**	2.65	**2.40**	(2.65)
Sub-total included in OCI					**(2.23)**	(33.68)
	355.63	335.32	**340.88**	**311.51**	**14.75**	23.81
Other						
Contributions paid by the employer	**—**	—	**5.19**	30.93	**(5.19)**	(30.93)
Benefits paid	**(15.31)**	(23.26)	**(15.31)**	(23.27)	**—**	0.01
Closing balance	**340.32**	312.06	**330.76**	319.17	**9.56**	(7.11)

(Currency: Indian Rupees in million)

The components of defined benefit plan cost are as follows:

Particulars	31 March 2019	31 March 2018
Recognised in Profit or Loss		
Current service cost	**25.87**	26.20
Net interest cost	**0.64**	3.35
Past service cost	**—**	—
Expected return on plan assets	**(2.41)**	(2.26)
Total	**24.09**	27.29
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	**(2.23)**	(33.68)

ii. Plan assets

Plan assets comprise the following

	31 March 2019	31 March 2018
Insurer Managed Funds (Life Insurance Corporation of India)	**100%**	100%

iii. Actuarial assumptions

The following were the key actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2019	31 March 2018
Discount rate	**7.05%-7.35%**	7.30%- 7.50%
Future salary growth	**8%-10% for the next 1 year & 8%-9.75% thereafter**	8%-10% for the next 1 year & 8%-9.75% thereafter
Mortality rate	**Indian Assured Lives Mortality (2006-08) Table**	Indian Assured Lives Mortality (2006-08) Table

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2019		31 March 2018	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	60.87	35.61	50.04	25.36
Future salary growth (0.50% movement)	35.44	61.16	25.18	50.32

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters.

Hence, the results may vary if two or more variables are changed simultaneously.

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2019 were as follows

Particulars	31 March 2019	31 March 2018
Up to 1 year	**31.22**	24.43
Between 1-2 years	**21.67**	22.87
Between 2-6 years	**67.88**	60.82
6 to 10+ years	**167.76**	140.70

(C) Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2019 based on actuarial valuation using the projected accrued benefit method is ₹ 34.67 millions (31 March 2018: ₹ 23.62 millions).

(Currency: Indian Rupees in million)

Note-38 Contingent liabilities and Commitments

A. Contingent liabilities

		As at 31 March 2019	As at 31 March 2018
a.	Claims against The Company not acknowledged as debts	**152.71**	22.37
b.	Demand raised by authorities against which The Company has filed an appeal		
i)	Income Tax	**80.40**	69.12
ii)	Excise duty	**0.73**	0.90
iii)	Service tax	**16.11**	13.08
iv)	Customs Duty	**6.51**	6.63
v)	VAT / Sales Tax	**2.59**	13.29

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on the financial statements.Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

B. Commitments

	As at 31 March 2019	As at 31 March 2018
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	**42.88**	31.07

Note-39 Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)

	As at 31 March 2019	As at 31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**195.04**	129.06
Interest	**0.06**	0.05
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**—**	—
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**724.53**	591.76
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**2.16**	2.81
The amount of interest accrued and remaining unpaid at the end of each accounting year		
2017-18	**—**	0.05
2018-19	**11.77**	3.40
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**13.81**	6.16

(Currency: Indian Rupees in million)

Note-40 Research and Development Expenditure

	31 March 2019	31 March 2018
(a) Research and Development costs, as certified by the Management, debited to the statement of profit and loss (in respective heads of accounts) are as under:		
(i) Revenue expenses*	**95.37**	76.78
(ii) Depreciation and Amortisation of expenses	**22.70**	18.90
	118.07	95.68

* Includes ₹ 36.24 millions (Previous Year: ₹ 28.29 millions), ₹ 4.19 millions (Previous Year: 4.38 millions) & ₹ 31.85 millions (Previous Year: ₹ 24.34 millions) in respect of Research and Development units at Bhavnagar, Gajod and Mumbai respectively which are approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology.

(b) Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ 11.31 millions (Previous Year: ₹ 19.34 millions) in respect of Research and Development Unit at Bhavnagar, ₹ 0.83 milions (Previous Year: ₹ 5.1 millions) in respect of Research and Development Unit at Gajod and ₹ 4.64 millions (Previous year: ₹ 1.51 millions) in respect of Research & Development Unit at Mumbai approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology]	**31.77**	32.51

Note-41 Corporate Social Responsibility

The Company has spent ₹ 40.97 million (2017-18: ₹ 35.43 million) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

	31 March 2019	**31 March 2018**
(a) Gross amount required to be spent by the Company during the year.	**41.14**	35.54

	In cash/Payable		**Yet to be paid in Cash**		**Total**	
(b) Amount Spent during the year	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
(i) Construction / acquisition of any assets	—	—	—	—	—	—
(ii) On purpose other than (i) above	**40.20**	35.43	**0.77**	—	**40.97**	35.43

Note-42

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in the books of accounts.

Note-43 Merger with Excel Crop Care Limited

Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated 27th June, 2019 ("NCLT order") has sanctioned the Scheme of Amalgamation (Merger by absorption) of Excel Crop Care Limited ("the Transferor Company" or "ECC") with Sumitomo Chemical India Limited ("the Transferee Company" or "SCIL" or "the Company") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013. The certified copy of the Order was received by the Company on 22nd August 2019. The appointed date for the Scheme is 01 April 2018. The Scheme has become effective post filing of e-form INC-28, on 31 August 2019 with the Registrar of Company/ Ministry of Corporate Affairs. ECCL was a fellow subsidiary of the Company and was engaged in the business of agro chemicals. The amalgamation is intended to drive simplification by bringing both Companies on to a common platform in various processes such as legal, secretarial, accounting and controls and thereby enabling to conduct the Company's business more efficiently.

Since the above transaction qualify as common control business combination under Ind AS 103 on "Buisness Combinations", the same has been accounted using 'pooling of interest' method (in accordance with the approved scheme) with effect from 1 April 2017. The Financial Statements in respect of previous period have been restated from the earliest period presented. The entire business and whole undertaking of ECCL including all its assets and liabilities are transferred and vested in the Company on a going concern basis so as to become the assets and liabilities of the Company as reflected below.

Also as per the Scheme, followings effects have been considered in the books of accounts of the Company :

i. Excess of value from cancellation of existing share capital over the value of fresh equity shares to be issued :

Particualrs	**01-Apr-17**
Share Capital of ECCL	55.03
Cancellation of investment in equity shares of ECCL	(2,772.89)
Shares to be issued	(2,245.58)
Adjusted in General reserve	(4,963.44)

(Currency: Indian Rupees in million)

ii. Existing equity shares of ₹ 5 each (post adjustment of shares held by the Company) of ECCL stands cancelled and will be replaced by 22,45,57,641 equity shares of ₹ 10 each, which will be issued to shareholders of ECCL in share swap ratio of 51:2 equity share of the company for each equity share held by shareholders of ECCL.

iii. As per the scheme, the authorised share capital of ECCL shall be combined with the authorised share capital of the Company. The Company has filed relevant forms with the Ministry of Corporate Affairs (MCA) on 31 August 2019.

iv. Book value of assets and liabilities related to ECCL, transferred to the company are as below:

Particulars	**01-Apr-17**
Assets	
(1) Non current assets	
(a) Property,Plant and Equipment	1,845.73
(b) Capital work-in-progress	57.32
(c) Other intangible assets	29.90
(d) Intangible assets under development	52.24
(e) Investment in subsidiaries	13.38
(f) Financial assets	
(i) Investments	0.19
(ii) Loans	39.16
(g) Assets for current tax (net)	72.11
(h) Other non current assets	39.97
Total Non Current Assets	**2,150.00**
(2) Current assets	
(a) Inventories	2,374.06
(b) Financial assets	
(i) Investments	—
(ii) Trade receivables	2,156.75
(iii) Cash and cash equivalent	105.39
(iv) Bank Balances other than cash and cash equivalent	8.98
(v) Loans	100.50
(vi) Other financial assets	109.63
(c) Other current assets	283.40
Total Current Assets	**5,138.71**
Total Assets	**7,288.71**
Equity and Liabilities	
(1) Equity	
(a) Equity Share capital	55.03
(b) Other equity	4,297.47
Total Equity	**4,352.50**
(2) Liabilities	
Non current liabilities	
(a) Financial liabilities	
(i) Other financial liabilities	3.87
(b) Provisions	100.95
(c) Deferred tax liabilities (net)	218.66
Total Non current liabilities	**323.48**

(Currency: Indian Rupees in million)

Particulars	**01-Apr-17**
Current liabilities	
(a) Financial liabilities	
(i) Borrowings	—
(ii) Trade payables	2,158.95
(iii) Other financial liabilities	123.23
(b) Other current liabilities	286.07
(c) Provisions	44.48
Total Current liabilities	**2,612.73**
Total Equity and Liabilities	**7,288.71**

Note-44 Subsequent Events

There are no significant subsequent events other than the merger of ECCL with the Company (refer note 43) that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note-45 General

All the amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sumitomo Chemical India Limited (formerly known as Sumitomo Chemical India Private Limited) (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income) , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit 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 Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in 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 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 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 management 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 whether the company has adequate internal financial controls with reference to 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.

We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements / financial information of three (3) subsidiaries, whose financial statements/financial information reflect total assets of ₹ 162.07 million as at 31 March 2019, total revenues of ₹ 132.09 million and net cash flows amounting to ₹ 25.94 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

All these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

The comparative financial information of the Company for the year ended 31 March 2018 prepared in accordance with Ind AS, included in these consolidated financial statements are adjusted to give effect to the merger of Excel Crop Care Limited ('ECCL') with the Company. The merger is pursuant to the Scheme of Amalgamation (Merger by absorption) ('Scheme') which has been approved by the Hon'ble National Company Law Tribunal, Mumbai bench ('NCLT'), vide its order dated 27 June 2019. The certified copy of the Order was received by the Company on 22 August 2019. The Scheme is effective from the appointed date of 01 April 2018, and the merger being a common control business combination, the comparative financial statements of the Company have been restated to record the merger from 01 April 2017. Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   (d) In our opinion, the aforesaid consolidated financial statements comply with the 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 2019 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 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements.
   ii. The Group has no long-term contracts including derivative contracts for which there were any material foreseeable losses.
   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 2019.
   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 consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.
3. 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 & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060
ICAI UDIN:19100060AAAAEJ1861

Mumbai
14 October 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT - 31 MARCH 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(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 Sumitomo Chemical India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March 2019, 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 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding 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 Holding 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 Holding 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 (hereinafter referred to as "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 controls 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 controls 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 authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060
ICAI UDIN: 19100060AAAAEJ1861

Mumbai
14 October 2019

SUMITOMO CHEMICAL INDIA LIMITED

(formerly known as Sumitomo Chemical India Private Limited)

CIN: U24110MH2000PLC124224

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019

(Currency: Indian Rupees in million)

	Notes	As at 31 March 2019	As at 31 March 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	**2,771.65**	2,647.87
(b) Capital work-in-progress	3	**31.86**	44.52
(c) Other Intangible assets	4	**21.35**	19.32
(d) Intangible assets under development		**48.72**	42.58
(e) Financial Assets			
(i) Investments	5	**1.41**	1.43
(ii) Loans	6	**78.46**	72.58
(f) Non-current tax assets (net)		**188.18**	248.22
(g) Other non-current assets	7	**43.90**	50.56
Total non-current assets		**3,185.53**	3,127.08
(2) Current Assets			
(a) Inventories	8	**6,805.83**	6,092.62
(b) Financial Assets			
(i) Trade receivables	9	**6,710.13**	5,517.60
(ii) Cash and cash equivalents	10a	**504.64**	735.46
(iii) Bank balances other than cash and cash equivalents mentioned in (ii) above	10b	**8.86**	7.78
(iv) Loans	11	**33.45**	36.62
(v) Other financial assets	12	**170.18**	103.67
(c) Other current assets	13	**1,181.05**	963.05
Total Current Assets		**15,414.14**	13,456.80
TOTAL ASSETS		**18,599.67**	16,583.88
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	**2,745.88**	2,745.88
(b) Other equity	15	**7,738.08**	6,794.15
Total Equity		**10,483.96**	9,540.03
(2) Liabilities			
Non-current liabilities			
(a) Provisions	16	**156.42**	127.10
(b) Deferred tax liabilities (net)	29	**145.92**	180.74
(c) Other non-current tax liabilities (net)		**52.15**	17.43
Total Non-current liabilities		**354.49**	325.27
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	**197.45**	101.46
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	18	**195.10**	129.11
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	18	**5,772.46**	5,143.45
(iii) Other financial liabilities	19	**632.02**	555.51
(b) Other current liabilities	20	**870.83**	700.54
(c) Provisions	21	**25.78**	22.93
(d) Current tax liabilities		**67.58**	65.58
Total Current Liabilities		**7,761.22**	6,718.58
Total Liabilities		**8,115.71**	7,043.85
TOTAL EQUITY AND LIABILITIES		**18,599.67**	16,583.88
Significant accounting policies	2		

The accompanying notes 1 to 45 are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

SUMITOMO CHEMICAL INDIA LIMITED

(formerly known as Sumitomo Chemical India Private Limited)

CIN: U24110MH2000PLC124224

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(Currency: Indian Rupees in million)

		Notes	**Year Ended 31 March, 2019**	Year Ended 31 March, 2018
REVENUE				
I.	Revenue from Operations	22	**22,117.43**	19,616.73
II.	Other income	23	**277.62**	304.68
III.	**Total Income (I+II)**		**22,395.05**	19,921.41
IV.	**Expenses**			
	Cost of materials consumed	24	**13,288.10**	10,770.08
	Purchase of stock-in-trade		**2,286.24**	2,082.74
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	**(984.81)**	(465.79)
	Excise duty		**—**	487.92
	Employee benefits expense	26	**1,615.26**	1,475.47
	Finance costs	27	**36.50**	28.36
	Depreciation and amortisation expense	3 & 4	**278.04**	237.31
	Other expenses	28	**3,277.28**	3,095.66
Total Expenses (IV)			**19,796.61**	17,711.75
V.	**Profit before Tax (III-IV)**		**2,598.44**	2,209.66
VI.	**Tax expense:**			
	1. Current Tax	29	**945.96**	798.85
	2. Adjustment of tax relating to earlier years	29	**27.86**	(15.78)
	3. Deferred Tax credit	29	**(33.35)**	(24.59)
	Total Tax Expenses (VI)		**940.47**	758.48
VII.	**Profit for the Year (V-VI)**		**1,657.97**	1,451.18
VIII.	**Other comprehensive income**			
	A. Items that will not be reclassified to Profit or Loss			
	Remeasurements of defined benefit liability		**2.23**	33.67
	Income tax related to items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		**1.47**	0.35
			3.70	34.02
	B. Items that will be reclassified to Profit or Loss			
	Exchange difference arising on transalation of foreign operations		**(2.69)**	16.54
	Total other comprehensive income for the year (VIII)		**1.01**	50.56
IX.	**Total comprehensive income for the year (VII + VIII)**		**1,658.98**	1,501.74
X.	**Earnings per equity share (Face value of ₹ 10 each)**			
	Basic and diluted earnings per share	30	**3.32**	2.91
Significant accounting policies		2		

The accompanying notes 1 to 45 are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

(Currency: Indian Rupees in million)

(a) Equity share capital

	Note	Amount
As at 1 April, 2017	14	2,745.88
Changes in equity share capital during the year		—
As at 31 March, 2018	14	**2,745.88**
As at 1 April, 2018		2,745.88
Changes in equity share capital during the year		—
As at 31 March 2019	14	**2,745.88**

(b) Other equity

Particulars	**Reserves & Surplus**				**Other comprehensive income**	
	General Reserve	**Securities Premium**	**Share Pending Issuance (refer note 42)**	**Retained earnings**	**Foreign Currency Translation reserve**	**Total Other equity**
Balance as at 1 April 2017	**3,981.58**	**2,350.60**	**2,245.58**	**1,670.23**	**7.86**	**10,255.85**
Consideration in excess of the carrying value of the net assets (including the reserves). Refer Note 42	(4,963.44)	—	—	—	—	(4,963.44)
Balance as at 1 April 2017	**(981.86)**	**2,350.60**	**2,245.58**	**1,670.23**	**7.86**	**5,292.41**
Profit for the year	—	—	—	1,451.18	—	1,451.18
Other comprehensive income for the year (net of tax)	—	—	—	34.02	16.54	50.56
Total comprehensive income for the year	**—**	**—**	**—**	**1,485.20**	**16.54**	**1,501.74**
Transfer to General Reserve	700.00	—	—	(700.00)	—	—
Balance as at 31 March 2018	**(281.86)**	**2,350.60**	**2,245.58**	**2,455.43**	**24.40**	**6,794.15**
Profit for the year				1,657.97	—	1,657.97
Other comprehensive income for the year (net of tax)	—	—	—	3.70	(2.69)	1.01
Total comprehensive income for the year	—	—	—	1,661.67	(2.69)	1,658.98
Transfer to General Reserve	800.00	—	—	(800.00)	—	—
Dividend on equity shares for the year (refer note 14f)	—	—	—	(590.53)	—	(590.53)
Dividend Distribution Tax (DDT) (refer note 14f)	—	—	—	(124.52)	—	(124.52)
Balance at 31 March 2019	**518.14**	**2,350.60**	**2,245.58**	**2,602.05**	**21.71**	**7,738.08**

Refer note 15 B for nature and purpose of reserves

The accompanying notes 1 to 45 are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

(Currency: Indian Rupees in million)

	Year Ended 31 March 2019	Year Ended 31 March 2018
A. Cash flow from operating activities		
Profit before tax	**2,598.44**	2,209.66
Adjustments for:		
Depreciation and Amortisation Expense	**278.04**	237.31
Bad Debts Written Off	**12.04**	30.57
Provision for Doubtful Debts / Write back	**72.54**	39.48
Excess Provisions in respect of earlier years written back (net)	**(200.74)**	(243.50)
(Profit) on sale / disposal of property, plant and equipment	**(2.17)**	(1.35)
Property, plant and equipment & Intangible Assets written off	**0.61**	24.33
Interest Income	**(37.26)**	(29.49)
Measurement of Investments at Fair Value through Profit & Loss	**0.02**	(0.03)
Dividend Income	**(0.92)**	(7.90)
Interest Expenses	**36.50**	28.36
Unrealised Exchange differences (net)	**27.61**	18.22
Operating cash flow before working capital changes	**2,784.71**	2,305.66
Working capital adjustments		
(Increase) in Trade Receivables	**(315.30)**	(360.25)
(Increase) in Inventories	**(1,794.24)**	(1,871.95)
(Increase) in Other Non Current Assets and Current Assets	**(278.70)**	(354.48)
Decrease in Long Term & Short Term Loans	**3.22**	91.13
Increase in Trade Payables	**1,037.76**	1,153.96
Increase in Long Term and Short Term Provisions	**45.72**	19.59
Increase in Other Non Current and Other Current Liabilities	**174.96**	321.87
Cash generated from operating activities	**1,658.13**	1,305.52
Income taxes paid (net)	**(881.28)**	(831.11)
Net cash flows generated from operating activities (A)	**776.85**	474.41
B. Cash flow from investing activities		
Purchase of property, plant and equipment, and intangible assets	**(397.33)**	(434.05)
Proceeds from Sale of property, plant and equipment	**7.70**	3.28
Purchase / (Sale) of Investments (net)	**(0.01)**	(2.85)
Proceeds / (Investments) in dividend accounts, net	**(1.07)**	1.27
Interest received	**36.81**	28.01
Dividend received	**0.92**	7.90
Loan given	**(0.21)**	—
Net cash flows used in investing activities (B)	**(353.19)**	(396.44)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

(Currency: Indian Rupees in million)

	Year Ended 31 March 2019	Year Ended 31 March 2018
C. Cash flow from financing activities		
Proceeds of short-term borrowings (net)	**95.99**	101.46
Interest paid	**(36.50)**	(28.36)
Dividend Paid	**(589.46)**	(1.27)
Tax on distributed Profits	**(124.51)**	—
Net cash flows generated from / (used in) from financing activities (C)	**(654.48)**	71.83
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(230.82)**	149.81
Cash and cash equivalents at the beginning of the year	**735.46**	585.65
Cash and cash equivalents at the end of the year (Refer note 10a)	**504.64**	735.46

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, 'Statement of Cash Flows'
2. Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated 27th June, 2019 ("NCLT order") has sanctioned the Scheme of Amalgamation (Merger by absorption) of Excel Crop Care Limited ("the Transferor Company" or "ECC") with Sumitomo Chemical India Limited ("the Transferee Company" or "SCIL" or "the Company") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013. The certified copy of the Order was received by the Company on 22nd August 2019.
3. The amendment to Ind AS 7 required entities to provide disclosures to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, the following disclosure has been given below :

Particulars	**31 March 2018**	**Cash flows**	**Non-Cash Changes**	**31 March 2019**
Short-term borrowings	101.46	95.99	—	197.45
	101.46	**95.99**	**—**	**197.45**

Significant accounting policies 2

The accompanying notes 1 to 45 are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

(Currency: Indian Rupees in million)

1 CORPORATE INFORMATION

Sumitomo Chemical India Limited ('SCIL' or 'the Company') (Formerly known as Sumitomo Chemical India Private Limited) was incorporated originally on February 15, 2000 and was converted from Private Limited to Public Limited w.e.f. 24th November 2018. SCIL is a subsidiary of Sumitomo Chemical Company Limited, Japan ('SCCL'). The Company is primarily engaged in manufacturing and sales of Household Insecticides, Agricultural Pesticides, Public Health Insecticides and Animal Nutrition Products. The Consolidated financial statements comprise of the Company and its subsidiaries (referred to collectively as 'the Group'). Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated 27th June, 2019 ("NCLT order") has sanctioned the Scheme of Amalgamation (Merger by absorption) of Excel Crop Care Limited ("the Transferor Company" or "ECC") with Sumitomo Chemical India Limited ("the Transferee Company" or "SCIL" or "the Company") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013. The certified copy of the Order was received by the Company on 22nd August 2019 (refer note 42).

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

a) Basis of preparation

These Consolidated financial statements have been prepared in accordance with Indian Accounting standards ("Ind AS") as notified, by the Ministry of Corporate Affairs, under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as subsequently amended and other relevant provisions of the act.

The Consolidated financial statements for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 14 October, 2019.

The list of subsidiary companies considered for consolidation together with proportion of shareholding held by the Group is as follows:

Name of subsidiaries	Country of incorporation	As at 31 March 2019 % holding	As at 31 March 2018 % holding
Excel Crop Care (Australia) Pty. Limited	Australia	–	100
Excel Crop Care (Europe) N V	Belgium	99.00	100
Excel Crop Care (Africa) Limited	Tanzania	99.94	100

Excel Crop Care (Australia) Pty Ltd., wholly-owned subsidiary in Australia, has been closed with effect from 8th March, 2019. The entire loss on account closure of the subsidiary has been accounted for in the current year.

Current-non-current classification:

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non current.

a. An asset shall be classified as current when it satisfies any of the following criteria:
   i) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
   ii) it is held primarily for the purpose of being traded;
   iii) it is expected to be realized within twelve months after the reporting date; or
   iv) it is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

   Current assets include the current portion of non-current financial assets.

b. All assets other than current assets shall be classified as non-current.

c. A liability shall be classified as current when it satisfies any of the following criteria:
   i) it is expected to be settled in the Group's normal operating cycle;
   ii) it is held primarily for the purpose of being traded;
   iii) it is due to be settled within twelve months after the reporting date; or
   iv) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

   Current liabilities include the current portion of non-current financial liabilities.

b) Basis of measurement

These Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i) Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments -2.5 (q),

ii) Defined benefit plans – plan assets/(liability) and share based payments measured at fair value (Note 36)

b) Principles of consolidation

The Company consolidates all the entities which are controlled by it. The Company establishes control when, it has the power over the entity, is exposed or has rights to variable return from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interest and no controlling interest are adjusted to reflect the change in their relative interest in the subsidiaries. Any difference between the amount at which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Company.

2.2 Key Accounting Estimates, judgments and assumptions

The preparation of these Consolidated financial statements in conformity with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Consolidated balance sheet and statement of profit and loss. The management believes that the estimates used in preparation of these Consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

The areas involving critical estimates or judgments are:

i. Property, plant and equipment & Intangible assets.

Determination of the estimated useful lives of tangible and intangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. (Note 2.5(c))

ii. Discounting of long-term financial instruments:

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

iii. Fair value of financial instruments:

Derivatives are carried at fair value. Derivatives includes Foreign currency forward contracts, fair value of which, is determined using the fair value reports provided by respective merchant bankers. (Note 2.3)

iv. Impairment of Financial and Non Financial Asset:

Impairment of financial and Non-Financial assets (Note 2.5 (d)) for Non Financial assets and (Note 2.5(p)) for financial assets

v. Recognition and measurement of provisions and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions. (Refer 2.5(k))

vi. Assessment of lease transactions

Management assesses the contractual terms of the lease agreements to evaluate whether it is an operating lease or finance lease. (Refer 2.5(f))

vii. Recognition and measurement of defined benefit obligations

Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. (Refer 2.5(g))

2.3 Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.4 Standard Issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2019:

IND AS 116-Leases:

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed an initial assessment of the potential impact on its Consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the Consolidated financial statements would be as follows:

- the total assets and liabilities on the Consolidated balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straight line basis whilst the lease liability reduces by the principal amount of repayments;
- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Group at various stages of their terms; and
- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

  The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach, with no restatement of comparative information.

  The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Other amendments

The MCA has notified below amendments which are effective 1st April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Group does not expect these amendments to have any significant impact on its Consolidated financial statements.

2.5 Statement of significant accounting policies

a Property, plant and equipment

Recognition and measurement:

Items of property, plant and equipment, other than Freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and all purchase applicable taxes, after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is recognised in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs and related incidental expenses.

Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

b Intangible assets

The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.Technical know-how fees for new product development is amortised over the period not exceeding five years from the date of agreement with supplier of technology.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

c Depreciation and amortisation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Act, except for the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Act:

Leasehold land and leasehold improvements are amortised over the term of lease.

The key assets and related lives are:

Nature of asset	Life in Years
Furniture and fixtures	2 to 20
Office equipment	2 to 21
Vehicles	3 to 7
Buildings	5 to 38
Plant and machinery (including computers)	3 to 10
Electrical installation	10 to 15
Factory road	10

Assets costing less than INR 5,000/- are fully depreciated in the year of purchase.

Amortisation in respect of all the intangible assets is provided on straight line method over the useful lives of assets.

Nature of asset	Life in Years
Data Registration Expenses	3
Software and License and Registration	4
Technical Knowhow	5

d Impairment

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater 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.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

e Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Raw materials and packing materials, components, stores and spares: Cost is determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventory.

ii) Work-in-progress and finished goods. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity and other cost bringing the inventories at their present condition and location. Cost is determined on weighted average basis.

iii) Traded products: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

f Leases

Operating leases

Where the Group is the Lessee

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Payments made under operating leases are recognised in Statement of Profit and Loss on a straight-line basis over the lease term

Where the Group is the Lessor

The Group has leased certain tangible assets, and such leases, where the Group has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term.

g Employee benefits

1) Short-term employee benefits

Defined contribution plans

The Group makes contribution towards provident fund, pension fund, superannuation fund and employee's state insurance contribution to a defined contribution retirement benefit plan for qualifying employees. Both the employee and the Group makes monthly contribution equal to a specified percentage of the covered employee's salary or a fixed monthly contribution. The monthly contributions payable by the Group are charged to the Consolidated statement of profit and loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognised during the period when the employee renders the service.

2) Other long-term benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the balance sheet date using Projected unit cost method.

h Foreign currency transactions

i. Functional and Presentation currency

The Group's financial statements are prepared in Indian Rupees (INR) which is also the Group's functional currency.

ii. Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

iii. Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

In respect of non-monetary items, where a gain or loss is recognized in other comprehensive income as required by other Ind AS, the exchange component of that gain or loss is also recognized in other comprehensive income.

iv. Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Consolidated Statement of Profit and Loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operations recognized in OCI is reclassified to Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

i Income taxes

Tax expense for the year comprises of current tax and deferred tax charge or credit. It is recognised in profit or loss except to the extent that it relates items recognised directly in equity or in OCI.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

j Earnings per share

The basic earnings per equity share ('EPS') is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

k Provisions and contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l Research and development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period expected future sales from the related project, not exceeding ten years.

m Cash and cash equivalents

In Cash flow statement, cash and cash equivalents includes cash in hand, bank balances, term deposits with banks and other short term highly liquid investments with original maturities within three months or less.

n Segmental Reporting

The Operating Segment is the level at which discrete financial information is available. Business segments are identified considering :

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are separately. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

o Revenue Recognition

Effective April 1, 2018, the Group has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the Consolidated financial statements of Group is insignificant.

i. Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

ii. Other income

a. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.

b. Revenue in respect of insurance / other claims, Interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.

c. Dividend income is recognised in profit or loss on the date on which right to receive the payment is established.

iii. Sale of services

Revenue from services contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of service tax.

p Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

i. Financial assets

Classification

The Group classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Impairment of financial assets

Financial assets of the Group comprise of trade receivable and other receivables consisting of debt instruments e.g., loans, debt securities, deposits, and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in Consolidated statement of profit or loss for the period.

Equity Investments:

All other equity investments are measured at fair value. Equity instruments, which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Group has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

ii. Financial liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives which are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Consolidated Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet 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.

q Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater 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.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets, such reversal is not recognised.

r Borrowing Cost

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

s Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. As per Corporate laws in India, a distribution in the nature of final dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

t Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder 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 Consolidated financial statements of the Group in the same form in which they appeared in the Consolidated financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(Currency: Indian Rupees in million)

Note-3 Property, plant and equipment and capital work in progress

For the year ended 31 March 2019

	Gross Block				Accumulated Depreciation				Net Block	
BLOCK OF ASSET	**As at 1 April 2018**	**Additions**	**Disposals/ Adjustments**	**As at 31 March 2019**	**As at 1 April 2018**	**Charge for the year**	**Deduction during the year**	**As at 31 March 2019**	**As at 31 March 2019**	**As at 31 March 2018**
Land - Freehold	117.62	—	—	**117.62**	—	—	—	**—**	**117.62**	117.62
Leasehold land	163.41	—	—	**163.41**	4.92	2.46	—	**7.38**	**156.03**	158.49
Factory road	3.17	—	—	**3.17**	1.08	0.54	—	**1.62**	**1.55**	2.09
Buildings	618.87	59.91	—	**678.78**	46.89	41.96	—	**88.85**	**589.93**	571.98
Plant & Machinery	1,843.55	259.90	10.05	**2,093.40**	227.90	165.64	5.63	**387.91**	**1,705.49**	1,615.65
Furniture and fixtures	48.49	6.35	0.17	**54.67**	13.73	9.06	0.05	**22.74**	**31.93**	34.76
Vehicles	64.78	19.80	5.28	**79.30**	11.87	13.25	4.04	**21.08**	**58.22**	52.91
Office equipments	45.41	16.93	0.60	**61.74**	14.05	8.86	0.39	**22.52**	**39.22**	31.36
Leasehold improvements	8.46	—	—	**8.46**	5.56	1.45	—	**7.01**	**1.45**	2.90
Electrical installations	55.54	15.86	—	**71.40**	14.69	8.96	—	**23.65**	**47.75**	40.85
Laboratory equipments	24.65	5.51	(1.31)	**31.47**	5.39	2.93	(0.69)	**9.01**	**22.46**	19.26
	2,993.95	**384.26**	**14.79**	**3,363.42**	**346.08**	**255.11**	**9.42**	**591.77**	**2,771.65**	**2,647.87**

Capital work in progress

Capital work in progress as at 31st March, 2019 is ₹ 31.86 million (31 March 2018: ₹ 44.52 million)

For the year ended 31 March 2018

	Gross Block						Accumulated Depreciation						Net Block	
BLOCK OF ASSET	**As at 1 April 2017**	**Effect of merger of ECCL (refer note 42)**	**Cost as at 1 April 2017**	**Additions**	**Disposals**	**As at 31 March 2018**	**As at 1 April 2017**	**Effect of merger of ECCL (refer note 42)**	**Accumulated Depreciation as at 1 April 2017**	**Charge for the year**	**Deduction during the year**	**As at 31 March 2018**	**As at 31 March 2018**	**As at 31 March 2017**
Land - Freehold	—	117.62	117.62	—	—	117.62	—	—	—	—	—	—	117.62	117.62
Leasehold land	163.41	—	163.41	—	—	163.41	2.46	—	2.46	2.46	—	4.92	158.49	160.95
Factory road	3.17	—	3.17	—	—	3.17	0.54	—	0.54	0.54	—	1.08	2.09	2.63
Buildings	97.03	321.22	418.25	200.62	—	618.87	13.02	9.56	22.58	24.31	—	46.89	571.98	395.67
Plant & Machinery	248.11	1,407.15	1,655.26	266.27	77.98	1,843.55	33.83	112.09	145.92	147.75	65.77	227.90	1,615.65	1,509.34
Furniture and fixtures	30.09	11.25	41.34	8.85	1.70	48.49	4.14	2.83	6.97	8.40	1.64	13.73	34.76	34.37
Vehicles	15.46	55.21	70.67	7.92	13.81	64.78	4.13	8.24	12.37	12.15	12.65	11.87	52.91	58.30
Office equipments	25.26	12.61	37.87	9.30	1.76	45.41	3.38	5.28	8.66	6.98	1.59	14.05	31.36	29.21
Leasehold improvements	8.46	—	8.46	—	—	8.46	4.11	—	4.11	1.45	—	5.56	2.90	4.35
Electrical installations	—	47.92	47.92	8.91	1.29	55.54	—	7.66	7.66	8.18	1.15	14.69	40.85	40.26
Laboratory equipments	—	21.32	21.32	4.03	0.70	24.65	—	2.91	2.91	3.17	0.69	5.39	19.26	18.41
	590.99	**1,994.30**	**2,585.29**	**505.90**	**97.24**	**2,993.95**	**65.61**	**148.57**	**214.18**	**215.40**	**83.48**	**346.08**	**2,647.87**	**2,371.11**

Capital work in progress

Capital work in progress as at 1 April 2017	74.04
Effect of merger of ECCL (refer note 42)	57.32
Balance as at 1 April 2017	131.36
Balance as at 31 March 2018	**44.52**

Notes:

1. Buildings include ₹ 0.002 million (31 March, 2018 : ₹ 0.002 million) being the value of shares in co-operative housing societies.
2. The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 38 B.
3. For Property, plant and equipment pledged as security refer Note 18.

(Currency: Indian Rupees in million)

Note-4 Intangible assets

For the year ended 31 March 2019

	Gross Block				Accumulated Amortisation				Net Block	
PARTICULARS	As at 1 April 2018	Additions	Disposals	As at 31 March 2019	As at 1 April 2018	Charge for the year	Deduction during the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Data registration expenses	44.40	22.49	—	**66.89**	32.32	16.60	—	**48.92**	**17.96**	12.08
Software	0.19	—	—	**0.19**	0.04	0.08	—	**0.12**	**0.07**	0.15
License and Registration	9.64	2.47	—	**12.11**	5.70	3.10	—	**8.80**	**3.32**	3.94
Technical Know-how	9.45	—	—	**9.45**	6.30	3.15	—	**9.45**	—	3.15
	63.68	**24.96**	**—**	**88.64**	**44.36**	**22.93**	**—**	**67.29**	**21.35**	**19.32**

For the year ended 31 March 2018

	Gross Block						Accumulated Amortisation						Net Block	
PARTICULARS	As at 1 April 2017	Effect of merger of ECCL (refer note 42)	Cost as at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Effect of merger of ECCL (refer note 42)	Accumulated Depreciation as at 1 April 2017	Charge for the year	Deduction during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Data registration expenses	—	35.49	35.49	8.91	—	44.40	—	16.47	16.47	15.85	—	**32.32**	**12.08**	19.02
Software	—	—	—	0.19	—	0.19	—	—	—	0.04	—	**0.04**	**0.15**	—
License and Registration	—	7.41	7.41	2.23	—	9.64	—	2.83	2.83	2.87	—	**5.70**	**3.94**	4.58
Technical Know-how	—	9.45	9.45	—	—	9.45	—	3.15	3.15	3.15	—	**6.30**	**3.15**	6.30
	—	**52.35**	**52.35**	**11.33**	**—**	**63.68**	**—**	**22.44**	**22.44**	**21.91**	**—**	**44.35**	**19.32**	**29.90**

Note-5 Non current Investments

		Numbers		Amount	
		As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
A	**Investments at Fair value through Profit or loss**				
	Investments in Equity Instruments				
	Investments in Other entities (Quoted)				
	Tata Steel Limited Face Value of ₹ 10 each fully paid-up	**393**	393	**0.21**	0.23
	Tata Steel Limited Face Value of ₹ 10 each partly paid-up	**27**	27	**0.00**	0.00
	Investments in Other entities (Unquoted)				
	Investment in co-operative societies	**9132**	9132	**1.17**	1.17
B	**Investments stated at Amortised cost**				
	Investments in Government securities (Unquoted)				
	National Saving Certificates Face Value ₹ 0.03 million			**0.03**	0.03
	Total			**1.41**	1.43
	Aggregate Market Value of Quoted Investments			**0.21**	0.23
	Aggregate amount of Quoted Investments			**0.21**	0.23
	Aggregate amount of Unquoted Investments			**1.20**	1.20
	Aggregate amount of impairment in value of investments			**—**	—

(Currency: Indian Rupees in million)

Note-6 Non Current Loans

	As at 31 March 2019	As at 31 March 2018
Security deposits	**69.33**	63.15
Loans to employees	**9.13**	9.43
Total	**78.46**	72.58
Sub-classification of Loans:		
Loan Receivables considered good- Secured	**—**	—
Loan Receivables considered good- Unsecured	**78.46**	72.58
Loan Receivables which have significant increase in Credit Risk	**—**	—
Loan Receivables - credit impaired	**—**	—

Note-7 Other non-current assets

	As at 31 March 2019	As at 31 March 2018
Capital advances	**41.17**	46.55
Prepaid expenses	**2.73**	3.98
Others	**—**	0.03
Total	**43.90**	50.56

Note-8 Inventories

	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and net realisable value)		
Raw Materials (including in transit as on 31 March 2019, 375.23 million, 31 March 2018 : 827.80 million)	**1,888.79**	2,182.45
Work-in-progress	**331.37**	453.04
Finished Goods (including in transit as on 31 March 2019, 2.72 million, 31 March 2018 : 0.58 million)	**3,964.69**	2,706.06
Stock-in-Trade	**299.96**	452.11
Containers and Packing Materials	**295.72**	278.67
Stores and Spares (including Fuel)	**25.30**	20.29
Total	**6,805.83**	6,092.62

During the year ended 31 March 2019, an amount of ₹ 18.59 million was charged to the Statement of Profit and Loss on account of damaged and slow moving inventories (31 March 2018 ₹ 20.41 million).

Note-9 Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade Receivables considered good- Secured	**42.58**	3.70
Trade Receivables considered good- Unsecured	**6,667.55**	5,513.90
Trade Receivables which have significant increase in credit risk	**—**	—
Trade Receivables – credit impaired	**368.04**	295.47
	7,078.17	5,813.07
Less: Allowance for expected credit loss	**368.04**	295.47
	6,710.13	5,517.60

Note:

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided. Refer note 34 for information about credit risk and market risk of trade receivables.

(Currency: Indian Rupees in million)

Note-10a Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balance with banks :		
In current account	**300.28**	509.81
In deposit accounts (with original maturity of less than three months)	**201.50**	225.22
Cash on hand	**0.50**	0.24
Cheques on hand	**2.36**	0.19
Total	**504.64**	735.46

Note-10b Bank Balances Other than Cash and Cash Equivalents

	As at 31 March 2019	As at 31 March 2018
Deposits with maturity more than 3 months but less than 12 months	**0.08**	0.07
In unpaid dividend accounts earmarked with banks*	**8.78**	7.71
Total	**8.86**	7.78

* These balances are not available for use by the Group as they represent corresponding unclaimed dividend liabilities.

Note-11 Current Loans

	As at 31 March 2019	As at 31 March 2018
Security deposits		
Considered good- Unsecured	**20.69**	22.49
Security deposits which have significant increase in credit risk	**—**	—
Security deposits – credit impaired	**2.71**	2.71
Less: Provision for doubtful security deposits	**(2.71)**	(2.71)
Loans to employees		
Considered good- Unsecured	**5.75**	8.01
Loans to employees which have significant increase in credit risk		
Loans to employees – credit impaired	**0.43**	0.43
Less: Provision for doubtful loans	**(0.43)**	(0.43)
Earnest money deposit	**4.91**	4.28
Others	**2.10**	1.84
Total	**33.45**	36.62

Note-12 Other current financial assets

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good unless otherwise stated		
Advance to employees	**15.16**	16.75
Export incentive receivable	**122.62**	72.58
Derivatives - foreign exchange forward contracts	**29.30**	11.18
Others	**3.10**	3.16
Total	**170.18**	103.67

(Currency: Indian Rupees in million)

Note-13 Other current assets

	As at 31 March 2019	As at 31 March 2018
Balances with government authorities	**918.50**	767.58
Prepaid expenses	**62.44**	29.03
Contract Asset (Right to Receive Inventory)	**24.59**	—
Employee benefit assets (Refer note 36)	—	7.11
Others (advances other than capital advances)	**175.52**	159.33
Total	**1,181.05**	963.05

Note-14 Share Capital

	Number of shares		**Amount**	
	As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Authorised				
Equity shares of ₹ 10 each	**494,000,000**	300,000,000	**4,940.00**	3,000.00
	494,000,000	300,000,000	**4,940.00**	3,000.00
Issued, subscribed and paid-up:				
Equity shares of ₹ 10 each, fully paid-up	**274,588,095**	274,588,095	**2,745.88**	2,745.88
	274,588,095	274,588,095	**2,745.88**	2,745.88

a) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2019		As at 31 March 2018	
Equity shares	**Number**	**Amount**	Number	Amount
At the commencement of the year	**274,588,095**	**2,745.88**	274,588,095	2,745.88
Equity shares issued during the year	—	—	—	—
At the end of the year	**274,588,095**	**2,745.88**	274,588,095	2,745.88

b) Particulars of shareholders holding more than 5% of a class of shares

Name of shareholder	**Relationship**	**As at 31 March 2019**		As at 31 March 2018	
		No. of Shares	**%**	No. of Shares	%
Sumitomo Chemical Company Limited, Japan	Holding Company	**274,588,093**	**99.99%**	274,588,093	99.99%

c) Particulars of shares held by holding company and associates

Name of shareholder	**Relationship**	**31 March 2019**		31 March 2018	
		No. of Shares	**%**	No. of Shares	%
Sumitomo Chemical Company Limited, Japan *	Holding Company	**274,588,093**	**99.99%**	274,588,093	99.99%
SC Enviromental Science Co. Ltd, Japan	Associate Company	**2**	**0.01%**	2	0.01%
		274,588,095	**100.00%**	274,588,095	100.00%

* Sumitomo Chemical Company Limited, Japan is beneficial owner of five shares of the Company and have nominated five shareholders for each such share.

d) Terms/rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(Currency: Indian Rupees in million)

e) The above disclosures, are without giving effect to the further issuance of equity shares. Also, the authorised share capital of the Company will be increased by the authorised share capital of ECCL pursuant to the Scheme of Amalgamation. (refer note 42).

f) Dividend on Equity Share declared and paid during the year

	Year ended 31 March 2019	Year ended 31 March 2018
Interim dividend on 274,588,095 Shares @ ₹ 1.87 per share for FY 2018-19 (2017-18: ₹ Nil per share) on equity shares of ₹ 10 each	**513.48**	—
Dividend distribution tax on interim dividend	**105.55**	—
Final dividend on 8,806,182 shares @ ₹ 8.75 for FY 2017-18 (2016-17: ₹ Nil per share) on equity shares of ₹ 5 each	**77.05**	—
Dividend distribution tax on final dividend	**18.97**	—
Total	**715.05**	—

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend on equity shares not recognised as liability		
Interim dividend paid subsequent to 31st March 2019 on 274,588,095 shares @ ₹ 0.22 per share for FY 2018-19 (2017-18: ₹ Nil per share) on equity shares of ₹ 10 each	**60.41**	—
Dividend distribution tax on interim dividend	**12.42**	—
Interim dividend paid subsequent to 31st March 2019 on 11,005,630 shares @ ₹ 6.25 per share for FY 2018-19 (2017-18: ₹ Nil per share) on equity shares of ₹ 5 each	**68.79**	—
Dividend distribution tax on interim dividend	**13.88**	—
Proposed Final dividend on 499,145,376 shares @ 0.20 per share on equity shares of ₹ 10 each for FY 2018-19 (2017-18: ₹ 8.75 per 8,806,182 shares on equity shares of ₹ 5 each)	**99.83**	77.05
Dividend distribution tax on final dividend	**20.52**	18.97
	275.85	96.02

Note-15 Other Equity

A. Summary of Other Equity Balance

	As at 31 March 2019	As at 31 March 2018
General reserve		
Balance at the beginning of the year	**(281.86)**	3,981.58
Add: Consideration in excess of the carrying value of net assets (including the reserves) refer Note 42	**—**	(4,963.44)
Balance at the beginning of the year	**(281.86)**	(981.86)
Add: Amount transferred from Retained earnings	**800.00**	700.00
Balance at the end of the year	**518.14**	(281.86)
Securities premium	**2,350.60**	2,350.60
Foreign Currency Translation Reserve		
Balance as per last financial statements	**24.40**	7.86
Add / (Less) : Exchange difference during the year on account of net investments in Non-integral foreign operations	**(2.69)**	16.54
Closing balance	**21.71**	24.40
Share pending issuance (refer note 42)	**2,245.58**	2,245.58

(Currency: Indian Rupees in million)

	As at 31 March 2019	As at 31 March 2018
Retained earnings		
Balance at the beginning of the year	**2,455.43**	1,670.23
Additions during the year:		
Profit for the year	**1,657.97**	1,451.18
Other comprehensive income for the year, net of tax	**3.70**	34.02
Reductions during the year:		
Dividends (refer note 14f)	**(590.53)**	—
Income Tax on dividend (refer note 14f)	**(124.52)**	—
Transfer to General Reserve	**(800.00)**	(700.00)
Net surplus of retained earnings	**2,602.05**	2,455.43
Balance at the end of the year	**7,738.08**	6,794.15

B. Nature and purpose of each reserves

1. General Reserve

The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

2. Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The Securities Premium is utilised in accordance with the provisions of the Companies Act, 2013

3. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

4. Share pending issuance

Share pending issuance represents shares to be issued for pursuant to merger of Excel Crop Care Limited with the Company. (refer note 42).

Note-16 Non current Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for Employee Benefits		
Compensated absences	**146.86**	127.10
Gratuity (refer note 36)	**9.56**	—
Total	**156.42**	127.10

Note-17 Borrowings

	As at 31 March 2019	As at 31 March 2018
Loans repayable on demand		
From banks:		
On cash / packing credit accounts (secured) (refer note below)	**—**	101.46
On working capital demand loan (unsecured)	**110.00**	—
On overdraft account (unsecured)	**87.45**	—
Total	**197.45**	101.46

The secured borrowings from banks carries interest @ 9.50% p.a. and are secured by way of hypothecation of all tangible movable assets, both present and future, including stock of raw materials, finished goods, work-in-process, stores and trade receivables.

(Currency: Indian Rupees in million)

Note-18 Current Trade payables

	As at 31 March 2019	As at 31 March 2018
Due to micro enterprises and small enterprises (Refer note 38)	**195.10**	129.11
Due to others	**5,772.46**	5,143.45
Total	**5,967.56**	5,272.56

Note-19 Other Current financial liabilities

	As at 31 March 2019	As at 31 March 2018
Salary, wages and bonus payable	**314.46**	302.40
Security and trade deposits	**259.21**	237.88
Unclaimed dividend	**8.78**	7.71
Derivative financial liabilities — forward contracts	**49.57**	7.52
Total	**632.02**	555.51

Note-20 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Contract liabilitiies (advance received from customers)	**539.08**	524.66
Statutory dues (including provident fund, tax deducted at source and others)	**310.10**	169.46
Other payables	**21.65**	6.42
Total	**870.83**	700.54

Note-21 Current Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Compensated Absences	**24.51**	22.93
Other provision	**1.27**	—
Total	**25.78**	22.93

Note-22 Revenue from Operations

	Year Ended 31 March 2019	Year Ended 31 March 2018
A. Sales of products (including excise duty)*	**21,790.43**	19,353.73
B. Sale of services	**0.83**	7.25
C. Other operating revenue		
a) Export incentives	**288.37**	219.82
b) Commission income	**0.98**	2.91
c) Miscellaneous receipts	**36.82**	33.02
	326.17	255.75
Total	**22,117.43**	19,616.73

*** Upto 30 June 2017**

Notes:

Sales for the year ended March 31, 2019 and March 31, 2018, is net of Goods and Service tax (GST). However, for the previous year ended March 31, 2018, sales till period ended 30 June, 2017 is gross of excise duty.

(Currency: Indian Rupees in million)

a. Revenue information

	Year Ended 31 March 2019
Revenue by product categories	
Agro Chemicals	**19,531.38**
Industrial Chemical	**2,106.97**
Public Health	**152.08**
Total	**21,790.43**

b. Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year Ended 31 March 2019
Revenue as per contracted price	**24,741.28**
Rebates/Discounts	**(2,531.02)**
Sales returns	**(419.83)**
Revenue from contract with customers	**21,790.43**

c. Contract Balances

	Year Ended 31 March 2019	Year Ended 31 March 2018
Trade receivables (Note 9)	**6,710.13**	5,517.60
Contract assets (Note 13)	**24.59**	—
Contract liabilities (Note 20)	**539.08**	524.66

Note:

Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of goods at the reporting date.

Note-23 Other Income

	Year ended 31 March 2019	Year Ended 31 March 2018
Interest income		
On national savings certificates and bank deposit carried at amortised cost	**3.22**	6.28
On interest income on security deposits	**30.09**	23.21
On income tax refund	**3.95**	—
Dividend income		
On quoted equity instruments measured at Fair value through Profit & loss	**0.00**	0.00
On mutual fund investments	**0.92**	7.90
Other non operating income		
Rent received (refer note 33)	**4.25**	8.79
Gain on revaluation on quoted equity instruments measured at Fair value through Profit & loss	—	0.03
Excess provision no longer required written back	**200.74**	243.50
Net profit on sale of property, plant & equipment	**2.17**	1.35
Miscellaneous income	**32.28**	13.62
Total	**277.62**	304.68

(Currency: Indian Rupees in million)

Note-24 Cost of materials consumed

	Year Ended 31 March 2019	Year Ended 31 March 2018
Raw materials consumed		
Opening Inventory	**2,182.45**	1,562.83
Add: Purchases (Net)	**11,294.18**	9,952.03
	13,476.63	11,514.86
Less: Closing Inventory	**1,888.79**	2,182.45
	11,587.84	9,332.41
Containers and packing materials consumed		
Opening Inventory	**278.67**	269.12
Add: Purchases (Net)	**1,717.31**	1,447.22
	1,995.98	1,716.34
Less: Closing Inventory	**295.72**	278.67
	1,700.26	1,437.67
Total cost of materials consumed	**13,288.10**	10,770.08

Note-25 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year Ended 31 March 2019	Year Ended 31 March 2018
Opening Inventories :		
Work in progress (refer note 8)	**453.04**	250.93
Finished goods (refer note 8)	**2,706.06**	2,784.16
Stock-in-Trade (refer note 8)	**452.11**	307.21
Less: Allocated towards corporate social responsibility	—	(3.41)
Less: Closing Inventories:		
Work in progress (refer note 8)	**331.37**	453.04
Finished goods (refer note 8)	**3,964.69**	2,706.06
Stock-in-Trade (refer note 8)	**299.96**	452.11
Changes In Inventories:		
Work in progress	**121.67**	(202.11)
Finished goods	**(1,258.63)**	74.69
Stock-in-Trade	**152.15**	(144.90)
	(984.81)	(272.32)
Excise Duty on increase / (decrease) of finished goods	—	(193.47)
Total	**(984.81)**	(465.79)

Note-26 Employee benefits expense

	Year Ended 31 March 2019	Year Ended 31 March 2018
Salaries and wages, bonus etc.	**1,414.49**	1,285.77
Contribution to provident and other funds (refer note 36)	**84.84**	76.51
Gratuity expense (refer note 36)	**24.09**	27.29
Staff welfare expenses	**91.84**	85.90
	1,615.26	1,475.47

(Currency: Indian Rupees in million)

Note-27 Finance costs

	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest expense on borrowings	**21.77**	15.66
Other	**14.73**	12.70
	36.50	28.36

Note-28 Other expenses

	Year Ended 31 March 2019	Year Ended 31 March 2018
Processing charges	**21.62**	38.67
Contract and labour charges	**209.02**	195.46
Carriage and freight	**317.97**	338.19
Power and fuel	**260.30**	246.88
Stores and spares consumed	**64.17**	58.11
Repairs and Maintenance		
Buildings	**8.42**	7.46
Plant and Equipment	**183.24**	194.48
Others	**49.30**	38.63
Rent (refer note 33)	**159.67**	144.37
Rates and taxes	**33.06**	35.09
Insurance	**28.26**	23.37
Travelling and conveyance	**406.51**	352.05
Sales promotion and advertisement	**523.70**	534.00
Donations	**1.15**	29.60
Commission	**77.81**	71.36
Corporate social responsibility (refer note 40)	**40.97**	35.43
Provision for doubtful debts	**72.54**	39.48
Bad debts written off	**12.04**	30.57
Directors sitting fees	**7.20**	6.52
Property, Plant and Equipment and Intangible assets written off	**0.61**	24.33
Exchange difference (net)	**56.46**	22.67
Research and development	**6.24**	13.65
Product testing expenses	**27.27**	19.93
Communication expenses	**17.73**	21.89
Legal and professional fees	**166.70**	101.96
Sub-Contracting Charges	**271.34**	214.78
Bank charges	**10.95**	25.39
Payment to auditors (refer note below)	**11.54**	8.05
Security charges	**20.22**	19.74
Miscellaneous expenses	**211.27**	203.55
	3,277.28	3,095.66

Note:

Auditors remuneration (Net of taxes where applicable)

Statutory audit fees	**7.18**	6.71
Tax Audit Fees	**0.50**	0.50
Others		
Fees for other audit related services	**3.45**	0.60
Reimbursement of out-of-pocket expenses	**0.41**	0.24
	11.54	8.05

(Currency: Indian Rupees in million)

Note-29 Income taxes

A. The major components of Income tax expenses for the year is as under:

(i) Income tax recognized in the Statement of Profit and Loss:

	Year Ended 31 March 2019	Year Ended 31 March 2018
Current income tax		
In respect of current year	**945.96**	798.85
Adjustment of tax related to earlier years	**27.86**	(15.78)
Deferred tax Charge/ (credit)		
Origination and reversal of temporary difference	**(33.35)**	(24.59)
Income tax expense recognized in the Statement of Profit and Loss	**940.47**	758.48

(ii) Deferred Tax related to items recognised in other comprehensive income

	Year Ended 31 March 2019	Year Ended 31 March 2018
On remeasurements of the defined benefit plans	**1.47**	0.35
	1.47	0.35

B. Reconciliation of effective Tax rate

	Year Ended 31 March 2019	Year Ended 31 March 2018
Profit before tax	**2,598.44**	2,209.66
Statutory Income Tax Rate	**34.944%**	34.610%
Expected Income tax Expenses	**908.00**	764.76
Tax effect of:		
Weighted deduction on research and development expenses	**16.84**	19.06
Tax effect on non-deductible expenses	**(15.53)**	(21.80)
Deduction under section 80IA	**9.35**	10.37
Effect of Income that is exempted from tax	**0.80**	2.99
Interest on tax expense not deductible for tax purposes	**(4.41)**	(2.81)
Impact of change in rate	**—**	(2.48)
Difference in tax rate (lower/higher) due different jurisdiction	**0.84**	(3.09)
Deferred Tax no longer required on unrealised fluctuation loss/gain	**—**	1.01
Others	**(12.50)**	(12.76)
Tax expense as per profit or loss	**912.61**	774.27
Adjustment in respect of current income tax of previous year	**27.87**	(15.79)
Total Income Tax Expense	**940.48**	758.48

C. The major components of deferred tax (liabilities)/assets arsing on account of temporary differences are as follows:

Movement during the year ended 31st March, 2019	**Net deferred tax asset/(liability) 2018**	**Recognised in profit or loss**	**Recognised in OCI**	**Net deferred tax asset/(liability) March 31, 2019**	**Deferred tax asset**	**Deferred tax liability**
Depreciation	(391.44)	(12.13)	—	(403.57)	—	(403.57)
Provision for doubtful debts and advances	102.29	25.07	—	127.36	127.36	—
Fair value gain/(loss) on investments	0.07	(0.08)	—	(0.01)	—	(0.01)
Expenses allowable for tax purposes when paid	85.63	3.85	1.47	90.95	90.95	—
Other temporary differences	22.71	16.64	—	39.35	39.35	—
Deferred tax liabilities (net)	**(180.74)**	**33.35**	**1.47**	**(145.92)**	**257.66**	**(403.58)**

(Currency: Indian Rupees in million)

Movement during the year ended 31st March, 2018	**Net deferred tax asset/(liability) 1 April 2017**	**Recognised in profit or loss**	**Recognised in OCI**	**Net deferred tax asset/(liability) March 31, 2018**	**Deferred tax asset**	**Deferred tax liability**
Depreciation	(355.10)	(36.34)	—	(391.44)	—	(391.44)
Provision for doubtful debts and advances	94.36	7.93	—	102.29	102.29	—
Fair value gain/(loss) on investments	0.48	(0.41)	—	0.07	0.07	—
Expenses allowable for tax purposes when paid	53.55	31.73	0.35	85.63	85.63	—
Other temporary differences	1.03	21.68	—	22.71	22.71	—
Deferred tax liabilities (net)	**(205.68)**	**24.59**	**0.35**	**(180.74)**	**210.70**	**(391.44)**

The Holding Company does not have any tax losses carried forward as at 31 March 2019 and 31 March 2018.

The Holding Company does not have any intention to dispose of its freehold and leasehold land in foreseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognised.

Note-30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to owners of the Group by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. There are no dilutive impacts, therefore Basic EPS and Diluted EPS is same.

	Year ended 31 March 2019	Year ended 31 March 2018
Earnings per share has been computed as under:		
Profit attributable to owners of the Group for basic earnings (A)	**1,657.97**	1,451.18
Weighted average number of equity shares for the purpose of basic and dilutive earnings per share		
Number of shares at the beginning of the year	**274,588,095**	274,588,095
Equity shares to be issued pursuant to scheme of amalgamation (refer note 42)	**224,557,641**	224,557,641
Number of equity shares outstanding at the end of the year (B)	**499,145,736**	499,145,736
Basic and diluted earnings per share (Face value of ₹ 10 Each)	**3.32**	2.91

Note 31: Capital Management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern.

The Group has adequate cash and bank balances and minimum borrowings. The Group monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements.

Note 32: Related Party disclosures

A. Names of the related parties where control exists irrespective of whether transactions have occurred or not:

(1) Holding Company

Sumitomo Chemical Company, Limited, Japan

(2) Post Employment Benefit Plans entity

Excel Crop Care Gratuity Trust

Excel Crop Care Superannuation Trust

(Currency: Indian Rupees in million)

B. Names of other related parties with whom transactions have taken place during the year:

(1) Fellow Subsidiaries:

Valent BioSciences LLC - USA (Previously Known as Valent Biosciences Corporation)
Sumitomo Chemical Do Brazil Representacoes Ltda (Brazil)
Sumika Agro Manufacturing Co. Ltd.- Japan
Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)
SCA South Asia Petrochemical Pvt. Limited - India
Mycorrhizal Applications, LLC - USA

(2) Key Management Personnel:

i) Executive Directors

Chetan Shah (Managing Director)
Ninad D Gupte (Joint Managing Director)
Kiyoshi Takayama (Executive Director)
Akira Harada (Executive Director)
Sushil Marfatia (Executive Director)
Prannath Arora (Executive Director)

ii) Non Executive Directors

Dr. Mukul G. Asher
B. V. Bhargava
Tadashi Katayama
Preeti Mehta
Dipesh K Shroff

iii) Chief Financial Officer

Anil Nawal

iv) Company Secretary

Pravin D Desai
Rasika Kulkarni

(3) Relatives of Key Management Personnel:

Mrs. Minoti Ninad Gupte (Wife of Ninad Gupte)
Mrs Seema Arora (Wife of Prannath Arora)

(4) Enterprises controlled by key management personnel and their relatives:

Agrocel Industries Private Limited
Hyderabad Chemicals Pvt Ltd.
Transchem Agritech Limited
Transpek Industry Limited
Kanga & Company

Disclosures of transactions between the Group and the Related parties and the status of outstanding balances as at 31 March 2019

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of Goods (Net of rebate and discount)		
Sumitomo Chemical Company Limited	**934.19**	664.93
Sumitomo Chemical Asia Pte Limited	**—**	0.77
Agrocel Industries Private Limited	**35.75**	54.73
Sale of Services		
Agrocel Industries Private Limited	**3.03**	2.97
Sumitomo Chemical Company Limited	**0.83**	2.09
Sumitomo Dainippon Pharma Co Ltd	**—**	1.79

(Currency: Indian Rupees in million)

	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of Goods		
Agrocel Industries Private Limited	**457.24**	269.17
Sumitomo Chemical Company Limited	**2,182.23**	1,975.97
Valent BioSciences LLC	**479.95**	401.38
Mycorrhizal Applications, LLC	**72.47**	27.32
Purchase of Services		
Sumitomo Chemical Do Brazil Representacoes Ltda (Brazil)	**9.25**	7.43
Kanga & Company	**6.59**	0.24
Commission Income		
Sumitomo Chemical Company Limited	**0.98**	1.71
Miscellaneous Income - Technical Service		
Sumitomo Chemical Company, Limited	**24.08**	3.74
Mycorrhizal Applications, LLC	**0.69**	2.24
Reimbursement of expenses (net)		
Sumitomo Chemical Company, Limited	**5.72**	1.93
Valent BioSciences LLC	**(8.82)**	(2.72)
Sumitomo Chemical Asia Pte Limited	**2.56**	0.79
Mycorrhizal Applications, LLC	**(3.48)**	—
Contribution to Funds		
Excel Crop Care Gratuity Trust	**1.79**	30.65
Excel Crop Care Superannuation Trust	**15.88**	14.91
Advances paid		
Excel Crop Care Gratuity Trust	**14.16**	20.50
Rent Received		
Agrocel Industries Private Limited	**—**	2.19
Dividend Received		
Excel Crop Care (Africa) Limited	**2.67**	0.73
Processing Charges paid		
Agrocel Industries Private Limited	**—**	7.47
Dividend paid		
Sumitomo Chemical Company, Limited, Japan	**556.80**	—
Remuneration		
Chetan Shah	**35.50**	33.87
Ninad D Gupte	**31.75**	27.10
Prannath Arora	**29.99**	33.68
Akira Harada	**22.04**	20.24
Sushil Marfatia	**11.63**	9.82
Kiyoshi Takayama	**15.15**	—
Anil Nawal	**8.13**	7.30
Pravin D Desai	**6.14**	5.30
Rasika Kulkarni	**0.96**	0.84

(Currency: Indian Rupees in million)

	Year ended 31 March 2019	Year ended 31 March 2018
Transactions and balances with relatives of key managerial personnel		
Rent paid		
Seema Arora (Wife of Director)	**—**	0.81
Outstanding as at the year end:		
Trade Receivables		
Sumitomo Chemical Company Limited	**179.54**	43.09
Valent BioSciences LLC	**2.00**	—
Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)	**0.49**	—
Trade Payables		
Agrocel Industries Private Limited	**38.69**	47.34
Sumitomo Chemical Company Limited	**1,088.80**	1,035.57
Valent BioSciences LLC	**142.74**	133.57
Mycorrhizal Applications, LLC	**39.27**	15.39
Sumitomo Chemical Asia Pte Limited	**—**	0.71

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

For the year ended 31st March, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2017-18: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The above remuneration to Key Management personnel compensation excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Group's liability to all its employees. Further, the above disclosures have been made considering related parties of both the Companies.

Note 33: Leases

Assets taken on operating lease

a. The Group has taken certain assets such as vehicles, office space and other premises on operating lease. The lease typically run for a period of three to five years. There are no restrictions imposed by lease agreements/arrangements. There are subleases entered into by the Group in respect of the office premises taken on lease.

b. Amounts recognised in Statement of Profit or Loss

	Year ended 31 March 2019	Year ended 31 March 2018
Lease expense	**184.59**	173.05
Sub-lease income	**4.25**	8.79

c. Future minimum lease payments for non-cancellable operating lease as at 31 March is as follows:

	As at 31 March 2019	As at 31 March 2018
Not later than one year	**81.42**	100.22
Later than one year but not later than five years	**200.93**	146.67
Later than five years	**—**	—

(Currency: Indian Rupees in million)

Note-34 Financial Instruments

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2019	Carrying amount/ Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Investments								
Equity Instruments in Tata Steel Limited	0.21	—	—	0.21	0.21	—	—	0.21
Equity instrument in Co-operative societies	1.17	—	—	1.17	—	1.17	—	1.17
Government Securities	—	—	0.03	0.03	—	—	—	—
Loans	—	—	78.46	78.46	—	—	—	—
Current								
Trade receivables	—	—	6,710.13	6,710.13	—	—	—	—
Cash and cash equivalents	—	—	504.64	504.64	—	—	—	—
Other bank balances	—	—	8.86	8.86	—	—	—	—
Loans	—	—	33.45	33.45	—	—	—	—
Derivative Assets	29.30	—	—	29.30	—	29.30	—	29.30
Export incentives receivable	—	—	122.62	122.62	—	—	—	—
Other financial assets	—	—	18.26	18.26	—	—	—	—
	30.68	**—**	**7,476.45**	**7,507.13**	**0.21**	**30.47**	**—**	**30.68**
Financial liabilities								
Current								
Borrowings	—	—	197.45	197.45	—	—	—	—
Trade payables	—	—	5,967.56	5,967.56	—	—	—	—
Derivative liabilities	49.57	—	—	49.57	—	49.57	—	49.57
Other financial liabilities	—	—	582.45	582.45	—	—	—	—
	49.57	**—**	**6,747.46**	**6,797.03**	**—**	**49.57**	**—**	**49.57**

As at 31 March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Investments								
Equity Instruments in Tata Steel Limited	0.23	—	—	0.23	0.23	—	—	0.23
Equity instrument in Co-operative societies	1.17	—	—	1.17	—	1.17	—	1.17
Government Securities	—	—	0.03	0.03	—	—	—	—
Loans	—	—	72.58	72.58	—	—	—	—
Current								
Trade receivables	—	—	5,517.60	5,517.60	—	—	—	—
Cash and cash equivalents	—	—	735.46	735.46	—	—	—	—
Other bank balances	—	—	7.78	7.78	—	—	—	—
Loans	—	—	36.62	36.62	—	—	—	—
Derivative Assets	11.18	—	—	11.18	—	11.18	—	11.18
Export incentives receivable	—	—	72.58	72.58				
Other financial assets	—	—	19.91	19.91	—	—	—	—
	12.58	—	**6,462.56**	**6,475.14**	**0.23**	**12.35**	**—**	**12.58**
Financial liabilities								
Current								
Borrowings	—	—	101.46	101.46	—	—	—	—
Trade payables	—	—	5,272.56	5,272.56	—	—	—	—
Derivative liabilities	7.52	—	—	7.52	—	7.52	—	7.52
Other financial liabilities	—	—	547.99	547.99	—	—	—	—
	7.52	**—**	**5,922.01**	**5,929.53**	**—**	**7.52**	**—**	**7.52**

The carrying amounts for current borrowings, cash and bank balances, trade and other receivables and trade payables approximate their respective fair values as the impact of discounting is not expected to be material.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

(Currency: Indian Rupees in million)

B. 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
Forward contracts for foreign exchange contracts	Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable
Non current financial assets/ liabilities measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	Not applicable

C. Financial risk management

The activities of the Group exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Group seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Management of Credit risk

Credit risk refers to the risk of default on its obligations by a counterparty to the Group resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables) and investment securities.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Group has no concentration of credit risk as the customer base is widely distributed.

Summary of the ageing for trade receivables are as follows.

	Carrying amount (in INR)	
Particulars	**31 March 2019**	31 March 2018
Not due	**3,489.41**	2,985.67
Past due		
Past due 1–90 days	**1,998.32**	1,408.49
Past due 91–180 days	**1,084.23**	978.43
Past due 181–270 days	**135.85**	239.66
Past due 271–360 days	**83.43**	35.46
More than 361 days	**286.93**	165.36
	7,078.17	5,813.07

Expected credit loss assessment for customers as at 31 March 2019 and 31 March 2018

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

(Currency: Indian Rupees in million)

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	**Amount ₹**
Balance as at April 1, 2017	272.63
Add: Impairment loss recognized / (reversed)	51.19
Less: Amounts written off	28.35
Balance as at 31 March 2018	295.47
Add: Impairment loss recognised	72.57
Less: Amounts written off	—
Balance as at 31 March 2019	**368.04**

The impairment loss at March 31, 2019 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Investments

The Group limits its exposure to credit risk by investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities sanctioned with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 March 2019		**Contractual cash flows**			
Particulars	**Carrying amount**	**Total**	**Upto 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Current liabilities					
Borrowings - current	**197.45**	**197.45**	**197.45**	—	—
Trade Payables	**5,967.56**	**5,967.56**	**5,967.56**	—	—
Other Financial Liabilities	**582.45**	**582.45**	**582.45**	—	—
Derivative financial liabilities					
Current liabilities					
Forward Exchange Contracts	**49.57**	**49.57**	**49.57**	—	—
	6,797.03	**6,797.03**	**6,797.03**	—	—

(Currency: Indian Rupees in million)

31 March 2018			**Contractual cash flows**		
Particulars	**Carrying amount**	**Total**	**Upto 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Current liabilities					
Borrowings - current	101.46	101.46	101.46	—	—
Trade Payables	5,272.56	5,272.56	5,272.56	—	—
Other Financial Liabilities	547.99	547.99	547.99	—	—
Derivative financial liabilities					
Current liabilities					
Forward Exchange Contracts	7.52	7.52	7.52	—	—
	5,929.53	**5,929.53**	**5,929.53**	**—**	**—**

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, foreign currency receivables/payables, investments and derivative financial instruments. The Group has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Group mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Group may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

	31 March 2019	**31 March 2019**	**31 March 2019**
	USD	**EURO**	**Others**
Financial assets			
Cash and cash equivalents	**1.39**	**0.01**	**1.18**
Trade and other receivables	**1,416.89**	**22.08**	**—**
	1,418.28	**22.09**	**1.18**
Financial liabilities			
Trade and other payables	**1,507.13**	**—**	**13.06**
	1,507.13	**—**	**13.06**
Net statement of financial position exposure	**(88.85)**	**22.09**	**(11.87)**
Forward exchange contracts - Sell	**1,405.28**	**21.98**	**—**
Forward exchange contracts - Buy	**(1,161.26)**	**—**	**—**

(Currency: Indian Rupees in million)

	31 March 2018 USD	31 March 2018 EURO	31 March 2018 Others
Financial assets			
Cash and cash equivalents	15.95	0.06	1.28
Trade and other receivables	900.65	78.30	—
	916.60	78.37	1.28
Financial liabilities			
Trade and other payables	1,220.16	4.89	8.33
	1,220.16	4.89	8.33
Net statement of financial position exposure	(303.56)	73.48	(7.05)
Forward exchange contracts - Sell	573.65	80.68	—
Forward exchange contracts - Buy	(1,350.33)	—	—

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollars and EURO would have affected the measurement of financial instruments denominated in US dollars and EURO and affected the profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit or loss	
	Strengthening	Weakening
31 March 2019		
1% movement		
USD	**(1.55)**	**1.55**
EUR	**(0.44)**	**0.44**
Others	**0.12**	**(0.12)**
	(1.87)	**1.87**

Effect in INR	Profit or loss	
	Strengthening	Weakening
31 March 2018		
1% movement		
USD	**10.80**	**(10.80)**
EUR	**(1.54)**	**1.54**
Others	**0.07**	**(0.07)**
	9.33	**(9.33)**

ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

(Currency: Indian Rupees in million)

Note-35 Segment Information

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, The Group is organised into business units based on its products and services and three reportable segments, as follows:

- Industrial Chemicals
- Agro Chemicals
- Public Health Chemicals

B. Information about reportable segments

31 March 2019	**Reportable segments**			
Particulars	**Industrial Chemicals**	**Agro Chemicals**	**Public Health Chemicals**	**Total**
Revenue				
Operating revenue	**2,106.97**	**19,835.13**	**152.08**	**22,094.18**
Other income	**12.35**	**240.24**	**0.64**	**253.23**
Total segment revenue	**2,119.32**	**20,075.37**	**152.72**	**22,347.41**
Unallocated revenue				**48.43**
Total revenue	**2,119.32**	**20,075.37**	**152.72**	**22,395.84**
Segment results	**173.58**	**2,623.73**	**54.31**	**2,851.62**
Unallocated corporate expenses	—	—	—	**216.69**
Profit / (loss) before interest and finance charges and tax	**173.58**	**2,623.73**	**54.31**	**2,634.93**
Finance costs	—	—	—	**36.50**
Profit / (loss) after interest and finance charges and before tax	**173.58**	**2,623.73**	**54.31**	**2,598.43**
Tax expenses	—	—	—	—
– Current tax	—	—	—	**945.96**
– Previous Year Adjustments	—	—	—	**27.86**
– Deferred tax (credit)	—	—	—	**(33.35)**
Profit / (loss) for the year				**1,657.96**
Segment assets	**885.46**	**14,272.47**	**22.73**	**15,180.66**
Unallocated corporate assets	—	—	—	**3,419.01**
Total assets	**885.46**	**14,272.47**	**22.73**	**18,599.67**
Segment liabilities	**740.22**	**6,840.91**	**60.34**	**7,641.47**
Unallocated corporate liabilities	—	—	—	**472.48**
Total liabilities	**740.22**	**6,840.91**	**60.34**	**8,113.95**
Capital expenditure	**16.48**	**380.36**	**2.47**	**399.31**
Unallocated corporate capital expenditure	—	—	—	**9.91**
Total capital expenditure	**16.48**	**380.36**	**2.47**	**409.22**
Depreciation and amortization	**24.78**	**245.36**	**0.84**	**270.98**
Unallocated depreciation and amortization	—	—	—	**7.06**
Total depreciation and amortization	—	—	—	**278.04**

(Currency: Indian Rupees in million)

31 March 2018		**Reportable segments**		
Particulars	**Industrial Chemicals**	**Agro Chemicals**	**Public Health Chemicals**	**Total**
Revenue				
Operating revenue	1,596.26	17,762.34	229.85	19,588.45
Other income	10.67	291.01	(0.47)	301.21
Total segment revenue	1,606.93	18,053.35	229.38	19,889.66
Unallocated revenue				31.75
Total revenue	1,606.93	18,053.35	229.38	19,921.41
Segment results	148.37	2,167.54	86.51	2,402.42
Unallocated corporate expenses	—	—	—	164.39
Profit / (loss) before interest and finance charges and tax	148.37	2,167.54	86.51	2,238.03
Finance costs	—	—	—	28.36
Profit / (loss) after interest and finance charges and before tax	148.37	2,167.54	86.51	2,209.67
Tax expenses	—	—	—	—
– Current tax	—	—	—	798.85
– Previous Year Adjustments	—	—	—	(15.78)
– Deferred tax (credit)	—	—	—	(24.59)
Profit / (loss) for the year	148.37	2,167.54	86.51	1,451.19
Segment assets	743.71	8,379.10	125.24	9,248.05
Unallocated corporate assets	—	—	—	7,335.84
Total assets	743.71	8,379.10	125.24	16,583.89
Segment liabilities	1,071.95	5,815.78	8.43	6,896.16
Unallocated corporate liabilities	—	—	—	145.81
Total liabilities	1,071.95	5,815.78	8.43	7,041.97
Capital expenditure	15.43	496.99	0.24	512.66
Unallocated corporate capital expenditure	—	—	—	4.57
Total capital expenditure	15.43	496.99	0.24	517.23
Depreciation and amortization	23.63	206.13	1.65	231.41
Unallocated depreciation and amortization	—	—	—	5.90
Total depreciation and amortization	—	—	—	237.31

C. Geographic information

Further, the Group has considered the export operations as a separately identifiable geographic segment due to operations in the Japan and other countries. The Group has identified secondary segments based on geographic locations and has reported India and outside India as geographic segments as below.

	Year ended 31 March 2019	Year ended 31 March 2018
Segment revenue		
India	**17,296.48**	15,794.87
Outside India	**5,050.93**	4,094.79
Total revenue	**22,347.41**	19,889.66

	31 March 2019	31 March 2018
Segment assets*		
India	**3,100.33**	3,031.56
Outside India	**5.32**	21.40
Total assets	**3,105.65**	3,052.96

*Non-current assets are excluding financial instruments and deferred tax assets.

D. Information about major customers

Revenues from no single external customer represented more than 10% of the Group's total revenues.

(Currency: Indian Rupees in million)

Note-36 Employee benefits

The Group contributes to the following post-employment plans in India.

(A) Defined Contribution Plans:

I) Provident Fund is a defined contribution scheme established under a State Plan.

II) Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

III) Contribution to Employees State Insurance Corporation (ESIC)

Current service cost included under the head Contribution to Provident Fund and other funds in Note 28 'Employee Benefits Expense':

	31 March 2019	31 March 2018
Provident Fund and Family Pension Fund	**54.60**	50.22
Superannuation Fund	**16.71**	14.99
ESIC	**4.52**	4.48
Other funds	**9.11**	6.82
	84.94	76.51

(B) Defined Benefit Plan:

Gratuity Plan is classified as a defined benefit plan as the Group's obligation is to provide agreed benefit plan to members. Actuarial and investment risks are borne by the Group.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

	31 March 2019	31 March 2018
Defined benefit obligation	**(340.32)**	(312.06)
Fair value of plan assets	**330.76**	319.17
Net defined benefit (obligation)/assets	**(9.56)**	7.11

i. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Opening balance	**312.06**	318.37	**319.17**	288.17	**(7.11)**	30.20
Included in profit or loss:						
Current service cost	**25.87**	26.20	**—**	—	**25.87**	26.20
Interest cost (income)	**22.33**	21.78	**24.11**	20.69	**(1.78)**	1.09
Sub-total included in Statement of Profit and Loss					**24.09**	27.29
	360.26	366.35	**343.28**	308.86	**16.98**	57.49
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Financial assumptions	**4.68**	(10.18)	**—**	—	**4.68**	(10.18)
Experience adjustment	**(9.31)**	(20.85)	**—**	—	**(9.31)**	(20.85)
Return on plan assets excluding interest income	**—**	—	**(2.40)**	2.65	**2.40**	(2.65)
Sub-total included in OCI					**(2.23)**	(33.68)
	355.63	335.32	**340.88**	**311.51**	**14.75**	23.81
Other						
Contributions paid by the employer	**—**	—	**5.19**	30.93	**(5.19)**	(30.93)
Benefits paid	**(15.31)**	(23.26)	**(15.31)**	(23.27)	**—**	0.01
Closing balance	**340.32**	312.06	**330.76**	319.17	**9.56**	(7.11)

(Currency: Indian Rupees in million)

The components of defined benefit plan cost are as follows:

Particulars	**31 March 2019**	31 March 2018
Recognised in Profit or Loss		
Current service cost	**25.87**	26.20
Net interest cost	**0.64**	3.35
Past service cost	**—**	—
Expected return on plan assets	**(2.41)**	(2.26)
Total	**24.09**	27.29
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit asset	**(2.23)**	(33.68)

ii. Plan assets

Plan assets comprise the following

	31 March 2019	31 March 2018
Insurer Managed Funds (Life Insurance Corporation of India)	**100%**	100%

iii. Actuarial assumptions

The following were the key actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2019	31 March 2018
Discount rate	**7.05%-7.35%**	7.30%-7.50%
Future salary growth	**8%-10% for the next 1 year & 8%-9.75% thereafter**	8%-10% for the next 1 year & 8%-9.75% thereafter
Mortality rate	**Indian Assured Lives Mortality (2006-08) Table**	Indian Assured Lives Mortality (2006-08) Table

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2019		31 March 2018	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	60.87	35.61	50.04	25.36
Future salary growth (0.50% movement)	35.44	61.16	25.18	50.32

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters.

Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2019 were as follows

Particulars	**31 March 2019**	31 March 2018
Up to 1 year	**31.22**	24.43
Between 1-2 years	**21.67**	22.87
Between 2-6 years	**67.88**	60.82
6 to 10+ years	**167.76**	140.70

(C) Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2019 based on actuarial valuation using the projected accrued benefit method is ₹ 34.67 millions (31 March 2018: ₹ 23.62 millions).

(Currency: Indian Rupees in million)

Note-37 Contingent liabilities and Commitments

A) Contingent liabilities

	As at 31 March 2019	As at 31 March 2018
a. Claims against the Group not acknowledged as debts	**152.71**	22.37
b. Demand raised by authorities against which the Group has filed an appeal		
i) Income Tax	**80.40**	69.12
ii) Excise duty	**0.73**	0.90
iii) Service tax	**16.11**	13.08
iv) Customs Duty	**6.51**	6.63
v) VAT / Sales Tax	**2.59**	13.29

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on the financial statements.Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

B) Commitments

	As at 31 March 2019	As at 31 March 2018
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	**42.88**	31.07

Note-38 Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)

	As at 31 March 2019	As at 31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**195.04**	129.06
Interest	**0.06**	0.05
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**—**	—
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**724.53**	591.76
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**2.16**	2.81
The amount of interest accrued and remaining unpaid at the end of each accounting year		
2017-18	**—**	0.05
2018-19	**11.77**	3.40
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**13.81**	6.16

(Currency: Indian Rupees in million)

Note-39 Research and Development Expenditure

	31 March 2019	31 March 2018
(a) Research and Development costs, as certified by the Management, debited to the statement of profit and loss (in respective heads of accounts) are as under:		
(i) Revenue expenses*	**95.37**	76.78
(ii) Depreciation and Amortisation of expenses	**22.70**	18.90
	118.06	95.68

* Includes ₹ 36.24 millions (Previous Year: ₹ 28.29 millions), ₹ 4.19 millions (Previous Year: 4.38 millions) & ₹ 31.85 millions (Previous Year: ₹ 24.34 millions) in respect of Research and Development units at Bhavnagar, Gajod and Mumbai respectively which are approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology.

(b) Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ 11.31 millions (Previous Year: ₹ 19.34 millions) in respect of Research and Development Unit at Bhavnagar, ₹ 0.83 milions (Previous Year: ₹ 5.1 millions) in respect of Research and Development Unit at Gajod and ₹ 4.64 millions (Previous year: ₹ 1.51 millions) in respect of Research & Development Unit at Mumbai approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology]	**31.77**	32.51

Note-40 Corporate Social Responsibility

The Group has spent ₹ 40.97 million (2017-18: ₹ 35.43 million) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

	31 March 2019	31 March 2018
(a) Gross amount required to be spent by the Group during the year.	**41.14**	35.54

	In cash/payable		Yet to be paid in Cash		Total	
(b) Amount Spent during the year	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
(i) Construction / acquisition of any assets	**—**	—	**—**	—	**—**	—
(ii) On purpose other than (i) above	**40.20**	35.43	**0.77**	—	**40.97**	35.43

Note-41

The Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in the books of accounts.

Note-42 Merger with Excel Crop Care Limited

Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated 27th June, 2019 ("NCLT order") has sanctioned the Scheme of Amalgamation (Merger by absorption) of Excel Crop Care Limited ("the Transferor Company" or "ECC") with Sumitomo Chemical India Limited ("the Transferee Company" or "SCIL" or "the Company") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.The certified copy of the Order was received by the Company on 22nd August 2019 The appointed date for the Scheme is 01 April 2018. The Scheme has become effective post filing of e-form INC-28, on 31 August 2019 with the Registrar of Company/ Ministry of Corporate Affairs. ECCL was a fellow subsidiary of the Company and was engaged in the business of agro chemicals. The amalgamation is intended to drive simplification by bringing both Companies on to a common platform in various processes such as legal, secretarial, accounting and controls and thereby enabling to conduct the company's business more efficiently.

Since the above transaction qualify as common control business combination under Ind AS 103 on "Buisness Combinations", the same has been accounted using 'pooling of interest' method (in accordance with the approved scheme) with effect from 1 April 2017. The Financial Statements in respect of previous period have been restated from the earliest period presented. The entire business and whole undertaking of ECCL including all its assets and liabilities are transferred and vested in the Company on a going concern basis so as to become the assets and liabilities of the Company as reflected below.

Also as per the Scheme, followings effects have been considered in the books of accounts of the Company :

i. Excess of value from cancellation of existing share capital over the value of fresh equity shares to be issued:

Particulars	1-Apr-17
Share Capital of ECCL	55.03
Cancellation of investment in equity shares of ECCL	(2,772.89)
Shares to be issued	(2,245.58)
Adjusted in General reserve	(4,963.44)

ii. Existing equity shares of ₹ 5 each (post adjustment of shares held by the Company) of ECCL stands cancelled and will be replaced by 22,45,57,641 equity shares of ₹ 10 each, which will be issued to shareholders of ECCL in share swap ratio of 51:2 equity share of the company for each equity share held by shareholders of ECCL.

(Currency: Indian Rupees in million)

iii. As per the scheme, the authorised share capital of ECCL shall be combined with the authorised share capital of the Company. The Company has filed relevant forms with the Ministry of Corporate Affairs (MCA) on 31 August 2019.

iv. Book value of assets and liabilities related to ECCL, transferred to the company are as below:

Particulars	**1-Apr-17**
Assets	
(1) Non current assets	
(a) Property,Plant and Equipment	1,845.73
(b) Capital work-in-progress	57.32
(c) Other intangible assets	29.90
(d) Intangible assets under development	52.24
(e) Investment in subsidiaries	13.38
(f) Financial assets	
(i) Investments	0.19
(ii) Loans	39.16
(g) Assets for current tax (net)	72.11
(h) Other non current assets	39.97
Total Non Current Assets	**2,150.00**
(2) Current assets	
(a) Inventories	2,374.06
(b) Financial assets	
(i) Investments	—
(ii) Trade receivables	2,156.75
(iii) Cash and cash equivalent	105.39
(iv) Bank Balances other than cash and cash equivalent	8.98
(v) Loans	100.50
(vi) Other financial assets	109.63
(c) Other current assets	283.40
Total Current Assets	**5,138.71**
Total Assets	**7,288.71**
Equity and Liabilities	
(1) Equity	
(a) Equity Share capital	55.03
(b) Other equity	4,297.47
Total Equity	**4,352.50**
(2) Liabilities	
Non current liablities	
(a) Financial liabilities	
(i) Other financial liabilities	3.87
(b) Provisions	100.95
(c) Deferred tax liabilities (net)	218.66
Total Non current liabilities	**323.48**
Current liablities	
(a) Financial liabilities	
(i) Borrowings	—
(ii) Trade payables	2,158.95
(iii) Other financial liabilities	123.23
(b) Other current liabilities	286.07
(c) Provisions	44.48
Total Current liabilities	**2,612.73**
Total Equity and Liabilities	**7,288.71**

Note-43 Subsequent Events

There are no significant subsequent events other than the merger of ECCL with the Company (refer note 42) that would require adjustments or disclosures in the financial statements as on the balance sheet date.

(Currency: Indian Rupees in million)

Note-44 General

All the amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note-45 Information for Consolidated Financials Statements pursuant to Schedule III of the Companies Act, 2013.

Name of the entity	31 March 2019							
	Net Assets		Share in profit or (loss)		OCI		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
Parent - Sumitomo Chemical India Limited	98.77%	10,354.84	100.73%	1,670.02	364.96%	3.70	100.89%	1,673.72
Subsidiaries								
Foreign								
1. Excel Crop Care (Europe) LLC	1.03%	108.21	-0.42%	(7.03)	0.00%	—	-0.42%	(7.03)
2. Excel Crop Care (Australia) Pty Limited	0.00%	—	0.00%	—	0.00%	—	0.00%	—
3. Excel Crop Care (Africa) Limited	0.28%	29.35	-0.95%	(15.71)	0.00%	—	-0.95%	(15.71)
Adjustment arising out of consolidation	-0.08%	(8.46)	0.64%	10.69	-264.96%	(2.68)	0.48%	8.00
TOTAL	**100.00%**	**10,483.94**	**100.00%**	**1,657.97**	**100.00%**	**1.01**	**100.00%**	**1,658.98**

Name of the entity	31 March 2018							
	Net Assets		Share in profit or (loss)		OCI		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
Parent - Sumitomo Chemical India Limited	98.47%	9,394.37	99.98%	1,450.86	67.29%	34.02	98.88%	1,484.88
Subsidiaries								
Foreign								
1. Excel Crop Care (Europe) LLC	1.25%	119.21	-0.22%	(3.14)	0.00%	—	-0.21%	(3.14)
2. Excel Crop Care (Australia) Pty Limited	0.01%	0.93	-0.13%	(1.85)	0.00%	—	-0.12%	(1.85)
3. Excel Crop Care (Africa) Limited	0.48%	46.04	0.54%	7.84	0.00%	—	0.52%	7.84
Adjustment arising out of consolidation	-0.22%	(20.53)	-0.18%	(2.55)	32.71%	16.54	0.93%	13.99
TOTAL	100.00%	9,540.01	100.00%	1,451.16	100.00%	50.56	100.00%	1,501.72

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place: Mumbai
Date: 14 October 2019

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127

Mr. Sushil Marfatia
Executive Director
DIN: 07618601

Mr. Anil Nawal
Chief Financial Officer

Mr. Pravin D. Desai
Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 14 October 2019

Place: Mumbai
Date: 14 October 2019

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

SUMITOMO CHEMICAL INDIA LIMITED

CIN: U24110MH2000PLC124224

Registered Office Address: Bldg. No. 1, Ground Floor, Shant Manor Co-op. Housing Society Ltd., Chakravarti Ashok 'X' Road, Kandivli (E), Mumbai - 400101

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No.	
DP ID/Client ID	

I/We, being the Member(s) of ....

Shares of the above named Company, hereby appoint

1. Name :
   Address :
   E-mail ID :
   Signature : ...., or failing him/her

2. Name :
   Address :
   E-mail ID :
   Signature : ...., or failing him/her

3. Name :
   Address :
   E-mail ID :
   Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Friday, the 27th December, 2019 at Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai - 400064 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO.	DESCRIPTION	VOTE (Optional- See Notes 2 and 3)	
		FOR	AGAINST
	Ordinary Business:		
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon		
2.	Declaration of final Dividend		
3.	Appointment of a Director in place of Mr. Hiroyoshi Mukai, who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Appointment of Auditors and fixing their remuneration		
	Special Business:		
5.	Appointment of Mr. Ninad D. Gupte as a Director liable to retire by rotation		
6.	Appointment of Mr. Tadashi Katayama as a Director liable to retire by rotation		
7.	Appointment of Mrs. Preeti Mehta as an Independent Director		
8.	Appointment of Mr. Chetan Shah as Managing Director		
9.	Appointment of Mr. Sushil Marfatia as Executive Director		
10.	Appointment of Mr. Kiyoshi Takayama as Executive Director – Planning and Coordination Office		
11.	Ratification of appointment of Dr. Mukul G. Asher as an Independent Director		
12.	Ratification of appointment of Mr. B. V. Bhargava as an Independent Director		
13.	Approval for keeping certain records at a place other than the registered office of the Company		
14.	Ratification of the remuneration of the Cost Auditors for the year 2019-20		
15.	Approval for payment of commission to Non-Executive Directors		
16.	Approval for payment of retainership fees to Mr. Ninad D. Gupte, Non-Executive Director		
17.	Alteration of the provision in Article 34 of the Articles of Association of the Company		
18.	Approval of transactions entered into/proposed to be entered into with Sumitomo Chemical Company, Limited, a related party, during the Financial Year 2019-20		
19.	Approval of transactions proposed to be entered into with Sumitomo Chemical Company, Limited, a related party, during the Financial Year 2020-21		

Signed this ……………………......………… day of ……...............………………… 2019.

Affix Revenue Stamp

……………………………….......... ……………………………….............................

Signature of the Member Signature of the Proxy Holder(s)

Notes: 1. This Form of Proxy, in order to be effective, should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. You may place tick (✓) in the columns ‘For’ or ‘Against’ – (Optional).

3. If you leave ‘For’ or ‘Against’ column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

SUMITOMO CHEMICAL INDIA LIMITED

Registered Office:

Building No.1, Ground Floor, Shant Manor Co-op Housing Society Ltd,
Chakravarti Ashok ‘X’ Road, Kandivli (East), Mumbai-400101.
Tel: 022-28866666

Corporate Office:

13 & 14, Aradhana Industrial Development Corporation,
Near Virwani Industrial Estate, Goregaon (East), Mumbai-400063.
Tel: 022-42522200
Fax: 022-42522380

www.sumichem.co.in

vakils