

 **SUMITOMO CHEMICAL INDIA LTD.**

Sumitomo Chemical India Limited

Sumitomo Chemical India Limited (“our Company”) was incorporated as a private company under the name of ‘Sumitomo Chemical India Private Limited’ on February 15, 2000 with the Registrar of Companies, Mumbai (“ROC”). Pursuant to a fresh Certificate of Incorporation dated November 24, 2018 issued by the ROC, the name of our Company was changed to ‘Sumitomo Chemical India Limited’.

Corporate Identification Number: U24110MH2000PLC124224

Registered office: Building No.1, Ground Floor, Shant Manor Co-op Housing Society Ltd Chakravarti Ashok ‘X’ Road, Kandivli (East), Mumbai – 400101; **Contact Person:** Pravin. D. Desai; **Tel:** 022-22892610

Email: investor.relations@sumichem.co.in; **Website:** www.sumichem.co.in

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DRAFT
INFORMATION MEMORANDUM**

OUR PROMOTER: SUMITOMO CHEMICAL COMPANY LIMITED, JAPAN	
Information Memorandum for listing 499,145,736 Equity Shares of Rs. 10 each of the Company	
GENERAL RISKS	
Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of our Company. For taking an investment decision, investors must rely on their own examination of our Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Information Memorandum. Please see section titled “Risk Factors” on Page 10 for more details.	
OUR COMPANY’S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.	
LISTING	
The Equity Shares are proposed to be listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”), (hereinafter collectively referred to as the “Stock Exchanges”). For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE is the Designated Stock Exchange. Our Company has submitted this Information Memorandum to BSE and NSE and the Information Memorandum shall be made available on our Company’s website at www.sumichem.co.in . The Information Memorandum would also be made available on the respective website of the Stock Exchanges at www.bseindia.com and www.nseindia.com , respectively.	
REGISTRAR TO THE COMPANY	
	Link Intime India Private Limited C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083 Tel: +91 22 49186000 Extn: 2375 Email: dematremat@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ashok Shetty SEBI Registration No: INR000004058

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SECTION I:

GENERAL

DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section. References to any legislation, act or regulation shall be to such legislation, act or regulation, as amended from time to time.

Company and Scheme Related Terms

Term	Description
“Amalgamated Company” or “Transferee Company” or “Sumitomo Chemical India Limited” or “SCIL” or “the Company” or “our Company” or “we” or “us” or “our”	Sumitomo Chemical India Limited (formerly known as Sumitomo Chemical India Private Limited) incorporated on February 15, 2000 under the Companies Act, 1956, registered with the Registrar of Companies, Mumbai and has its registered office situated at Building No.1, Ground Floor, Shant Manor, Co-Op Housing Society Limited, Chakravarti Ashok ‘X’ Road, Kandivli (East), Mumbai – 400101
“Amalgamating Company” or “Transferor Company” or “ECC”	Excel Crop Care Limited, a public limited company, incorporated on March 21, 1964, registered with the Registrar of Companies, Mumbai and its registered office was situated at 184-87, S. V. Road Jogeshwari (West) Mumbai, Maharashtra 400102. Excel Crop Care Limited got merged with SCIL with effect from the Appointed Date
“We”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company (the entity formed pursuant to the merger of ECC with SCIL) together with its Subsidiaries and joint ventures, if applicable
Appointed Date	Opening of business hours on April 1, 2018
Articles/Articles of Association/AOA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted in accordance with Section 177 of the Companies Act, 2013, as described in the section “ <i>Our Management – Board-level Committees</i> ” on Page 59
Auditor/Statutory Auditor	The statutory auditor of our Company, being S R B C & Co. LLP
Board/Board of Directors/ Directors	The board of directors of our Company, or a duly constituted committee thereof
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of our Company constituted in accordance with Section 135 of the Companies Act, 2013 as described in the section “ <i>Our Management – Board-level Committees</i> ” on Page 59
Effective Date	In reference to the Scheme, the date on which the certified copy of the order of the NCLT sanctioning the Scheme, being filed with the Registrar of Companies, Mumbai i.e., August 31, 2019
Equity Shares	The equity shares of our Company of face value of INR 10/- each
Financial Statements	The audited consolidated financials of our Company as of and for the fiscal year ended March 31, 2019 and for the six months period ending on September 30, 2019 and the audited standalone financial statements of our Company as of and for the fiscal years ended March 31, 2018 and March 31, 2017
Fugitive Economic Offender	An individual, who is/has been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Group Companies	The companies (other than Promoter(s) and Subsidiaries) with whom our Company had related party transactions, during the period for

Term	Description
	which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards. For further details, see “ <i>Our Promoters, Promoter Group and Group Companies – Group Companies</i> ” on Page 72
Independent Director(s)	The Independent Directors of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013
Information Memorandum	The Information Memorandum dated January 22, 2020 filed with the Stock Exchanges
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations, together with the key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as described in the section “ <i>Our Management – Key Managerial Personnel</i> ” at Page 61
Memorandum/Memorandum of Association/MOA	The Memorandum of Association of our Company as amended from time to time
NCLT/ Tribunal	The National Company Law Tribunal, Mumbai Bench
Net Worth	The net worth of our Company, as more particularly defined in Regulation 2(1) (hh) of the SEBI ICDR Regulations
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company formed in accordance with Section 178 of the Companies Act, 2013 as described in the section “ <i>Our Management – Board-level Committees</i> ” on Page 60
Promoters	The promoters of our Company, namely, Sumitomo Chemical Company Limited, as more particularly described in the section “ <i>Our Promoters, Promoter Group and Group Companies</i> ” on Page 64
Promoter Group	Persons and entities constituting the promoter group of our Company in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Record Date	Record Date, as defined in the Scheme of Amalgamation, is the date fixed by the Board of Directors of the Transferor Company or committee thereof, if any, in consultation with the Board of Directors of the Transferee Company for the purpose of determining the shareholders of the Transferor Company who shall be entitled to receive equity shares of the Transferee Company as consideration as per Clause 11 of Part C of this Scheme. The board of directors of Transferor Company fixed August 31, 2019 as the Record Date.
Registered Office	The registered office of our Company situated at Building No.1, Ground Floor, Shant Manor Co-op Housing Society Ltd Chakravarti Ashok ‘X’ Road, Kandivli (East), Mumbai – 400101
Registrar of Companies/RoC	The Registrar of Companies, Maharashtra situated at Mumbai
Registrar and Transfer Agent/ Registrar to the Company/Registrar	Link Intime India Private Limited
Scheme / the Scheme / the Scheme of Amalgamation	Scheme of Amalgamation of Excel Crop Care Limited (“Transferor Company”) with Sumitomo Chemical India Limited (“Transferee Company”) and their respective shareholders under Sections 230 to 232 and other applicable provisions of Companies Act, 2013
SCRA	Securities Contract Regulation Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957 as amended from time to time

Term	Description
SEBI Circular	Circular No. CFD/DIL3/CIR/2017/21 issued by SEBI dated March 10, 2017 on Schemes of Arrangement, as amended from time to time
SEBI Listing Regulations/ SEBI LODR	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Share Certificate Committee	Share Certificate Committee shall mean the Share Certificate Committee constituted by the Board as described in the section “ <i>Our Management – Board-level Committees</i> ” on Page 60
Shareholders	Shareholders holding Equity Shares of our Company, from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee as formed in accordance with Section 178 of the Companies Act, 2013 as described in the section “ <i>Our Management – Board-level Committees</i> ” on Page 60
Subsidiaries	The subsidiaries of our Company. For the details of our subsidiaries, please refer to “ <i>History and Certain Corporate Matters – Subsidiaries</i> ” on Page 48

Conventional and General Terms / Technical and Industry Related Terms / Abbreviations

Term	Description
AGM	Annual general meeting
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Companies Act/ Companies Act, 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Company Secretary or CS	Company secretary of our Company
COMPAT	Competition Appellate Tribunal
Compliance Officer	Compliance officer of our Company appointed in accordance with the requirements of Regulation 23 (8) of the SEBI ICDR Regulations
CSR	Corporate Social Responsibility
Demat	Dematerialised
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depositories Act	The Depositories Act, 1996, as amended
Designated Stock Exchange	BSE Limited
DP ID	Depository Participant’s Identity number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EGM	Extra-ordinary general meeting
EPS	Earnings per share

Term	Description
EU	European Union
FDI	Foreign direct investment
FDI Policy	The consolidated FDI Policy, dated August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The Foreign Exchange Management Act, 1999 read with rules, regulations, notifications, circulars and directions thereunder FEMA Regulations Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FCO	Fertilizer Control Order
Financial Year/Fiscal/Fiscal Year	Financial period of twelve months ended March 31 of that particular year unless otherwise stated
GDP	Gross Domestic Product
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IN Act	Insecticides Act, 1968
IND-AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
LM Act	Legal Metrology Act, 2000
NSE	National Stock Exchange of India Ltd.
RBI	The Reserve Bank of India
R&D	Research and Development
Stock Exchanges	BSE and NSE

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, 2013 the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Reserve Bank of India Act, 1934, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, terms in the sections titled “Main Provisions of the Articles of Association”, and “Financial Statements”, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA

Certain Conventions

All references to “India” contained in this Information Memorandum are to the Republic of India.

Unless stated otherwise, all references to page numbers in the Information Memorandum are to the page numbers of the Information Memorandum.

Financial Data*

Unless stated otherwise, the financial data in this Information Memorandum is derived from the audited consolidated financial statements of our Company as of and for the fiscal year ended March 31, 2019 and for the six months period ended on September 30, 2019 and the audited standalone financial statements of our Company as of and for the fiscal years ended March 31, 2018 and March 31, 2017.

In this Information Memorandum, any inconsistencies in any table between the aggregate and the totals of the sums recorded are because of rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in the Information Memorandum.

Our Company’s financial year commences on April 1 of the preceding year and ends on March 31 of that year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “*Risk Factors*” and “*Our Business*” on Pages 10 and 36 respectively, and elsewhere in the Information Memorandum have been calculated on the basis of the audited consolidated financial statements of our Company prepared in accordance with Indian GAAP and the Companies Act, 2013.

**(1) Figures as on September 30, 2019, March 31, 2019 and March 31, 2018 are as per Ind-AS;
(2) Audited Statutory Financial Statements of the Company for the year ended March 31, 2017 and March 31, 2016 were prepared in accordance with the accounting standards, notified under section 133 of the Companies Act 2013, read with applicable accounting standards, and other relevant provisions of the Companies Act, 2013.*

Currency and Units of Presentation

All references to “Rupees” or “Rs.” or “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India.

At certain places, our Company has presented certain numerical information in the Information Memorandum in “crores” units. One crore represents 1,00,00,000 or 10 million.

Industry and Market Data

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained or derived from publicly available information as well as various industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum is also based on the Annual Reports and information made available by the respective companies. The data included in this Information Memorandum about different organizations is based on their particular Annual Reports and information made available by the respective organizations.

FORWARD-LOOKING STATEMENTS

This Information Memorandum includes certain statements which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, or other words or phrases of similar import, that can be identified as “forward-looking statements”. Our forward-looking statements contain information regarding, among other things, our financial condition, future plans, business strategies, objectives, prospects or goals. Forward-looking statements reflect the current views of our Company as of the date of the Information Memorandum and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, nor any of their affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others:

- General economic and business conditions in India and other countries which have an impact on our business activities or investments;
- Regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them;
- Our exposure to market risks and credit risk;
- Our ability to successfully implement our strategy, our growth and expansion plans;
- Technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Adverse changes in social, economic or political conditions in India;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally; and
- The changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ from the expectations, see the sections titled “*Risk Factors*” and “*Our Business*” on Pages 10 and 36 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

SECTION II: INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all relevant disclosures or details. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

Summary of the Industry

The agriculture sector contributes to 17% of the Gross Domestic Product (GDP) of the country. India ranks second in terms of its agricultural output, right after China. For attaining this output, the use of agrochemicals becomes imperative. Our Company is engaged in the manufacture of agro-chemicals, more precisely crop protection chemicals. India has approximately 125 technical grade manufacturers producing more than 60 technical grade pesticides and 800 pesticide formulators. Nearly all multi-national crop protection companies have a presence in India.

For details in relation to the industry in which our Company operates, please see “*Industry Overview*” on Page 31 of this Information Memorandum.

Summary of our Business

Our Company was incorporated, as a private company under the name of Sumitomo Chemical India Private Limited on February 15, 2000 with the Registrar of Companies Maharashtra, Mumbai. The Company is primarily engaged in manufacture and sale of agricultural pesticides, household insecticides and animal nutrition products.

ECC was incorporated on March 21, 1964 and registered with the Registrar of Companies, Mumbai. The Company got listed on BSE and NSE in the year 2003 pursuant to a demerger of the agricultural inputs portfolio of Excel Industries Limited with the strength of three manufacturing units at Bhavnagar, Gajod and Silvassa. Pursuant to the Scheme, ECC stands merged with our Company with effect from the Appointed Date of April 01, 2018.

Sumitomo Chemical Company Limited having its address at 27-1, Shinkawa 2- Chome Chuo-ku, Tokyo, Japan, is the holding company of the Company.

Our Promoters

The Promoter of our Company is **Sumitomo Chemical Company Limited**.

Shareholding of Our Promoters and Members of our Promoter Group

The post-merger shareholding of the Promoters and Promoter Group in the Company as on date are detailed below:

Name of shareholder	Particulars	
	Number of Equity Shares	Percentage of Equity Share capital (%)
Sumitomo Chemical Company Limited, Japan (including shares held through nominee shareholders)	400,825,868	80.30%
SC Environmental Science Company Limited, Japan (shares held through nominee individual shareholder, Yuya Miyajima)	2	
Total	400,825,870	80.30%

Note: Mr. Chetan Shantilal Shah and Ms. Preeti Gautam Mehta have been appointed as custodians by the Company by Board resolution dated August 1, 2019 to hold fractional entitlements consolidated in the account operated under the name ‘Sumitomo Chemical India Limited’ from the issue of shares under the Scheme, in a separate demat account.

Financial Information

(INR in Crores, unless mentioned otherwise)

S No.	Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
		Consolidated	Consolidated	Consolidated-restated	Standalone	Standalone
1.	Equity Share Capital (ref note 4)	274.59	274.59	274.59	274.59	232.99
2.	Net-worth	1,214.82	1048.39	954.00	732.75	296.05
3.	Total income from operations (net)	1,454.52	2211.74	1,961.67	863.86	765.28
4.	Net Profit/(loss) after tax and extraordinary items	181.11	165.80	145.12	63.74	64.62
5.	Basic Earnings per Share (Rs.)	3.63	3.32	2.91	2.46	2.77
6.	Net asset value per share (Rs.) (ref note 5)	24.34	21.0	19.11	26.69	12.71
7.	Total borrowings as per Balance Sheet	Nil	19.75	10.15	Nil	Nil

Notes:

- 1) Figures as at September 30, 2019, March 31, 2019 and March 31, 2018 are as per Ind-AS. Figures as at March 31, 2018 are the restated numbers based on the comparative information as disclosed in the Annual Report of SCIL for the financial year 2018-19. The shareholders may refer section "Financial Statements" for the standalone financials statement of SCIL for financial year 2017-18 (without giving effect of merger).
- 2) Audited Statutory Financial Statements of the Company for the year ended March 31, 2017 and March 31, 2016 were prepared in accordance with the accounting standards, notified under section 133 of the Companies Act 2013, Companies Accounting Standards Rules, 2006 (as amended), and other relevant provisions of the Companies Act, 2013. However, information presented above in relation to March 31, 2017 is based on comparative information as disclosed in the financial statements for the year ended March 31, 2018.
- 3) Our Company did not have any subsidiaries till March 31, 2018. Accordingly, the requirement of consolidated financial statements was not applicable. Pursuant to implementation of the Scheme, the subsidiaries of erstwhile Excel Crop Care Limited (Transferor Company) became the subsidiaries of our Company, the same have consolidated in the financial statements as at September 30, 2019 and March 31, 2019 including for disclosure of the comparative information for the last financial year 2017-18.
- 4) The Equity Share Capital of the Company as on September 30, 2019 and March 31, 2019 does not include the equity shares allotted pursuant to the Scheme as the same have been allotted on October 7, 2019.
- 5) Net Asset value per share as on September 30, 2019, March 31, 2019 and March 31, 2018 has been computed after considering the number of shares issued pursuant to the Scheme.
- 6) The net worth as on September 30, 2019 and March 31, 2019 includes Foreign Currency Translation Reserve of INR 2.215 crores and INR 2.17 crores respectively.

For further details, see "Financial Statements" at Page 77.

Auditor Qualifications or Adverse Remarks

There have been no qualifications or adverse remarks by our Auditors in the Financial Statements.

Outstanding Litigation

For details of Outstanding Litigation, see the section "Outstanding Litigations and Other Material Developments" at Page 329.

Risk Factors

For details of the risks associated with our Company, see the section "Risk Factors" at Page 10.

Contingent Liabilities

For details of Contingent Liabilities, see the section “*Financial Statements*” at Page 77.

Related party transactions

For further details of such related party transactions, see “*Financial Statements*” at Page 77.

Split or consolidation

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Information Memorandum.

Confirmations

- There are no financing arrangements whereby the Promoters, any member of our Promoter Group, Directors of our Company who are Promoters or their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of our Company from the date of approval of the Scheme of Amalgamation by the Hon’ble National Company Law Tribunal, Mumbai Bench on June 27, 2019 till the date of this Information Memorandum.
- Other than pursuant to the Scheme, our Company has not issued any Equity Shares in the one year preceding the date of this Information Memorandum for consideration other than cash.

SECTION III: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company. If any of the following risks or other risks that are not currently known or are deemed immaterial at this time, actually occur, our business, financial condition and results of operation could suffer, and you may lose all or part of your redemption amounts and the dividend payments may be affected. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The order of the risk factors appearing hereunder is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

You must rely on your own examination of our Company and this Information Memorandum, including the risks and uncertainties involved. Unless the context requires otherwise, references to “we”, “our”, “our business” or “Company’s business” in this section refer to the Company on a consolidated basis.

Materiality

The risk factors mentioned herein have been categorized basis their materiality. The following factors have been considered for determining materiality.

- (a) Some events may not be material individually but may be material when considered collectively.*
- (b) Some events may have an impact which is qualitative not quantitative.*
- (c) Some events may not be material at present but may be material at a future date.*

Internal Risk Factors

- 1. *Our agrochemicals business is sensitive to seasonal fluctuations, climatic variations and other factors beyond our control, which could adversely affect our business, financial condition and results of operations.***

The agrochemical business of the Company is seasonal and is heavily dependent on rainfall, climatic conditions, soil conditions, salinity of soil, prevalence of pests and pest complex of a crop which makes the performance of the agricultural sector as a whole or the levels of production of a particular crop relatively unpredictable. Accordingly, if the agricultural industry in the regions in which the Company operates is adversely affected by unfavorable climatic conditions, thereby affecting the crop conditions, it will affect the demand of the products in such region and will further result into reduction of our sales.

The sales of agrochemical products in the domestic Indian retail market are seasonal due to the monsoon. In particular, demand for pesticides is generally higher during the monsoon season and therefore the majority of our sales of our agrochemical products takes place between June and November, which is also known locally as the Kharif crop season. The demand by domestic customers for our agrochemical products is also affected by weather conditions in India such as droughts, excessive rainfall and cyclones or other natural calamities such as fires, floods and earthquakes. The unpredictable effects of monsoonal weather in India, including flooding, droughts and subsequent damage to crops significantly affects crop production in India as they can be more severe than those in other countries. Any adverse weather conditions in India, or an inability to predict and plan for such adverse weather conditions, could affect farmers’ decisions about the types and the quantum of crops to plant, and may lead to an adverse effect on the sales of our products, which could have an adverse effect on our business, financial condition and results of operations. Furthermore, the global phenomena of climate change affecting various parts of the world is likely to affect Indian climatic conditions also. Climate change may affect the rainfall patterns, result in temperature fluctuations, which may have adverse effects on crops, the types of crops grown, season in which they are grown thereby impacting our business.

- 2. *Our Company is involved in certain legal proceedings and any adverse outcome in any of these proceedings may adversely affect our profitability, reputation, business, financial condition and results of operations.***

Our Company is involved in legal proceedings in various states of India, both as plaintiff and defendant, in which we may not get favourable judgments. There have been legal proceedings filed against us before

various regulatory authorities, adjudication of which is still pending. We cannot guarantee that the outcome of such legal proceedings will be in our favor. Further, we cannot assess the impact such litigation may have against the operations and financial position of the Company. For more details, please see section '*Outstanding Litigation and Other Material Developments*' section on Page 329 of this Information Memorandum.

3. *We may be unable to obtain or maintain the necessary regulatory or governmental approvals for our products, which could restrict our ability to sell those products in relevant markets.*

The Company operates its agrochemical business in a highly regulated sector. The legal and procedural requirements for seeking registrations are fairly complex, stringent and time consuming. The failure to obtain registrations for our formulations and active ingredients or inability to comply with the regulations could result in withdrawal or cancellations of existing registrations, licenses or approvals and would adversely affect the business, results of operations, cash flows and financial condition. The use of one of our major products "Glyphosate" has been restricted in four states namely Andhra Pradesh, Telangana, Kerala and Punjab. In various parts of the world, the use of "Glyphosate" is being scientifically debated. In United States of America, there have been instances wherein the courts have awarded compensation to individuals who has allegedly suffered from cancer due to the use of "Glyphosate". However, the United States Environment Protection Agency has not yet instructed the companies engaged in the manufacture of the chemical to include a warning on the packaging label. Any adverse findings in relation to the risk profile of the product may have an adverse impact on the business of our Company. Further, pursuant to the report of the Anupam Verma Committee, 18 types of pesticides have been banned in India vide the Pesticides (Prohibition) Order, 2018. Our products "Triazophos" and "Dichlorvos" forms part of this list of banned pesticides. Though the ban on its use shall be effective from December 31, 2020, the manufacture, formulation and import of the said products has been banned since January 1, 2019. This may have an adverse impact on the operations and financial conditions of our Company. Combined revenue of "Glyphosate" and "Triazophos" for the financial year 2018-19 is INR 377.2 crores. There has been no sale of "Dichlorvos" in the financial year 2018-19.

4. *Increasingly stringent environmental, health and safety laws, regulations and standards may result in compliance costs and remediation efforts and may consequently have an adverse effect on our operational and financial position.*

The operations of the Company are subject to various central, state and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation (production), handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from the manufacturing processes. Any inability to comply with these laws or regulations may result into various actions or monetary penalties against the Company which may affect the business and results of operation.

Further, our products are subject to constant regulatory review and there may arise constant revisions in the conditions issued by the regulatory bodies for the sale, use, manufacture, transportation, handling and its disposal. Such review and restrictions are applicable and/or conducted by international or global regulators or authorities, when our goods are being exported. Our products Tebuconazole and Chlorpyrifos are currently under review for obtaining re-registration in the European Union ("EU"). Any adverse outcome of such review may affect the export of the said products to EU and may have an impact on our business.

5. *One of our plants has received a closure notice the applicability of which has been deferred. Any adverse action from the authorities in relation to the same may materially impact the Company's operations.*

Our Company has received a notice dated June 21, 2019 issued by the Gujarat Pollution Control Board ("GPCB") instructing us to suspend the manufacturing operations at our Bhavnagar plant in Gujarat after 15 days from the date of issue of the notice. The notice was issued on account of GPCB finding certain waste materials of a product in a plot of land adjacent to the premises of the plant. However, our Company has not been producing the said product and the same has not been in production since the year 2000. Our Company has submitted an action plan to GPCB for scientific disposal of the waste and

has agreed to undertake other remedial measures. Based on the submission of the action plan by the Company, GPCB has withdrawn its closure order thereby granting the Company time of 3 (three) months to execute the remediation plan. GPCB has permitted the Company to dispose the treated soil to a GPCB approved disposal site within a period of 6 months, which the Company has done. The Company is in the process of making an application to GPCB for the permanent revocation of the closure notice. The operations at Bhavnagar plant are, as on the date of filing of this Information Memorandum, being carried on without any interruption.

6. *Our Company uses hazardous substances for its production and is exposed to the risk of any mishap that may occur due to the mishandling of such substances.*

The Company is exposed to the risk of using hazardous substances for its production. Any inadvertent mishandling of these substances or chemicals could lead to serious accidents which may negatively affect the Company's operations. In any event, such accidents may also hamper the reputation of the Company amongst its suppliers and customer base, thereby affecting the financial condition and results of operations of the Company.

7. *The adoption of alternative crop protection measures may adversely affect the operations of our Company.*

The business of the Company could be adversely affected by introduction of alternative crop protection / production measures such as organic farming, biotechnology products, pest resistant seeds or genetically modified crops. The growth and acceptance of such alternative pest management and crop protection products and measures by consumers may have an adverse effect on the sales of chemical pesticides which may, in turn, affect the financial condition and results of operations of the Company. Zero budget farming is another such alternative to crop protecting chemicals which is a farming methodology that involves no use of chemical fertilizers. The concept has been introduced in the union budget 2019 by the Government of India. Implementation of the said program may impact the sale of agrochemical fertilizers, thereby causing a decline in the business operations and revenue of the Company.

8. *Our inability to respond adequately to increased competition may adversely affect our business, financial condition and results of operations.*

The Company operates in a highly competitive environment and faces competition from both domestic and international competitors. Players in this market generally compete with each other on key attributes such as technical competence, quality of products and services, pricing and track record. Besides international producers, there are competitors in and outside India having similar products as are manufactured by our Company. The Company competes against its competitors on quality, technical competence, distribution channels, logistics facilities, after sale services and customer relationship. There is no assurance that the Company will continue to compete successfully in future. Growing competition may force the Company to reduce the price of its products which may thereby result in lesser profit margins, and a simultaneous decrease in the Company's market share. Furthermore, our Company also faces competition from companies that are engaged in the manufacture of other chemical products. Though the nature of such products is not similar to the ones produced by our Company, it may have the similar impact on pests. This could cause a decline in the demand for our products, thereby affecting the revenue of our business.

9. *Any fluctuation in the price and availability of raw materials may materially impact the business of the Company.*

The price and availability of raw materials for the manufacture of products could affect the profitability of the Company. The Company's business is dependent on continued availability of raw materials. The Company's business may be adversely affected if it is unable to renew its contracts with raw material suppliers. Further, a large portion of the raw materials are sourced from China, which is the dominant producer of the said raw materials. Any interruption in the availability of raw materials may adversely affect Company's business, financial condition and results of operations. Similarly, in the event that our suppliers face a plant shutdown or other problems which would likely affect the continued supply of raw

materials to the Company, production may be delayed as a result of which payments to the Company may be delayed and/or remain unrealized. For maintaining an uninterrupted supply chain, the Company is dependent upon various third -party logistics partners which are indirectly dependent upon the prices of crude oil in the international market. Therefore, any increase or fluctuation in the price of crude oil in the international market may increase our cost of transportation and/or logistics, thereby decreasing our profit margin.

10. *Any fluctuation in the prices of agricultural commodities may have an impact on the use of crop protection chemicals which may adversely affect our business.*

The prices of agricultural commodities are a significant factor with respect to the sales of crop protection chemicals. The prices of these products vary owing to several factors such as volatile weather conditions, unfavourable soil conditions, quality and availability of supply, currency fluctuations, consumer demand and changes in government programs. Such variations in prices may influence farmers' decisions with respect to their ability to spend on crop protection chemicals thereby affecting the sales of our crop protection products. This could have an adverse impact on the business, operations and financial conditions of our Company.

11. *The sale of counterfeit or pass-off products could majorly impact our reputation and as a consequence, may impact our business, sales and financial conditions.*

Counterfeit products are products manufactured and sold illegally as legitimate products. Pass-off products are manufactured and packaged to resemble legitimate products. In the past few years, technologies have advanced to the level that legitimate products can be counterfeited. The sale of counterfeit and pass-off products may lead to lower sales of our products. In addition, such products may be harmful to customers or may be less effective than genuine products, which could harm our brands and reputation. The influx of counterfeit and pass-off products of our Company, and the time spent in pursuing claims and complaints for the loss suffered by customers upon usage of such counterfeit and pass-off products may also reduce our sales and tarnish our brand and reputation, and could adversely affect our business, financial condition and results of operations.

12. *Our products may face resistance from farmers due to its waning effect on certain pests over a period of time.*

There are chances of our products facing resistance from farmers or other users of the products due to its waning effect on pests and insects. Over a period of time, certain chemicals may cease to have an effect on some pests and insects due to their ability to develop increased resistance and immunity towards the chemicals to which they have been exposed. In such circumstances, there is a possibility that the sale of such products may decline.

13. *Any violation of the Insecticides Act, Fertilizer Control Order or the Metrology Act and the Metrology Rules may lead to fines and penalties, or seizure and forfeiture of our products which could adversely affect our business.*

Our business is regulated heavily by the provisions of the IN Act which provides for the registration, licensing and quality control of insecticides. Similarly, the Fertilizer (Control) Order, 1985 which is administered by Department of Agriculture Cooperation, Govt. of India has been issued under the Essential Commodities Act, 1955. The Fertilizer Control Order lays down as to what substances qualify for use as fertilizers in the soil, product-wise specifications, methods for sampling and analysis of fertilizers, procedure for obtaining license/registration as a manufacturer/dealer in fertilizers and conditions to be fulfilled for trading thereof, etc. Further, our products and the packaging of our products are required to comply with the standards of weight, measurement and numbers prescribed under the Legal Metrology Act, 2009 and the Legal Metrology Rules.

If we fail to comply with such standards or fail to obtain/renew a license from the respective controller as mandated under the aforementioned provisions of law or any other laws or fail to obtain the any registrations, licenses or verification as prescribed, fines and penalties may be imposed on us. In addition, there could be seizure and forfeiture of our products, which could adversely affect our operations.

14. ***Our Company is involved in certain litigation for the misbranding of our products. Any adverse findings on these matters may have an impact on the operations of our Company.***

The Company has received several notices from the regulatory authorities for the misbranding of our products. Majority of such cases with respect to the active ingredient being lesser than the permitted limits prescribed under the IN Act. The Company has been asked to send samples of the concerned products for reanalysis by any government approved lab. There have been instances wherein a batch of products has been declared as misbranded by the concerned authority and the Company has been prohibited from selling, stocking, distributing and exhibiting for sale such products. In the future, the Company cannot guarantee that such notices will be defended successfully. This may have an adverse impact on the business, operations and financial conditions of the Company.

15. ***Usage of some of our products are concentrated in certain states in India. Any change in this pattern may have an impact our business.***

Usage of our products and accordingly our revenue is concentrated in certain states such as Gujarat, Maharashtra, Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Chhattisgarh, Punjab, Haryana, Karnataka and Andhra Pradesh. Any change in the political landscape or economic policies of these states may hamper the business of our Company. Likewise, any natural disasters or civil disruptions in these states could require us to alter our business operations or strategies in the said states. Any occurrence of such events, or our inability to effectively respond to them could have an adverse effect on our operations.

16. ***Environmental activism propagated by certain NGOs against the use or manufacture of any of our products may prove to be material for the business of our Company.***

There are high possibilities of environmental activism wherein an NGO or a public-spirited organization may protest against the use, sale or manufacture of our products and encourage farmers to curtail the use of crop protection chemicals. This may influence policy making in the agro-chemical sector and the adversely affect the public perception of the sector. In such an event, the Company may face potential decline in the revenue and its operations.

17. ***Any change in the factors listed above could affect the prices of our Equity Shares proposed to be listed.***

Once our Equity Shares are proposed to be listed pursuant to this Information Memorandum, changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

External Risk Factors

1. ***The occurrence of any natural or man-made disasters may harm the operations of the Company. Such instances may be beyond the control of the Company, and there can be no assurances that the Company will be in a position to defend such situations successfully.***

The occurrence of natural or man-made disasters, in addition to hostilities, terror attacks, civil unrest and other acts of violence could have adverse impact on our business operations, cash flow and financial conditions. The Company may not be able to protect itself from any floods, rains, earthquakes, fire and other disasters. This may lead to a decrease in the Company's sales and profitability.

2. ***The agrochemical industry is laying emphasis on following eco-friendly processes in its manufacturing. Any drawbacks in complying with these processes may impact the Company.***

The industry is increasingly focusing on improving its commitment to the environment and responding to public concerns regarding the manufacture and use of chemicals. Several initiatives at the global, industry and organization level have been undertaken to reduce pollution. The Company generally follows the environment protection and safety norms at its production facilities and shall strive to maintain such environmental safety standards. Any lacuna in ensuring compliance with such norms may

have an impact on the Company.

3. *The volatility of Indian market may adversely affect the prices of the equity shares proposed to be listed.*

The Equity Shares of the Company are currently not listed. The price of its Equity Shares on the Indian Stock Exchanges may fluctuate after listing as a result of several factors including volatility in Indian and global securities market, results of operations and performance of other units in the industry, performance of the competitors and perception in the Indian market about investment in the agrochemical industry, adverse media reports, if any, on the Company or the agrochemical industry; changes in the estimates of company's performance or recommendations by financial analysts; significant development in India's economic liberalization and de-regulation policies; and significant development in India's fiscal and environmental regulations.

4. *The Government of India may from time to time amend or propose to bring in new laws to regulate the industry. One such proposed law is the Draft Pesticides Management Bill. The proposed legislation may have far-reaching implications which cannot be foreseen as on date.*

Our Company is subject to the evolving laws of the country. One such proposed legislation which may have an impact on the operations of the Company is the Draft Pesticides Management Bill ("Bill"). The Bill seeks to replace the IN Act and to regulate the import, manufacture, export, storage, sale, transport, distribution, quality and use of pesticides with a view to (i) control pests; (ii) ensure availability of quality pesticides; (iii) allow its use only after assessing its efficacy and safety; (iv) minimize the contamination of agricultural commodities by pesticide residues; (v) create awareness among users regarding safe and judicious use of pesticides and (vi) fixing and controlling prices of pesticides to ensure affordability of farm chemicals. The Bill has been introduced to take necessary measures to continue, restrict or prohibit the use of pesticides with a view to prevent its risk on human beings, animals or environment. The Bill has been put forth for the comments of various stakeholders.

5. *Amendments to the export-import policy of India may have an impact on the performance of the Company's operations.*

Any amendments to the export-import policies of the government may potentially impact the business of the Company. The Company is dependent on certain foreign countries for the import of raw materials used in the production. Any change in such policies may have a material impact on the output produced by the Company. Further, any variations in the duty drawback benefits and other export incentives offered to the Company may have an impact on the operations of the Company.

6. *Our Company imports a large portion of the raw materials from China. Any change in their trade policy may hamper the operations of the Company.*

A majority of our raw materials are sourced from China, who is the dominant supplier in the industry. Any change in China's trade policies, export import regulations or any other associated factor may hamper our production. Such unforeseen circumstances leading to the unavailability of raw materials may result in the decline of the company's production capabilities and thereby reduce the revenue generation of the Company to a certain extent. Further, any strict environmental protection regime implemented followed by the Chinese government may lead to the stoppage of production or supply of any raw materials required for our production. This may have an impact on business, operations and financial conditions of our Company.

7. *A slowdown in the economic growth of India may have adverse implications on our business.*

The past decade has seen tremendous changes in the Indian economy. Any slowdown in the growth of the Indian economy or the agrochemical sectors or any future volatility in global commodity prices could adversely affect our business, financial condition and results of operations. A slowdown in the economic growth of other countries, especially the ones which contribute to the global agrochemical industry, may also impact the business operations of our Company. A loss of investor confidence in the financial systems of other emerging markets could also impact our business.

8. *Any decline in India's foreign exchange reserves may affect the liquidity and interest rates.*

Any decline in India's foreign exchange reserves may affect the liquidity and interest rates in the Indian economy. It may also result in lower valuation of the Indian currency. On the other hand, high levels of foreign funds inflow could add excess liquidity to the system, leading to policy interventions, which would also allow slowdown of economic growth. In either case, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect the Company's business, prospects, financial condition, operations and the trading price of the Equity Shares.

Risks Relating to Equity Shares

1. *The Indian law has certain investment restrictions with respect to foreign investors. This may limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India requires an approval from the RBI and also may require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

2. *Any future issuance of equity shares may dilute your shareholding in the Company.*

The Company may be required to issue more equity shares in the future, for financing its growth. Any such future offerings may dilute the existing shareholders' shareholding in our Company. Such future issuances could also dilute the percentage of your shareholding in the Company. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or otherwise encumber the Equity Shares.

SECTION IV: INTRODUCTION

GENERAL INFORMATION

In this section “the Company”, “our Company”, “we”, “us” and “our” refers to Sumitomo Chemical India Limited (formerly known as Sumitomo Chemical India Private Limited) and its Subsidiaries on a consolidated basis.

Overview

Our Company was incorporated, as a private company under the name of Sumitomo Chemical India Private Limited on February 15, 2000 with the Registrar of Companies Maharashtra, Mumbai. Sumitomo Chemical Company Limited having address at 27-1, Shinkawa 2- Chome Chuo-ku, Tokyo Japan is the holding company of the Company. The Company is primarily engaged in manufacture and sale of agricultural pesticides, household insecticides and animal nutrition products

Further, the scheme of amalgamation under the provisions of Sections 391 to 394 of the Companies Act, 1956 for amalgamation of New Chemi Industries Limited, Scott Pharmaceuticals Private Limited and SC Enviro Agro India Private Limited with the Company was sanctioned by the Hon’ble High Court of Gujarat vide order dated September 16, 2011 in Company Scheme Petition No.77 of 2011 and by the Hon’ble High Court of Bombay vide order dated September 16, 2011 in Company Scheme Petition No. 336 of 2011. The appointed date for this amalgamation was April 1, 2011. In terms of the above scheme of amalgamation, the members of the New Chemi Industries Limited and SC Enviro Agro India Private Limited whose names were recorded in the register of members of the aforesaid companies as on the record date of the said scheme of amalgamation were issued and allotted the following equity shares by the Company:

- (a) 1500 equity shares of face value of Rs.10/- (Rupees Ten only) each of the Company, credited as fully paid up, for every 1 fully paid up equity share of face value of Rs.100/- (Rupees Hundred only) each, held in New Chemi Industries Limited and
- (b) 20.22 equity shares of face value of Rs.10/- (Rupees Ten only) each of the Company, credited as fully paid up, for every 1 fully paid up equity share of face value of Rs.10/- (Rupees Ten only) each, held in SC Enviro Agro India Private Limited.

Scott Pharmaceuticals Private Limited was the wholly owned subsidiary of New Chemi Industries Limited. Accordingly, the shareholding of New Chemi Industries Limited including shares held by its nominee, in Scott Pharmaceuticals Private Limited and SC Enviro Agro India Private Limited was cancelled and the Company was not required to issue any shares in lieu of the shares so cancelled.

Assets and liabilities of New Chemi Industries Limited, Scott Pharmaceuticals Private Limited and SC Enviro Agro India Private Limited stood transferred to the Company as a going concern so as to become the assets, estate, rights, titles and interests of the Company.

The Company was converted from a private limited company to a public limited company and received the fresh certificate of incorporation on November 24, 2018.

ECC was incorporated on March 21, 1964 and registered with the Registrar of Companies, Mumbai. The Company got listed on BSE and NSE in the year 2003 pursuant to a demerger of the agricultural inputs portfolio of Excel Industries Limited with the strength of three manufacturing units at Bhavnagar, Gajod and Silvassa. Pursuant to the Scheme, ECC stands merged with our Company with effect from the Appointed Date of April 01, 2018.

Registered and Corporate Office of our Company

The addresses of our Registered and Corporate Office are as follows:

Registered office: Building No.1, Ground Floor, Shant Manor Co-op Housing Society Ltd Chakravarti Ashok ‘X’ Road, Kandivli (East), Mumbai – 400101.

Corporate office: 13/14 Aradhana Industrial Development Corporation, Near Virwani Industrial Estate, Goregaon East, Mumbai 400063

For details of the changes in our Registered Office, see “*History and Certain Corporate Matters-Change in the registered office*” at Page 43.

Corporate Identity Number

The corporate identification number of our Company is U24110MH2000PLC124224.

The Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

100, Everest, Marine Drive, Mumbai- 400002

Board of Directors

The following table sets out the brief details of our Board of Directors as on the date of this Information Memorandum:

S No.	Name	DIN	Address
1.	Dr. Mukul Govindji Asher	00047673	125 Mayer RD 16 - 05 The Makena Singapore – 437936
2.	Chetan Shantilal Shah	00488127	Bhagwati Bhuvan, 5th Floor, 31-B Carmichael Road Mumbai 400026 Maharashtra
3.	Bhupendranath Bhargava	00001823	Flat No.2401, 24th Floor, Tower -5, Planet Godrej, Jacob Circle, K.K. Marg, Mahalaxmi Mumbai 400011
4.	Tadashi Katayama	07628973	1-7-1-303, Narashinodai, Funabashi City 2740063 Japan
5.	Preeti Gautam Mehta	00727923	22 Bennett Villa, 27 Wodehouse Road, Colaba Mumbai 400001 Maharashtra
6.	Hiroyoshi Mukai	07835814	27-1, Shinkawa 2-Chome, Chou-Ku Tokyo, Japan Tokyo 1048260
7.	Sushil Champaklal Marfatia	07618601	Flat No. 301, Mayfair Melody, Tagore Road, Santacruz West Mumbai 400054
8.	Ninad Dwarkanath Gupte	00027523	301, Dudhwala Tower, Shreyas Colony, Off Aarey Road, Goregaon (East), Mumbai – 400063

For further details of our Board of Directors, see “*Our Management – Our Board of Directors*” on Page 52.

Company Secretary and Compliance Officer

Pravin. D. Desai is the Company Secretary and Compliance Officer our Company. The contact details are as follows:

Address: 13/14 Aradhana Industrial. Development Corporation, Near Virwani Industrial Estate, Goregaon East, Mumbai 400063

Tel: 022-22892610

E-mail: investor.relations@sumichem.co.in

Registrar and Transfer Agent to the Company

Name: Link Intime India Private Limited

Address: C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400083, Maharashtra

Tel: 022 - 49186270

Contact Person: Mr. Ashok Shetty

Email ID: dematremat@linkintime.co.in
 Website: https://linkintime.co.in/
 SEBI Registration No: INR000004058

Auditors to our Company

S R B C & Co. LLP

Address: 12th Floor, The Ruby, 29 Senapati Bapat Marg,

Dadar (W), Mumbai, Maharashtra 400028, India

Firm registration number: 324982E/E300003

Telephone: +91 9821167463

Contact Person: Mr. Jayesh Gandhi

Email ID: Jayesh.Gandhi@srb.in

Bankers to our Company

Sl. No.	Name of the Banker	Account in the name of	Location	Branch Address
1.	Citi Bank, N.A.	SCIL	Mumbai	Nariman Building, Barrister Rajni Patel Marg, Next to Express Tower and CR2 Mall, Nariman Point, Mumbai 400021.
2.	Mizuho Bank Limited	SCIL	Mumbai	Level 17, Tower-A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai-400013
3.	MUFJ Bank Limited	SCIL	Mumbai	Hoechst House, 15th Floor, 193, Vinay K Shah Marg, Nariman Point, Mumbai - 400021
4.	Standard Chartered Bank	SCIL	Mumbai	2nd Floor, 90, Mahatma Gandhi Road, Fort, Mumbai - 400 001
5.	ICICI Bank Limited	SCIL	Mumbai	215, Free Press House, Free Press Marg, Nariman Point, Mumbai – 400021
6.	State Bank of India	SCIL	Mumbai	Dalamal KL House, Ground Floor, Jamunalal Bajaj Marg, Nariman Point, Mumbai - 400021
7.	Axis Bank Limited	SCIL	Mumbai	Maker Chamber IV, Ground FLR 209, Nariman Point, Mumbai - 400 021
8.	Axis Bank Limited	SCIL	Delhi	Basement, Ground & First Floor, Sahini House, New Delhi-110008
9.	HDFC Bank Limited	SCIL	Mumbai	Ground Floor, Express Towers, Next to Air India Building, Nariman Point, Mumbai-400021
10.	HDFC Bank Limited	SCIL	Srinagar	Zabarwan Guest House, Panthachowk, Srinagar, Jammu Kashmir-191101
11.	Bank of Baroda	Scott Pharmaceuticals Private Limited	Mumbai	0381, Mumbai Main Office, 10/12, Mumbai Samachar Marg, Fort, Mumbai - 400 001
12.	Bank of Baroda	New Chemi Industries Limited	Mumbai	Personal Banking Branch, 10/12, Mumbai Samachar Marg, Fort, Mumbai - 400 001
13.	Axis Bank Limited	SC Enviro Agro India Private Limited	Mumbai	Maker Chamber IV, Ground FLR 209, Nariman Point, Mumbai - 400 021
14.	Bank of India	SCIL	Mumbai	Bank of India Building, 1 st Floor 28,

Sl. No.	Name of the Banker	Account in the name of	Location	Branch Address
				S.V. Road, Andheri (West) – 400 058
15.	Citi Bank	SCIL	Mumbai	Bombay Mutual Building, 293, D.N. Road, Fort, Mumbai - 400 001
16.	ICICI Bank	SCIL	Mumbai	Sagar Avenue, Opp. Shoppers Stop, Irla Bridge, Andheri West, Mumbai - 400 058
17.	Bank of India	SCIL	Mumbai	Bank of India Building, Ground Floor, 28, S. V. Road, P. B. 7358, Andheri (West) – 4000 058
18.	State Bank of India	SCIL	Mumbai	Jawaharlal Nehru Customs House, Navi Mumbai, Maharashtra - 400702
19.	DBS Bank	SCIL	Mumbai	DBS Bank India Limited, Ground Floor, Express Towers, Nariman Point – 400 021
20.	Kotak Mahindra Bank	SCIL	Mumbai	5 C/ II, Mittal Court, 224, B.R.P. Road, Nariman Point – 400 021
21.	UCO Bank	SCIL	Mumbai	Ground Floor, Dr Dadabhai Naoroji Rd, Opp. Siddarth College, Kala Ghoda, Fort – 400 001
22.	State Bank of India	SCIL	Mumbai	SV Road, Jogeshwari West, Mumbai 400 102
23.	Sumitomo Mitsui Banking Corporation	SCIL	Mumbai	Unit 601, 6th Floor, Platina Building, Plot No C-59, Bandra Kurla Complex, Bandra East, Mumbai – 400051
24.	IndusInd Bank	ECC	Mumbai	IndusInd Bank Ltd, 59 & 61, Sonawala Building, Mumbai Samachar Marg, Opp. Bombay Stock Exchange Building, Fort – 400 001
25.	HDFC Bank	SCIL	Mumbai	Ground Floor, Manekji Wadia Bldg Nanik Motwane Marg, Fort, Mumbai – 400 001
26.	HDFC Bank	SCIL	Bhavnagar	1 st Floor, Sterling Point Waghawadi Road, Bhavnagar, Gujarat – 364 002
27.	State Bank of India	SCIL	Bhavnagar	Ruvapari Road, Opp. Vello Industry, Anandnagar – 364 005
28.	State Bank of India	SCIL	Rajkot	Tower Road, At & Post Upleta District, Rajkot, Gujrat – 360 490
29.	Bank of India	SCIL	Gajod	Mundra - Bhuj Rd, Near Moksha Jewellers, Kera, Gujarat – 370 430
30.	State Bank of India	SCIL	Silvassa	Amlī Hanuman Rd, Park City, Silvassa – 396 230
31.	State Bank of India	SCIL	Hyderabad	5-8-512, Jagadish Shopping Centre Abids District, Hyderabad, Telangana – 500 001
32.	Bank of India	SCIL	Ahmedabad	Ellis Bridge, Opp. Town Hall, Nr.Ellis Bridge Police station – 380 006
33.	State Bank of India	SCIL	Kolkata	La Martiniere Main Building, Loudon St, Elgin, Kolkata, West Bengal - 700017

Sl. No.	Name of the Banker	Account in the name of	Location	Branch Address
34.	State Bank of India	SCIL	Delhi	15 South Patel Nagar New Delhi - 110008
35.	ICICI Bank	SCIL	Delhi	Naurang House, 21, K G Marg, New Delhi, 110001

Authority for Listing

In accordance with the Scheme, the Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on the Stock Exchanges. Such admission and listing is not automatic and will be subject to fulfilment of the respective listing criteria of BSE and NSE by our Company and also subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the application made by our Company to the Stock Exchanges for seeking approval for listing.

Changes in auditors

Our Company has appointed M/s S R B C & Co. LLP as the statutory auditors of the Company with effect from December 27, 2019. Prior to their appointment, M/s B S R & Associates LLP, Chartered Accountants were the statutory auditors of the Company from last three financial years. Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. BSR & Associates LLP was ineligible for re-appointment as Auditors. Hence, the Company appointed M/s S R B C & Co. LLP as the statutory auditors in the Annual General Meeting held on December 27, 2019. The details of previous auditors of the Company i.e. M/s B S R & Associates LLP, Chartered Accountants are provided below:

M/s B S R & Associates LLP, Chartered Accountants
Address: 5th Floor, Lodha Excelus, Apollo Mills Compound,
N M Joshi Marg, Mahalaxmi Mumbai - 400011
Email ID: shabbirr@bsraffiliates.com
Firm registration number: 116231 W/W-100024

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations is not applicable. However, SEBI has vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, has subject to certain conditions, permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19(2)(b) of SCRR, as amended. SEBI *vide* its letter dated January 22, 2020, granted relaxation under Rule 19(2)(b) of the SCRR to our Company pursuant to an application made by our Company to SEBI under Rule 19(7) of the SCRR as per the SEBI Circular. Our Company has submitted the Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. Our Company shall also make the Information Memorandum available on its website at www.sumichem.co.in. Our Company will publish an advertisement on January 23, 2020, in the newspapers containing the details in terms of the SEBI Circular.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisement which will be published on January 23, 2020 in terms of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL INFORMATION

The capital structure of the Company, as of the date of this Information Memorandum, is set forth below:

PARTICULARS	AGGREGATE VALUE (INR)
AUTHORISED SHARE CAPITAL 50,00,00,000 equity shares of Rs. 10/-	500,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 49,91,45,736 equity shares of face value of Rs.10/- each fully paid.	499,14,57,360

Details of Securities Premium Account

PARTICULARS	AGGREGATE VALUE (INR)
Pre – Scheme of Amalgamation	2,350,601,931
Add: Amount of premium pursuant to the Scheme	Nil
Post – Scheme of Amalgamation	2,350,601,931

Amendments to our Authorised Share Capital

Set out below are the amendments to our authorised share capital in the last fifteen years:

#	Date of Shareholders' Resolution	Particulars
A.	--	Increase in the authorized share capital of the Company from Rs. 494,00,00,000/- (Rupees Four Hundred Ninety Four Crore) divided into 49,40,00,000 (Forty-Nine Crore Forty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 500,00,00,000/- (Rupees Five Hundred Crore) divided into 50,00,00,000 (Fifty Crores) equity shares of Rs. 10/- (Rupees Ten) each pursuant to combination of authorized share capital as per the order of the NCLT dated June 27, 2019 approving the scheme of amalgamation of the Transferee Company and the Transferor Company
B.	October 26, 2018	Increase in the authorized share capital of the Company from Rs. 300,00,00,000/- (Rupees Three Hundred Crore) divided into 30,00,00,000 (Thirty Crores) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 494,00,00,000/- (Rupees Four Hundred Ninety Four Crore) divided into 49,40,00,000 (Forty -Nine Crore Forty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each.
C.	June 5, 2016	Increase in the authorized share capital of the Company from Rs. 250,00,00,000 (Rupees Two Hundred Fifty Crore) divided into 25,00,00,000 (Twenty Fifty Crore) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 300,00,00,000 (Rupees Three Hundred Crore Only) divided into 30,00,00,000 (Thirty Crores) equity shares of Rs. 10/- (Rupees Ten) each.
D.	September 29, 2011	Increase in the authorized share capital of the Company from Rs. 140,00,00,000 (Rupees One Hundred Forty Crore) divided into 14,00,00,000 (Fourteen Crore) equity shares of Rs. 10/- (Rupees Ten) each to 250,00,00,000 (Rupees Two Hundred Fifty Crore) divided into 25,00,00,000 (Twenty Fifty Crore) equity shares of Rs. 10/- (Rupees Ten)

#	Date of Shareholders' Resolution	Particulars
E.	February 1, 2010	Increase in the authorized share capital of the Company from Rs. 80,00,00,000 (Rupees Eighty Crore) divided into 8,00,00,000 (Eight Crore) equity shares of Rs. 10/- (Rupees Ten) to Rs. 140,00,00,000 (Rupees One Hundred Forty Crore) divided into 14,00,00,000 (Fourteen Crore) equity shares of Rs. 10/- (Rupees Ten) each
F.	August 31, 2006	Increase in the authorized share capital of the Company from Rs. 55,00,00,000 (Rupees Fifty -Five Crore) divided into 5,50,00,000 (Five Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) to 80,00,00,000 (Rupees Eighty Crore) divided into 8,00,00,000 (Eight Crore) equity shares of Rs. 10/- (Rupees Ten)
G.	July 11, 2005	Increase in the authorized share capital of the Company from Rs. 30,00,00,000 (Rupees Thirty Crore) divided into 3,00,00,000 (Three Crore) equity shares of Rs. 10/- (Rupees Ten) each to 55,00,00,000 (Rupees Fifty- Five Crore) divided into 5,50,00,000 (Five Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten)

Note to Capital Structure

1. Share Capital History

The following table sets forth the history of the Equity Share capital of our Company:

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
February 8, 2000	2	10	Subscribers to memorandum	2	Not applicable
April 5, 2000	86,68,998	10	Private placement	86,69,000	Not applicable
April 25, 2001	1,86,80,000	10	Right Issue	2,73,49,000	Not applicable
September 21, 2005	2,10,00,000	10	Right Issue	4,83,49,000	Not applicable
October 9, 2006	2,78,82,000	10	Right Issue	7,62,31,000	Not applicable
March 26, 2010	6,00,00,000	10	Right Issue	13,62,31,000	Not applicable
October 14, 2011	82,253,521	10	Equity shares issued, fully paid up for consideration other than cash, pursuant to scheme of amalgamation (Note 1)	21,84,84,521	Not applicable
December 2, 2011	1,45,00,000	10	Private Placement	232,984,521	Not applicable

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
June 5, 2016	1,56,31,579	66.50	Right Issue	248616100	Not applicable
October 7, 2016	2,59,71,995	66.50	Right Issue	274,588,095	Not applicable
October 7, 2019	22,45,57,641	10	Equity shares issued, fully paid up for consideration other than cash, pursuant to the Scheme (Note 2)	499,145,736	Not applicable

Note 1: For details of erstwhile Scheme of Amalgamation, see Section 'Introduction-General Information- Overview' on Page 17.

Note 2: For details of the Scheme of Amalgamation between ECC and SCIL, see Section 'About Us-Scheme of Amalgamation' on Page 50.

2. Equity Shares issued for consideration other than cash or out of revaluation reserves

Our Company has not issued any Equity Shares out of revaluation reserves.

Except as set forth below, our Company has not issued any Equity Shares for consideration other than cash:

Date of allotment	Number of equity shares	Face value (in INR)	Issue price per Equity Share (in INR)	Reason/ Nature of allotment
October 14, 2011	8,22,53,521	10	10	Equity shares issued, fully paid up, pursuant to the earlier scheme of amalgamation
October 7, 2019	22,45,57,641	10	10	Equity shares issued, fully paid up for consideration other than cash, pursuant to the Scheme

3. Issue of Equity Shares in the last one year

Other than pursuant to the Scheme, our Company has not issued Equity Shares in the one year immediately preceding the date of this Information Memorandum.

4. Option granted under Scheme of employee stock option in preceding three years

The Company has not issued/ granted any options to its employees in preceding three years from date of information memorandum.

5. Employee stock option scheme

As on the date of this Information Memorandum, our Company does not have any active employee stock

option scheme.

6. Pledge on Equity Shares held by the Promoters

Not applicable

7. History of Buildup and Contribution

(a) Build-up of Promoter's shareholding in our Company

Set forth below is the build-up of the equity shareholding of our Promoter (i.e., SCC) since incorporation of our Company.

Date of allotment / transfer	Number of Equity Shares	Face value (in INR)	Issue/purchase/selling price per equity share (in INR)	Consideration (in INR)	Nature of acquisition/ transfer	Percentage of pre-Scheme Equity Share capital (%)	Percentage of post-Scheme Equity Share capital (%) (cumulative basis)
April 5, 2000	86,68,998	10	10	8,66,89,980	Allotment	100.00	1.74
April 25, 2001	1,86,80,000	10	10	18,68,00,000	Allotment	100.00	5.48
September 21, 2005	2,10,00,000	10	10	21,00,00,000	Allotment	100.00	9.69
October 9, 2006	2,78,82,000	10	10	27,88,20,000	Allotment	100.00	15.27
March 26, 2010	6,00,00,000	10	10	60,00,00,000	Allotment	100.00	27.29
October 14, 2011	8,22,53,521	10	10	82,25,35,210	Allotment	93.78	43.77
June 5, 2016	1,56,31,579	10	66.50*	103,95,00,003.50	Allotment	94.17	46.90
October 7, 2016	2,59,71,995	10	66.50*	172,71,37,667.50	Allotment	94.72	52.11
October 7, 2016	1,45,00,000	10	37.77	547,713,973.79	Transfer	100.00	55.01
October 7, 2019	12,62,37,775	10	10	126,23,77,750	Allotment	-	80.30

* Including share premium of INR 56.50

(b) Shareholding of our Promoters, directors of Promoter and Promoter Group

Set forth below is the post-merger shareholding of our Promoter and Promoter Group as on the date of this Information Memorandum:

Name of shareholder	Particulars	
	Number of Equity Shares	Percentage of Equity Share capital (%)
Sumitomo Chemical Company Limited, Japan (including the nominee individual shareholders)	400,825,868	80.30%
SC Environmental Science Company Limited, Japan (shares held through nominee individual shareholder Yuya Miyajima)	2	
TOTAL	400,825,870	80.30%

All Equity Shares held by our Promoter are in dematerialized form as on the date of this Information Memorandum.

Further, the Promoter group/ Directors of promoter/ Directors of the Company and their relatives haven't purchased/ sold any securities of the Company in preceding six months from date of information memorandum.

8. Shareholding of our Directors and Key Managerial Personnel in our Company

S No.	DIN	Name of the Director / KMP	Category	No. of Equity Shares	% of Equity Share capital
1.	00047673	Dr. Mukul Govindji Asher	Chairman	Nil	Nil
2.	00488127	Chetan Shantilal Shah	Managing Director	Nil	Nil
3.	00001823	Bhupendranath Bhargava	Independent non-executive director	Nil	Nil
4.	07628973	Tadashi Katayama	Non-executive director	Nil	Nil
5.	00727923	Preeti Gautam Mehta	Independent non-executive woman director	Nil	Nil
6.	07835814	Hiroyoshi Mukai	Non-executive director (SCC Nominee)	1	0.000
7.	07618601	Sushil Champaklal Marfatia	Executive Director	3825	0.001
8.	00027523	Ninad Dwarkanath Gupte	Non-executive director	3060	0.001
9.	Not Applicable	Pravin. D. Desai	Company Secretary	25	0.000
10.	Not Applicable	Anil Nawal	CFO	Nil	Nil

As on the date of this Information Memorandum, our Company has 11,571 Shareholders.

9. Shareholding pattern of our Company prior to the Scheme and subsequent to the Scheme:

Sr. No.	Category	Pre-amalgamation shareholding*		Post-amalgamation shareholding – as on date of allotment of shares	
		No. of shares	% of shares	No. of shares	% of shares
(A)	Shareholding of Promoter and Promoter Group				
1	Indian	-	-	-	-
(a)	Individuals/ Hindu Undivided Family	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others (Specify)	-	-	-	-
	Sub Total(A)(1)	-	-	-	-
2	Foreign	-	-	-	-
A	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
B	Bodies Corporate (note 1)	274,588,095	100	400,825,870	80.30
C	Institutions	-	-	-	-
D	Any Others (Specify)	-	-	-	-
	Sub Total(A)(2)	274,588,095	100	400,825,870	80.30
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	274,588,095	100	400,825,870	80.30
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	-	-	28,687	0.01
(b)	Financial Institutions / Banks	-	-	99,703	0.02
(c)	Central Government/ State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Alternate Investment Funds	-	-	-	-
(f)	Insurance Companies	-	-	18,369,460	3.68
(g)	Foreign Portfolio Investors	-	-	851,649	0.17
(h)	Foreign Venture Capital Investors	-	-	-	-
(i)	Provident Funds/ Pension Funds	-	-	-	-
(j)	Any Other (specify)	-	-	-	-
	Foreign Bank	-	-	13,309	0.00
	Sub-Total (B)(1)	-	-	19,362,808	3.88
B 2	Non-institutions				

Sr. No.	Category	Pre-amalgamation shareholding*		Post-amalgamation shareholding – as on date of allotment of shares	
		No. of shares	% of shares	No. of shares	% of shares
(a)	Individuals	-	-	-	-
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	-	-	2,75,47,642	5.52
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	-	-	23,071,513	4.62
(b)	NBFCs registered with RBI	-	-	20,400	0.00
(c)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-
(d)	Any Other (specify)	-	-	28,317,503	5.67
	IEPF	-	-	15,57,253	0.31
	Trusts	-	-	6,885	0.00
	Foreign Nationals	-	-	4,641	0.00
	Hindu Undivided Family	-	-	21,11,037	0.42
	Friends & Associates	-	-	28,890	0.01
	Non -Resident Indians (Non Repatriable)	-	-	985,632	0.20
	Non -Resident Indians (Repatriable)	-	-	361,265	0.07
	Clearing Member	-	-	221,408	0.04
	Bodies Corporate	-	-	23,040,492	4.62
	Sub-Total (B)(2)	-	-	78,957,058	15.82
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	98,319,866	19.70
	TOTAL (A)+(B)	274,588,095	100	499,145,736	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
(D)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-
	GRAND TOTAL (A)+(B)+(C) + (D)	274,588,095	100	499,145,736	100

Note 1: Please note that a public limited company is required to have a minimum of seven members as per the provisions of the Companies Act, 2013. For meeting this requirement, the registered ownership of five (5) equity shares of the Company held by Sumitomo Chemical Company Limited is held by five (5) nominee individual shareholders. The beneficial ownership of the aforesaid 5 shares continues with Sumitomo Chemical Company Limited. Further, two (2) equity shares of the Company held by SC Environmental Science Company Limited, Japan are held through a nominee individual shareholder.

Note 2: Mr. Chetan Shantilal Shah and Ms. Preeti Gautam Mehta have been appointed as custodians by the Company by Board resolution dated August 1, 2019 to hold fractional entitlements consolidated in the account operated under the name 'Sumitomo Chemical India Limited' resulting from the issue of shares under the Scheme, in a separate demat account.

Details of lock-in:

As per the conditions mentioned in SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018, the pre-merger share capital of SCIL i.e., 27,45,88,095 equity shares of face value of Rs 10/- each of the Company is under lock-in as per details given below:

S No.	Name of the Shareholder	Total no. of equity shares held post allotment	No. of equity shares locked-in	Period upto which non-transferable
1	Sumitomo Chemical Company Limited, Japan	400,825,863	99,829,148	locked-in for a period of three (3) years from the date of listing of the shares of the Company i.e., till February 28, 2023
			174,758,940	locked-in for a period of one (1) year from the date of listing of the shares of the Company i.e., till February 28, 2021
2	Hideo Wada (nominee shareholder of Sumitomo Chemical Company Limited, Japan)	1	1	locked-in for a period of one (1) year from the date of listing of the shares of the Company i.e., till February 28, 2021
3.	Hiroyoshi Mukai (nominee shareholder of Sumitomo Chemical Company Limited, Japan)	1	1	locked-in for a period of one (1) year from the date of listing of the shares of the Company i.e., till February 28, 2021
4.	Akira Ohisa (nominee shareholder of Sumitomo Chemical Company Limited, Japan)	1	1	locked-in for a period of one (1) year from the date of listing of the shares of the Company i.e., till February 28, 2021
5.	Tomohito Fujiwara (nominee shareholder of Sumitomo Chemical Company Limited, Japan)	1	1	locked-in for a period of one (1) year from the date of listing of the shares of the Company i.e., till February 28, 2021
6.	Hiroyuki Miura (nominee shareholder of Sumitomo Chemical Company Limited, Japan)	1	1	locked-in for a period of one (1) year from the date of listing of the shares of the Company i.e., till February 28, 2021
7.	SC Environmental Science Company Limited, Japan (shares held through nominee individual shareholder Yuya Miyajima)	2	2	locked-in for a period of one (1) year from the date of listing of the shares of the Company i.e., till February 28, 2021
Total		400,825,870	274,588,095	

*9,97,71,207 equity shares of the Company held by Promoters are under lock-in in compliance with the in-principle approval letter of BSE dated December 19, 2019.

Note:

The Company has submitted an undertaking dated December 19, 2019 with BSE, stating that the shares held by the Promoter and Promoter Group to the extent of 75% of total equity shares of the Company representing 37,43,59,302 equity shares, shall be locked in until (i) Registrar of Companies ("ROC") processes and approves Form INC-28 filed by the Company (ii) the Company subsequently files form PAS 3 with the RoC for the issue and allotment of the equity shares of the Company pursuant to the Scheme and the same is approved by RoC. It is hereby clarified that upon (i) the RoC processing and approving Form INC-28 and the Company subsequently filing e-form PAS 3 pursuant to the Scheme and the same being approved by RoC, and (ii) the Company receiving a no-objection letter from BSE post completion of the actions mentioned in clause (i) above, for trading of securities of the Company held by Sumitomo Chemical Company Limited ("SCC") and release of lock-in of the above referred 9,97,71,207 equity shares, only 27,45,88,095 equity shares of the Company held by SCC along with Promoter Group shall be subject to a lock-in to the extent, as provided under the SEBI Circular No. CFD/DIL2/CIR/2017/21 dated March 10, 2017, as amended from time to time.

10. Major Shareholders

- (a) The details of the Shareholders of our Company holding 1% or more of the paid-up Equity Share capital of our Company on the date of this Information Memorandum is set forth below:

Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
Sumitomo Chemical Company Limited (including nominee individual shareholders)	40,08,25,868	80.30
Life Insurance Corporation of India	18,369,460	3.68
Total	41,91,95,328	83.98

- (b) The details of the Shareholders of our Company who held 1% or more of the paid-up Equity Share capital of our Company ten days prior to the date of this Information Memorandum is set forth below:

Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
Sumitomo Chemical Company Limited (including nominee individual shareholders)	40,08,25,868	80.30
Life Insurance Corporation of India	18,369,460	3.68
Total	41,91,95,328	83.98

- (c) The details of the Shareholders of our Company who held 1% or more of the paid-up Equity Share capital of our Company one and two years prior to the date of this Information Memorandum is set forth below:

Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
Sumitomo Chemical Company Limited (including nominee individual shareholders)	27,45,88,093	99.99
Total	27,45,88,093	99.99

SECTION V – ABOUT US

INDUSTRY OVERVIEW

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this Information Memorandum. The information presented in this section has been sourced from publicly available documents.

Indian Agricultural Landscape

India being an agrarian country, more than 54% of the population is engaged in agriculture and allied activities. Average land holding in India is 1.08 hectare each. The agricultural sector contributes to approximately 17% of the Gross Domestic Product (“GDP”) of the country. Further, India ranks second in terms of its agricultural output, second only to China, with an estimated output of 283.4 million tonnes of food grains during FY 2018-19. For attaining this output, the use of agrochemicals has become imperative. Studies show that the soil loses its nutrient content over time and it is only with the help of constant use of fertilizers that the soil is maintained as fit for cultivation. It is reported that the average consumption of agrochemicals in India is approximately 0.6 kg per hectare of land. The agrochemicals market was worth approximately USD 4.1 billion in FY 2016 and is predicted to increase to USD 8.1 billion by 2025.

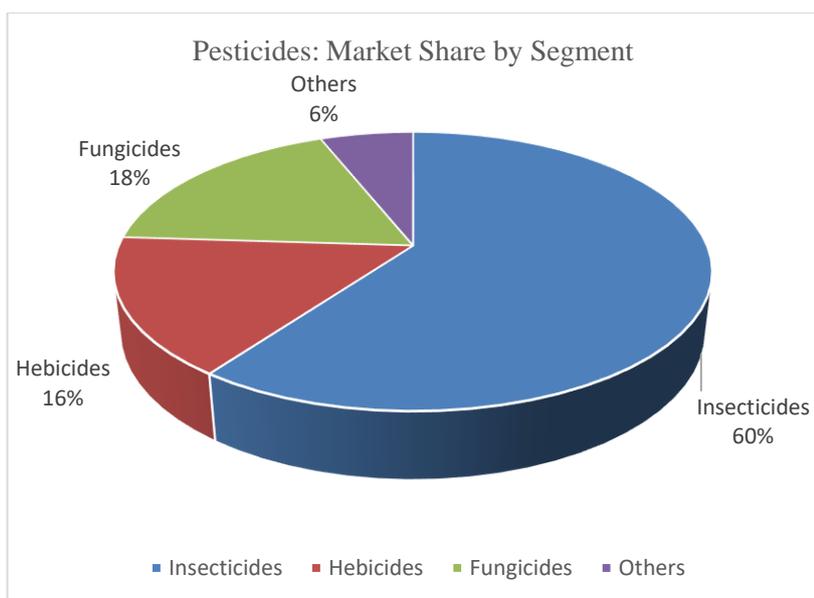
Agrochemical and Crop Protection Market – Overview

India has approximately 125 technical grade manufacturers in the agrochemical sector producing more than 60 technical grade pesticides and 800 pesticide formulators. Nearly all multi-national crop protection companies have a presence in India, with Sygenta, Bayer Crop Science and BASF ranking among the top 5 players in the country. The top 3 players are controlling 57% of the market share.

The Indian crop protection industry is valued at approximately USD 4.1 billion in 2016 and is expected to grow at 8.3%. Exports contribute to approximately 50% of the overall crop protection revenue and is expected to continue its growth at 8.6% per annum due to lower research and manufacturing costs, rise in technically skilled manpower and expiry of patents on certain products. India is the fourth largest producer of pesticides after USA, Japan and China. The Indian crop protection industry is dominated by generic products with more than 80% of the molecules being non-patented. Insecticides contribute to the major portion of the pesticide products (60%) whereas bio-pesticides are an emerging category and currently forms a small proportion of the market. It is estimated to have a huge growth potential considering its non-toxic nature.

The bio-pesticides market is witnessing strong growth due to increasing awareness about the toxicity of chemical fertilizers, environment friendly nature of bio pesticides, and government support in its promotion. Currently bio-pesticides constitute 3% of Indian crop protection market; chemical pesticide continues to play a leading role due to its dominant use in rice and cotton cultivation.

India’s pesticides consumption is one of the lowest in the world with per hectare consumption of 0.6 kg compared to other developed countries like China (13 kg/ha), Japan (12 kg/ha), USA (7 kg/ha), France (5 kg/ha) and UK (5 kg/ha). In India, paddy accounts for the maximum share of pesticide consumption with an approximate share of 26%-28%, followed by cotton with a share of 18% -20%. Eight states in India including Andhra Pradesh, Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana account for more than 70% of the agrochemicals usage in India. The total agrochemical production capacity in India was around 1441.70 thousand tonnes in FY 2018-19.



**Data available as on the date of IM from various industry reports and publicly available information.*

Other key areas

- (a) **Bio-pesticide:** The bio-pesticide sector is witnessing strong growth due to increasing awareness about the toxicity of chemical fertilizers, environment friendly nature of bio pesticides and Government support in promoting bio pesticides.
- (b) **Animal Feed:** The Indian animal feed market was worth INR 400.5 billion in 2018. The market is further projected to reach INR 898.5 billion by 2024, at a compounded annual growth rate of 14.3% during the period from 2018-2024. According to estimates by leading industry sources, the demand for animal protein and dairy products in India will increase the compound feed consumption volumes to 40 million tonnes by 2020 from current consumption of 28 million tonnes. India is the sixth largest producer of feed in the world market, amounting for production of 34.2 million metric tons in 2017 with presence of around 1,201 feed mills.
 - (i) **Poultry:** India is the fourth largest producer of broiler and third largest producer of egg in the world. The Indian poultry market, consisting of broilers and eggs was worth INR 1,750 billion in 2018. The market is further projected to reach INR 4,340 billion by 2024, growing at a CAGR of 16.2% during 2019-2024, which is one of the fastest growing poultry industries in the world.
 - (ii) **Cattle:** India has one of the largest populations of cattle in the world and ranks number one in milk production. India accounts for 20% of world production. The milk production in India was around 176.3 million tons in FY 2017-18. While all India per capita availability of milk is 375 grams per day, there exists wide inter-state variability.
 - (iii) **Aquaculture:** Fisheries is a fast-growing sector in India and fish and fish product exports emerged as the largest group in agricultural exports. India is the second largest fish producer in the world with a total production of 13.7 million metric tonnes in FY 2018-19. World demand exceeds production and the per capita consumption is steadily increasing. This means that India has great scope in expanding further its aqua culture industry.

Overview – Fertilizer Industry

Soil used for agricultural purposes requires frequent fertilizing because nutrients deplete with time. Thus, fertilizers play a vital role in agricultural output and food security, as well as in ensuring animal nutrition. The demand for fertiliser is steadily increasing, while supply is constrained. Higher demand for fertilisers is driven by high crop prices as a consequence of the need for supplying fast rising food demand, feed, fibre and bio energy.

The fertilizer industry is a key industry for the Indian economy in terms of assuring food security to the country. India is the second largest consumer of fertilizers (urea accounts for over 2/3rd of the overall fertilizer consumption) and is also the third largest producer of nitrogenous fertilizers (China and the US rank before India). Product wise chemical fertilizers are classified into Urea, Diammonium Phosphate (DAP), Single Super Phosphate (SSP), Muriate of Potash (MOP) and other Complex fertilizers like Calcium Ammonium Nitrate (CAN) and various grades of NPK Fertilizers (Fertilizers having different grades of Nitrogen (N), Phosphorus (P), and Potassium (K)). In India the most widely used fertilizer in the Nitrogenous category is Urea, DAP and MOP for Phosphorus and Potassium respectively.

During the FY 2019 India has produced 415 lacs metric tonnes of fertilizers. Urea dominates the total fertilizer production in the country. While India is the world's second largest consumer of urea, the Government of India is working toward increasing the production of urea so as to end imports by 2022 and achieve self-sufficiency in urea production.

Due to the support offered by the government towards the growth of the fertilizer industry there has been a rapid build-up of manufacturing units of Urea, Di-Ammonium Phosphate (DAP) and other complex fertilizers in the country with investments in the public, cooperative and private sectors. At present there are 31 large sized urea manufacturing units; 21 DAP and complex fertilizers units; and 2 units which manufacture ammonium sulphate as a by-product and 105 medium and small-scale units in operation producing Single Super Phosphate (SSP). Installed capacity of various fertilizers during the reporting year 2019-20 are as follows:

Product	Total Installed Capacity (figures in Lacs MT)
Urea	200.3
DAP	73.0
Complex Fertilizers	52.3

The fertilizer industry is highly regulated and monitored by the government. According to the FY 2020 budget, INR 799 billion is allocated for the fertilizer industry, to be given as subsidies. The difference between the cost of production which is higher than the price at which the fertilizer is sold to the beneficiary, will be reimbursed by the Government in the form of subsidies.

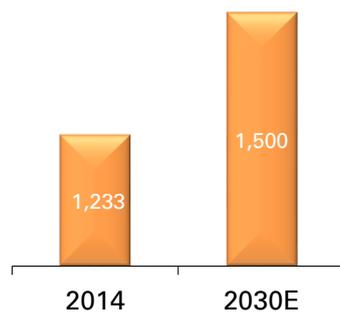
Fertilizer Industry Risks and Concerns

The fertiliser industry has been facing shortage of key raw materials such as phosphoric rock and sulphuric acid for manufacturing urea and phosphate fertilisers. Increase in price of essential raw materials such as natural gas and its unavailability in adequate quantity also acts as a setback for the fertiliser producer.

Key demand drivers in the industry

The population in India is expected to increase continuously in medium and long terms. This will create a strong demand for eggs, meat, milk etc., in turn increasing the demand for animal feed. The Indian government along with private initiatives are increasing the awareness of better feed practices among farmers. They are being made aware about animal health and the importance of a balanced and nutritional food for animals. Apart from domestic consumption, Indian exports of animal feed are rising and will also represent an important growth driver during the next five years. Changing lifestyle and rising per capita income in India have resulted in a shift in the dietary habits of the population. This has resulted in an increase in consumption of milk and meat leading to a growing demand for animal feed. In addition to improving soil fertility, protecting the crop from pests will be important to drive yields. Consumption of crop protection chemicals may significantly increase as the Indian farmer seeks to improve productivity and curtail crop loss due to pests.

Expected Population of India*

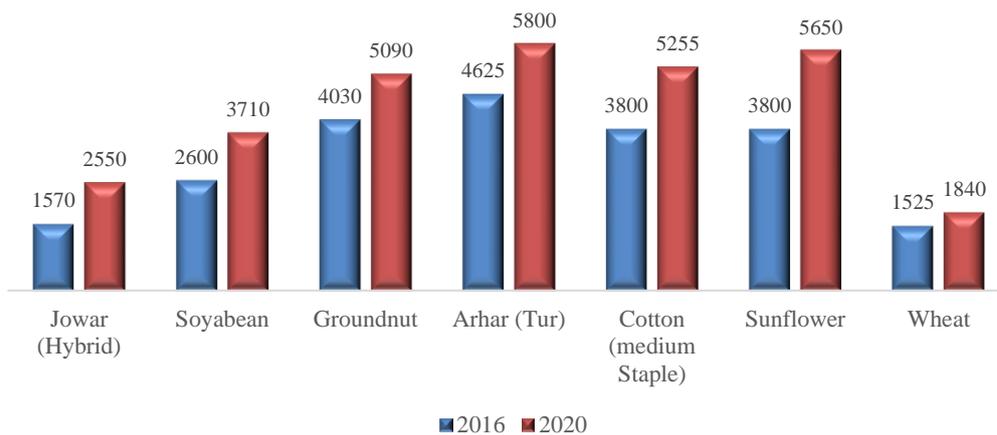


Urban v. Rural Population*



*Source: Data available as on March 31, 2019 from various industry reports and publicly available information.

The government’s initiative for increasing minimum support prices are proving to be beneficial to the farmers. Improving economics for farmers will enable them to spend on crop protection products. Thus, an increase in the farmer’s spending power will proportionately increase the demand for crop protection chemicals. The chart below shows the increase in the minimum support price of key crops:



*Source: Data available as on date from various industry reports and publicly available information.

Reports suggest that pesticides worth USD 4.1 billion are expected to go off-patent by 2020, this provides significant export opportunities for Indian companies to develop generic molecules.

Government Initiatives

Insecticides Act, 1968 – As pesticides are toxic and hazardous to mankind and the environment, the Government of India regulates the manufacture, sale, transport, export/import etc. of pesticides under the guidelines of the IN Act. As per this Act, no pesticide is allowed for production/import without registration.

Soil Health card – Initiated in February 2015 which is aimed at improving soil health and reducing input costs for farmer. It will contain crucial information on macro nutrients in the soil, secondary nutrients, micro- nutrients, and physical parameters. The card will be accompanied by an advisory on the corrective measures that a farmer should take to improved soil health and obtain a better yield.

Paramparagat Krishi Vikas Yojana – Launched by the government of India to support and promote organic farming and thereby improve soil health. This will encourage farmers to adopt eco-friendly concept of cultivation and reduce their dependence on fertilizers and agricultural chemicals to improve yields.

National e-Governance Plan (NeGP) – Takes a holistic view of e-Governance initiatives across the country, integrating them into a collective vision. Around this idea, a massive countrywide infrastructure reaching down to the remotest of villages is evolving, and large-scale digitization of records is taking place to enable easy, reliable access over the internet. The ultimate objective is to bring public services closer home to citizens.

M-Kisan – A mobile based agriculture advisory service that enables all Central and State Government organizations in agriculture and allied sector to give information/service/advisory to farmers by SMS in their language, preference of agriculture practice and location.

‘Make in India’ Policy – Government’s ‘Make in India’ Policy leading to favourable regulatory changes supporting domestic agrochemical industry. Supply from China made tighter. Aiming to double farmer income by 2022 potentially by increasing agricultural credit, crop insurance coverage, public spending for improving rural infrastructure and other supporting initiatives.

PMFBY and other crop insurance initiatives – The Pradhan Mantri Fasal Bima Yojana is a yield-based crop insurance system that improves on other schemes by removing caps on premiums and using modern technology. Other scheme Weather Based Crop Insurance Scheme (WBCIS) insures against the likelihood of crop loss. Suggestions being made for re-formulations of agricultural insurance schemes to suit the needs of farmers.

OUR BUSINESS

The financial figures used in this chapter, unless otherwise stated, have been derived from our Company's Financial Statements and the respective audit reports for the relevant years. This section should be read in conjunction with and is qualified in its entirety by, the more detailed information about us and our financial statements, including the notes thereto, in the sections "Risk Factors" and "Financial Information" on Pages 10 and 77 respectively of this Information Memorandum. In this section "our Company", "we", "us" and "our" refers to Sumitomo Chemical India Limited.

Overview

Our Company was incorporated, as a private company under the name of Sumitomo Chemical India Private Limited on February 15, 2000 with the Registrar of Companies Maharashtra, Mumbai. Sumitomo Chemical Company Limited having address at 27-1, Shinkawa 2- Chome Chuo-ku, Tokyo Japan is the holding company of the Company. The Company is primarily engaged in manufacture and sale of agricultural pesticides, household insecticides animal nutrition products. Further, the scheme of amalgamation under the provisions of Sections 391 to 394 of the Companies Act, 1956 for amalgamation of New Chemi Industries Limited, Scott Pharmaceuticals Private Limited and SC Enviro Agro India Private Limited was sanctioned by the Hon'ble High Court of Gujarat vide order dated September 16, 2011 in Company Scheme Petition No.77 of 2011 and by the Hon'ble High Court of Bombay vide order dated September 16, 2011 in Company Scheme Petition No. 336 of 2011.

ECC was incorporated on March 21, 1964 and registered with the Registrar of Companies, Mumbai. The Company got listed on BSE and NSE in the year 2003 pursuant to a demerger of the agricultural inputs portfolio of Excel Industries Limited with the strength of three manufacturing units at Bhavnagar, Gajod and Silvassa. Pursuant to the Scheme, ECC stands merged with our Company with effect from the Appointed Date of April 01, 2018.

Our Strengths

Set out below are our primary competitive strengths.

1. Diverse array of products

Our Company is engaged in the manufacture of a diverse range of products in the health and crop-sciences sector. The Health & Crop Sciences sector is responsible for the manufacture and sale of chemical/biorational pesticides, fertilizers, feed additives, insecticides for household and pest control, as well as active pharmaceutical ingredients and intermediates. Our Company is engaged in animal nutrition, agro solutions and environmental health. These products assist the agricultural industry, moving towards stabilizing the yield of crops and livestock, preventing the spread of infectious diseases, and sustaining human lives around the world.

Under the animal nutrition category, we are engaged in the supply and manufacture of methionine for feed additive use, which is one of the essential amino acids for the development and growth of livestock. We aim to continuously contribute to the production of efficient and environment friendly livestock through the supply of good-quality products. Our products under agro solutions include a full range of both chemically and biologically derived pesticides, herbicides and Plant Growth Regulators. Similarly, as part of environment health, provide solutions to many pest-associated problems like dengue, malaria, and damage by termites. Through development and marketing of household and professional pest control products, we seek to keep people healthy and their lives pest-free.

2. Growth led by continuous investment in R&D

Our Company is of the firm belief that R&D is a vital element for our growth. In line with this belief, our Company constantly endeavors to make regular investments in R&D to further expand our product portfolio and to identify more suitable methods of product formulation, manufacture, packaging and other allied activities. The R&D team comprises of qualified and dedicated team of scientists with an in-house team of chemical engineers and is equipped with sophisticated equipment which are required for developing newer processes that are economic and environmentally safe. We believe that innovation in product and processes would be the key factors in determining the Company's future expansions.

3. *Strategic location of our facilities reduces logistic time and costs*

The production facilities of our Company are situated strategically. We have five plants, four of which are located in Gujarat and one in Maharashtra. The Tarapur and Gajod plants are engaged in production and manufacturing whereas the Vapi plant handles the formulation and packaging. The Silvassa plant is a dedicated unit for the formulation of “Glyphosate” and other specialty products. Similarly, the Bhavnagar plant conducts the manufacture of technical products as well as the formulation. The plants are well connected to all major cities with its proximity to main highways, ports etc. thereby increasing the Company’s efficiency in transporting the products.

4. *Experienced management and key management personnel with domain knowledge*

Our Company’s management and key management personnel have decades of expertise in the chemicals and health & crop sciences industry. Our Company is managed by a team of experienced and professional personnel with exposure in various aspects of specialty chemicals and pharma intermediates including production, research & development, marketing and finance. We also have a qualified team of management personnel who has experience and expertise in the business.

Our Strategies

1. *Expansion of manufacturing facilities*

Our Company plans to invest every year on an average of around 5% of its consolidated net operating revenue in capacity expansion and for upgradation of manufacturing facilities. This includes planned investment for certain molecules of SCC which are under evaluation. We believe that if crystallized, the full benefits of this investment would be incremental and realized in the long run.

Further, products which are similar and are manufactured in the plants of both the Transferor and Transferee Companies shall now be integrated thereby freeing up of capacity in other plants which could be utilized for expansion of operations and product portfolio.

2. *Continued investment in R&D to increase our product portfolio*

We believe that continued investment in research and development is the key to increase our product portfolio. This is done with the objective of identifying more suitable methods of product formulation, manufacture, packaging and other allied activities. We have an in-house team of dedicated scientists who engage in R&D, who are equipped with the necessary infrastructure for carrying out the same. With the assistance of our promoter companies, we aim to invest in seamless integration of R&D between our Company and SCC units which would help us to improve our production processes and efficiency.

3. *Engage in further brand development*

The continued investment in R&D would lead to the development of new products and new brands. Such products, along with our existing products will require brand development. Product launches require constant planning and it entails on-field demonstration of our products, training of farmers in using the products, building awareness among the various stakeholders in relation to the products etc. The brand development exercise is logistically challenging and requires constant time and attention.

4. *Expand our export business*

We engage in exporting our products to various countries around the world. A substantial portion of our revenue may be attributed to exports. We plan to tap into various international markets, which will increase our export business. We also intend to improve the coordination with the subsidiaries of SCC for an improved global marketing and distribution channel.

5. *Continue to obtain patent registrations for the products and processes developed*

We strive to obtain, along with the relevant registrations for our products, the necessary patents and other intellectual property rights over the products. As on date, the company holds 27 patents across various

geographical locations. Having such patents will give us an upper hand, ultimately enabling us to engage in diversifying our product portfolio.

Key Challenges

The challenges that our Company may face owing to the nature and competition in the market may be the following:

1. retention of top clients who purchase our products;
2. pricing policies introduced by our competitors;
3. costs relating to our operations and marketing;
4. retaining sufficient skilled employees;
5. maintenance of execution standards and high levels of customer satisfaction; and
6. industry changes such as introduction of new technologies.

Our Products

Our Company produces various categories of crop protection chemicals like insecticides, herbicides, fungicides, plant supplements, bio-fertilizers and plant growth regulators. The top products of our Company are:

Sl. No	Product Name	Product Category	Indicative Use
1	Glyphosate	Herbicide	Tea Gardens, non-cropped
2	Profenophos	Insecticide	Cotton, Soya bean
3	Dantotsu	Insecticides	Vegetables
4	Tebuconazole	Fungicides	Wheat, Soya bean, Chilli
5	Progibb	Plant Growth Regulator	Citrus Fruits
6	Aluminum Phosphide	Fumigant	Warehousing of Food Grains
7	Chlorpyriphos	Insecticide	Paddy, Beans, Gram
8	DL-Methionine	Animal Nutrition	Poultry

Awards

For the details of awards received by the Company, please refer to the section “*History and Certain Corporate Matters - Awards*” on Page 47.

Human Resources

Our work force is a critical factor in maintaining our competitive position and our human resource policies focus on training and retaining our employees. As on the date of filing this Memorandum, we have more than 1500 employees across our various offices located in India. Our success depends, largely on our ability to recruit, train and retain high quality professionals with a skill set to meet the needs of the industry. Accordingly, we place special emphasis on the human resources function in our organization. Our brand name, industry leadership position, technology emphasis, wide range of growth opportunities and focus on long-term professional development give us significant advantages in attracting and retaining skilled employees with the correct professional attitude. We place special emphasis on the training of our employees to enable them to serve our clients precisely in accordance with their needs.

Insurance

We maintain insurance policies against third party liabilities, including a commercial general liability policies and professional liability policies. Our directors and officers are covered under a directors and officers’ liability insurance policy. We also maintain group insurance and medical insurance policies for the benefit of our employees.

Property

Our Registered Office premises are owned by us. Our other offices are either owned by us or are availed by us on a lease/leave and license basis.

Our Company has 5 (five) manufacturing facilities. The details of these manufacturing facilities are set out below:

Facility	Address	Leasehold / Freehold
Vapi	Plot No. C-5/184, C-5/185, Vapi notified Industrial area consisting Revenue survey Nos. 810/P, 815/P, 826/P within the village limits of Vapi, Taluka- Pardi, District- Valsad	Leasehold
Tarapur	Plot No. T-137, T-138, T-113, T-251, M.I.D.C., Tarapur, Boisar Taluka – Palghar, District- Thane, 401501	Leasehold
Bhavnagar	6/2, Ruvapari Road, Bhavnagar 364 005, Gujarat	Freehold
Gajod	Plot No.205-209, Bhuj-Mundra Road, Near Kera Village Village-Gajod 370430, Taluk: Bhuj, District Kutch, Gujarat	Freehold
Silvassa	Khardpada, Village Silvassa, Union Territory of Dadra and Nagar Haveli	Freehold

Quality Assurance

We have implemented quality assurance management systems and procedures that are aimed at ensuring consistency. Our products are rigorously inspected, tested and certified for quality, in-house. We continue to strive to upgrade and meet our customers' requirements, to have an edge over competitors and to deliver quality products which give complete customer satisfaction. We invest in upgrading our equipment and technology and add new equipment from time to time.

Health, safety and environment

We are committed to the health and safety of our employees and protection of the environment. Our goal is to provide an injury and accident free work environment by applying leading safety management systems.

Intellectual Property

During our R&D and consulting activities, we create a range of intellectual property which we brand and protect through trademarks, copyrights and patents, and through trade secret, agreements, confidentiality procedures and contractual provisions.

The total number of patent applications filed by us as at the date of filing this Memorandum stand at 9 (including patent applications that have been opposed). In total, we have 27 patents granted across geographies.

Corporate Social Responsibility

Our Company believes in contributing back to the society in which we operate. The Company shall undertake CSR projects/programs that are aligned with areas listed in schedule VII of the Companies Act, 2013, within the geographical limits of India, for the benefit of the local communities that it works around. As part of our CSR initiatives, we seek to promote education, sanitation, make available safe drinking water, women empowerment, ensuring environmental sustainability, development of rural and slum areas, promotion of rural sports as well as nationally recognised sports, implement measures for the benefit of armed forces veterans, war widows and their dependants, contributions towards technology incubators, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development as well as the protection and restoration of buildings of historical importance.

The mode of implementation of CSR will be done by partnering with various non-profit organisations, business partners, registered societies etc. The company will identify its CSR partners after appropriate due diligence by the CSR Committee.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter is based on current provisions of Indian laws which are subject to amendments, changes and modifications. The information stated below is based on the information collection from the Industry and from the public domain. The descriptions of the applicable statutes and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislations apply to us as they do to any other company. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Insecticides Act, 1968 – As pesticides are toxic and hazardous to mankind and the environment, the government of India regulates the manufacture, sale, labelling, transport, export/import etc. of pesticides under the guidelines of the IN Act. As per this Act, no pesticide is permitted to be produced/imported without obtaining a valid certificate of registration from the authorities formulated pursuant to the provisions of the IN Act. The said act also enables the relevant authorities to impose penalties upon any person and/or a company found to be in contravention of the regulations formulated *vis-à-vis* the manufacture, sale, labelling, transport, export/import etc. of pesticides.

Consumer Protection Act 1986 (“COPRA”)

The COPRA came into effect on December 24, 1986. The COPRA reinforces the interest and rights of consumers by laying down a mechanism for speedy grievance redressal. Any person to whom goods were delivered/intended to be delivered or services were rendered/ intended to be rendered, or a recognized consumer association, or numerous consumers having the same interest, or the Central/State Government may lodge a complaint before the district forum or any other appropriate forum under the COPRA, inter alia, where: (a) an unfair trade practice or a restrictive trade practice has been adopted by a service provider; (b) the services availed or agreed to be availed suffer from any deficiency in any material aspect; and (c) the provision of services which are hazardous or likely to be hazardous to life and safety of the public when used are offered by the service provider which such person could have known with due diligence to be injurious to life and safety. When a person against whom a complaint is made fails to or omits to comply with any order made by the forum/commission, such person shall be punishable with imprisonment for a term ranging from one month to three years, or a fine of not less than 2,000, but not more than 10,000, or both.

Environmental Laws

The Environment (Protection) Act, 1986 (“Environment Act”)

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe:

- (i) the standards of quality of air, water or soil for various areas;
- (ii) the maximum allowable limits of concentration of various environmental pollutants for different areas;
- (iii) the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents.

Environment (Protection) Rules, 1986 (“Environment Rules”)

In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board (“PCB”) an environmental statement for that financial year in the prescribed form.

The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims at prevention and control of water pollution as well as restoration of water quality through the establishment of a central PCB and state PCBs. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater or establishing any treatment or disposal system or the using of any new or altered outlet for the discharge of sewage is required to obtain the consent of the applicable state PCB, which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state PCB. Even before the expiry of the consent period, the state PCB is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, the state PCB after serving notice to the concerned industry may close the mine or withdraw water supply to the industry or cause magistrates to pass injunctions to restrain such polluters.

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act requires any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions, apply in a prescribed form and obtain consent from the PCB prior to commencing any activity. The PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules impose an obligation on every occupier to prevent, minimize, reuse, recycle, co-process and safely dispose hazardous and other wastes, as defined under the Hazardous Wastes Rules. An occupier has been defined as any person who has control over the affairs of a factory or premises or any person in possession of hazardous waste. Every occupier engaged, inter alia, in the handling, generation, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, pre-processing, co-processing, utilization, transfer or disposal of the hazardous waste and other wastes is required to obtain an authorization from the relevant state PCB.

Intellectual Property Laws

The Trade Marks Act, 1999

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“Trademark Act”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration have to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

Labour laws

Our Company is subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company.

The provisions of the relevant shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

The Industrial Disputes Act, 1947, as amended, provides for statutory mechanism of settlement of all industrial

disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

Our Company is subject to other laws concerning condition of working, benefit and welfare of our employees such as, the Industrial Employment (Standing Orders) Act, 1946, the Employees State Insurance Act 1948, the Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, the Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, the Minimum Wages Act, 1948, the Workmen's Compensation Act, 1923, the Payment of Wages Act, 1936, the Equal Remuneration Act, 1976, the Child Labour (Protection Regulation) Act, 1986, the Maternity Benefit Act, 1961, Apprentices Act, 1961 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Factories Act, 1948

The provisions of the Factories Act, 1948 are applicable to industries where (i) 10 or more workers are working; or (ii) where at least 20 workers are working, at any day of the preceding 12 months, or were working and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on. Upon being applicable to an establishment, the Factories Act, 1948 and the relevant rules framed thereunder provide for certain mandatory registrations and approvals required to be obtained by a factory.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated, as a private company under the name of Sumitomo Chemical India Private Limited on February 15, 2000 with the Registrar of Companies Maharashtra, Mumbai. Sumitomo Chemical Company Limited having address at 27-1, Shinkawa 2- Chome Chuo-ku, Tokyo Japan is the holding company of the Company. The Company is primarily engaged in manufacture and sale of agricultural pesticides, household insecticides and animal nutrition products.

ECC was incorporated on March 21, 1964 and registered with the Registrar of Companies, Mumbai. The Company got listed on BSE and NSE in the year 2003 pursuant to a demerger of the agricultural inputs portfolio of Excel Industries Limited with the strength of three manufacturing units at Bhavnagar, Gajod and Silvassa. Pursuant to the Scheme, ECC stands merged with our Company with effect from the Appointed Date of April 01, 2018.

The Company was converted from a private limited company to a public limited company and received a fresh certificate of incorporation on November 24, 2018.

Change in Name of the Company

The details of the change in our name since incorporation are provided below:

Effective date of Change	Details of Change	Reason(s) for change
November 24, 2018	The change in name of the Company from 'Sumitomo Chemical India Private Limited' to 'Sumitomo Chemical India Limited'	As per Scheme, ECC got merged with SCIL. In order to comply with the provisions of the Scheme, the Company decided to convert from private limited company to a public limited company

Change in the Registered Office

The details of the change in our registered office since incorporation are provided below:

Effective date of Change	Details of Change	Reason(s) for change
November 19, 2018	The change in registered office of the Company from 'Plot No. T 137, 138, 113 and 251 MIDC Tarapur, Kumbhavali Naka Taluka-Palghar, Maharashtra – 401506' to 'Building No. 1, Ground Floor, Shant Manor Co-Op Housing Society Limited, Chakravarti Ashok 'X' Road, Kandivli (East), Mumbai – 400101'	Operational convenience
October 26, 2018	Registered office shifted from 'Moti Mahal, 7 th Floor, 195, Jamshedji Tata road, Churchgate Mumbai, Maharashtra – 400020' to 'Plot No. T 137, 138, 113 and 251 MIDC Tarapur, Kumbhavali Naka Taluka-Palghar, Maharashtra – 401506'	Operational convenience
December 1, 2006	Registered office shifted from '146, 14 th Floor, Maker Chambers VI, Nariman Point, Mumbai- 400021' to 'Moti Mahal, 7 th Floor, 195, Jamshedji Tata road, Churchgate Mumbai, Maharashtra – 400020'	Operational convenience

Effective date of Change	Details of Change	Reason(s) for change
April 1, 2005	Registered office shifted from ‘‘145, 14 th Floor, Maker Chambers VI, Nariman Point, Mumbai- 400021’ to ‘146, 14 th Floor, Maker Chambers VI, Nariman Point, Mumbai-400021’	Operational convenience

Main Objects of our Company

The present main objects contained in the Memorandum of Association of our Company is as mentioned below:

- “1. To carry on in India or elsewhere the business to manufacture, produce, process, compound, mix, pack, formulate, condense, distill, rectify, sterilize, pasteurize, steam, evaporate, vaporize, cool, filter, commercialize, develop, treat, cure, refine, extract, operate, manipulate, prepare, purify, protect, preserve, disinfect, turn to account, or otherwise deal in, and to act as broker, agent, wholesalers, retailers, traders, dealers, factors stockist, distributor, consultant, collaborator, buyer, seller, exporter, importer, job worker, vendor, contractor or supplier of, all types of organic, inorganic, industrial, laboratory, photographic, fine, biological, pathological, pharmaceutical and other chemicals including, but not limited to, those meant for crop protection, agricultural, horticultural, arboricultural, general pest control and other allied activities; compounds, drugs, formulations, preparations, acids, solvents, oils, solutions, derivatives, fluids, products, by- products, residues, catalysts, reagents, mixtures, concentrates, lumps, powders, granules and allied items and to do all necessary acts and things incidental for the attainment of the above object including facilitating the formation of subsidiaries and joint ventures in India and entering into strategic alliances, distribution arrangements, marketing arrangements, consulting arrangements, research arrangements and/or licensing arrangements, by directly investing or otherwise in the field of basic chemicals, fine chemicals, organic and inorganic chemicals, agro-chemicals, specialty chemicals, environmental health chemical products, feed additives and other vitamin products, pharmaceuticals, plastic, petroleum products and/or any of their intermediates, subject where applicable to necessary Government and Reserve Bank of India approvals.
2. To manufacture, buy, sell, import, export, or otherwise deal in organic and nonorganic fertilizers and manures; pesticides, rodenticides, insecticides, fungicides, weedicides, bio-pesticides, plant growth regulators and enhancers, fumigants, preservatives and any and all such products and preparations by whatever name called for crop protection, agriculture, horticulture, arboriculture and allied purposes and for preservation of food-grains.
3. To apply scientific and engineering principles to processing of materials by biological agents to produce or manufacture medicines, pharmaceutical products of all kinds and seeds, and to undertake services including those by use of genetic engineering, gene technology, cell hybridization, microorganisms, genetic manipulation, recombinant DNA and other means of biotechnology and to deal in, manufacture, process, trade, purchase, sell, export, import, store, refrigerate, pack and repack all types and kinds of materials required for production using biotechnology including genetically engineered cells or organisms and to process, store, purchase, sell, import, export, pack and repack goods produced by using biotechnology.
4. To carry on business as inventors, researchers and developers, to conduct, promote and commission research and development in connection with the activities of the Company and its undertakings, to establish and maintain research and development stations, technology centers, computer complexes, laboratories, workshops, testing and proving grounds, and establishments and to exploit and turn to account, the results of any research and development carried out by or for it.”

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association of the Company in the last ten (10) years preceding the date of this Information Memorandum:

Date of Shareholders' Resolution	Particulars
--	Increase in the Authorized Share Capital of the Company from Rs. 494,00,00,000/- (Rupees Four Hundred NinetyFour Crore) divided into 49,40,00,000 (Forty Nine Crore Forty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 500,00,00,000/- (Rupees Five Hundred Crore) divided into 50,00,00,000 (Fifty Crores) equity shares of Rs. 10/- (Rupees Ten) each pursuant to combination of authorized share capital as per clause 6 of Part C of the Scheme
October 26, 2018	The change in name of the Company from 'Sumitomo Chemical India Private Limited' to 'Sumitomo Chemical India Limited'. The copy of fresh certificate of incorporation was received on November 24, 2018
October 26, 2018	<p>(i) The main object clause of the Company was amended to align its main objects in line with the business of the Transferor Company. The revised object clause has been mentioned above. The main object clause before the above mentioned alteration read as follows:</p> <p style="text-align: center;"><i>"To carry on in India, and/or elsewhere, all or any of the businesses and related activities of importers, exporters, buyers, sellers, wholesalers, retailers, traders, dealers, agents, brokers, distributors and factors of every kind, in every description, in a prepared, manufactured, semi-manufactured or raw state, of, goods and merchandise including but not limited to basic chemicals, fine chemicals, organic and inorganic chemicals, agro-chemicals, specialty chemicals, environmental health chemical products, feed additives and other vitamin products, pharmaceuticals, plastics, petroleum products and/or any of their intermediates and to facilitate the formation of subsidiaries and joint ventures in India and entering into strategic alliances, distribution arrangements, marketing arrangements, consulting arrangements, research arrangements and/or licensing arrangements, by directly investing or otherwise in the field of basic chemicals, fine chemicals, organic and inorganic chemicals, agro-chemicals, specialty chemicals, environmental health chemical products, feed additives and other vitamin products, pharmaceuticals, plastic, petroleum products and/or any of their intermediates, subject where applicable to necessary Government and Reserve Bank of India approvals."</i></p> <p>(ii) Increase in the Authorized Share Capital of the Company from Rs. 300,00,00,000/- (Rupees Three Hundred Crore) divided into 30,00,00,000 (Thirty Crores) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 494,00,00,000/- (Rupees Four Hundred Ninety Four Crore) divided into 49,40,00,000 (Forty Nine Crore Forty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each.</p>
June 5, 2016	Increase in the authorized share capital of the Company from Rs. 250,00,00,000 (Rupees Two Hundred Fifty Crore) divided into 25,00,00,000 (Twenty Fifty Crore) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 300,00,00,000 (Rupees Three Hundred Crore Only) divided into 30,00,00,000 (Thirty Crores) equity shares of Rs. 10/- (Rupees Ten) each
September 29, 2011	Increase in the authorized share capital of the Company from Rs. 140,00,00,000 (Rupees One Hundred Forty Crore) divided into 14,00,00,000 (Fourteen Crore) equity shares of Rs. 10/- (Rupees Ten) each to 250,00,00,000 (Rupees Two Hundred Fifty Crore) divided into 25,00,00,000 (Twenty Fifty Crore) equity shares of Rs. 10/- (Rupees Ten)
February 1, 2010	Increase in the authorized share capital of the Company from Rs. 80,00,00,000 (Rupees Eighty Crore) divided into 8,00,00,000 (Eight Crore) equity shares of Rs. 10/- (Rupees Ten) to Rs. 140,00,00,000 (Rupees One

Date of Shareholders' Resolution	Particulars
	Hundred Forty Crore) divided into 14,00,00,000 (Fourteen Crore) equity shares of Rs. 10/- (Rupees Ten) each
August 31, 2006	Increase in the authorized share capital of the Company from Rs. 55,00,00,000 (Rupees Fifty-Five Crore) divided into 5,50,00,000 (Five Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) to 80,00,00,000 (Rupees Eighty Crore) divided into 8,00,00,000 (Eight Crore) equity shares of Rs. 10/- (Rupees Ten)
July 11, 2005	Increase in the authorized share capital of the Company from Rs. 30,00,00,000 (Rupees Thirty Crore) divided into 3,00,00,000 (Three Crore) equity shares of Rs. 10/- (Rupees Ten) each to 55,00,00,000 (Rupees Fifty-Five Crore) divided into 5,50,00,000 (Five Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten)

Major events and milestones of the Transferor Company and the Transferee Company prior to the Scheme:

The table below sets forth the key events in the history of the **Transferee Company**:

Calendar year	Events and Milestones
2000	➤ Established the sales office for Sumitomo Chemical India Private Limited (SCIPL) in Mumbai
	➤ Established Sumitomo Chemical Enviro Agro India (SCEAI)
	➤ Commenced the manufacture of Pynamin Forte
2001	➤ Commenced the manufacture of Etoc at SCEAI
	➤ Expanded the business by commencing the manufacture of household insecticides
2002	➤ Diversified production by commencing the manufacture of crop protection chemicals like Dipel and Progibb
	➤ Commenced the manufacture of Fenprothrin (Danitol TG) at SCEAI
2003	➤ Engaged in the formulation and sales of Meothrin (Fenprothrin 30%)
2006	➤ Expanded the crop protection chemicals business
	➤ Commenced the sales of Clothianidin
2007	➤ Established the sales office for SCIPL in Delhi
2011	➤ Expanded the business to include animal nutrition chemicals
	➤ Integrated SCIPL, SCEAI and New Chemi Industries Ltd
2018	➤ Converted from private to public company
2019	➤ Received NCLT approval for the Scheme for amalgamation of ECC with the Company with effect from the Appointed Date

The table below sets forth the key events in the history of the **Transferor Company**:

Calendar year	Events and Milestones
2003	➤ Excel Crop Care demerged from Excel Industries to focus on Agrochemicals
	➤ Nufarm joins hands with 15% holding
2005	➤ Commercialization of patented process for Granular Ammonium Glyphosate – (Mera 71)
2007 - 2010	➤ Manufacture of Tebuconazole Technical
	➤ Launched bio-inoculam for agri-waste composting-Madhyam
2010- 2012	➤ Manufacture of Fenpyroximate and Fluroxypyr Technical
	➤ Manufacture of Triazophos Technical

Calendar year	Events and Milestones
2013-2015	➤ Manufacture of Quinalphos Imidacloprid Technical
	➤ Manufacture of bio-products Trichoderma HR and Pseudomonas
2016	➤ Acquisition of majority shareholding by SCC
2017	➤ Manufacture of Difenconazol, Thiacloprid, Bis Pyribac Sodium, Axoxystrobin Technical
2019	➤ Merged with Sumitomo Chemical India Limited with effect from the Appointed Date

Awards, accreditations or recognitions by the Transferor Company

The Transferor Company has received the following awards, accreditations and recognition:

1. Jammalal Bajaj Award for “Fair Business and Practices”
2. First ever president’s gold shield for import substitution
3. First award for export of organic and inorganic chemicals
4. ICMA award for innovation and purposeful programs for social progress
5. First Sir P.C. Ray award for development of products and process with indigenous technology
6. Punjab Haryana Delhi Chamber of Commerce and Industries award for ethical business
7. Winner active ingredient trophy and certificate from M/s. Bayer
8. Trishul award for the excellent performance for exports in international markets
9. Dr. Vikram Sarabhai award for developing green technology from department of Science and Technology, Government of Gujarat
10. Certificates of appreciation received ten times from jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 10 lakh accident free man-hours
11. Certificates of merits received from jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 20 lakh accident free man-hours
12. Certificates of honour received two times jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 30 lakh accident free man-hours
13. Shramveer award for improvement of product efficiency received from national level Delhi
14. Vishwakarma Rashtriya Puraskar received for process development
15. National Safety Award by Labour Ministry, Government of India for safety performance
16. Shramveer Award to employees from Labour Ministry, state level received six times
17. Shram Bhushan Award to employees received five times
18. Shram Ratna to employees, received seven times
19. Shram Shri award to employees received three times
20. Gujarat State Safety Certificate for safety commitment

Material Acquisitions or Divestments of Business/Undertakings, Mergers, Amalgamation

The details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets etc., if any, in the last ten years are provided below:

Date of acquisition	Particulars
April 1, 2018 being Appointed date	Scheme of Amalgamation between Excel Crop Care Limited and the Company. For details, see Section – “Scheme of Amalgamation” on Page 50
October 2016	Acquisition of equity shares of ECC representing 19.98% of the total paid up share capital of ECC by the Company through an open offer.
April 1, 2011 being Appointed date	The Scheme of Amalgamation under the provisions of Sections 391 to 394 of the Companies Act, 1956 for amalgamation of New Chemi Industries Limited, Scott Pharmaceuticals Private Limited and SC Enviro Agro India Private Limited with the Company was sanctioned by the Hon’ble High Court of Gujarat vide order dated September 16, 2011 in Company Scheme Petition No.77 of 2011 and by the Hon’ble High Court of Bombay vide order dated September 16, 2011 in Company Scheme Petition No. 336 of 2011. The appointed date for this amalgamation was April 1, 2011. In terms of the above scheme of amalgamation, the members of the New Chemi Industries Limited and SC Enviro Agro India Private Limited whose

Date of acquisition	Particulars
	<p>names were recorded in the register of members of the aforesaid companies as on the record date of the said scheme of amalgamation were issued and allotted the following equity shares by the Company:</p> <ul style="list-style-type: none"> • 1500 equity shares of face value of Rs.10/- (Rupees Ten only) each of the Company, credited as fully paid up, for every 1 fully paid up equity share of face value of Rs.100/- (Rupees Hundred only) each, held in New Chemi Industries Limited and • 20.22 equity shares of face value of Rs.10/- (Rupees Ten only) each of the Company, credited as fully paid up, for every 1 fully paid up equity share of face value of Rs.10/- (Rupees Ten only) each, held in SC Enviro Agro India Private Limited. <p>Scott Pharmaceuticals Private Limited was the wholly owned subsidiary of New Chemi Industries Limited. Accordingly, the shareholding of New Chemi Industries Limited including shares held by its nominee, in Scott Pharmaceuticals Private Limited and SC Enviro Agro India Private Limited was cancelled and the Company was not be required to issue any shares in lieu of the shares so cancelled.</p> <p>Assets and liabilities of New Chemi Industries Limited, Scott Pharmaceuticals Private Limited and SC Enviro Agro India Private Limited stood transferred to the Company as a going concern so as to become the assets, estate, rights, titles and interests of the Company.</p>

Our Holding Company

(a) Introduction

SCC is the holding company of the Company. SCC was incorporated, as a company limited by shares, on June 1, 1925 in Japan under the applicable laws of Japan. SCC was originally founded in 1913 but was only registered on June 1, 1925. The Japanese name of SCC was changed from Sumitomo Kagaku Kogyo Kabushikigaisha to Sumitomo Kagaku Kabushikigaisha and the same was registered on October 5, 2004.

The head office of SCC is situated at 27-1, Shinkawa, 2-chome, Chuo-ku, Tokyo, Japan.

SCC is a professionally managed company, listed on the Tokyo Stock Exchange, and is controlled by its board of directors and accordingly, no one or group of identifiable shareholders control SCC.

Prior to the Scheme becoming effective, SCC held 27,45,88,093 equity shares of the Company (including shares held through 5 (five) nominee individual shareholders) amounting to 99.99% of its shareholding.

Subsequent to the Scheme becoming effective, SCC currently holds 400,825,868 equity shares of the Company (including shares held through 5 (five) nominee individual shareholders) amounting to 80.30% of its shareholding.

(b) Nature of Business of Holding Company

SCC primarily operates in five sectors, namely, (i) petrochemicals & plastics; (ii) energy & functional materials; (iii) IT-related chemicals; (iv) health and crop sciences and (v) pharmaceuticals. It is a professionally managed company and its operations are overseen by its board of directors.

Subsidiaries of our Company

Pursuant to implementation of the Scheme, the subsidiaries of erstwhile Excel Crop Care Limited (Transferor Company) became the subsidiary of our Company. The brief details are as under:

Name of the Subsidiary	Excel Crop Care (Africa) Ltd	Excel Crop Care (Europe) N V
Country of incorporation	Tanzania	Belgium
Nature of business	Trading in Agricultural Chemicals	Trading in Agricultural Chemicals
Capital Structure (paid-up capital)	170,000,000 Tshs.	63,000 €
Extent of holding (%)	99.94%	99.00%

SCHEME OF AMALGAMATION*

*All references to “the Transferor Company” in this section of the Information Memorandum, are to be read as “Excel Crop Care Limited”, all references to “the Transferee Company” are to be read as “Sumitomo Chemical India Limited” and all references to “the Companies” are to be read as “the Transferor Company and the Transferee Company”.

Rationale as provided in the Scheme

The Scheme provides for the amalgamation of Transferor Company with Transferee Company pursuant to Sections 230 to 232 of the Companies Act and other applicable provisions of the Companies Act, with the view to achieve the following benefits:

- (i) Consolidation of businesses presently carried on by the Transferor and Transferee Company, which shall create greater operational synergies and efficiencies at multiple levels of business operations and shall provide significant impetus to their growth;
- (ii) Merger shall result in consolidation of major India operations under one platform which is expected to get undivided attention from the parent company and thereby leveraging capability of the merged entity which in turn will allow the merged entity to undertake future expansion strategies and to tap bigger opportunities;
- (iii) Creation of value for shareholders of the Companies and other stakeholders, by way of creation of a large asset base, facilitating access to better financial resources, stronger consolidated revenue and profitability, diversification in product portfolio and thereby reducing business risks;
- (iv) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the Companies, thereby contributing to the future growth of the merged entity;
- (v) Consolidating the shareholding and thereby eliminating administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- (vi) The Transferor Company and the Transferee Company operate businesses that complement each other and therefore, can be conveniently combined for mutual benefit of the shareholders of the Companies;
- (vii) This Scheme shall be in the beneficial interest of all the stakeholders and the shareholders of both the Companies.

Salient features of the Scheme:

- (i) The Scheme provides for amalgamation the Transferor Company with the Transferee Company.
- (ii) The Scheme came into effect on the Appointed Date, i.e April 1, 2018.
- (iii) Pursuant to the Scheme, all the assets and liabilities of the Transferor Company have vested into the Transferee Company with effect from the Appointed Date.
- (iv) The consideration for the proposed merger will be discharged by Transferee Company by issuing its equity shares to each shareholder (except itself) of Transferor Company as follows:

“51 (Fifty one) equity shares of face value of Rs.10 (Rupees ten only) each of transferee company, credited as fully paid-up, for every 2 (Two) fully paid-up equity shares of face value of Rs.5 (Rupees five only) each held in transferor company as on the record date.”
- (v) Upon the Scheme becoming effective, the equity shares held in Transferor Company by Transferee Company (either held in its own name or held by through its nominee(s)), shall stand cancelled in their entirety. Accordingly, no equity shares of Transferee Company would be issued in respect of such equity shares held by Transferee Company in the Transferor Company.
- (vi) Upon the Scheme coming into effect, Transferor Company shall be dissolved without being wound-up.

Approvals with respect to the Scheme of Amalgamation

The NCLT vide its Order dated June 27, 2019, subject to the conditions set out therein, has sanctioned the Scheme of Amalgamation. In accordance with the said Scheme, the equity shares of our Company issued subject to applicable regulations shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

OUR MANAGEMENT

The Articles of Association require that our Board shall comprise of not less than 3 Directors and not more than 15 Directors. As on the date of filing this Information Memorandum, we have 8 Directors on our Board of whom 3 are Independent Directors. Of such Independent Directors, 1 Director is a woman Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Board of Directors*

The following table sets forth the details of our Board of Directors as of the date of filing of this Information Memorandum with the Stock Exchanges:

Sr. No.	Name, designation, date of birth, address, occupation, date of appointment, current term, DIN and Nationality	Age (years)	Other directorships
1.	<p>Dr. Mukul Govindji Asher <i>Designation:</i> Chairman and Independent Director <i>Date of birth:</i> December 17, 1943 <i>Address:</i> 125 Mayer RD 16 - 05 The Makena Singapore - 437936 <i>Occupation:</i> Economist <i>Current term:</i> Up to August 27, 2024 <i>Period of directorship:</i> 5 years <i>DIN:</i> 00047673 <i>Nationality:</i> Indian</p>	76	<p>Indian companies: Nil</p> <p>Foreign companies: Excel Crop Care (Africa) Ltd.</p>
2.	<p>Chetan Shantilal Shah <i>Designation:</i> Managing Director <i>Date of birth:</i> July 22, 1954 <i>Address:</i> Bhagwati Bhuvan, 5th Floor, 31-B Carmichael Road Mumbai 400026 Maharashtra <i>Occupation:</i> Company Executive <i>Current term:</i> August 31, 2022 <i>Period of directorship:</i> 3 years <i>DIN:</i> 00488127 <i>Nationality:</i> Indian</p>	65	<p>Indian companies</p> <ol style="list-style-type: none"> 1. Malabar Hill Club Limited 2. Vulcan Products Private Limited 3. Crop Life India 4. Sanghraj Private Limited <p>Foreign companies:</p> <ol style="list-style-type: none"> 1. Excel Crop Care (Africa) Ltd, 2. Excel Crop Care (Europe) N.V
3.	<p>Bhupendranath Bhargava <i>Designation:</i> Independent non-executive director <i>Date of birth:</i> April 16, 1936 <i>Address:</i> Flat No.2401, 24th Floor, Tower - 5, Planet Godrej, Jacob Circle, K.K. Marg, Mahalaxmi Mumbai 400011 <i>Occupation:</i> Company Director <i>Current term:</i> Up to August 27, 2024 <i>Period of directorship:</i> 5 years <i>DIN:</i> 00001823 <i>Nationality:</i> Indian</p>	83	<p>Indian Companies</p> <ol style="list-style-type: none"> 1. The Supreme Industries Limited 2. JK Lakshmi Cement Limited 3. Aditya Birla Renewables Subsidiary Limited 4. Aditya Birla Renewables SPV 1 Limited <p>Foreign Companies: Nil</p>

Sr. No.	Name, designation, date of birth, address, occupation, date of appointment, current term, DIN and Nationality	Age (years)	Other directorships
4.	<p>Tadashi Katayama* <i>Designation:</i> Non-executive director (SCC Nominee) <i>Date of birth:</i> October 23, 1966 <i>Address:</i> 1-7-1-303, Narashinodai, Funabashi City 2740063 Japan <i>Occupation:</i> Company Executive <i>Current term:</i> Up to ensuing AGM, eligible for appointment subject to shareholders approval <i>Period of directorship:</i> Up to ensuing AGM, eligible for appointment subject to shareholders approval <i>DIN:</i> 07628973 <i>Nationality:</i> Japanese</p>	53	<p>Indian Companies: Nil</p> <p>Foreign Companies</p> <ol style="list-style-type: none"> 1. Philagro South Africa (Pty) Ltd. 2. Sumitomo Chemical Taiwan Co., Ltd. 3. Hokko Chemical Industry Co.,Ltd. 4. Sumitomo Chemical Italia S.r.l. 5. Sumitomo Chemical Australia Pty. Ltd. 6. Philagro Holding S.A. 7. Sumitomo Chemical Agro Europe S.A.S. 8. Sumitomo Chemical Agro Seoul, Ltd. 9. Sumitomo Chemical Shanghai Co., Ltd. 10. Valent BioSciences LLC 11. Valent U.S.A. LLC 12. Kenogard S.A. 13. Philagro France S.A.S. 14. Excel Crop Care (Africa) Ltd. 15. Excel Crop Care (Europe) N.V.
5.	<p>Preeti Gautam Mehta <i>Designation:</i> Independent non-executive woman director <i>Date of birth:</i> October 1, 1959 <i>Address:</i> 22 Bennett Villa, 27 Wodehouse Road, Colaba Mumbai 400001 Maharashtra <i>Occupation:</i> Advocate and Solicitor <i>Current term:</i> Up to August 31, 2024 <i>Period of directorship:</i> 5 years <i>DIN:</i> 00727923 <i>Nationality:</i> Indian</p>	60	<p>Indian Companies</p> <ol style="list-style-type: none"> 1. AMJ Land Holdings Limited 2. Bagalkot Cement & Industries Limited 3. JCB India Limited <p>Foreign Companies: Nil</p>
6.	<p>Hiroyoshi Mukai* <i>Designation:</i> Non-executive director (SCC Nominee) <i>Date of birth:</i> October 3, 1966 <i>Address:</i> 27-1, Shinkawa 2-Chome, Chou-Ku Tokyo, Japan Tokyo 1048260 <i>Occupation:</i> Company Executive <i>Current term:</i> Up to ensuing AGM, eligible for appointment subject to shareholders approval <i>Period of directorship:</i> Up to ensuing AGM, eligible for appointment subject to shareholders approval <i>DIN:</i> 07835814 <i>Nationality:</i> Japanese</p>	53	<p>Indian Companies: Nil</p> <p>Foreign Companies</p> <ol style="list-style-type: none"> 1. Valent U.S.A. LLC 2. Valent BioSciences LLC. 3. Sumitomo Chemical Italia S.R.I 4. Sumitomo Chemical Shanghai Co., Ltd. 5. Sumitomo Chemical Australia Pty. Ltd 6. Sumitomo Chemical Agro Europe S.A.S. 7. Sumitomo Chemical Agro Seoul, Ltd 8. Oita General Service Co., Ltd. 9. Sumika Agro Manufacturing Co., Ltd. 10. Sumika Technoservice Corporation 11. Rainbow Chemical Co., Ltd. 12. Sumika Agrotech Co., Ltd. 13. Sumitomo Chemical Garden Products Inc. 14. Mclaughlin Gormley King Company 15. Pace International LLC 16. BRA MNS Holding Pty Limited 17. BRA MAS Holding Pty Limited

Sr. No.	Name, designation, date of birth, address, occupation, date of appointment, current term, DIN and Nationality	Age (years)	Other directorships
			18. BRA ASA Holding Pty Limited 19. BRA ASB Holding Pty Limited 20. Botanical Resources Australia Manufacturing Services Pty Ltd 21. Botanical Resources Australia Marketing Services Pty Ltd 22. Botanical Resources Australia Agricultural Services Pty Ltd 23. Botanical Resources Australia Pty Ltd 24. Mycorrhizal Applications, LLC 25. Sumitomo Chemical Taiwan Co., Ltd. 26. Sumitomo Chemical Asia Pte Ltd
7.	Sushil Champaklal Marfatia* <i>Designation:</i> Executive Director <i>Date of birth:</i> December 2, 1951 <i>Address:</i> Flat No. 301, Mayfair Melody, Pratibha, Near Punjab Society, Tagore Road, Santacruz West Mumbai 400054 <i>Occupation:</i> Company Executive <i>Current term:</i> Up to August 31, 2022 <i>Period of directorship:</i> 3 years <i>DIN:</i> 07618601 <i>Nationality:</i> Indian	68	Indian Companies: Nil Foreign Companies: Nil
8.	Ninad Dwarkanath Gupte* <i>Designation:</i> Non-executive director <i>Date of birth:</i> August 31, 1953 <i>Address:</i> 301, Dudhwala Tower, Shreyas Colony, Off Aarey Road, Goregaon (East), Mumbai – 400063 <i>Occupation:</i> Company Director <i>Current term:</i> Up to ensuing AGM, eligible for appointment subject to shareholders approval <i>Period of directorship:</i> Up to ensuing AGM, eligible for appointment subject to shareholders approval <i>DIN:</i> 00027523 <i>Nationality:</i> Indian	66	Indian Companies 1. Transpek Industry Limited Foreign Companies: 1. Excel Crop Care (Africa) Ltd, 2. Excel Crop Care (Europe) N.V

**Note: Out of the abovementioned members of the Board of Directors of our Company, (i) Ninad Dwarkanath Gupte; (ii) Tadashi Katayama; (iii) Sushil Champaklal Marfatia and (iv) Hiroyoshi Mukai are liable to retire by rotation.*

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation. The composition of our Board and the various committees of our Board is in compliance with the provisions of the Companies Act and the SEBI Listing Regulations.

Brief profile of our Directors

Dr. Mukul Govindji Asher is the Chairman of the Board of directors of our Company and was appointed as Independent Director with effect from August 27, 2019. He was a Professorial Fellow at the Lee Kuan Yew School of Public Policy at the National University of Singapore. He studied in India and the United States. His research

focuses on public financial management, including the PPPs; social security reforms in Asia, and application of economic reasoning to India's public policies, and to its economic diplomacy. He has published extensively in national and international journals; and has authored or edited more than fourteen books. He has been a Visiting Faculty at the Asian Public Policy Program at Hitotsubashi University since the early 2000s. He has been a consultant or advisor to several Governments in Asia on tax policy and pension reforms; and to multi-lateral institutions including the International Monetary Fund, Asian Development Bank, Pension Fund Regulatory and Development Authority (PFRDA) of India, Government of Gujarat, and the World Bank. He has led many Executive development programs for government officials from several countries, including India, Indonesia, Russia, Sri Lanka, Kazakhstan, and Vietnam. He is actively involved with various research organizations and think tanks, including ERIA (Economic Research Institute for ASEAN and East Asia) in Jakarta. He served as Chairman, fifth State Finance Commission of Haryana from May 2016 to September 2017, when the Report was submitted. He was a member of the panel to review (between November 2017 and January 2018) Crawford School of Public Policy at the Australian National University.

Chetan Shantilal Shah was appointed as the Company's Managing Director with effect from September 1, 2019. He was a promoter of New Chemi Industries Limited which was acquired by Sumitomo Chemical Company, Limited, Japan (SCCL) in 2010 and integrated with Sumitomo Chemical India Pvt. Ltd. (SCIPL). He served as the Joint Managing Director of SCIPL from 2010 till October 2016 and as Managing Director of Excel Crop Care Limited from October 2016 till August 2019. He is a commerce graduate from the University of Mumbai and holds a master's degree in Business Administration from North Rope University in the United States of America. He is a veteran in the agrochemicals industry. He has been associated with the industry for over 43 years in various leadership and Senior Management roles.

Bhupendranath Bhargava was appointed as Independent Director with effect from August 27, 2019. He has rich experience of over 50 years in areas including banking, project financing and credit rating. He has held directorship in several leading corporates and was on the advisory board of an independent regulatory body set up by the Government of India to work on reforms in telecommunications sector. With his keen perspective on the country's economic development, he makes rich contribution to the board deliberations.

Tadashi Katayama was appointed Director of the Company with effect from August 31, 2019. He holds a master's degree in Business Administration from Vanderbilt University, U.S.A. and a master's degree from Kyoto University in Japan. He has been working with Sumitomo, Japan since 1992 in the Health and Crop Science business unit in various positions. He has also been associated with Sumitomo's Indian businesses and subsidiary in supervisory role.

Preeti Gautam Mehta was appointed as Independent Director with effect from August 31, 2019. She is an arts and law graduate from Mumbai University, is an advocate and solicitor by profession. She is a Partner of Kanga & Co., a leading firm of Advocates and Solicitors. She has over 30 years of experience in corporate laws, foreign investment and collaborations, mergers and acquisitions and private equity investments, banking, franchising and hospitality. Currently, she is an Independent Director of AMJ Land Holdings Limited (a listed company), JCB India Ltd. and Bagalkot Cement & Industries Ltd.

Hiroyoshi Mukai is a non-executive director of the Company and was appointed on the board on June 6, 2017. He has been associated with Sumitomo Chemical group for over 30 years and is currently working as General Manager, Business Planning & Administration department, Agro Solutions Division – International in Sumitomo Chemical Company Limited. He holds a bachelor's degree from the University of Osaka, Japan.

Sushil Champaklal Marfatia is an Executive Director and has been a member of the board of the Company since October 7, 2016. He has over 42 years of work experience. Prior to joining the Company, he was working with New Chemi Industries Limited for 33 years which was later merged with the Company. He holds a bachelor's degree in Commerce from the University of Mumbai. He is also a qualified Chartered Accountant.

Ninad Dwarkanath Gupte has been appointed as Director with effect from August 31, 2019. He has long and rich experience of 43 years in the management of companies operating in the field of fine chemicals, performance chemicals, industrial chemicals and agrochemicals. He is a chemical industry veteran. He was Vice Chairman of Crop Care Federation of India – an agrochemical industry association for many years. He has worked with Indian as well as multinational companies such as Excel Industries Ltd., BASF India Ltd., Herdillia Chemicals Ltd. (now SI International) in various senior positions. He has worked as Managing Director of Cheminova India Ltd – a Danish multinational and Agrocel Industries Ltd and as Joint Managing Director of Excel Crop Care Limited.

Directorships of Directors in listed companies whose shares have been/were suspended from being traded

None of the Directors have been on the board of any listed company whose shares have been/were suspended from being traded on stock exchange(s), for the five years prior to the date of filing this Information Memorandum.

Directorships of Directors in listed companies whose shares have been/were delisted from being traded

None of the Directors have been on the board of any listed company whose shares have been/were delisted from stock exchange(s).

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except Hiroyoshi Mukai, Koyoshi Takayama and Tadashi Katayama none of our Directors have been nominated or appointed or selected, pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with any of our Directors, which provide for benefits upon termination of employment.

Terms of appointment of our Executive Directors:

Chetan Shantilal Shah

The Board of Directors of our Company in its meeting held on August 31, 2019 appointed Mr. Chetan Shantilal Shah as the Managing Director of the Company for a period of 3 years with effect from September 1, 2019.

He is entitled to (a) basic salary and (b) an annual performance bonus as may be determined by the Board 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. The gross annual salary of Mr. Chetan Shantilal Shah is Rs. 335.40 lakhs.

Sushil Champaklal Marfatia

The Board of Directors of our Company in its meeting held on August 31, 2019 appointed Mr. Sushil Champaklal Marfatia as an Executive Director of the Company for a period of 3 years with effect from September 1, 2019.

He is entitled to (a) basic salary, (b) house rent allowance, (c) conveyance allowance, (d) children's education allowance, (e) medical allowance, (f) refreshment allowance, (g) leave travel allowance, (h) contribution to provident fund, (i) use of company provided car and driver and (j) other allowance. The annual gross salary of Mr. Sushil Champaklal Marfatia is Rs.100.04 lakhs with an annual increment as may be approved by the Board of the Company, subject to a maximum limit of Rs. 160.00 lakhs.

In addition to the annual gross salary, he is entitled to an 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.

Compensation paid to Directors

In the two years preceding the date of this Information Memorandum, our Company has entered into (i) a contract dated October 14, 2019 with Mr. Chetan Shantilal Shah appointing him as the Managing Director and fixing his remuneration, (ii) a contract dated October 1, 2019 with Mr. Kiyoshi Takayama appointing him as Executive Director – Planning and Coordination Office and fixing his remuneration and (c) a contract dated October 14, 2019 with Mr. Sushil Champaklal Marfatia appointing him as the Executive Director and fixing his remuneration.

In Fiscal 2019, our Company has been paying certain sitting fees/remuneration to the Directors. For details of such compensation paid, please refer to "*Financial Statements*" on Page 77.

Shareholding of Directors in our Company

Other than as disclosed under “*Capital Information – Shareholding of our Directors and Key Management Personnel in our Company*” on Page 26, none of our Directors hold any shares in our Company as on the date of this Information Memorandum.

Borrowing Powers

There has been no increase in the permissible borrowing powers of the Company.

Loans to Directors

Our Company has not granted any loans to its Directors.

Bonus or profit-sharing plan for our Directors

Our Company does not have a profit-sharing plan for our Directors. Further, the Directors of our Company are paid an annual performance bonus in accordance with their terms of appointment.

Further, none of the portion of compensation was paid pursuant to a bonus or profit-sharing plan in last financial year.

Interest of Directors

Our Executive Directors may be deemed to be interested in our Company to the extent of the remuneration, payable to them. Further, all the Directors (other than our Executive Directors), including Independent Directors, may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or its committees as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Our Directors may also be interested to the extent of their shareholding in our Company, if any, and to the extent of any dividend payable to them and other distributions in respect of such shareholding. Our Directors may also be interested to the extent of shareholding of the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives.

Our Directors may also be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity. In relation to this, Ms. Preeti Gautam Mehta is interested in the Company to the extent of the consultancy fees paid by the Company to Kanga & Co., a legal services firm, where she is a partner. Further, Mr. Ninad Dwarkanath Gupte is interested in the Company to the extent of the retainership fees paid to him pursuant to a letter of retainership dated September 3, 2019 issued by the Company to Mr. Ninad Dwarkanath Gupte, for a period of 3 months commencing from September 1, 2019, which is subject to renewal by mutual agreement.

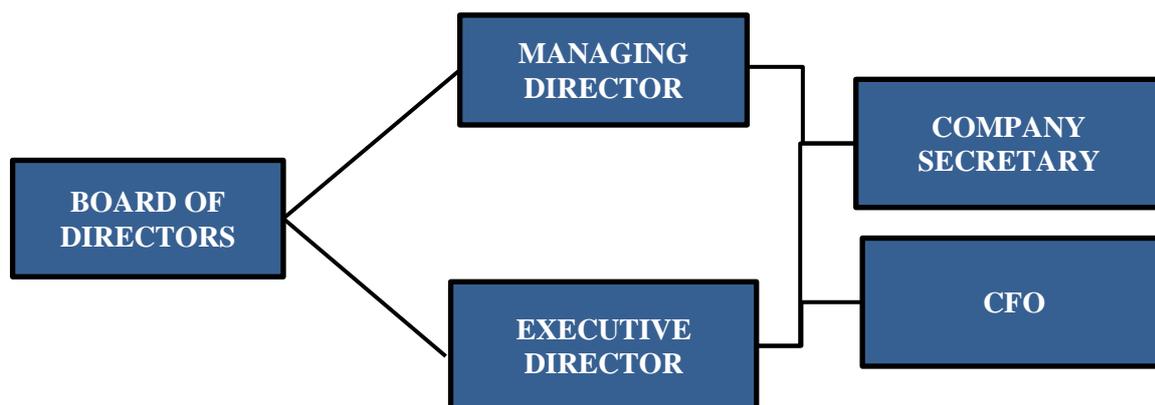
Interest of Directors in the promotion or formation of our Company

None of our Directors are interested in the promotion of our Company as on the date of this Information Memorandum.

Interest of Directors in the properties of our Company

Our Directors do not have any interest in any property acquired or proposed to be acquired of our Company or in the promotion/ formation of our Company or by our Company as on the date of this Information Memorandum.

Management Organization structure



Changes in the Board in the last three years:

Name of the Director	Date of Change	Reason for Change
Dr. Mukul Govindji Asher	August 31, 2019	Appointed as Chairman
	August 27, 2019	Appointed as Director
Sushil Champaklal Marfatia	September 1, 2019	Resigned as Managing Director (continuing as Executive Director)
	May 10, 2019	Appointed as Managing Director
Chetan Shantilal Shah	September 1, 2019	Appointed as Managing Director
Bhupendranath Bhargava	August 27, 2019	Appointed as Independent Non-Executive Director
Tadashi Katayama	August 31, 2019	Appointed as Non-Executive Director
Kiyoshi Takayama	September 1, 2019	Appointed as Executive Director
	December 31, 2019	Resigned as Executive Director
Preeti Gautam Mehta	August 31, 2019	Appointed as Independent Director
Ninad Dwarkanath Gupte	August 31, 2019	Appointed as Non-Executive Director
Hisayuki Hoshi	August 31, 2019	Resigned as Director
	May 10, 2019	Appointed as Director
Hiroyoshi Mukai	June 6, 2017	Appointed as Director
Akira Harada	May 10, 2019	Resigned as Managing Director
Prannath Arora	March 31, 2019	Resigned as Director
Hideo Wada	March 31, 2019	Resigned as Director
Keiichi Sakata	August 31, 2019	Resigned as Director
Rasika Abhishek Kulkarni	March 2, 2019	Appointed as Director
	August 31, 2019	Resigned as Director
Shinichiro Imai	June 6, 2017	Resigned as Director
Rohit Berry	August 7, 2017	Resigned as Director

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock

Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Information Memorandum, we have 8 Directors on our Board, of whom 3 are Independent Directors. Of such Independent Directors, 1 Director is a woman Director.

The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations, the provisions of the Companies Act, 2013 and for the smooth transitioning pursuant to the Scheme, our Company has constituted the following Board-level committees:

- (a) Corporate Social Responsibility Committee
- (b) Audit Committee
- (c) Share Certificate Committee
- (d) Nomination and Remuneration Committee
- (e) Stakeholders Relationship Committee

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was re-constituted by a resolution of our Board dated September 1, 2019 and is in compliance with Section 135 of the Companies Act 2013. The quorum for a meeting of the Corporate Social Responsibility Committee shall be one third of the members of the committee, not being less than two. The Corporate Social Responsibility Committee currently consists of:

Sl. No	Name of the Director	Position in the Committee
1.	Chetan Shantilal Shah	Chairman
2.	Ninad Dwarkanath Gupte	Member
3.	Preeti Gautam Mehta	Member
4.	Sushil Champaklal Marfatia	Member

The functions, role and responsibility of the Corporate Social Responsibility Committee shall be as may be defined/specified by the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Audit Committee

Our Audit Committee was constituted, by a resolution of our Board dated September 1, 2019 and is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee is required to meet at least four times in a year and not more than hundred and twenty days shall elapse between two meetings under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be one third of the members of the committee, not being less than two, with at least two independent directors. The Audit Committee currently consists of:

Sl. No	Name of the Director	Position in the Committee
1.	Bhupendranath Bhargava	Chairman
2.	Dr. Mukul Govindji Asher	Member
3.	Tadashi Katayama	Member
4.	Preeti Gautam Mehta	Member

The Company Secretary shall act as the Secretary to the Audit Committee.

The functions, role and responsibility of the Audit Committee shall be as may be defined/specified by the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Share Certificate Committee

Our Share Certificate Committee was constituted by a resolution of our Board, on September 1, 2019. The quorum for a meeting of the Share Certificate Committee shall be one third of the members of the committee, not being less than two. The Share Certificate Committee currently consists of:

Sl. No	Name of the Director	Position in the Committee
1.	Chetan Shantilal Shah	Chairman
2.	Ninad Dwarkanath Gupte	Member
3.	Preeti Gautam Mehta	Member
4.	Sushil Champaklal Marfatia	Member

The Company Secretary shall act as the Secretary to the Share Certificate Committee.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted, by a resolution of our Board, on September 1, 2019. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015. The quorum for a meeting of the Nomination and Remuneration Committee shall be one third of the members of the committee, not being less than two, including at least one independent director. The Nomination and Remuneration Committee is required to meet at least once a year. The Nomination and Remuneration Committee currently consists of:

Sl. No	Name of the Director	Position in the Committee
1.	Preeti Gautam Mehta	Chairman
2.	Dr. Mukul Govindji Asher	Member
3.	Bhupendranath Bhargava	Member
4.	Tadashi Katayama	Member
5.	Ninad Dwarkanath Gupte	Member

The Company Secretary shall act as the Secretary to the Nomination and Remuneration Committee.

The functions, role and responsibility of the Nomination and Remuneration Committee shall be as may be defined/specified by the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was constituted, by a resolution of our Board, on September 1, 2019. The Stakeholders Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders Relationship Committee shall meet at least once in a financial year. The quorum for a meeting of the Stakeholders Relationship Committee shall be one third of the members of the committee, not being less than two. The Stakeholders Relationship Committee currently consists of:

Sl. No	Name of the Director	Position in the Committee
1.	Dr. Mukul Govindji Asher	Chairman
2.	Chetan Shantilal Shah	Member
3.	Sushil Champaklal Marfatia	Member

The functions, role and responsibility of the Stakeholders Relationship Committee shall be as may be defined/specified by the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of our Company:

S. No.	Name	Designation	Age (Yrs)	Qualification
1.	Chetan Shantilal Shah	Managing Director	65	He is a commerce graduate from Mumbai University and holds a master's degree in Business Administration from Northrop University in the United States of America.
2.	Sushil Champaklal Marfatia	Executive Director	68	He holds a bachelor's degree in Commerce from the University of Mumbai and is a qualified Chartered Accountant from ICAI.
3.	Anil Nawal	CFO	54	He is a commerce graduate and a member of the ICAI and the ICSI.
4.	Pravin. D. Desai	Company Secretary and Compliance Officer	64	He is a commerce graduate and a member of the ICAI and the ICSI.

1. **Chetan Shantilal Shah** is the Managing Director of our Company. For the details of the profile of Mr. Chetan Shantilal Shah, please see the section on “*Our Management – Brief Profile of our Directors*” at Page 55 of this Information Memorandum.
2. **Sushil Champaklal Marfatia** is an executive director of our Company. For details of the profile of Mr. Marfatia, please see the section on “*Our Management - Brief Profile of our Directors*” at Page 55 of this Information Memorandum.
3. **Anil Nawal** is a commerce graduate and a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has experience of 32 years in the areas of strategic management, corporate governance, finance, accounts, tax, banking and treasury, company law, costing & MIS, Information Technology and Insurance. He has functioned as the executive committee member overseeing all strategic matters, top line and bottom line growth, cost reduction and profit improvement initiatives.
4. **Pravin D Desai** is a commerce graduate and fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has experience of over 38 years in areas of finance, accounts, tax, forex management, company law, listing regulations and security market regulations applicable to listed entities.

Status of Key Managerial Personnel

As on the date of this Information Memorandum, all our Key Managerial Personnel are permanent employees of our Company.

Relationships among Key Managerial Personnel and/ or Director

None of our Key Managerial Personnel or the Directors of our Company are related to each other.

Arrangements and understanding with major Shareholders / suppliers / customers / others

None of our Key Managerial Personnel have been nominated or appointed or selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel

Other than as disclosed under “*Capital Information – Shareholding of our Directors and Key Management Personnel in our Company*” on Page 26, none of the Key Managerial Personnel hold any shares in our Company as on the date of this Information Memorandum.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel and Senior Management Personnel have not entered into any service contracts with our Company which include termination/retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation like leave encashment and gratuity, no officer of our Company including Key Managerial Personnel or Senior Management Personnel is entitled to any other benefit upon termination of such officer's employment or superannuation.

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Information Memorandum, there is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company has no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments, in accordance with their terms of appointment.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel or Senior Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business or loans availed from our Company. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares to be held by them in our Company.

Changes in the Key Managerial Personnel in last three years

Details of change, other than by way of retirement in the normal course, in the key managerial personnel in the preceding three years from date of information memorandum:

Name	Date of Change	Reason
Chetan Shantilal Shah	October 7, 2016	Resigned as Joint Managing Director
Sushil Champaklal Marfatia	October 7, 2016	Appointed as Whole -Time Director of the Company
Rasika Abhishek Kulkarni	February 8, 2017	Appointed as Company Secretary
	March 2, 2019	Appointed as Director
	August 31, 2019	Resigned as Director and Company Secretary
Viral Ghanshyam Somani	February 3, 2017	Resigned as Company Secretary
Sushil Champaklal Marfatia	March 2, 2019	Appointed as Chief Financial Officer
Prannath Arora	March 31, 2019	Resigned as Deputy Managing Director
Akira Harada	May 10, 2019	Resigned as Managing Director
Hisayuki Hoshi	August 31, 2019	Resigned as Whole-time Director
	May 10, 2019	Appointed as Whole-time Director
Sushil Champaklal Marfatia	May 10, 2019	Appointed as Managing Director
	September 1, 2019	Resigned as Managing Director and Chief Financial Officer (continuing as Executive Director)
Chetan Shantilal Shah	September 1, 2019	Appointed as Managing Director

Name	Date of Change	Reason
Kiyoshi Takayama	September 1, 2019	Appointed as Executive Director
	December 31, 2019	Resigned as Executive Director
Pravin D. Desai	September 1, 2019	Appointed as Company Secretary and Compliance Officer
Anil Nawal	September 1, 2019	Appointed as Chief Financial Officer

Loans to Key Managerial Personnel

Our Company has not provided any loans to any of our Key Managerial Personnel.

Payment or Benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer of the Company, including our directors and Key Managerial Personnel.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

Details of our Promoters

Individual Promoters

Our Company does not have any individual promoters.

Corporate Promoters

Sumitomo Chemical Company Limited, having address at 27-1, Shinkawa 2- Chome Chuo-ku, Tokyo Japan is the promoter of the Company. SCC was incorporated, as a company limited by shares, on June 1, 1925 in Japan under the applicable laws of Japan. SCC was originally founded in 1913 but was only registered on June 1, 1925. The Japanese name of SCC was changed from Sumitomo Kagaku Kogyo Kabushikigaisha to Sumitomo Kagaku Kabushikigaisha and the same was registered on October 5, 2004.

Prior to the Scheme becoming effective, SCC held 27,45,88,093 equity shares of the Company (including shares held through five (5) nominee individual shareholders) amounting to 99.99% of its shareholding.

SCC primarily operates in five sectors, namely, (i) petrochemicals & plastics; (ii) energy & functional materials; (iii) IT-related chemicals; (iv) health and crop sciences and (v) pharmaceuticals. It is a professionally managed company and its operations are overseen by its board of directors.

Changes in the Promoters

There has been no change in our Promoters in the past 3 (three) financial years.

Interest of our Promoters

(a) Interest of our Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent of their respective direct or indirect shareholding in our Company and the dividend declared, if any and any other distributions in respect of their direct or indirect shareholding in our Company. For further details, see “*Capital Information*” on Page 22.

(b) Interest of our Promoter in the Property of our Company

Our Promoters do not have any interest, whether direct or indirect, in any property acquired by our Company, within 3 (three) years preceding the date of this Information Memorandum or proposed to be acquired by our Company as on the date of this Information Memorandum or in any transaction for acquisition of land, construction of buildings and supply of machinery, etc.

(c) Interest of our Promoters in our Company other than as Promoter

Further, except as stated in this section and “*Financial Statements*” at Page 77, our Promoters do not have any interest in our Company other than as promoters.

(d) Interest of our Promoters in our Company arising out of being a member of firm or company

Our Company has not made any payments in cash or shares or otherwise to any of our Promoters or to firms or companies in which any of our Promoters are interested as members or promoters nor has any Promoter been offered any inducements to become interested in any firm or company, in connection with the promotion or formation of our Company.

Common Pursuits of our Promoters with our Company

The Promoter is a multi-national conglomerate operating in the same business as that of the Company in more than 100 jurisdictions. However, the Promoter does not directly or indirectly carry any business similar to that of

the company in India.

Disassociation by our Promoters in the last three years

Our Promoters have not disassociated themselves from any significant venture during the 3 (three) years preceding the date of filing of this Information Memorandum.

Payment or benefit to Promoters of our Company

No amount or benefit has been paid or given within the preceding two years from the date of this Information Memorandum or is intended to be paid or given to any of our Promoters or any member of our Promoter Group other than in the ordinary course of business.

Material guarantees

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

PROMOTER GROUP

The relevant entities which have been identified as members of our promoter group in accordance with the provisions of SEBI ICDR Regulations are mentioned below:

#	Name of the company	Country of incorporation	Listed/Unlisted
1.	i-Agri Corp.	Japan	Unlisted
2.	Asahi Chemical Co., Ltd.	Japan	Unlisted
3.	EGS Co., Ltd.	Japan	Unlisted
4.	SCISPC Co., Ltd.	Japan	Unlisted
5.	Oita General Service Co., Ltd.	Japan	Unlisted
6.	Osaka General Service Co., Ltd.	Japan	Unlisted
7.	SCIOCS COMPANY LIMITED	Japan	Unlisted
8.	SanTerra Co., Ltd.	Japan	Unlisted
9.	Sunrise farm Saijo Co., Ltd.	Japan	Unlisted
10.	Sunrise farm Toyota Co., Ltd.	Japan	Unlisted
11.	Sumika Acryl Co., Ltd.	Japan	Unlisted
12.	Sumika Agro Manufacturing Co., Ltd.	Japan	Unlisted
13.	Sumika Agro Solutions Co., Ltd.	Japan	Unlisted
14.	Sumika Assembly Techno Co., Ltd.	Japan	Unlisted
15.	Sumika Alchem Co., Ltd.	Japan	Unlisted
16.	Sumika HR Service Co., Ltd.	Japan	Unlisted
17.	SC Environmental Science Co., Ltd.	Japan	Unlisted
18.	Sumika-Kakoushi Co., Ltd.	Japan	Unlisted
19.	Sumika Color Co., Ltd.	Japan	Unlisted
20.	Sumika Technical Information Service, Inc.	Japan	Unlisted
21.	Sumika Chemtex Co., Ltd.	Japan	Unlisted
22.	Sumika High-Purity Gas Co., Ltd.	Japan	Unlisted
23.	Sumika Polycarbonate Limited	Japan	Unlisted
24.	Sumika-Middle East Co., Ltd.	Japan	Unlisted
25.	Sumika Technoservice Corporation	Japan	Unlisted
26.	Sumika Agrotech Co., Ltd.	Japan	Unlisted
27.	Sumika Partners Co., Ltd.	Japan	Unlisted

#	Name of the company	Country of incorporation	Listed/Unlisted
28.	SUMIKA FARM Ibaraki Co., Ltd.	Japan	Unlisted
29.	SUMIKA FARM Yamagata Co., Ltd.	Japan	Unlisted
30.	Sumika Real Estate Co., Ltd.	Japan	Unlisted
31.	Sumika Plastech Co., Ltd.	Japan	Unlisted
32.	Sumika Chemical Analysis Service	Japan	Unlisted
33.	Sumika Logistics Co., Ltd.	Japan	Unlisted
34.	Sumika Finance Co., Ltd.	Japan	Unlisted
35.	SUMIKA FARM Oita Co., Ltd.	Japan	Unlisted
36.	SUMIKA FARM Nagano Co., Ltd.	Japan	Unlisted
37.	SUMIKA FARM Mie Co., Ltd.	Japan	Unlisted
38.	Sumika Rabigh Industrial Park Development Company, Ltd.	Japan	Unlisted
39.	Sumitomo Chemical Garden Products Inc.	Japan	Unlisted
40.	Sumitomo Chemical System Service Co., Ltd.	Japan	Unlisted
41.	Sumitomo Joint Electric Power Co., Ltd.	Japan	Unlisted
42.	Sumitomo Chemical Engineering Co., Ltd.	Japan	Unlisted
43.	Ceratec Co., Ltd.	Japan	Unlisted
44.	Chiba General Service Co., Ltd.	Japan	Unlisted
45.	Niihama Coal Center Co., Ltd.	Japan	Unlisted
46.	Nippon A&L Inc.	Japan	Unlisted
47.	Japan-Singapore Petrochemicals Co., Ltd.	Japan	Unlisted
48.	Nihon Singapore Polyolefin Co., Ltd.	Japan	Unlisted
49.	Nihon Methacryl Monomer Co., Ltd.	Japan	Unlisted
50.	Rainbow Chemical Co., Ltd.	Japan	Unlisted
51.	SSLM Co., Ltd.	Korea	Unlisted
52.	NOC Asia Limited	Hong Kong	Unlisted
53.	S.C.C. Insurance Pte Ltd	Singapore	Unlisted
54.	XUYOU Electronic Materials (Wuxi) Co., Ltd.	China	Unlisted
55.	KenoGard S.A.	Spain	Unlisted
56.	Sumika Technology Co., Ltd.	Taiwan	Unlisted
57.	Sumika Huabei Electronic Materials (Beijing) Co., Ltd.	China	Unlisted
58.	Sumika Electronic Materials (Hefei) Co., Ltd.	China	Unlisted
59.	Sumika Electronic Materials (Xi'an) Co., Ltd.	China	Unlisted
60.	Sumika Electronic Materials (Shanghai) Co., Ltd.	China	Unlisted
61.	Sumika Electronic Materials (Shenzhen) Co., Ltd.	China	Unlisted
62.	Sumika Electronic Materials (Wuxi) Co., Ltd.	China	Unlisted
63.	Sumika Electronic Materials (Shanghai) Corporation	China	Unlisted
64.	Sumika Polymer Compounds (Thailand) Co., Ltd.	Thailand	Unlisted
65.	Sumika Polymer Compounds Europe Ltd.	United Kingdom	Unlisted
66.	Sumitomo Chemical Polymer Compounds Saudi Arabia Co., Ltd.	Saudi Arabia	Unlisted
67.	Zhuhai Sumika Polymer Compounds Co., Ltd.	China	Unlisted
68.	Sumitomo Chemical Agro Seoul, Ltd.	Korea	Unlisted
69.	Sumitomo Chemical Agro Europe S.A.S.	France	Unlisted
70.	Sumitomo Chemical Asia Pte Ltd	Singapore	Unlisted

#	Name of the company	Country of incorporation	Listed/Unlisted
71.	Sumitomo Chemical America, Inc.	U.S.A.	Unlisted
72.	Sumitomo Chemical East Africa Ltd.	Tanzania	Unlisted
73.	SUMITOMO CHEMICAL ITALIA S.r.l.	Italy	Unlisted
74.	Sumitomo Chemical Enviro-Agro Asia Pacific Sdn. Bhd.	Malaysia	Unlisted
75.	Sumitomo Chemical Australia Pty Ltd.	Australia	Unlisted
76.	Sumitomo Chemical Shanghai Co., Ltd.	China	Unlisted
77.	Sumitomo Chemical Taiwan Co., Ltd.	Taiwan	Unlisted
78.	Sumitomo Chemical Chile S.A.	Chile	Unlisted
79.	Sumitomo Chemical (China) CO.,Ltd.	China	Unlisted
80.	Sumitomo Chemical Turkey Kimya Sanayi Ve Ticaret Anonim Sirketi	Turkey	Unlisted
81.	Sumitomo Chemical Do Brazil Representacoes Ltda.	Brazil	Unlisted
82.	Sumitomo Chemical (U.K.) plc.	United Kingdom	Unlisted
83.	Sumitomo Chemical Europe S.A./N.V.	Belgium	Unlisted
84.	Sumipex (Thailand) Co., Ltd.	Thailand	Unlisted
85.	Sumipex Techsheet Co., Ltd.	Taiwan	Unlisted
86.	Dalian Sumika Chemphy Chemical Co., Ltd.	China	Unlisted
87.	Dalian Sumika Jingang Chemicals Co., Ltd.	China	Unlisted
88.	Sumika Polymer Compounds Dalian Co., Ltd.	China	Unlisted
89.	Dongwoo Fine-Chem Co., Ltd.	Korea	Unlisted
90.	Bara Chemical Co., Ltd.	Thailand	Unlisted
91.	Philagro South Africa (Pty) Ltd.	Republic of South Africa	Unlisted
92.	Philagro Holding S.A.	France	Unlisted
93.	Rabigh Conversion Industry Management Services Company	Kingdom of Saudi Arabia	Unlisted
94.	Koei Chemical Co., Ltd.	Japan	Tse2
95.	Sumitomo Dainippon Pharma Co., Ltd.	Japan	Tse1
96.	Taoka Chemical Co., Ltd.	Japan	Tse2
97.	Tanaka Chemical Corporation	Japan	Jasdaq
98.	Sanritz Corporation	Japan	Unlisted
99.	BRA ASA Holding	Australia	Unlisted
100.	BRA ASB Holding	Australia	Unlisted
101.	BRA MAS Holding	Australia	Unlisted
102.	BRA MNS Holding	Australia	Unlisted
103.	CDT Holdings	United Kingdom	Unlisted
104.	Cambridge Display Technology Inc.	United Kingdom	Unlisted
105.	Nihon Oxirane	Japan	Unlisted
106.	Cambridge Display Technology Ltd.	United Kingdom	Unlisted
107.	Sumitomo Chemical (Thailand)	Thailand	Unlisted
108.	Sumika Polymers North America LLC	U.S.A.	Unlisted

#	Name of the company	Country of incorporation	Listed/Unlisted
109.	Shanghai Life Tech Household Products Co., Ltd.	China	Unlisted
110.	Singapore Methyl Methacrylate Pte. Ltd.	Singapore	Unlisted
111.	Sumika Electronic Materials (Chongqing) Co., Ltd	China	Unlisted
112.	MCLAUGHLIN GORMLEY KING COMPANY	U.S.A.	Unlisted
113.	Sumika Polymer Compounds India Pvt. Ltd.	India	Unlisted
114.	Sumitomo Chemical Phillippines, Inc	Philippines	Unlisted
115.	Ciatec, Ltd.	Japan	Unlisted
116.	Sumika Electronic Materials Vietnam Co.,Ltd	Vietnam	Unlisted
117.	The Polyolefin Company (Singapore) Pte. Ltd.	Singapore	Unlisted
118.	Philagro France S.A.S.	France	Unlisted
119.	Valent Biosciences LLC	U.S.A.	Unlisted
120.	Sumika Polymer Compounds France	France	Unlisted
121.	Sumitomo Chemical Vietnam Co., Ltd	Vietnam	Unlisted
122.	Sumitomo Chemical Advanced Technologies LLC	U.S.A.	Unlisted
123.	SUMIKA ELECTRONIC MATERIALS(CHANGZHOU) CO.,LTD.	China	Unlisted
124.	Sumika Electronic Materials (Chengdu) Co., Ltd.	China	Unlisted
125.	Sumika Polymer Compounds U.K.	United Kingdom	Unlisted
126.	Valent U.S.A. LLC	U.S.A.	Unlisted
127.	KAWASAKI BIOMASS ELECTRIC POWER CORPORATION	Japan	Unlisted
128.	Sumitomo Chemical Engineering Singapore	Singapore	Unlisted
129.	SN Kasei	Japan	Unlisted
130.	Golden Pacific Laboratories, LLC	U.S.A	Unlisted
131.	Piretros de Mexico SA de CV	Mexico	Unlisted
132.	Fuzhou Xuyou Electronic Material Technology Co., Ltd.	China	Unlisted
133.	Sumika Electronic Materials (Hongkong) Co., Ltd	China	Unlisted
134.	Sumika Polymers Mexico, S.de R.L.de C.V.	Mexico	Unlisted
135.	SCA South Asia Petrochemicals Pvt Ltd.	India	Unlisted
136.	Pace International LLC	U.S.A.	Unlisted
137.	Valent Ecuador S.A.	Ecuador	Unlisted
138.	Sumikyo Engineering Co.,Ltd.	Japan	Unlisted
139.	SCEC International (HK) Co., Ltd.	Hong Kong	Unlisted
140.	Pyrethrum Company of Tanzania	Tanzania	Unlisted
141.	SCAE-Valent Biosciences Switzerland	Switzerland	Unlisted
142.	Sumika Plastics and Chemicals Trading (Shanghai) Co., Ltd.	China	Unlisted
143.	Valent de Mexico, S.A. DE C.V.	Mexico	Unlisted
144.	Sumikyo Create Service Center Co.,Ltd.	Japan	Unlisted
145.	SCEC Malaysia	Malaysia	Unlisted
146.	Muhavara Extractions Limited	Uganda	Unlisted
147.	Mycorrhizal Applications,LLC	U.S.A.	Unlisted
148.	Valent canada inc.	Canada	Unlisted
149.	DS Pharma Animal Health	Japan	Unlisted
150.	DSP Gokyo Food & Chemical	Japan	Unlisted

#	Name of the company	Country of incorporation	Listed/Unlisted
151.	DSP Business Partners Co., Ltd.	Japan	Unlisted
152.	Boston Biomedical, Inc.	U.S.A.	Unlisted
153.	Sunovion Pharmaceuticals Inc.	U.S.A.	Unlisted
154.	Sunovion Pharmaceuticals Europe Ltd.	United Kingdom	Unlisted
155.	Sunovion Pharmaceuticals Netherland B.V.	Netherland	Unlisted
156.	Sunovion Research and Development Trust	U.S.A.	Unlisted
157.	Sumitomo Pharmaceuticals (Suzhou) Co., Ltd.	China	Unlisted
158.	Taoka Chemical Analysis Center Co., Ltd.	Japan	Unlisted
159.	CDT Licensing	United Kingdom	Unlisted
160.	Sumika Polymers America Corporation	U.S.A.	Unlisted
161.	Thermofil Polymers (UK) Ltd	United Kingdom	Unlisted
162.	DS Pharma Promo Co., Ltd.	Japan	Unlisted
163.	Sumitomo Dainippon Pharma America, Inc	U.S.A.	Unlisted
164.	Sunovion Pharmaceuticals, Canada Inc.	Canada	Unlisted
165.	Sunovion Respiratory Development Inc	U.S.A.	Unlisted
166.	Sunovion CNS Development Canada ULC	Canada	Unlisted
167.	Tolero Pharmaceuticals, Inc.	U.S.A.	Unlisted
168.	Taoka Chemical India Private Limited	India	Unlisted
169.	CDT Oxford Ltd	United Kingdom	Unlisted
170.	Botanical Resources Australia -Manufacturing Services Pty Ltd	Australia	Unlisted
171.	Botanical Resources Australia -Marketing Services Pty Ltd.	Australia	Unlisted
172.	Botanical Resources Australia -Agricultural Services Pty Ltd	Australia	Unlisted
173.	Botanical Resources Australia	Australia	Unlisted
174.	Australian Natural Pyrethrins	Australia	Unlisted
175.	CROPGROW	Australia	Unlisted
176.	BRA EUROPE	United Kingdom	Unlisted
177.	i-Agri Kanto Corp.	Japan	Unlisted
178.	Color Cosmo Co. Ltd.	Japan	Unlisted
179.	Sumika Business Service (Dalian) Co. Ltd.	China	Unlisted
180.	Daiya Bell Tree Foods, K.K.	Japan	Unlisted
181.	Environmental Solution Co. Ltd.	Japan	Unlisted
182.	SCAS Korea,Ltd.	Korea	Unlisted
183.	SLC UNNYU HIGASHINIHON	Japan	Unlisted
184.	King Engei K.K.	Japan	Unlisted
185.	IZUMI TECHNO	Japan	Unlisted
186.	A&L(Shanghai)Co.,Ltd.	China	Unlisted
187.	MGK Europe Limited	United Kingdom	Unlisted
188.	Sumika Color (Nantong) Co.,Ltd.	China	Unlisted
189.	Qingdao Zhufeng Shimao Agrotech Co.,Ltd.	China	Unlisted

#	Name of the company	Country of incorporation	Listed/Unlisted
190.	SCAS Europe S.A./N.V.	Belgium	Unlisted
191.	SCAS Taiwan, Ltd.	Taiwan	Unlisted
192.	OST	Japan	Unlisted
193.	A & L (HONG KONG) CO., LTD	Hong Kong	Unlisted
194.	Shanghai Sumika Color	China	Unlisted
195.	SCAS SINGAPORE PTE LTD	Singapore	Unlisted
196.	Sumika Analysis & Evaluation Service (Shanghai) Co., Ltd.	China	Unlisted
197.	SHINTO TRANSPORTATION	Japan	Unlisted
198.	A&L North America Inc.	U.S.A.	Unlisted
199.	Koei Techno	Japan	Unlisted
200.	Besshiyama Hatsuden	Japan	Unlisted
201.	Cocowork Co., Ltd.	Japan	Unlisted
202.	MB Energy	Japan	Unlisted
203.	Nichiei Sangyo	Japan	Unlisted
204.	Gokyo America Inc.	U.S.A.	Unlisted
205.	Taoka Harima General Service Co.,Ltd.	Japan	Unlisted
206.	Taoka Chemical Singapore Private Limited	Singapore	Unlisted
207.	Ibaraki Nouryuken Co., Ltd.	Japan	Unlisted
208.	DSP Logistics Service	Japan	Unlisted
209.	Marupi Lifetech Co.,Ltd	Japan	Unlisted
210.	Sumitomo Pharmaceuticals Asia Pacific Pte. Ltd.	Singapore	Unlisted
211.	Sumitomo Pharmaceuticals (Thailand) Co., Ltd.	Singapore	Unlisted
212.	Taoka Yodogawa General Service Co.,Ltd.	Japan	Unlisted
213.	Nihon Medi-Physics Co., Ltd.	Japan	Unlisted
214.	NMP Business Supporter	Japan	Unlisted
215.	Emas Plastik A.S.	Turkey	Unlisted
216.	AKCE Plastik A.S.	Turkey	Unlisted
217.	ALMEN A.S.	Turkey	Unlisted
218.	Sumika-Radel Company Ltd.	Japan	Unlisted
219.	New Zealand Aluminium Smelters, Ltd.	New Zealand	Unlisted
220.	O.L.S. Co., Ltd.	Japan	Unlisted
221.	Nihon Ammonia Terminal Co., Ltd.	Japan	Unlisted
222.	Petrochemical Corporation of Singapore (Pte.) Ltd.	Singapore	Unlisted
223.	Keiyo Ethylene Co., Ltd.	Japan	Unlisted
224.	SUMIKASEKISUI FILM HOLDINGS CO.LTD.	Japan	Unlisted
225.	Sumika Fukuei Agro K.K.	Japan	Unlisted
226.	T.S. Agro K.K.	Japan	Unlisted
227.	Nihon Isobutylene Co., Ltd.	Japan	Unlisted
228.	Jilin Dongcheng Sumika Polymer Compounds Co., Ltd.	China	Unlisted
229.	Vector Health International Ltd.	Tanzania	Unlisted
230.	Rabigh Refining & Petrochemical Co.	Kingdom of Saudi Arabia	Saudi stock exchange
231.	LG MMA Corporation	Korea	Unlisted

#	Name of the company	Country of incorporation	Listed/Unlisted
232.	Chevron Phillips Singapore Chemicals (Pte.)	Singapore	Unlisted
233.	Sumika Covestro Urethane Co., Ltd.	Japan	Unlisted
234.	ZS Elastomers Co., Ltd.	Japan	Unlisted
235.	Evolue Japan Co., Ltd.	Japan	Unlisted
236.	SHINTO PAINT CO., LTD.	Japan	Tse1
237.	Sumitomo Seika Chemicals Co., Ltd.	Japan	Tse1
238.	Sumitomo Bakelite Co., Ltd.	Japan	Tse1
239.	Kyoyu Agri Co., Ltd.	Japan	Unlisted
240.	DuPont Styro Corporation	Japan	Unlisted
241.	Japan Bioenergy Corporation	Japan	Unlisted
242.	Okhotsk Bio Energy Co. Ltd.	Japan	Unlisted
243.	Sumitomo Seika Singapore Pte. Ltd.	Singapore	Unlisted
244.	SB Bioscience Co.,Ltd	Japan	Unlisted
245.	Sighregen K.K.	Japan	Unlisted
246.	Inabata & Co., Ltd.	Japan	Tse1
247.	SHOWA KOSAN CO., LTD.	Japan	Unlisted
248.	Japan Exlan Co.,Ltd.	Japan	Unlisted
249.	Mombetsu Biomass Electric Power Co.,Ltd.	Japan	Unlisted
250.	Suntegre Co., Ltd.	Japan	Unlisted
251.	Escarbo Sheet Co., Ltd.	Japan	Unlisted
252.	Otomo Chemical Co., Ltd	Japan	Unlisted
253.	Sankyo PE	Japan	Unlisted
254.	SENKO Co., Ltd.	Japan	Unlisted
255.	Sunrise Saijo Processing Center Co.,Ltd.	Japan	Unlisted
256.	Tah Kong Chemical Industrial Corp.	Taiwan	Unlisted
257.	Arabian Industrial Construction Co. Ltd.	Kingdom of Saudi Arabia	Unlisted
258.	Kyoto Pharmaceutical Industries, Ltd.	Japan	Unlisted
259.	Betagro-Dainippon Techno-Ex Co Ltd	Thailand	Unlisted
260.	IRPC A&L Co., Ltd.	Thailand	Unlisted
261.	Arborescent II Limited	United Kingdom	Unlisted
262.	Nippura Co., Ltd.	Japan	Unlisted
263.	NISSEN CHEMITEC CORPORATION	Japan	Unlisted
264.	Nobukawa Rubber Industries Co., Ltd.	Japan	Unlisted
265.	HANWA SANGYO Co.,Ltd	Japan	Unlisted
266.	Hodogaya Agrotech Co., Ltd.	Japan	Unlisted
267.	SCAS-BTT Bioanalysis Co., Ltd.	Korea	Unlisted
268.	KAC Co., Ltd.	Japan	Unlisted
269.	Bhansali Nippon A&L Private Limited	India	Unlisted
270.	SyMyco Inc.	U.S.A.	Unlisted
271.	Sumika Kowa Tech Co., Ltd	Japan	Unlisted

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, group companies, include such companies (other than promoter(s) and subsidiary(ies)): (i) with which the relevant company had related party transactions during the period for which financial information is disclosed in the Information Memorandum, as covered under the applicable accounting standards, and (ii) any other companies as considered material by the Board of Directors.

Basis the above, the Group Companies of our Company are as mentioned below:

S. No.	Name of the Company	Country of Incorporation
1	Valent BioSciences LLC (previously known as Valent Biosciences Corporation)	USA
2	Mycorrhizal Applications, LLC	USA
3	Sumika Agro Manufacturing Co. Ltd	Japan
4	Sumitomo Chemical Asia Pte Limited (previously known as Sumitomo Chemical (Asia Pacific) Pte Limited- Singapore)	Singapore
5	Sumitomo Chemical Do Brasil Representacoes Ltda	Brazil
6	SCA South Asia Petrochemical Pvt Limited	India
7	SC Environmental Science Co. Ltd.	Japan

RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company on a consolidated basis, see “*Financial Statements*” on Page 77.

DIVIDEND POLICY

The details of dividend paid by the Company in last three financial years i.e. FY 2017, FY 2018, FY 2019, stub period, as applicable and the period between last audited period and date of filing of this Information Memorandum are as follows:

Year of Dividend payment	Period for which dividend is paid	Type of dividend (Final/ Interim)	Total Outflow (excluding dividend distribution tax) (Rs. in crores)
October 2018	2018-19	Interim	51.35
August 2019	2018-19	Interim	6.04
December 2019	2018-19	Final	9.98

Prior to ECC's merger with the Company, the Board of directors of ECC declared an interim dividend at the rate of INR 6.25 per share on its 11,005,630 equity shares of INR 5 each fully paid for FY 2018-19 aggregating to INR 6.88 crores.

DIVIDEND DISTRIBUTION POLICY

The dividend policy of the Company is reproduced below:

1. PREAMBLE

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), provides that the top 500 listed companies based on the market capitalization (calculated as on March 31 of every financial year) shall formulate a Dividend Distribution Policy, which will be disclosed in their annual reports and on their website.

Sumitomo Chemical India Limited ("Company") has framed a Dividend Distribution Policy ("Policy"). This Policy has been adopted by the Board of Directors of the Company at its meeting held on 31st August, 2019, being the effective date of this Policy.

2. SCOPE AND OBJECTIVE

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for its business needs, growth and sustainability. Through this Policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders. Fair return to the members and members' wealth enhancement are the important factors in formulating and implementing the Policy.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

3. STATUTORY REQUIREMENTS

This Policy on dividend distribution shall be in accordance with and subject to the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be for the time being in force, relating to declaration and payment of dividend out of the profits and reserves and the provisions of LODR and other applicable laws.

4. PARAMETERS TO BE CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND

The Board while determining quantum of the dividend payout to the shareholders, will consider the following financial parameters and internal and external factors:

Financial Parameters and Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning stability and future outlook
- Future capital expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Cash flows
- Current and projected cash balance and the Company's working capital requirements especially in view of the fact that the Company's business is working capital intensive
- Covenants in loan agreements, debt servicing obligations and debt maturity profile

External Factors:

- Economic environment, both domestic and global
- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of external financing
- Inflation rates
- Sense of shareholders' expectations

5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND:

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend if the Company has surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the applicable laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses in the Financial Year
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital
- the Company undertakes /proposes to undertake any acquisition or arrangement requiring significant allocation of capital
- the Company has significantly higher working capital requirement affecting free cash flow
- the Company proposes to utilize surplus cash for buy- back of securities
- the Company is prohibited to recommend/declare dividend by any regulatory body/provision
- The Board may also not recommend a dividend considering any compelling factors/parameters

6. UTILISATION OF RETAINED EARNINGS:

The Company may declare dividend out of profits of the Company for the year or out of the profits for any previous year(s) or out of the free reserves available for distribution of dividend having due regard to the parameters laid down in this Policy and applicable laws, rules and regulations. The utilization of retained earnings of the Company shall, inter-alia, depend on:

- (a) Market and product expansion plans of the Company;
- (b) Strategic plans including those for modernization and diversification;
- (c) Increase in production capacity;
- (d) Replacement of capital assets;

- (e) Dividend payment; and
- (f) Any other criteria as may be applicable.

7. MANNER AND TIMELINES FOR DIVIDEND PAYOUT:

The Board considers and recommends dividend at the time when it considers annual financial statements. The dividend recommended by the Board is subject to approval by the members in the annual general meeting.

The Board has authority to declare interim dividend(s) as it may deem fit and appropriate subject to the provisions of the Companies Act, 2013 and other applicable laws.

8. POLICY REVIEW AND AMENDMENTS:

The Policy may be reviewed and revised/modified by the Board at its sole discretion.

9. DISCLOSURES:

The Policy or modified or revised Policy shall be disclosed on the website of the Company.

10. DISCLAIMER

- (a) *The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in any year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.*
- (b) *Having regard to the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.*

SECTION VI - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Interim Consolidated Financial Statements for the six months period ending September 30, 2019	78
Interim Standalone Financial Statements for the six months period ending September 30, 2019	125
Consolidated Financial Statements for the financial year 2018-19	176
Standalone Financial Statements for the financial year 2017-18 and 2016-17	228

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Independent Auditors' Report

To the Board of Directors of Sumitomo Chemical India Limited

Report on Consolidated Interim financial statements

Opinion

We have audited the consolidated interim financial statements of Sumitomo Chemical India Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the balance sheet as at 30 September 2019 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from 1 April 2019 to 30 September 2019, and a summary of the significant accounting policies and other explanatory information (together herein after referred to as "consolidated interim financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated interim financial statements is free from material misstatement and is fairly presented, in all material respect, in accordance with the basis of preparation as set out in Note 2.1 (a) to the consolidated interim financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Interim 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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2.1 (a) of the consolidated interim financial statements. The Company has not presented the corresponding figures for the previous period in these consolidated interim financial statements as these have been prepared for inclusion in the financial Information section of the Information Memorandum to be filed with stock exchange(s). These consolidated interim financial statements are not the statutory consolidated financial statements of the Company. Our opinion is not qualified in respect of this matter.

Other matter

The interim financial information of two (2) subsidiaries, whose interim financial information reflect total assets of Rs.154.32 millions as at 30 September 2019, total revenues of Rs.34.57 millions for the period ended 30 September 2019 and net cash flows amounting to Rs.0.38 millions for the period ended 30 September 2019, as considered in these consolidated interim financial statements, have not been audited either by us or by other auditors.

Independent Auditors' Report (Continued)

Sumitomo Chemical India Limited

Other matter (continued)

These unaudited interim financial information has been furnished to us by the Management and our opinion on this consolidated interim financial information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our opinion on the consolidated interim financial statements is not modified in respect of the above matter with respect to our reliance on the interim financial information certified by the Management.

Management Responsibility for the Consolidated Interim financial statements

The Holding Company's management and Board of Directors is responsible for the preparation and fair presentation of this consolidated interim financial statements in accordance with the basis described in Note 2.1 (a) to the consolidated interim financial statements.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of each 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 consolidated interim financial statements that is free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Company's financial reporting process of each company.

Auditors' Responsibility for the Audit of the Consolidated Interim financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated interim 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 interim 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 interim 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.

Independent Auditors' Report (Continued)

Sumitomo Chemical India Limited

Auditors' Responsibility for the Audit of the Consolidated Interim financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion whether the Holding Company has in place an adequate internal financial controls system with reference to financial statements 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 interim 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 interim 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 interim financial statements, including the disclosures, and whether the consolidated interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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 management 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.

Basis of Accounting and Restriction on distribution or use

Without modifying our opinion, we draw attention to Note 2.1 (a) to the consolidated interim financial statements, which describes the basis of preparation, including the approach to and purpose of preparing them. The consolidated interim financial statements have been prepared for and only for the purposes of inclusion in the financial information section of the information memorandum to be filed with stock exchange(s). As a result, these consolidated interim financial statements may not be suitable for any other purpose.

Independent Auditors' Report (Continued)
Sumitomo Chemical India Limited

Basis of Accounting and Restriction on distribution or use (continued)

This report is addressed to the Board of Directors of the Company and should not be otherwise used or shown to or otherwise be distributed to any other party or used for any other purpose except with our prior consent in writing.

B S R & Associates. LLP neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

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



Shabbir Readymadewala
Partner

Membership No: 100060
ICAI UDIN: 19100060AAAAIK3613

Mumbai
20 December 2019

Sumitomo Chemical India Limited

Interim Consolidated Balance Sheet

as at 30 September 2019

(Currency: Indian Rupees in million)

	Notes	As at 30 September 2019
I. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	3	2,837.24
(b) Capital work-in-progress		44.62
(c) Right - of - use assets	4	309.40
(d) Other intangible assets	5	15.98
(e) Intangible assets under development		48.74
(f) Financial assets		
(i) Investments	6	1.34
(ii) Loans	7	85.52
(g) Non-current tax assets (net)		195.09
(h) Other non-current assets	8	52.81
Total non-current assets		3,590.74
(2) Current assets		
(a) Inventories	9	5,467.00
(b) Financial assets		
(i) Investments	10	687.50
(ii) Trade receivables	11	10,389.63
(iii) Cash and cash equivalents	12a	926.17
(iv) Bank balances other than cash and cash equivalents mentioned in (iii) above	12b	8.92
(v) Loans	13	47.92
(vi) Other financial assets	14	111.81
(c) Other current assets	15	418.78
Total current assets		18,057.73
TOTAL ASSETS		21,648.47
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	16	2,745.88
(b) Other equity	17	9,402.40
Total Equity		12,148.28
(2) Liabilities		
Non-current liabilities		
(a) Financial liabilities		
- Lease liabilities	18	178.28
(b) Provisions	19	166.61
(c) Deferred tax liabilities (net)	32 C	15.34
(d) Other non-current tax liabilities (net)		57.79
Total non-current liabilities		418.02
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	20	85.66
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	20	7,508.53
(ii) Lease liabilities	21	138.66
(ii) Other financial liabilities	22	647.29
(b) Other current liabilities	23	386.22
(c) Provisions	24	49.75
(d) Current tax liabilities		266.06
Total Current liabilities		9,082.17
Total Liabilities		9,500.19
TOTAL EQUITY AND LIABILITIES		21,648.47

Significant accounting policies

The accompanying notes 1 to 46 are an integral part of these Interim Consolidated Financial Statements.

As per our report of even date attached

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

Sambhir Readymadewala
Partner
Membership No: 100060
Place: Mumbai
Date: 20 December 2019



For and on behalf of the Board of Directors of
Sumitomo Chemical India Limited
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127
Place: Mumbai
Date: 20 December 2019

Mr. Anil Nawal
Chief Financial Officer
Place: Mumbai
Date: 20 December 2019

Mr. Sushil Marfatia
Executive Director
DIN: 07618601
Place: Mumbai
Date: 20 December 2019

Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 20 December 2019

Sumitomo Chemical India Limited

Interim Consolidated Statement of Profit and Loss

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

	Notes	For the period ended 30 September 2019
Revenue		
I. Revenue from Operations	25	14,545.22
II. Other income	26	58.07
III. Total Income (I+II)		14,603.29
IV. Expenses		
Cost of materials consumed	27	7,180.52
Purchase of stock-in-trade		1,123.47
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	1,310.65
Employee benefits expense	29	882.07
Finance costs	30	29.61
Depreciation and amortisation expense	3, 4 & 5	182.93
Other expenses	31	1,652.00
Total Expenses (IV)		12,361.25
V. Profit before Tax (III-IV)		2,242.04
VI. Tax expense:		
1. Current Tax		592.84
2. Adjustment of tax relating to earlier years	32 A	(31.42)
3. Deferred Tax credit		(130.49)
Total Tax Expenses (VI)		430.93
VII. Profit for the Period (V-VI)		1,811.11
VIII. Other comprehensive income		
A. Items that will not be reclassified to Profit or Loss		
Remeasurements of defined benefit liability		(5.39)
ii) Income tax related to items that will not be reclassified to profit or loss		0.10
Remeasurements of defined benefit liability		(5.29)
B. Items that will be reclassified to Profit or Loss		
Exchange difference arising on translation of foreign operations		0.44
Total other comprehensive income for the period (VIII)		(4.85)
IX. Total comprehensive income for the period (VII - VIII)		1,806.26
X. Earnings per equity share (Face value of Rs. 10 each)		
Basic and diluted earnings per share	33	3.63

Significant accounting policies 2

The accompanying notes 1 to 46 are an integral part of these Interim 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: 20 December 2019



For and on behalf of the Board of Directors of

Sumitomo Chemical India Limited

CIN: U24110MH2000PLC124224

Mr. Chetan Shah

Managing Director

DIN: 00488127

Place: Mumbai

Date: 20 December 2019

Mr. Anil Nawal

Chief Financial Officer

Place: Mumbai

Date: 20 December 2019

Mr. Sushil Marfatia

Executive Director

DIN: 07618601

Place: Mumbai

Date: 20 December 2019

Mr. Pravin D. Desai

Vice President (Legal)

& Company Secretary

Place: Mumbai

Date: 20 December 2019

Sumitomo Chemical India Limited

Interim Consolidated Statement of Changes in Equity

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

(a) Equity share capital

	Note	Amount
As at 31 March, 2018	16	2,745.88
Changes in equity share capital during the year		-
As at 31 March, 2019	16	2,745.88
Changes in equity share capital during the period		-
As at 30 September 2019	16	2,745.88

(b) Other equity

Particulars	Reserves & Surplus				Other comprehensive income	Total Other equity
	General Reserve	Securities Premium	Share Pending Issuance (Refer Note 43)	Retained earnings	Foreign Currency Translation reserve	
Balance as at 1 April 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
Dividend on equity shares for the year	-	-	-	(590.53)	-	(590.53)
Dividend Distribution Tax (DDT)	-	-	-	(124.52)	-	(124.52)
Transfer to General Reserve	800.00	-	-	(800.00)	-	-
Balance as at 31 March 2019	518.14	2,350.60	2,245.58	2,602.05	21.71	7,738.08
Profit for the period	-	-	-	1,811.11	-	1,811.11
Other comprehensive income for the period (net of tax)	-	-	-	(5.29)	0.44	(4.85)
Total comprehensive income for the period	-	-	-	1,805.82	0.44	1,806.26
Dividend on equity shares	-	-	-	(115.52)	-	(115.52)
Dividend Distribution Tax (DDT)	-	-	-	(26.42)	-	(26.42)
Balance at 30 September 2019	518.14	2,350.60	2,245.58	4,265.93	22.15	9,402.40

Refer note 17 B for nature and purpose of reserves

The accompanying notes 1 to 46 are an integral part of these Interim 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

Shabir Readymadewala
Partner
Membership No: 100060
Place: Mumbai
Date: 20 December 2019



For and on behalf of the Board of Directors of
Sumitomo Chemical India Limited
CIN: U24110MH2000PLC124224

Mr. Chetan Sheth
Managing Director
DIN: 00488127
Place: Mumbai
Date: 20 December 2019

Mr. Anil Nawal
Chief Financial Officer
Place: Mumbai
Date: 20 December 2019

Mr. Sushil Marfatia
Executive Director
DIN: 07618601
Place: Mumbai
Date: 20 December 2019

Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 20 December 2019

Sumitomo Chemical India Limited

Interim Consolidated Statement of Cash Flows

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

For the period ended
30 September 2019

A. Cash flow from operating activities

Profit before tax	2,242.04
Adjustments for:	
Depreciation and amortisation expense	182.93
Bad debts written off	2.42
Provision for doubtful debts	39.02
Sundry credit balances written back	(14.38)
(Profit) on sale / disposal of property, plant and equipment	(0.24)
Property, plant and equipment written off	1.20
Interest income	(24.12)
Measurement of investments at fair value through profit & loss	0.06
Dividend income	(5.04)
Interest expenses	29.61
Unrealised exchange differences (net)	(1.26)
Operating cash flow before working capital changes	<u>2,452.24</u>

Working capital adjustments

(Increase) in Trade receivables	(3,692.46)
Decrease in Inventories	1,338.83
Decrease in Other non current assets and current assets	762.98
Decrease in Other non current financial assets and current financial assets	64.50
(Increase) in Long term & short term loans	(5.65)
Increase in Trade payables	1,589.37
Increase in Long term and short term provisions	28.77
Increase in Other non current liabilities and current financial liabilities	(21.49)
(Decrease) in Other non current and other current Liabilities	(484.61)

Cash generated from operating activities

Income taxes paid (net)	(364.20)
-------------------------	----------

Net cash flows generated from operating activities (A)

1,668.28

B. Cash flow from investing activities

Purchase of property, plant and equipment, and intangible assets	(222.24)
Proceeds from sale of property, plant and equipment	1.87
Purchase/(Sale) of investments (net)	(687.49)
Proceeds / (Investments) in dividend accounts, net	-
Proceeds from sale of Investments	-
Loans recovered	0.91
Bank balances not considered as cash and cash equivalents (net)	(0.06)
Interest received	24.16
Dividend received	5.04

Net cash flows used in investing activities (B)

(877.81)



Sumitomo Chemical India Limited

Interim Consolidated Statement of Cash Flows (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

C. Cash flow from financing activities

Repayments of short-term borrowings (net)	(197.45)
Interest paid	(29.61)
Dividend paid	(115.46)
Tax on distributed profits	(26.42)
Net cash flows used in financing activities (C)	(368.94)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	421.53
Cash and cash equivalents at the beginning of the year	504.64
Cash and cash equivalents at the end of the period (Refer note 12a)	926.17

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 on 27th June 2019, ("NCLT order") has sanctioned the Scheme of Amalgamation (Merger by absorption) of Excel Crop Care Limited ("the Transferor Company or "ECCL") have merged with the 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.

Significant accounting policies

2

The accompanying notes 1 to 46 are an integral part of these Interim 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

Shahir Readymadewala

Partner

Membership No: 100060

Place: Mumbai

Date: 20 December 2019



For and on behalf of the Board of Directors of

Sumitomo Chemical India Limited

CIN: U24110MH2000PLC124224

Mr. Chetan Shah

Managing Director

DIN: 00488127

Place: Mumbai

Date: 20 December 2019

Mr. Anil Nawal

Chief Financial Officer

Place: Mumbai

Date: 20 December 2019

Mr. Sushil Marfatia

Executive Director

DIN: 07618601

Place: Mumbai

Date: 20 December 2019

Mr. Pravin D. Desai

Vice President (Legal)

& Company Secretary

Place: Mumbai

Date: 20 December 2019

Sumitomo Chemical India Limited

Notes to Interim Consolidated Financial Statements

for the period ended 30 September 2019

1 Corporate information

Sumitomo Chemical India Limited ("SCIL" or "the Company") was incorporated originally on February 15, 2000 and 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 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 "ECCL") 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 interim consolidated financial statements are prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind-AS) 34 "Interim Financial Reporting" as specified 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 Group has not presented the corresponding figures for the previous period in these interim consolidated financial statements as these have been prepared for inclusion in the financial information section of the Information Memorandum to be filed with the stock exchange(s). These interim consolidated financial statements are not the statutory consolidated financial statements of the company. The financial statements are presented in millions of Indian rupees rounded off to two decimal places, except per share information, unless otherwise stated.

The interim consolidated financial statements of the Group were approved for issue in accordance with the resolution of the Board of Directors on 20 December, 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 30 September
Excel Crop Care (Europe) NV	Belgium	100%
Excel Crop Care (Africa) Limited	Tanzania	99.94%

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:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the reporting date; or
- 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:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- 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 interim consolidated financial statement have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments - 2.4 (n)),
- Defined benefit plans – plan assets/(liability) and share based payments measured at fair value (Refer note 38)

c) 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.



Sumitomo Chemical India Limited

Notes to Interim Consolidated Financial Statements

for the period ended 30th September 2019

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.2 Key Accounting Estimates, Judgments and assumptions

The preparation of these interim 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 interim 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 Companies Act, 2013. (Note 2.4(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 2.4 (d) for Financial assets and (Note 2.4 (o)) for Non 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 2.4 (j))

vi. 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 2.4(f))

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 (Refer note 36 for information on detailed disclosures pertaining to measurement of fair values).

2.4 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:

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



Sumitomo Chemical India Limited

Notes to Interim Consolidated Financial Statements

for the period ended 30th September 2019

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (continued)

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.



Sumitomo Chemical India Limited

Notes to Interim Consolidated Financial Statements

for the period ended 30th September 2019

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (continued)

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 their present location and condition. Cost is determined on moving weighted average basis.

f 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 Interim 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.

g Foreign currency transactions

I. Functional and Presentation currency

The Group's interim consolidated 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 between the functional currency and the foreign currency at the date of the transaction.



Sumitomo Chemical India Limited

Notes to Interim Consolidated Financial Statements for the period ended 30th September 2019

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (continued)

g Foreign currency transactions (continued)

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 recognised in other comprehensive income as required by other Ind AS, the exchange component of that gain or loss is also recognised 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 Interim Consolidated Statement of Profit and Loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognised 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 recognised in OCI is reclassified to Interim Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

h Income taxes

Tax expense for the period 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 period 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. For the purpose of computing income taxes management has applied the annual effective tax rate on to the profit before tax for the period ended 30 September 2019.

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:

- The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

i 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.

j 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.

k 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.



Sumitomo Chemical India Limited

Notes to Interim Consolidated Financial Statements for the period ended 30 September 2019

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (continued)

i 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.

m Revenue Recognition

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 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.

n 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 classifies 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 Interim Consolidated Statement of Profit or Loss for the period.

Equity Investments:

All 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.



Sumitomo Chemical India Limited

Notes to Interim Consolidated Financial Statements for the period ended 30 September 2019

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (continued)

n Financial Instruments (Continued)

ii. Financial Liabilities (continued)

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 Interim 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 Interim 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 Interim 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.

o 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 interim consolidated 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.

p 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 interim consolidated Statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

q 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.

r Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of lease with similar characteristics.

s Segmental reporting

The Operating Segment is the level at which discrete financial information is available. Business segments are identified considering:

- a. the nature of product 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 disclosed as unallocable. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. 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.

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 Interim 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 in capital reserve.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued) for the period ended 30 September 2019

(Currency: Indian Rupees in million)

3 Property, plant and equipment

Particulars	Gross Block		Disposals	Accumulated Depreciation		Net Block	
	As at 1 April 2019	Additions		As at 30 September 2019	As at 1 April 2019	Charge for the period	As at 30 September 2019
Land - Freehold	117.62	-	-	-	-	-	117.62
Leasehold land	163.41	-	-	7.38	1.23	8.61	154.80
Factory road	3.17	0.32	-	1.62	0.28	1.90	1.59
Buildings	678.78	9.67	-	88.85	22.44	111.29	577.16
Plant & Machinery	2,093.40	156.72	0.73	387.91	92.56	480.09	1,769.30
Furniture and fixtures	54.67	2.83	-	22.74	3.16	25.90	31.60
Vehicles	79.30	6.10	3.07	21.08	6.72	25.98	56.35
Office equipments	61.74	2.63	0.48	22.52	4.34	26.41	37.48
Leasehold improvements	8.46	20.75	-	7.01	1.07	8.08	21.13
Electrical installations	71.40	-	-	23.65	-	23.65	47.75
Laboratory equipments	31.47	-	-	9.01	-	9.01	22.46
	3,363.42	199.02	4.28	591.77	131.80	720.92	2,837.24



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued) for the period ended 30 September 2019

(Currency: Indian Rupees in million)

4 Right - of - use assets

Particulars	Gross Block			Disposals	As at 30 September 2019	As at 1 April 2019	Accumulated Amortisation Charge for the year	Deduction during the period	As at 30 September 2019	Net Block As at 30 September 2019
	As at 1 April 2019	Additions	As at 30 September 2019							
Building	-	298.48	-	-	298.48	-	39.23	-	39.23	259.25
Vehicles	-	55.95	-	-	55.95	-	5.80	-	5.80	50.15
	-	354.43	-	-	354.43	-	45.03	-	45.03	309.40

5 Other Intangible assets

Particulars	Gross Block			Disposals	As at 30 September 2019	As at 1 April 2019	Accumulated Amortisation Charge for the year	Deduction during the period	As at 30 September 2019	Net Block As at 30 September 2019
	As at 1 April 2019	Additions	As at 30 September 2019							
Data registration expenses	66.89	-	-	-	66.89	48.92	5.22	-	54.14	12.75
Software / License and Registration	12.30	0.73	-	-	13.03	8.92	0.88	-	9.80	3.23
Technical Know-how	9.45	-	-	-	9.45	9.45	-	-	9.45	-
	88.64	0.73	-	-	89.37	67.29	6.10	-	73.39	15.98



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 6: Non current investments

	<i>Numbers</i>	<i>Amount</i>
	As at 30 September 2019	As at 30 September 2019
A Investments at Fair value through Profit or loss		
Investments in Equity Instruments		
Investments in Other entities (Quoted)		
Tata Steel Limited Face Value of Rs.10 each fully paid-up	393	0.14
Tata Steel Limited Face Value of Rs.10 each partly paid-up	27	-
Investments in Other entities (Unquoted)		
Investment in co-operative societies	9132	1.17
B Investments stated at Amortised cost		
Investments in Government securities (Unquoted)		
National Saving Certificates Face Value Rs. 0.03 million		0.03
Total		<u><u>1.34</u></u>
Aggregate Market Value of Quoted Investments		0.14
Aggregate amount of Quoted Investments		0.14
Aggregate amount of Unquoted Investments		1.20
Aggregate amount of impairment in value of investments		-

Note 7: Non current loans

	As at 30 September 2019
Security deposits	78.54
Loans to employees	6.98
Total	<u><u>85.52</u></u>
Sub-classification of Loans:	
Loan Receivables considered good- Secured	-
Loan Receivables considered good- Unsecured	85.52
Loan Receivables which have significant increase in Credit Risk	-
Loan Receivables - credit impaired	-

Note 8 : Other non-current assets

	As at 30 September 2019
Capital advances	50.79
Prepaid expenses	2.02
Total	<u><u>52.81</u></u>



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 9 : Inventories

	As at 30 September 2019
Raw Materials	1,928.46
Work-in-progress	182.91
Finished Goods	2,736.69
Stock-in-Trade	367.54
Containers and Packing Materials	224.67
Stores and Spares (including Fuel)	26.73
Total	5,467.00

Note 10 : Current Investments

	As at 30 September 2019
Investment carried at fair value through Profit and Loss account	
Mutual fund	687.50
	687.50

Note 11 : Trade receivables

	As at 30 September 2019
Trade Receivables considered good- Unsecured	10,389.63
Trade Receivables – credit impaired	399.50
	10,789.13
Less: Allowance for expected credit loss	399.50
	10,389.63

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 36 for information about credit risk and market risk of trade receivables.

Note 12a : Cash and cash equivalents

	As at 30 September 2019
Balance with banks :	
In current account	675.71
In deposit accounts (with original maturity of less than three months)	250.00
Cash on hand	0.46
Total	926.17



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 12b : Bank balances other than cash and cash equivalents

	As at 30 September 2019
Deposits with maturity more than 3 months but less than 12 months	0.08
In unpaid dividend accounts earmarked with banks*	8.84
Total	8.92

* These balances are not available for use by the Group as they represent corresponding unclaimed dividend liabilities.

Note 13 : Current loans

	As at 30 September 2019
Security deposits	
Considered good- Unsecured	24.69
Security deposits which have significant increase in credit risk	-
Security deposits – credit impaired	2.71
Less: Provision for doubtful security deposits	(2.71)
Loans to employees	
Considered good- Unsecured	16.79
Loans to employees which have significant increase in credit risk	-
Loans to employees – credit impaired	0.43
Less: Provision for doubtful loans	(0.43)
Earnest money deposit	5.25
Others	1.19
Other receivables	
Total	47.92

Note 14 : Other current financial assets

	As at 30 September 2019
<i>Unsecured, considered good unless otherwise stated</i>	
Export incentive receivable	87.29
Derivatives - foreign exchange forward contracts	11.93
Others	12.59
Total	111.81

Note 15 : Other current assets

	As at 30 September 2019
Balances with government authorities	187.44
Prepaid expenses	38.15
Contract asset	9.67
Others (advances other than capital advances)	183.52
Total	418.78



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 17: Other equity

A. Summary of Other equity balance

	As at 30 September 2019
General reserve	518.14
Securities premium	2,350.60
Foreign Currency Translation Reserve	
Balance as per last financial statements	21.71
Add / (Less) : Exchange difference during the year on account of net investments in Non-integral foreign operations	0.44
Closing balance	22.15
Share pending issuance (Refer note 43)	2,245.58
Retained earnings	
Balance at the beginning of the period	2,602.05
Additions during the year:	
Profit for the period	1,811.11
Other comprehensive income for the period, net of tax	(5.29)
Reductions during the year:	
Dividends	(115.52)
Income Tax on dividend	(26.42)
Net surplus of retained earnings	4,265.93
Balance at the end of the period	9,402.40

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. 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 43).

4. 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.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued) for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 18 : Non-current lease liabilities

	As at 30 September 2019
Liability towards lease asset	178.28
	<u>178.28</u>

Note 19 : Non current provisions

	As at 30 September 2019
Provision for employee benefits	
Compensated absences	159.32
Gratuity (Refer note 38)	7.29
Total	<u>166.61</u>

Note 20 : Trade payables

	As at 30 September 2019
Due to micro enterprises and small enterprises (Refer note 40)	85.66
Due to others	7,508.53
Total	<u>7,594.19</u>

Note 21 : Current lease liabilities

	As at 30 September 2019
Liability towards lease asset	138.66
Total	<u>138.66</u>



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued) for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 22: Other current financial liabilities

	As at 30 September 2019
Salary, wages and bonus payable	328.01
Security and trade deposits	304.10
Unclaimed dividend	8.84
Derivative financial liabilities - forward contracts	6.34
Total	647.29

Note 23: Other current liabilities

	As at 30 September 2019
Contract liabilities (advance received from customers)	143.22
Statutory dues (including provident fund, tax deducted at source and others)	195.47
Other payables	47.53
Total	386.22

Note 24: Current provisions

	As at 30 September 2019
Provision for employee benefits	
Compensated absences	28.23
Gratuity (Refer note 38)	21.52
Total	49.75



Sumitomo Chemical India Limited
Notes to the Interim Consolidated Financial Statements
for the period ended 30 September 2019

(Currency: Indian Rupees in million)

16 Share Capital

	Number of shares	Amount
	As at 30 September 2019	As at 30 September 2019
Authorised		
Equity shares of Rs 10 each	49,40,00,000	4,940.00
	<u>49,40,00,000</u>	<u>4,940.00</u>
Issued, subscribed and paid-up:		
Equity shares of Rs 10 each, fully paid-up	27,45,88,095	2,745.88
	<u>27,45,88,095</u>	<u>2,745.88</u>

a) **Reconciliation of number of shares outstanding at the beginning and end of the period**

	As at 30 September 2019	
	Number	Amount
Equity shares		
At the commencement of the period	27,45,88,095	2,745.88
Equity shares issued during the period	-	-
At the end of the period	<u>27,45,88,095</u>	<u>2,745.88</u>

b) **Particulars of shareholders holding more than 5% of a class of shares**

Name of shareholder	Relationship	As at 30 September 2019	
		No. of Shares	%
Sumitomo Chemical Company Limited, Japan	Holding Company	27,45,88,093	99.99%

c) **Particulars of shares held by holding company and fellow subsidiary**

Name of shareholder	Relationship	As at 30 September 2019	
		No. of Shares	%
Sumitomo Chemical Company Limited, Japan *	Holding Company	27,45,88,093	99.99%
SC Environmental Science Co. Ltd, Japan	Fellow Subsidiary	2	0.01%
		<u>27,45,88,095</u>	<u>100.00%</u>

* 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 Group 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 period 01 April 2019 to 30 September 2019**

	01 April 2019 to 30 September 2019
Interim dividend paid on 274,588,095 shares @ Rs. 0.22 per share on equity shares of Rs. 10 each	60.41
Dividend distribution tax on interim dividend above	12.42
Interim dividend paid on 11,005,630 shares @ Rs. 6.25 per share on equity shares of Rs. 5 each	55.04
Dividend distribution tax on interim dividend above	14.00
	<u>141.87</u>

	01 April 2019 to 30 September 2019
Dividend on equity shares not recognised as liability	
Proposed Final dividend on 499,145,376 shares @ Rs.0.20 per share on equity shares of Rs. 10 each	99.83
Dividend distribution tax on final dividend	20.52
	<u>120.35</u>



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 25: Revenue from Operations

	For the period ended 30 September 2019
A. Sale of products	14,432.62
B. Sale of services	0.88
C. Other operating revenue	
a) Export incentives	95.93
b) Miscellaneous receipts	15.79
	<u>111.72</u>
Total	<u><u>14,545.22</u></u>

a. Revenue information

	For the period ended 30 September 2019
Revenue by product categories	
Agro Chemicals	13,210.18
Industrial Chemical	1,125.54
Public Health	96.90
Total	<u><u>14,432.62</u></u>

b. Reconciliation of the amount of revenue recognised in the Interim consolidated Statement of Profit and Loss with the contracted price

	For the period ended 30 September 2019
Revenue as per contracted price	16,771.65
Rebates/Discounts	(2,009.96)
Sales returns	(329.07)
Revenue from contract with customers	<u><u>14,432.62</u></u>

c. Contract Balances

	For the period ended 30 September 2019
Trade receivables (Note 11)	10,389.63
Contract assets (Note 15)	9.67
Contract liabilities (Note 23)	143.22

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.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 26 : Other Income

	For the period ended 30 September 2019
Interest income	
On national savings certificates and bank deposit carried at amortised cost	23.59
On interest income on security deposits	0.57
Dividend income	
On mutual fund investments	3.80
Other non operating income	
Rent received	0.05
Excess provision no longer required written back	14.38
Miscellaneous income	15.68
Total	58.07

Note 27 : Cost of materials consumed

	For the period ended 30 September 2019
Raw materials consumed	
Opening Inventory	1,888.79
Add: Purchases (Net)	6,407.38
	8,296.17
Less: Closing Inventory	1,928.46
	6,367.71
Containers and packing materials consumed	
Opening Inventory	295.72
Add: Purchases (Net)	741.76
	1,037.48
Less: Closing Inventory	224.67
	812.81
Total cost of materials consumed	7,180.52



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

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(Currency: Indian Rupees in million)

Note 28 : Changes in inventories of finished goods, work in progress and stock-in-trade

	For the period ended 30 September 2019
Opening Inventories :	
Work in progress	331.37
Finished goods	4,231.58
Stock-in-Trade	34.85
Less: Closing Inventories:	
Work in progress (Refer note 9)	182.91
Finished goods (Refer note 9)	2,736.69
Stock-in-Trade (Refer note 9)	367.55
Changes In Inventories:	
Work in progress	148.46
Finished goods	1,494.89
Stock-in-Trade	(332.70)
Total	<u><u>1,310.65</u></u>

Note 29 : Employee benefits expense

	For the period ended 30 September 2019
Salaries, wages and bonus etc.	777.97
Contribution to provident and other funds (Refer note 38)	46.62
Gratuity expense (Refer note 38)	13.84
Staff welfare expenses	43.64
	<u><u>882.07</u></u>

Note 30 : Finance costs

	For the period ended 30 September 2019
Interest on leased liabilities	16.83
Others	12.78
	<u><u>29.61</u></u>



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

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(Currency: Indian Rupees in million)

Note 31 : Other expenses

	For the period ended 30 September 2019
Other expenses	
Processing / Sub-contracting charges	142.00
Contract and labour charges	105.28
Carriage and freight	176.19
Power and fuel	138.14
Stores and spares consumed	31.54
Repairs and maintenance	
Buildings	2.94
Plant and equipment	81.48
Others	25.65
Rent	40.79
Rates and taxes	0.05
Insurance	22.22
Travelling and conveyance	157.93
Sales promotion and advertisement	299.56
Donations	0.87
Commission	37.44
Corporate social responsibility (Refer note 41)	21.47
Provision for doubtful debts	39.02
Bad debts written off	2.42
Directors sitting fees	0.41
Property, plant and equipment written off	1.20
Exchange difference (net)	22.91
Research and development	4.37
Product testing expenses	21.40
Communication expenses	9.59
Legal and professional fees	50.70
Bank charges	8.25
Payment to auditors	3.51
Security charges	9.81
Net loss on sale of property, plant and equipment	-
Merger related cost	40.59
Miscellaneous expenses	154.27
	<u>1,652.00</u>



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

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(Currency: Indian Rupees in million)

Note 32 : 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:

	For the period ended 30 September 2019
Current income tax	
In respect of current year	592.84
Adjustment of tax related to earlier years	(31.42)
Deferred tax Charge/ (credit)	
Origination and reversal of temporary difference	(130.49)
Income tax expense recognized in the Statement of Profit and Loss	<u>430.93</u>

(ii) Deferred Tax related to items recognised in other comprehensive income

	For the period ended 30 September 2019
On remeasurements of the defined benefit plans	0.10
	<u>0.10</u>

B. Reconciliation of effective tax rate

	For the period ended 30 September 2019
Profit before tax	2,242.04
Statutory Income Tax Rate	25.168%
Expected Income tax Expenses	564.28
Tax effect of:	
Others (Including Impact of change in rate)	(101.93)
Tax expense as per profit or loss	462.35
Adjustment in respect of current income tax of previous year	(31.42)
Total Income Tax Expense	<u>430.93</u>

The Group elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the purpose of this interim consolidated financial statements. Accordingly, the Group has recognized Provision for Income Tax for the six months ended 30 September 2019 and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit & Loss for the period ended 30 September 2019.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 32 : Income taxes (continued)

C. The major components of deferred tax (liabilities) / assets arising on account of temporary differences are as follows:

	1 April 2019	Net deferred tax asset/ (liability)	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/(liability) 30 Sept 2019	Deferred tax asset	Deferred tax liability
Depreciation	(403.57)	-	92.74	-	(310.83)	-	(310.83)
Provision for doubtful debts and advances	127.36	-	(23.04)	-	104.32	104.32	-
Fair value gain/(loss) on investments	(0.01)	-	0.01	-	-	-	-
Expenses allowable for tax purposes when paid	90.95	-	(21.62)	0.10	69.43	69.43	-
Amortisation of expenses u/s 35 DD	-	-	69.97	-	69.97	69.97	-
Other temporary differences	39.34	-	12.43	-	51.77	51.77	-
Deferred tax liabilities (net)	(145.93)	130.49	0.10	0.10	(15.34)	295.49	(310.83)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group does not have any intention to dispose of its freehold and leasehold land in the foreseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognized.

The Group elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognized Provision for Income Tax for the six months ended 30 September 2019 and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit & Loss for the period ended 30 September 2019.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 33 : 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 period.

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.

	Period ended 30 September 2019
Earnings per share has been computed as under:	
Profit attributable to owners of the Group for basic earnings (A)	1,811.11
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	27,45,88,095
Equity shares to be issued pursuant to scheme of amalgamation (Refer note 43)	22,45,57,641
Number of equity shares outstanding at the end of the year (B)	49,91,45,736
Basic and diluted earnings per share (Face value of Rs 10 each)	3.63

Note 34: 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. The Group monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 35: 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

B Names of other related parties with whom transactions have taken place during the period:

(1) Fellow Subsidiaries

Valent BioSciences LLC - USA (Previously Known as Valent Biosciences Corporation)

Sumitomo Chemical Do Brazil Representacoes Ltda (Brazil)

Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)

Mycorrhizal Applications, LLC - USA

SC Environmental Science Co Ltd, Japan

(2) Key Management Personnel

i) Executive Directors

Chetan Shah (Managing Director)

Kiyoshi Takayama (Executive Director - Planning and Coordination Office)

Akira Harada – (Executive Director) (resigned w.e.f. 10 May 2019)

Sushil Marfatia (Executive Director)

Hisayuki Hoshi (Whole time Director) (10 May 2019 to 31 August 2019)

ii) Non Executive Directors

Dr. Mukul G. Asher

B. V. Bhargava

Tadashi Katayama

Preeti Mehta

Dipesh K Shroff

Ninad D Gupte (Joint Managing Director upto 31 August 2019)

iii) Chief Financial Officer

Anil Nawal

iv) Company Secretary

Pravin D Desai

Rasika Kulkarni (resigned w.e.f. 31 August 2019)

(3) Relatives of Key Management Personnel

Mrs. Minoti Ninad Gupte (Wife of Ninad Gupte)

(4) Enterprises controlled by key management personnel and their relatives:

Agrocel Industries Private Limited

Transchem Agritech Limited

Transpek Industry Limited

Kanga & Company



Sumitomo Chemical India Limited

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(Currency: Indian Rupees in million)

Note 35 : Related Party disclosures (continued)

Disclosures of transactions between the Group and the Related parties and the status of outstanding balances as at 30 September 2019

	Period ended 30 September 2019
Sale of Goods (Net of rebate and discount)	
Sumitomo Chemical Company Limited	462.03
Sumitomo Chemical Asia Pte Limited	0.90
Agrocel Industries Private Limited	13.24
Transchem Agritech	0.09
Sale of Services	
Agrocel Industries Private Limited	1.48
Sumitomo Chemical Company Limited	0.88
Purchase of Goods	
Agrocel Industries Private Limited	296.02
Sumitomo Chemical Company Limited	1,242.58
Valent BioSciences LLC	364.88
Mycorrhizal Applications, LLC	42.59
Transpek Industry Ltd	0.23
Purchase of Services	
Sumitomo Chemical Do Brazil Representacoes Ltda (Brazil)	5.46
Kanga & Company	0.31
Commission Income	
Sumitomo Chemical Company Limited	0.98
Miscellaneous Income - Technical Service	
Sumitomo Chemical Company Limited	9.81
Reimbursement of expenses (net)	
Sumitomo Chemical Company Limited	15.13
Valent BioSciences LLC	(5.09)
Sumitomo Chemical Asia Pte Limited	6.31
Mycorrhizal Applications, LLC	(5.09)
Commission Expense	
Excel Crop Care (Africa) Limited	9.51
Contribution to Funds	
Excel Crop Care Superannuation Trust	8.41
Advances paid	
Excel Crop Care Gratuity Trust	5.22
Dividend Received	
Excel Crop Care (Africa) Limited	1.24
Dividend paid	
Sumitomo Chemical Company Limited, Japan	91.35
Remuneration	
Chetan Shah	15.45
Ninad D Gupte	10.43
Akira Harada	0.59
Sushil Marfatia	10.85
Kiyoshi Takayama	8.30
Hisayuki Hoshi	3.68
Anil Nawal	5.48
Pravin D Desai	4.26
Rasika Kulkarni	0.99
Retainership fees	
Ninad Gupte	2.19



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Notes to the Interim Consolidated Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 35 : Related Party disclosures (continued)

Disclosures of transactions between the Group and the Related parties and the status of outstanding balances as at 30 September 2019 (Continued)

Outstanding as at 30 September 2019:	As at 30 September 2019
Trade Receivables	
Sumitomo Chemical Company Limited	93.80
Agrocel Industries Private Limited	8.59
Trade Payables	
Agrocel Industries Private Limited	36.05
Sumitomo Chemical Company Limited	1,420.86
Valent BioSciences LLC	361.61
Mycorrhizal Applications, LLC	42.59
Transpek Industry Ltd	0.07
Advance from Customer	
Valent BioSciences LLC	5.34

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the period were in ordinary course of the business and are on arm's length basis.

For the period ended 30 September, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. 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.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 36 : 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 30 September 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	0.14	-	-	0.14	0.14	-	-	0.14
Equity instrument in Co-operative societies	1.17	-	-	1.17	-	1.17	-	1.17
Government Securities	-	-	0.03	0.03	-	-	-	-
Loans	-	-	85.52	85.52	-	-	-	-
Current								
Investment in Mutual Fund	687.50	-	-	687.50	687.50	-	-	687.50
Trade receivables	-	-	10,389.63	10,389.63	-	-	-	-
Cash and cash equivalents	-	-	926.17	926.17	-	-	-	-
Other bank balances	-	-	8.92	8.92	-	-	-	-
Loans	-	-	47.92	47.92	-	-	-	-
Derivative Assets	11.93	-	-	11.93	-	11.93	-	11.93
Export incentives receivable	-	-	87.29	87.29	-	-	-	-
Other financial assets	-	-	12.59	12.59	-	-	-	-
	700.74	-	11,558.07	12,258.81	687.64	13.10	-	700.74
Financial liabilities								
Non current								
Liability towards lease asset	-	-	178.28	178.28	-	-	-	-
Current								
Trade payables	-	-	7,594.19	7,594.19	-	-	-	-
Liability towards lease asset	-	-	138.66	138.66	-	-	-	-
Derivative liabilities	6.34	-	-	6.34	-	6.34	-	6.34
Other financial liabilities	-	-	640.95	640.95	-	-	-	-
	6.34	-	8,552.08	8,558.42	-	6.34	-	6.34

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.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 36 : Financial Instruments (Continued)

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

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Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 36 : Financial Instruments (Continued)

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:

Particulars	Carrying amount (in INR)
	For the period 30 September 2019
Not due	7,669.28
Past due	
Past due 1-90 days	2,091.61
Past due 91-180 days	189.82
Past due 181-270 days	581.02
Past due 271-360 days	207.92
More than 361 days	49.48
	10,789.13

Expected credit loss assessment for customers as at 30 September 19

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.

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 period was as follows.

Particulars	Amount Rs.
Balance as at April 1, 2018	337.19
Add: Impairment loss recognised / (reversed)	69.45
Less: Amounts written off	-
Balance as at 31 March 2019	406.64
Add: Impairment loss recognised	(7.14)
Less: Amounts written off	-
Balance as at 30 September 2019	399.50

The impairment loss at September 30, 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.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

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(Currency: Indian Rupees in million)

Note 36 : Financial Instruments (Continued)

C. Financial risk management (Continued)

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.

30 September 2019			Contractual cash flows		
Particulars	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non current liabilities					
Liability towards lease asset	178.28	178.28	178.28	-	-
Current liabilities					
Trade Payables	7,594.19	7,594.19	7,594.19	-	-
Liability towards lease asset	138.66	138.66	138.66	-	-
Other Financial Liabilities	640.95	640.95	640.95	-	-
Derivative financial liabilities					
Current liabilities					
Forward Exchange Contracts	6.34	6.34	6.34	-	-
	8,558.42	8,558.42	8,558.42	-	-



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

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(Currency: Indian Rupees in million)

Note 36 : Financial Instruments (Continued)

C. Financial risk management (Continued)

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 30 September 2019 are as below:

	30-Sep-19 USD	30-Sep-19 EURO	30-Sep-19 Others
Financial assets			
Cash and cash equivalents	2.11	100.70	0.83
Trade and other receivables	845.97	26.51	-
	848.08	127.21	0.83
Financial liabilities			
Trade and other payables	1,240.31	0.67	12.37
	1,240.31	0.67	12.37
Net statement of financial position exposure	(392.23)	126.54	(11.54)
Forward exchange contracts - Sell	644.91	4.56	-
Forward exchange contracts - Buy	(1,289.15)	-	-

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
30 September 2019		
1% movement		
USD	10.36	(10.36)
EUR	(1.31)	1.31
Others	0.12	(0.12)
	9.17	(9.17)



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 36 : Financial Instruments (Continued)

C. Financial risk management (Continued)

c. Market risk (Continued)

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.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 37: 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

30 September 2019	Reportable segments			
	Industrial Chemicals	Agro Chemicals	Public Health Chemicals	Total
Revenue				
Operating revenue	1,125.54	13,210.18	96.90	14,432.62
Other income	6.68	105.92	-	112.60
Total segment revenue	1,132.22	13,316.10	96.90	14,545.22
Unallocated revenue				58.07
Total revenue	1,132.22	13,316.10	96.90	14,603.29
Segment results	121.27	2,213.25	42.50	2,377.03
Unallocated corporate expenses	-	-	-	(105.38)
Profit / (loss) before interest and finance charges and tax	121.27	2,213.25	42.50	2,271.65
Finance costs	-	-	-	29.61
Profit / (loss) after interest and finance charges and before tax	121.27	2,213.25	42.50	2,242.04
Tax expenses	-	-	-	-
- Current tax	-	-	-	592.84
- Previous Year Adjustments	-	-	-	(31.42)
- Deferred tax (credit)	-	-	-	(130.49)
Profit / (loss) for the year				1,811.11
Segment assets	495.74	17,383.27	178.59	18,057.60
Unallocated corporate assets	-	-	-	3,590.87
Total assets	495.74	17,383.27	178.59	21,648.47
Segment liabilities	742.19	8,475.74	230.03	9,447.96
Unallocated corporate liabilities	-	-	-	52.23
Total liabilities	742.19	8,475.74	230.03	9,500.19
Capital expenditure	2.15	196.87	-	199.02
Unallocated corporate capital expenditure	-	-	-	-
Total capital expenditure	2.15	196.87	-	199.02
Depreciation and amortization	16.23	162.65	0.39	179.27
Unallocated depreciation and amortization	-	-	-	3.66
Total depreciation and amortization	-	-	-	182.93

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:

Segment revenue	Period ended 30 September 2019
India	12,582.06
Outside India	1,963.16
Total revenue	14,545.22

Segment assets*	Period ended 30 September 2019
India	3,487.90
Outside India	-
Total assets	3,487.90

*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.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 38: 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 29 'Employee benefits expense':

	30 Sep 2019
Provident Fund and Family Pension Fund	30.61
Superannuation Fund	8.41
ESIC	0.21
Other funds	6.86
	46.10

(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 30 September 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.

	30 Sep 2019
Defined benefit obligation	(366.09)
Fair value of plan assets	337.28
Net defined benefit (obligation)/assets	(28.81)

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
	30 September 2019	30 September 2019	30 September 2019
Opening balance	340.35	330.77	9.58
Included in profit or loss:			
Current service cost	13.91	-	13.91
Interest cost (income)	12.15	12.22	(0.07)
Sub-total included in Statement of Profit and Loss			13.84
	366.41	342.99	23.42
Included in OCI			
Remeasurement loss (gain):			
Actuarial loss (gain) arising from:			
Financial assumptions	7.58	-	7.58
Demographic Adjustment	0.19	-	0.19
Experience adjustment	(2.68)	-	(2.68)
Return on plan assets excluding interest income	-	(0.30)	0.30
Sub-total included in OCI			5.39
	371.50	342.69	28.81
Other			
Contributions paid by the employer	-	-	-
Benefits paid	(5.41)	(5.41)	-
Closing balance	366.09	337.28	28.81



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 38: Employee benefits (continued)

(B) Defined Benefit Plan (continued):

i. Movement in net defined benefit (asset) liability (continued)

The components of defined benefit plan cost are as follows:

Particulars	30 September 2019
Recognised in Profit or Loss	
Current service cost	13.90
Net interest cost	(0.07)
Past service cost	-
Expected return on plan assets	-
Total	13.83
Recognised in Other Comprehensive Income	
Remeasurement of net defined benefit liability/(asset)	5.39

ii. Plan assets

Plan assets comprise the following:

	30 September 2019
Insurer Managed Funds (Life Insurance Corporation of India)	100%

iii. Actuarial assumptions

The following were the key actuarial assumptions at the reporting date (expressed as weighted averages).

	30 September 2019
Discount rate	7.05%-7.10%
Future salary growth	8%-10% for the next 1 year & 8%-9.75% thereafter
Mortality rate	Indian Assured Lives Mortality (2012-14) 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:

	30 September 2019	
	Increase	Decrease
Discount rate (0.50% movement)	16.16	17.55
Future salary growth (0.50% movement)	16.97	15.78

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 30 September 2019 were as follows

Particulars	30 September 2019
Up to 1 year	53.77
Between 1-2 years	19.92
Between 2-6 years	70.29
6 to 10+ years	180.83

Other long-term employee benefits:

(C) 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 30 September 2019 based on actuarial valuation using the projected accrued benefit method is Rs 20.92 millions.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 39: Contingent liabilities and Commitments

	As at 30 September 2019
A) Contingent liabilities	
a Claims against the Group not acknowledged as debts	153.21
b Demand raised by authorities against which the Group has filed an appeal	
i) Income Tax	80.05
ii) Excise duty	0.73
iii) Service tax	16.11
iv) Customs Duty	6.51
v) VAT / Sales Tax	2.89
vi) GST	0.79

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 judgments/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 30 September 2019
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	47.40

Note 40: Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)

	As at 30 September 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the period	
Principal	85.34
Interest	2.89
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	626.92
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	4.86
The amount of interest accrued and remaining unpaid at the end of each accounting period for the period ended 30 September 2019	7.42
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	-



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements (Continued) for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 41 : Corporate Social Responsibility

The Group has spent Rs 21.45 million towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

	30 September 2019		
(a) Gross amount required to be spent by the Group during the year			46.20
(b) Amount Spent during the period ended 30 September 2019	In cash / payable	Yet to be paid In Cash	Total
	30 September 2019	30 September 2019	30 September 2019
(i) Construction / acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	10.14	11.31	21.45

Note 42

The Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the period 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 43: Merger with Excel Crop Care Limited

Pursuant to the scheme of amalgamation (the Scheme) sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench on 22 August 2019, Excel Crop Care Limited (ECCL) have merged with the Company. 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 there by enabling to conduct the company's business more efficiently.

Since the above transaction qualify as common control business combination under Ind AS 103 on "Business Combinations", the same has been accounted using 'pooling of interests' 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 Group.

Also as per the Scheme, following effects have been considered in the books of accounts of the Group:

i. Existing equity shares of Rs. 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 Rs.10 each, which will be issued to shareholders of ECCL in share swap ratio of 5:2 equity share of the company for each equity share held by shareholders of ECCL.

ii. As per the scheme, the authorised share capital of ECCL shall be combined with the authorised share capital of the Company. The Company and ECCL has filed INC-28 with the Registrar of Companies, Mumbai ("ROC") on 31 August 2019. The Form INC-28 filed by ECCL was approved by ROC. However, the form INC-28 filed by the Company is still pending in the ROC system, accordingly the authorised share capital is not increase as at 30 September 2019.



Sumitomo Chemical India Limited

Notes to the Interim Consolidated Financial Statements for the period ended 30 September 2019

(Currency: Indian Rupees in million)

Note 44 : Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the Balance Sheet date.

Note 45

On 21st June, 2019, Gujarat Pollution Control Board ("GPCB") issued a notice to ECCL, which has amalgamated with the Company, instructing it to close manufacturing operations of its Bhavnagar Plant. The notice was issued because GPCB had found, in a plot of land adjacent to the manufacturing site, 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 submitted and its implementation, GPCB has temporarily withdrawn its Closure Order. As the last leg of the action plan, the Company is in the process of disposing of treated soil from the plot of land as per GPCB norms. Once such disposal is complete, the Company will approach GPCB for revocation of the Closure Order on permanent basis. In the meantime, the manufacturing operations of the Bhavnagar plant are being carried on uninterrupted.

Note 46: Information for Interim Consolidated Financials Statements pursuant to Schedule III of the Companies Act, 2013.

Name of the entity	30 September 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	98.98%	12,023.79	100.39%	1,818.10	100.00%	(4.85)	100.39%	1,813.25
Subsidiaries								
Foreign								
1. Excel Crop Care (Europe) LLC	0.86%	104.26	-0.20%	(3.61)	0.00%	-	-0.20%	(3.61)
2. Excel Crop Care (Africa) Limited	0.23%	28.40	-0.02%	(0.41)	0.00%	-	-0.02%	(0.41)
Adjustment arising out of consolidation	-0.07%	(8.25)	-0.16%	(2.97)	0.00%	-	-0.16%	(2.97)
TOTAL	100.00%	12,148.20	100.00%	1,811.11	100.00%	(4.85)	100.00%	1,806.26

As per our report of even date attached.

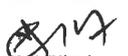
For BSR & Associates LLP
Chartered Accountants
Firm's Registration No: 116251W/W-100024

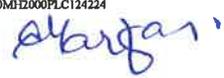

Shubhir Rameshmadewala
Partner
Membership No: 100060
Place: Mumbai
Date: 20 December 2019



For and on behalf of the Board of Directors of
Sumitomo Chemical India Limited
CIN: U24110MH2000PLC124224


Mr. Chetan Shah
Managing Director
DIN: 00488127
Place: Mumbai
Date: 20 December 2019


Mr. Anil Nawal
Chief Financial Officer
Place: Mumbai
Date: 20 December 2019


Mr. Sushil Marfatia
Executive Director
DIN: 07618601
Place: Mumbai
Date: 20 December 2019


Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 20 December 2019

B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
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Independent Auditors' Report

To the Board of Directors of Sumitomo Chemical India Limited

Report on Standalone Interim financial statements

Opinion

We have audited the standalone interim financial statements of Sumitomo Chemical India Limited ('the Company'), which comprise the balance sheet as at 30 September 2019 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from 1 April 2019 to 30 September 2019, and a summary of the significant accounting policies and other explanatory information (together herein after referred to as "standalone interim financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone interim financial statements is free from material misstatement and is fairly presented, in all material respect, in accordance with the basis of preparation as set out in Note 2.1(a) to the standalone interim financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Interim Financial Statement* 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 and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2.1(a) of the standalone interim financial statements. The Company has not presented the corresponding figures for the previous period in these standalone interim financial statements as these have been prepared for inclusion in the financial Information section of the Information Memorandum to be filed with stock exchange(s). These standalone interim financial statements are not the statutory standalone financial statements of the Company. Our opinion is not qualified in respect of this matter

Management Responsibility for the Standalone Interim financial statements

The Company's management is responsible for the preparation and fair presentation of this standalone interim financial statements in accordance with the basis described in Note 2.1(a) to the standalone interim financial statements.

Independent Auditors' Report (Continued)

Sumitomo Chemical India Limited

Management Responsibility for the Standalone Interim financial statements (continued)

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone interim financial statements that is free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Standalone Interim financial statements

Our objectives are to obtain reasonable assurance about whether the standalone interim 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 interim 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 interim 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, but not for the purpose of expressing an opinion whether the Company has in place an adequate internal financial controls system with reference to financial statements 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 standalone interim 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 standalone interim 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.

Independent Auditors' Report (*Continued*)

Sumitomo Chemical India Limited

Auditors' Responsibility for the Audit of the Standalone Interim financial statements (*continued*)

- Evaluate the overall presentation, structure and content of the standalone interim financial statements, including the disclosures, and whether the standalone interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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 management 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.

Basis of Accounting and Restriction on distribution or use

Without modifying our opinion, we draw attention to Note 2.1(a) to the standalone interim financial statements, which describes the basis of preparation, including the approach to and purpose of preparing them. The standalone interim financial statements have been prepared for and only for the purposes of inclusion in the financial information section of the information memorandum to be filed with stock exchange(s). As a result, the standalone interim financial statements may not be suitable for any other purpose.

This report is addressed to the Board of Directors of the Company and should not be otherwise used or shown to or otherwise be distributed to any other party or used for any other purpose except with our prior consent in writing. B S R & Associates. LLP neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Shabbir Readymadewala

Partner

Membership No: 100060

ICAI UDIN: 19100060AAAAIJ4513

Mumbai
20 December 2019

Sumitomo Chemical India Limited

Interim Standalone Balance Sheet

as at 30 September 2019

(Currency: Indian Rupees in million)

	Notes	As at 30 September 2019
I. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	3	2,836.22
(b) Capital work-in-progress		44.62
(c) Right - of - use assets	4	309.40
(d) Other intangible assets	5	15.98
(e) Intangible assets under development		48.74
(f) Investment in subsidiaries	6	7.61
(g) Financial assets		
(i) Investments	7	1.34
(ii) Loans	8	85.52
(h) Non-current tax assets (Net)		190.85
(i) Other non-current assets	9	52.81
Total non-current assets		3,593.09
(2) Current assets		
(a) Inventories	10	5,463.71
(b) Financial assets		
(i) Investments	11	687.50
(ii) Trade receivables	12	10,369.65
(iii) Cash and cash equivalents	13a	818.43
(iv) Bank balances other than cash and cash equivalents mentioned above	13b	8.92
(v) Loans	14	47.93
(vi) Other financial assets	15	111.81
(c) Other current assets	16	418.78
Total current assets		17,926.73
TOTAL ASSETS		21,519.82
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	17	2,745.88
(b) Other equity	18	9,277.94
Total Equity		12,023.82
(2) Liabilities		
Non-current liabilities		
(a) Financial liabilities		
- Lease liabilities	19	178.28
(b) Provisions	20	166.61
(c) Deferred tax liabilities (net)	33 C	15.34
(d) Other non-current tax liabilities (net)		57.79
Total Non-current liabilities		418.02
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	21	85.66
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	21	7,506.90
(ii) Lease liabilities	22	138.66
(iii) Other financial liabilities	23	647.29
(b) Other current liabilities	24	383.66
(c) Provisions	25	49.75
(d) Current Tax liabilities		266.06
Total Current liabilities		9,077.98
Total Liabilities		9,496.00
TOTAL EQUITY AND LIABILITIES		21,519.82

Significant accounting policies

The accompanying notes 1 to 46 are an integral part of these Interim 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

Shalini
Shalini Readymadewala
Partner

Membership No: 100060

Place: Mumbai

Date: 20 December 2019

For and on behalf of the Board of Directors of

Sumitomo Chemical India Limited

CIN: U24110MH2000PLC124224

Chetan
Mr. Chetan Shetty
Managing Director

DIN: 00488127

Place: Mumbai

Date: 20 December 2019

Anil
Mr. Anil Nawal
Chief Financial Officer

Place: Mumbai

Date: 20 December 2019

Margan
Mr. Sushil Marfatia
Executive Director

DIN: 07618601

Place: Mumbai

Date: 20 December 2019

Pravin
Mr. Pravin D. Desai
Vice President (Legal)

& Company Secretary

Place: Mumbai

Date: 20 December 2019



Sumitomo Chemical India Limited

Interim Standalone Statement of Profit and Loss for the period from 01 April 2019 to 30 September 2019

(Currency: Indian Rupees in million)

	Notes	For the period 01 April 2019 to 30 September 2019
Revenue		
I. Revenue from Operations	26	14,537.37
II. Other income	27	59.07
III. Total Income (I+II)		14,596.44
IV. Expenses		
Cost of materials consumed	28	7,180.53
Purchase of stock-in-trade		1,118.28
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	1,306.72
Employee benefits expense	30	876.16
Finance costs	31	29.61
Depreciation and amortisation expense	3, 4 & 5	182.79
Other expenses	32	1,653.55
Total Expenses (IV)		12,347.64
V. Profit before Tax (III-IV)		2,248.80
VI. Tax expense:		
1. Current Tax	33 A	592.84
2. Adjustment of tax relating to earlier years		(31.42)
3. Deferred Tax credit		(130.49)
Total Tax Expenses (VI)		430.93
VII. Profit for the Period (V-VI)		1,817.87
VIII. Other comprehensive income		
(i) Items that will not be reclassified to Profit or Loss		
Remeasurements of defined benefit liability (asset)		(5.39)
ii) Income tax related to items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)		0.10
Total other comprehensive income for the period (VIII)		(5.29)
IX. Total comprehensive income for the period (VII + VIII)		1,812.58
X. Earnings per equity share (Face value of Rs. 10 each)		
Basic and diluted earnings per share	34	3.64

Significant accounting policies 2

The accompanying notes 1 to 46 are an integral part of these Interim 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: 20 December 2019

For and on behalf of the Board of Directors of
Sumitomo Chemical India Limited
CIN: U24110MH2000PLC124224

Mr. Chetan Shah
Managing Director
DIN: 00488127
Place: Mumbai
Date: 20 December 2019

Mr. Sushil Marfatia
Executive Director
DIN: 07618601
Place: Mumbai
Date: 20 December 2019

Mr. Anil Nawal
Chief Financial Officer
Place: Mumbai
Date: 20 December 2019

Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 20 December 2019



Sumitomo Chemical India Limited

Interim Standalone Statement of Changes in Equity

for the period from 01 April 2019 to 30 September 2019

(Currency: Indian Rupees in million)

(a) Equity share capital

	Note	
As at 31 March, 2018	17	2,745.88
Changes in equity share capital during the year		-
As at 31 March, 2019	17	2,745.88
Changes in equity share capital during the period		-
As at 30 September, 2019	17	2,745.88

(b) Other equity

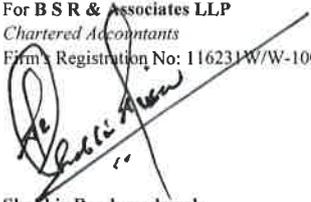
Particulars	Reserves & Surplus				Total Other equity
	General Reserve	Securities Premium	Share Pending Issuance (Refer note 44)	Retained earnings	
Balance as at 1 April 2018	(282.19)	2,350.60	2,245.58	2,334.57	6,648.56
Profit for the year	-	-	-	1,670.02	1,670.02
Other comprehensive income for the year (net of tax)	-	-	-	3.70	3.70
Total comprehensive income for the year	-	-	-	1,673.72	1,673.72
Dividends	-	-	-	(590.53)	(590.53)
Dividend Distribution Tax (DDT)	-	-	-	(124.52)	(124.52)
Transfer to General Reserve	800.00	-	-	(800.00)	-
Balance as at 31 March 2019	517.81	2,350.60	2,245.58	2,493.24	7,607.23
Profit for the period	-	-	-	1,817.87	1,817.87
Other comprehensive income for the period (net of tax)	-	-	-	(5.29)	(5.29)
Total comprehensive income for the period	-	-	-	1,812.58	1,812.58
Dividend on equity shares for the period	-	-	-	(115.45)	(115.45)
Dividend Distribution Tax (DDT)	-	-	-	(26.42)	(26.42)
Balance as at 30 September 2019	517.81	2,350.60	2,245.58	4,163.95	9,277.94

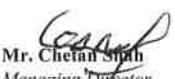
Refer note 18 B for nature and purpose of reserves

The accompanying notes 1 to 46 are an integral part of these Interim 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: 20 December 2019


Mr. Chetan Shah
Managing Director
DIN: 00488127
Place: Mumbai
Date: 20 December 2019


Mr. Anil Nawal
Chief Financial Officer
Place: Mumbai
Date: 20 December 2019

For and on behalf of the Board of Directors of
Sumitomo Chemical India Limited
CIN: U24110MH2000PLC124224


Mr. Sushil Marfatia
Executive Director
DIN: 07618601
Place: Mumbai
Date: 20 December 2019


Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 20 December 2019



Sumitomo Chemical India Limited

Interim Standalone Statement of Cash Flows

for the period from 01 April 2019 to 30 September 2019

(Currency: Indian Rupees in million)

For the period
01 April 2019 to
30 September 2019

A. Cash flow from operating activities

Profit before tax	2,248.80
<i>Adjustments for:</i>	
Depreciation and amortisation expense	182.79
Bad debts written off	2.42
Provision for doubtful debts	40.00
Profit on sale / disposal of property, plant and equipment	(0.24)
Property, plant and equipment written off	1.20
Sundry credit balances written back	(14.38)
Interest income	(24.12)
Measurement of investments at fair value through Profit & loss	0.06
Dividend income	(5.04)
Interest expenses	29.61
Unrealised exchange differences (net)	(1.70)
Operating cash flow before working capital changes	<u>2,459.40</u>

Working capital adjustments

(Increase) in Trade receivables	(3,694.19)
Decrease in Inventories	1,336.67
Decrease in Other non current assets and current assets	762.92
Decrease in Other non current financial assets and current financial assets	63.98
(Increase) in Long term & short term Loans	(5.65)
Increase in Trade payables	1,590.96
Increase in Long term and short term provisions	28.77
(Decrease) in Other non current liabilities and current financial liabilities	(22.27)
(Decrease) in Other non current and other current Liabilities	(485.33)
Cash generated from operating activities	<u>2,035.26</u>
Income taxes paid (net)	(363.05)
Net cash flows generated from operating activities (A)	<u>1,672.21</u>

B. Cash flow from investing activities

Purchase of property, plant and equipment, intangible assets	(222.15)
Proceeds from sale of property, plant and equipment	1.87
Purchase/(Sale) of investments (net)	(687.50)
Bank balances not considered as cash and cash equivalents (net)	(0.06)
Loans recovered	0.88
Interest received	24.12
Dividend received	5.04
Net cash flows used in investing activities (B)	<u>(877.80)</u>

C. Cash flow from financing activities

Repayment of short term borrowings	(197.45)
Interest paid	(29.61)
Dividend paid	(115.39)
Tax on distributed profits	(26.42)
Net cash flows used in financing activities (C)	<u>(368.87)</u>

Net increase/(decrease) in cash and cash equivalents (A + B + C)

425.54

Cash and cash equivalents at the beginning of the period

392.89

Cash and cash equivalents at the end of the period (Refer note 13a)

818.43



Sumitomo Chemical India Limited

Interim Standalone Statement of Cash Flows (Continued)

for the period from 01 April 2019 to 30 September 2019

(Currency: Indian Rupees in million)

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.

Significant accounting policies

2

The accompanying notes 1 to 46 are an integral part of these Interim 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



Shajbir Readymadewala
Partner

Membership No: 100060
Place: Mumbai
Date: 20 December 2019

For and on behalf of the Board of Directors of
Sumitomo Chemical India Limited
CIN: U24110MH2000PLC124224



Mr. Sushil Marfatia
Executive Director

DIN: 07618601
Place: Mumbai

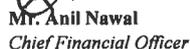
Date: 20 December 2019



Mr. Chetna Shah
Managing Director

DIN: 00488127
Place: Mumbai

Date: 20 December 2019



Mr. Anil Nawal
Chief Financial Officer

Place: Mumbai

Date: 20 December 2019



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

Place: Mumbai

Date: 20 December 2019



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

1 Corporate information

Sumitomo Chemical India Limited ('SCIL' or 'the Company') was incorporated originally on February 15, 2000 and 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 "ECCL") 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 44)

2 Basis of Preparation, Measurement and Significant Accounting Policies

2.1 Basis of Preparation and Measurement

a) Basis of preparation

These interim standalone financial statements are prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind-AS) 34 "Interim Financial Reporting" as specified 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 Company has not presented the corresponding figures for the previous period in these interim standalone financial statements as these have been prepared for inclusion in the financial information section of the Information Memorandum to be filed with the stock exchange(s). These interim standalone financial statements are not the statutory standalone financial statements of the company. The financial statements are presented in millions of Indian rupees rounded off to two decimal places, except per share information, unless otherwise stated.

The interim standalone financial statements of the Company were approved for issue in accordance with the resolution of the Board of Directors on 20 December, 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

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 - 2.4 n),
- ii) Defined benefit plans – plan assets/(liability) and share based payments measured at fair value (Refer note 39)



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.2 Key Accounting Estimates, judgments and assumptions

The preparation of these interim standalone 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 interim 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 2.4 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 2.4(d) for Financial assets and (Note 2.4(o) for Non 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 2.4(j)

vi. 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 2.4(f))

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 note 37 for information on detailed disclosures pertaining to measurement of fair values).



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (continued)

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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (Continued)

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 moving weighted average basis which is valued at cost. However, raw materials and packing materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. 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 their present location and condition. Cost is determined on weighted average basis.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (Continued)

f 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-employee 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.

g Foreign currency transactions

i. Functional and Presentation currency

The Company's interim standalone 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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (Continued)

h Income taxes

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

Current taxes

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the period 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. For the purpose of computing income taxes management has applied the annual effective tax rate on to the profit before tax for the period ended 30 September 2019.

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:

- The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

i 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.

j 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.

k 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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (Continued)

1 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.

m Revenue Recognition

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 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

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.
- Revenue in respect of insurance / other claims, Interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- 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.

n 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:

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



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (Continued)

n Financial Instruments (Continued)

i. Financial assets (Continued)

Debt instruments at amortised cost (Continued)

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.

o 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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

2 Basis of Preparation, Measurement and Significant Accounting Policies (Continued)

2.4 Statement of significant accounting policies (Continued)

o Impairment of non-financial assets (Continued)

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.

p 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

q 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.

r 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.

s Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of lease with similar characteristics.

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 in capital reserve.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

3 Property, plant and equipment

Particulars	Gross Block		Disposals	As at 30 September 2019	As at 1 April 2019	Accumulated Depreciation		As at 30 September 2019	Net Block As at 30 September 2019
	As at 1 April 2019	Additions				Charge for the period	Deduction during the period		
Land - Freehold	117.62			117.62	-			-	117.62
Leasehold land	163.41			163.41	7.38	1.23		8.61	154.80
Factory road	3.17	0.32		3.49	1.62	0.28		1.90	1.59
Buildings	678.78	9.67		688.45	88.85	22.44		111.29	577.16
Plant & Machinery	2,093.40	156.72	0.73	2,249.39	387.91	92.56	0.38	480.09	1,769.30
Furniture and fixtures	54.67	2.83	-	57.50	22.74	3.16		25.90	31.60
Vehicles	78.70	6.10	3.07	81.73	21.64	6.58	1.82	26.40	55.33
Office equipments	61.74	2.63	0.48	63.89	22.52	4.34	0.45	26.41	37.48
Leasehold improvements	8.46	20.75		29.21	7.01	1.07	-	8.08	21.13
Electrical installations	71.40			71.40	23.65			23.65	47.75
Laboratory equipments	31.47			31.47	9.01			9.01	22.46
	3,362.82	199.02	4.28	3,557.56	592.35	131.66	2.65	721.34	2,836.22

Notes:

- Buildings include Rs. 0.002 million being the value of shares in co-operative housing societies.
- The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 40 B.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

4 Right - of - use assets

Particulars	Gross Block		Accumulated Amortisation		Net Block			
	As at 1 April 2019	Additions	Disposals	As at 1 April 2019	Charge for the Period	Deduction during the period	As at 30 September 2019	As at 30 September 2019
Building	-	298.48	-	-	39.23	-	39.23	259.25
Vehicles	-	55.95	-	-	5.80	-	5.80	50.15
	-	354.43	-	-	45.03	-	45.03	309.40

5 Other Intangible assets

Particulars	Gross Block		Accumulated Amortisation		Net Block			
	As at 1 April 2019	Additions	Disposals	As at 1 April 2019	Charge for the Period	Deduction during the period	As at 30 September 2019	As at 30 September 2019
Data registration expenses	66.89	-	-	48.92	5.22	-	54.14	12.74
Software / License and Registration	12.30	0.73	-	8.92	0.88	-	9.80	3.24
Technical Know-how	9.45	-	-	9.45	-	-	9.45	-
	88.64	0.73	-	67.29	6.10	-	73.39	15.98



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

6 Investments in subsidiaries

	<i>Numbers</i>	<i>Amount</i>
	As at 30 September 2019	As at 30 September 2019
Unquoted and Fully Paid up		
Carried at Cost		
Investments in Equity Instruments		
Excel Crop Care (Europe) N.V Face Value of Euro 630 each	99	2.50
Excel Crop Care (Africa) Limited Face value of Tanzanian Schillings 1,00,000 each	1,699	5.11
Total		<u>7.61</u>
Aggregate amount of quoted investments		-
Aggregate Market value of quoted investments		-
Aggregate amount of unquoted investments		7.61
Aggregate amount of impairment in value of investments		-

7 Non current investments

	<i>Numbers</i>	<i>Amount</i>
	As at 30 September 2019	As at 30 September 2019
A Investments at Fair value through Profit or loss		
Investments in Equity Instruments		
Investments in Other entities (Quoted)		
Tata Steel Limited Face Value of Rs.10 each fully paid-up	393	0.14
Investments in Other entities (Unquoted)		
Investment in co-operative societies	9,132	1.17
B Investments stated at Amortised cost		
Investments in Government securities (Unquoted)		
National Saving Certificates Face Value Rs. 0.03 million		0.03
Total		<u>1.34</u>
Aggregate Market Value of Quoted Investments		0.14
Aggregate amount of Quoted Investments		0.14
Aggregate amount of Unquoted Investments		1.20
Aggregate amount of impairment in value of investments		-

8 Non current loans

	As at 30 September 2019
Security deposits	78.54
Loans to employees	6.98
Total	<u>85.52</u>
Sub-classification of Loans:	
Loan Receivables considered good- Secured	-
Loan Receivables considered good- Unsecured	85.52
Loan Receivables which have significant increase in Credit Risk	-
Loan Receivables - credit impaired	-



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

9 Other non-current assets

	As at 30 September 2019
Capital advances	50.79
Prepaid expenses	2.02
Total	52.81

10 Inventories

	As at 30 September 2019
Raw Materials	1,928.46
Work-in-progress	182.91
Finished Goods	2,736.69
Stock-in-Trade	364.25
Containers and Packing Materials	224.67
Stores and Spares (including Fuel)	26.73
Total	5,463.71

11 Current investments

	As at 30 September 2019
Investment carried at fair value through Profit and Loss account	30 September 2019
Mutual fund	687.50
Total	687.50

12 Trade receivables

	As at 30 September 2019
Trade Receivables considered good- Secured	-
Trade Receivables considered good- Unsecured	10,369.65
Trade Receivables which have significant increase in credit risk	-
Trade Receivables – credit impaired	399.06
	10,768.71
Less: Allowance for expected credit loss	399.06
	10,369.65

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided. Refer note 37 for information about credit risk and market risk of trade receivables.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

13 a Cash and cash equivalents

	As at 30 September 2019
Balance with banks :	
In current account	567.97
In deposit accounts (with original maturity of less than three months)	250.00
Cash on hand	0.46
Total	818.43

13 b Bank balances other than cash and cash equivalents

	As at 30 September 2019
Deposits with maturity more than 3 months but less than 12 months	0.08
In unpaid dividend accounts earmarked with banks*	8.84
Total	8.92

* These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

14 Current loans

	As at 30 September 2019
Security deposits	
Considered good- Unsecured	24.69
Security deposits which have significant increase in credit risk	-
Security deposits – credit impaired	2.71
Less: Provision for doubtful security deposits	(2.71)
Loans to employees	
Considered good- Unsecured	16.80
Loans to employees which have significant increase in credit risk	-
Loans to employees – credit impaired	0.43
Less: Provision for doubtful loans	(0.43)
Earnest money deposit	5.25
Others	1.19
Total	47.93

15 Other current financial assets

	As at 30 September 2019
<i>Unsecured, considered good unless otherwise stated</i>	
Export incentive receivable	87.29
Derivatives - foreign exchange forward contracts	11.93
Others	12.59
Total	111.81



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

16 Other current assets

	As at 30 September 2019
Balances with government authorities	187.44
Prepaid expenses	38.15
Contract Asset (Right to receive inventory)	9.67
Others (advances other than capital advances)	183.52
Total	418.78



Sumitomo Chemical India Limited
Notes to the Interim Standalone Financial Statements
for the period ended 30 September 2019

(Currency: Indian Rupees in million)

17 Share Capital

	Number of shares	Amount
	As at 30 September 2019	As at 30 September 2019
Authorised		
Equity shares of Rs 10 each	49,40,00,000	4,940.00
	<u>49,40,00,000</u>	<u>4,940.00</u>
Issued, subscribed and paid-up:		
Equity shares of Rs 10 each, fully paid-up	27,45,88,095	2,745.88
	<u>27,45,88,095</u>	<u>2,745.88</u>

a) **Reconciliation of number of shares outstanding at the beginning and end of the period**

	As at 30 September 2019	
	Number	Amount
Equity shares		
At the commencement of the period	27,45,88,095	2,745.88
Equity shares issued during the period	-	-
At the end of the period	<u>27,45,88,095</u>	<u>2,745.88</u>

b) **Particulars of shareholders holding more than 5% of a class of shares**

Name of shareholder	Relationship	As at 30 September 2019	
		No. of Shares	%
Sumitomo Chemical Company Limited, Japan	Holding Company	27,45,88,093	99.99%

c) **Particulars of shares held by holding company and associates**

Name of shareholder	Relationship	As at 30 September 2019	
		No. of Shares	%
Sumitomo Chemical Company Limited, Japan *	Holding Company	27,45,88,093	99.99%
SC Environmental Science Co. Ltd, Japan	Fellow Subsidiary	2	0.01%
		<u>27,45,88,095</u>	<u>100.00%</u>

* 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 44)



Sumitomo Chemical India Limited
Notes to the Interim Standalone Financial Statements
for the period ended 30 September 2019

(Currency: Indian Rupees in million)

17 Share Capital (Continued)

f) Dividend on Equity Share declared and paid during the period 01 April 2019 to 30 September 2019

	01 April 2019 to 30 September 2019
Interim dividend paid on 274,588,095 shares @ Rs. 0.22 per share on equity shares of Rs. 10 each	60.41
Dividend distribution tax on interim dividend above	12.42
Interim dividend paid on 11,005,630 shares @ Rs. 6.25 per share on equity shares of Rs. 5 each	55.04
Dividend distribution tax on interim dividend above	14.00
	<u>141.87</u>

	01 April 2019 to 30 September 2019
Dividend on equity shares not recognised as liability	
Proposed Final dividend on 499,145,376 shares @ Rs 0.20 per share on equity shares of Rs. 10 each	99.83
Dividend distribution tax on final dividend	20.52
	<u>120.35</u>



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

18 Other equity

A. Summary of other equity balance

	As at 30 September 2019
General reserve	517.81
Securities premium	2,350.60
Share pending issuance (Refer note 44)	2,245.58
Retained earnings	
Balance at the beginning of the period	2,493.24
Additions during the period:	
Profit for the period	1,817.87
Other comprehensive income for the period, net of tax	(5.29)
Reductions during the period:	
Dividends	(115.45)
Income Tax on dividend	(26.42)
Net surplus of retained earnings	4,163.95
Balance at the end of the period	<u>9,277.94</u>

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. Share pending issuance

Share pending issuance represents shares to be issued for merger of Excel Crop Care Limited. (Refer note 44).

4. 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.

19 Non-current lease liabilities

	As at 30 September 2019
Liability towards lease asset	178.28
	<u>178.28</u>



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

20 Non current provisions

	As at 30 September 2019
Provision for Employee Benefits	
Compensated absences	159.32
Gratuity (Refer note 39)	7.29
Total	166.61

21 Trade payables

	As at 30 September 2019
Due to micro enterprises and small enterprises (Refer note 41)	85.66
Due to others	7,506.90
Total	7,592.56

22 Other current lease liabilities

	As at 30 September 2019
Liability towards lease asset	138.66
Total	138.66

23 Other current financial liabilities

	As at 30 September 2019
Salary, wages and bonus payable	328.01
Security and trade deposits	304.10
Unclaimed dividend	8.84
Derivative financial liabilities - forward contracts	6.34
Total	647.29

24 Other current liabilities

	As at 30 September 2019
Contract liabilities (advance received from customers)	141.78
Statutory dues (including provident fund, tax deducted at source and others)	195.47
Other payables	46.41
Total	383.66



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

25 Current provisions

	As at 30 September 2019
Provision for employee benefits	
Gratuity (Refer note 39)	21.52
Compensated absences	28.23
Total	49.75



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

26 Revenue from Operations

	For the period from 01 April 2019 to 30 September 2019
A. Sales of products	14,424.53
B. Sale of services	0.88
C. Other operating revenue	
a) Export incentives	95.93
b) Miscellaneous receipts	16.03
	<u>111.96</u>
Total	<u><u>14,537.37</u></u>

a. Revenue information

	For the period from 01 April 2019 to 30 September 2019
Revenue by product categories	
Agro Chemicals	13,165.17
Industrial Chemical	1,162.47
Public Health	96.89
Total	<u><u>14,424.53</u></u>

b. Reconciliation of the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

	For the period from 01 April 2019 to 30 September 2019
Revenue as per contracted price	16,763.56
Rebates/Discounts	2,009.96
Sales returns	329.07
Revenue from contract with customers	<u><u>14,424.53</u></u>

c. Contract balances

	For the period from 01 April 2019 to 30 September 2019
Trade receivables (Note 12)	10,369.65
Contract assets (Note 16)	9.67
Contract liabilities (Note 24)	141.78

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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

27 Other Income

	For the period from 01 April 2019 to 30 September 2019
Interest income	
On interest income on security deposits	24.16
Dividend income	
On investment in subsidiaries	1.24
On mutual fund investments	3.80
Other non operating income	
Rent received	0.05
Excess provision no longer required written back	14.38
Miscellaneous income	15.44
Total	59.07

28 Cost of materials consumed

	For the period from 01 April 2019 to 30 September 2019
Raw materials consumed	
Opening Inventory	1,888.79
Add: Purchases (Net)	6,407.39
	<u>8,296.18</u>
Less: Closing Inventory	1,928.46
	<u>6,367.72</u>
Containers and packing materials consumed	
Opening Inventory	295.72
Add: Purchases (Net)	741.76
	<u>1,037.48</u>
Less: Closing Inventory	224.67
	<u>812.81</u>
Total cost of materials consumed	7,180.53



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

29 Changes in inventories of finished goods, work in progress and stock-in-trade

	For the period from 01 April 2019 to 30 September 2019
Opening Inventories :	
Work in progress	331.37
Finished goods	3,964.69
Stock-in-Trade	294.51
Less: Closing Inventories:	
Work in progress (Refer note 10)	182.91
Finished goods (Refer note 10)	2,736.69
Stock-in-Trade (Refer note 10)	364.25
Changes In Inventories:	
Work in progress	148.46
Finished goods	1,228.00
Stock-in-Trade	(69.74)
Total	<u><u>1,306.72</u></u>

30 Employee benefits expense

	For the period from 01 April 2019 to 30 September 2019
Salaries, wages and bonus etc.	772.58
Contribution to provident and other funds (refer note 39)	46.10
Gratuity expense (refer note 39)	13.84
Staff welfare expenses	43.64
	<u><u>876.16</u></u>

31 Finance costs

	For the period from 01 April 2019 to 30 September 2019
Interest on leased liabilities	16.83
Others	12.78
	<u><u>29.61</u></u>



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

32 Other expenses

	For the period from 01 April 2019 to 30 September 2019
Processing / Sub-contracting charges	142.00
Contract and labour charges	105.28
Carriage and freight	175.88
Power and fuel	138.12
Stores and spares consumed	31.54
Repairs and Maintenance	
Buildings	2.94
Plant and Equipment	81.48
Others	25.65
Rent	39.94
Rates and taxes	0.04
Insurance	21.29
Travelling and conveyance	157.70
Sales promotion and advertisement	297.38
Donations	0.87
Commission	47.06
Corporate social responsibility (refer note 42)	21.47
Provision for doubtful debts	40.00
Bad debts written off	2.42
Directors sitting fees	0.41
Property, Plant and Equipment written off	1.20
Exchange difference (net)	22.91
Research and development	4.37
Product testing expenses	21.40
Communication expenses	9.59
Legal and professional fees	48.29
Bank charges	8.08
Payment to auditors	3.51
Security charges	9.81
Merger related cost	40.59
Miscellaneous expenses	152.33
	<u>1,653.55</u>



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements for the period ended 30 September 2019

(Currency: Indian Rupees in million)

33 Income taxes

A. The major components of Income tax expenses for the period is as under:

(i) Income tax recognized in the Statement of Profit and Loss:

	For the period from 01 April 2019 to 30 September 2019
Current income tax	
In respect of current period	592.84
Adjustment of tax related to earlier years	(31.42)
Deferred tax Charge/ (credit)	
Origination and reversal of temporary difference	(130.49)
Income tax expense recognized in the Statement of Profit and Loss	430.93

(ii) Deferred Tax related to items recognised in other comprehensive income

	For the period from 01 April 2019 to 30 September 2019
On remeasurements of the defined benefit plans	0.10
	0.10

B. Reconciliation of effective tax rate

	For the period from 01 April 2019 to 30 September 2019
Profit before tax	2,248.80
Statutory Income Tax Rate	25.168%
Expected Income tax Expenses	565.98
Tax effect of:	
Others (Including Impact of change in rate)	(103.63)
Tax expense as per profit or loss	462.35
Adjustment in respect of current income tax of previous year	(31.42)
Total Income Tax Expense	430.93

The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the purpose of this standalone interim financial statements. Accordingly, the Company has recognized Provision for Income Tax for the six months ended 30 September 2019 and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit & Loss for the period ended 30 September 2019.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

33 Income taxes (Continued)

C. The major components of deferred tax (liabilities) / assets arising on account of temporary differences are as follows:

Movement during the period 01 April 2019 to 30 September 2019	Net deferred tax asset/ (liability) 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/(liability) 30 September 2019	Deferred tax asset	Deferred tax liability
Depreciation	(403.57)	92.74	-	(310.83)	-	(310.83)
Provision for doubtful debts and advances	127.36	(23.04)	-	104.32	104.32	-
Fair value gain/(loss) on investments	(0.01)	0.01	-	-	-	-
Expenses allowable for tax purposes when paid	90.95	(21.62)	0.10	69.43	69.43	-
Amortisation of expenses u/s 35 DD	-	69.97	-	69.97	69.97	-
Other temporary differences	39.34	12.43	-	51.77	51.77	-
Deferred tax liabilities (net)	(145.93)	130.49	0.10	(15.34)	295.49	(310.83)

The 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.

The Company does not have any tax losses carried forward as at 30 September 2019.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

34 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of equity shares outstanding during the period.

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.

	For the period from 01 April 2019 to 30 September 2019
Earnings per share has been computed as under:	
Profit attributable to owners of the Company for basic earnings (A)	1,817.87
Weighted average number of equity shares for the purpose of basic and dilutive earnings per share	
Number of shares at the beginning of the period	27,45,88,095
Equity shares to be issued pursuant to scheme of amalgamation (refer note 44)	22,45,57,641
Number of equity shares outstanding at the end of the period (B)	49,91,45,736
Basic and diluted earnings per share (Face value of Rs 10 Each)	3.64

35 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. The Company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

36 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 period:

(1) **Fellow Subsidiaries**

Sumitomo Chemical Do Brazil Representacoes Ltda (Brazil)

Valent BioSciences LLC - USA (Previously Known as Valent Biosciences Corporation)

Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)

Mycorrhizal Applications, LLC - USA

SC Environmental Science Co Ltd, Japan

(2) **Key Management Personnel**

i) **Executive Directors**

Chetan Shah (Managing Director)

Kiyoshi Takayama (Executive Director - Planning and Coordination Office)

Akira Harada - (Executive Director) (resigned w.e.f. 10 May 2019)

Sushil Marfatia - (Executive Director)

Hisayuki Hoshi (Whole time Director) (10 May 2019 to 31 August 2019)

ii) **Non Executive Directors**

Dr. Mukul G. Asher

B. V. Bhargava

Tadashi Katayama

Preeti Mehta

Dipesh K Shroff (resigned w.e.f. 31 August 2019)

Ninad D Gupte (Joint Managing Director upto 31 August 2019)

iii) **Chief Financial Officer**

Anil Nawal

iv) **Company Secretary**

Pravin D Desai

Rasika Kulkarni (resigned w.e.f. 31 August 2019)

(3) **Relatives of Key Management Personnel**

Mrs. Minoti Ninad Gupte (Wife of Ninad Gupte)

(4) **Enterprises controlled by key management personnel and their relatives:**

Agrocel Industries Private Limited

Transchem Agritech Limited

Transpek Industry Limited

Kanga & Company



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued) for the period ended 30 September 2019

(Currency: Indian Rupees in million)

36 Related Party disclosures (Continued)

Disclosures of Material transactions between the Company and the Related parties and the status of outstanding balances as at 30 September 2019

	Period ended 30 September 2019
Sale of Goods (Net of rebate and discount)	
Sumitomo Chemical Company Limited	462.03
Sumitomo Chemical Asia Pte Limited	0.90
Excel Crop Care (Europe) NV	15.13
Excel Crop Care (Africa) Limited	1.84
Agrocel Industries Private Limited	13.24
Transchem Agritech	0.09
Sale of Services	
Agrocel Industries Private Limited	1.48
Sumitomo Chemical Company Limited	0.88
Purchase of Goods	
Agrocel Industries Private Limited	296.02
Transpek Industry Ltd	0.23
Sumitomo Chemical Company Limited	1,242.58
Valent BioSciences LLC	364.88
Mycorrhizal Applications, LLC	42.59
Purchase of Services	
Sumitomo Chemical Do Brazil Representacoes Ltda (Brazil)	5.46
Kanga & Company	0.31
Commission Income	
Sumitomo Chemical Company Limited	0.98
Miscellaneous Income - Technical Service	
Sumitomo Chemical Company, Limited	9.81
Reimbursement of expenses (net)	
Sumitomo Chemical Company Limited	15.13
Valent BioSciences LLC	(5.09)
Sumitomo Chemical Asia Pte Limited	6.31
Mycorrhizal Applications, LLC	(5.09)
Excel Crop Care (Africa) Limited	0.04
Commission Expense	
Excel Crop Care (Africa) Limited	9.51
Contribution to Funds	
Excel Crop Care Superannuation Trust	8.41
Advances paid	
Excel Crop Care Gratuity Trust	5.22
Dividend Received	
Excel Crop Care (Africa) Limited	1.24
Dividend paid	
Sumitomo Chemical Company Limited, Japan	91.35



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

36 Related Party disclosures (Continued)

Disclosures of transactions between the Company and the Related parties and the status of outstanding balances as at 30 September 2019 (Continued)

Remuneration	
Chetan Shah	15.45
Ninad D Gupte	10.43
Akira Harada	0.59
Sushil Marfatia	10.85
Kiyoshi Takayama	8.30
Hisayuki Hoshi	3.68
Anil Nawal	5.48
Pravin D Desai	4.26
Rasika Kulkarni	0.99
Retainership fees	
Ninad Gupte	2.19

Outstanding as at 30 September 2019:

	as at 30 September 2019
Trade Receivables	
Sumitomo Chemical Company Limited	93.80
Agrocel Industries Private Limited	8.59
Excel Crop Care (Africa) Limited	7.29
Excel Crop Care (Europe) N V	9.98
Trade Payables	
Agrocel Industries Private Limited	36.05
Transpek Industry Ltd	0.07
Sumitomo Chemical Company Limited	1,420.86
Valent BioSciences LLC	361.61
Mycorrhizal Applications, LLC	42.59
Advance from Customer	
Valent BioSciences LLC	5.34

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the period were in ordinary course of the business and are on arm's length basis.

For the period ended 30th September 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

37 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

As at 30 September 2019	Carrying amount/ Fair Value			Total	Fair value Hierarchy			Total
	FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	
Financial assets								
Non-current								
Investments								
Equity Instruments in Tata Steel Limited	0.14	-	-	0.14	0.14	-	-	0.14
Equity instrument in Co-operative Societies	1.17	-	-	1.17	-	1.17	-	1.17
Government Securities	-	-	0.03	0.03	-	-	-	-
Loans	-	-	85.52	85.52	-	-	-	-
Current								
Investment in mutual fund	687.50	-	-	687.50	687.50	-	-	-
Trade receivables	-	-	10,369.65	10,369.65	-	-	-	-
Cash and cash equivalents	-	-	818.43	818.43	-	-	-	-
Other bank balances	-	-	8.92	8.92	-	-	-	-
Loans	-	-	47.93	47.93	-	-	-	-
Derivative Assets	11.93	-	-	11.93	-	11.93	-	11.93
Export incentives receivable	-	-	87.29	87.29	-	-	-	-
Other financial assets	-	-	12.59	12.59	-	-	-	-
	700.74	-	11,430.36	12,131.10	687.64	13.10	-	13.24
Financial liabilities								
Non current								
Liability towards lease asset	-	-	178.28	178.28	-	-	-	-
Current								
Trade payables	-	-	7,592.56	7,592.56	-	-	-	-
Liability towards lease asset	-	-	138.66	138.66	-	-	-	-
Derivative liabilities	6.34	-	-	6.34	-	6.34	-	6.34
Other financial liabilities	-	-	640.95	640.95	-	-	-	-
	6.34	-	8,550.45	8,550.45	-	6.34	-	6.34



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

37 Financial Instruments (Continued)

A. Accounting classification and fair values (continued)

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.

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



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

37 Financial Instruments (Continued)

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 has established Compliance Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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.

Particulars	Carrying amount (in INR)
	30 September 2019
Not due	7,648.86
Past due	
Past due 1-90 days	2,091.61
Past due 91-180 days	189.82
Past due 181-270 days	581.02
Past due 271-360 days	207.92
More than 361 days	49.48
	<u>10,768.71</u>

Expected credit loss assessment for customers as at 30 September 2019

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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

37 Financial Instruments (Continued)

C. Financial risk management (Continued)

a. Management of Credit risk (Continued)

The movement in the allowance for impairment in respect of trade and other receivables during the period was as follows.

Particulars	Amount Rs.
Balance as at April 1, 2018	337.19
Impairment loss recognised / (reversed)	69.45
Amounts written off	-
Balance as at 31 March 2019	406.64
Impairment loss recognised / (reversed)	(7.58)
Amounts written off	-
Balance as at 30 September 2019	399.06

The impairment loss at September 30, 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 ✓



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

37 Financial Instruments (Continued)

C. Financial risk management (Continued)

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.

30 September 2019 Particulars	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
<i>Non current liabilities</i>					
Liability towards lease asset	178.28	178.28	178.28	-	-
<i>Current liabilities</i>					
Trade Payables	7,592.56	7,592.56	7,592.56	-	-
Liability towards lease asset	138.66	138.66	138.66	-	-
Other Financial Liabilities	640.95	640.95	640.95	-	-
Derivative financial liabilities					
<i>Current liabilities</i>					
Forward Exchange Contracts	6.34	6.34	6.34	-	-
	<u>8,556.79</u>	<u>8,556.79</u>	<u>8,556.79</u>	<u>-</u>	<u>-</u>



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

37 Financial Instruments (Continued)

C. Financial risk management (Continued)

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

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 Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company 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 Company 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 30 September 2019 is as below:

	30 September 2019	30 September 2019	30 September 2019
	USD	EURO	Others
Financial assets			
Cash and cash equivalents	0.27	-	0.21
Trade and other receivables	835.35	26.51	-
	<u>835.62</u>	<u>26.51</u>	<u>0.21</u>
Financial liabilities			
Trade and other payables	1,240.31	0.67	12.37
	<u>1,240.31</u>	<u>0.67</u>	<u>12.37</u>
Net statement of financial position exposure	(404.69)	25.84	(12.16)
Forward exchange contracts - Sell	634.29	4.56	-
Forward exchange contracts - Buy	(1,289.15)	-	-



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued) for the period ended 30 September 2019

(Currency: Indian Rupees in million)

37 Financial Instruments (Continued)

C. Financial risk management (Continued)

c. Market risk (Continued)

i) Currency risk (Continued)

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 affected 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
30 September 2019		
1% movement		
USD	10.59	(10.59)
EUR	(0.30)	0.30
Others	0.12	(0.12)
	<u>10.40</u>	<u>(10.40)</u>

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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

38 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 these interim standalone financial statements.

39 Employee benefits

The Company contributes to the following post-employment plans in India.

(A) Defined Contribution Plans:

Provident Fund is a defined contribution scheme established under a State Plan.

Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Contribution to Employees State Insurance Corporation (ESIC)

Current service cost included under the head Contribution to Provident Fund and other funds in Note 30 'Employee Benefits Expense':

	30 Sep 2019
Provident Fund and Family Pension Fund	30.61
Superannuation Fund	8.41
ESIC	0.21
Other funds	6.86
	<u>46.10</u>

(B) Defined Benefit Plan:

Gratuity Plan is classified as a defined benefit plan as the Company's obligation is to provide agreed benefit to plan 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 30 September 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.

	30 Sep 2019
Defined benefit obligation	(366.09)
Fair value of plan assets	337.28
Net defined benefit (obligation)/assets	<u>(28.81)</u>

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
	30 September 2019	30 September 2019	30 September 2019
Opening balance	340.35	330.77	9.58
Included in profit or loss:			
Current service cost	13.91	-	13.91
Interest cost (income)	12.15	12.22	(0.07)
Sub-total included in Statement of Profit and Loss	-	-	13.84
	<u>366.41</u>	<u>342.99</u>	<u>23.42</u>
Included in OCI			
Remeasurement loss (gain):			
Actuarial loss (gain) arising from:			
Financial assumptions	7.58	-	7.58
Demographic Adjustment	0.19	-	0.19
Experience adjustment	(2.68)	-	(2.68)
Return on plan assets excluding interest	-	(0.30)	0.30
Sub-total included in OCI	-	-	5.39
	<u>371.50</u>	<u>342.69</u>	<u>28.81</u>
Other			
Contributions paid by the employer	-	-	-
Benefits paid	(5.41)	(5.41)	-
Closing balance	366.09	337.28	28.81



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

39 Employee benefits (Continued)

(B) Defined Benefit Plan: (Continued)

i. Movement in net defined benefit (asset) liability (Continued)

The components of defined benefit plan cost are as follows:

Particulars	30 September 2019
Recognised in Profit or Loss	
Current service cost	13.90
Net interest cost	(0.07)
Past service cost	-
Expected return on plan assets	-
Total	13.83
Recognised in Other Comprehensive Income	
Remeasurement of net defined benefit liability/(asset)	5.39

ii. Plan assets

Plan assets comprise the following

	30 September 2019
Insurer Managed Funds (Life Insurance Corporation of India)	100%

iii. Actuarial assumptions

The following were the key actuarial assumptions at the reporting date (expressed as weighted averages).

	30 September 2019
Discount rate	7.05%-7.10%
Future salary growth	8%-10% for the next 1 year & 8%- 9.75% thereafter
Mortality rate	Indian Assured Lives Mortality (2012-14) 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:

	30 September 2019	
	Increase	Decrease
Discount rate (0.50% movement)	16.16	17.55
Future salary growth (0.50% movement)	16.97	15.78

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.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements (Continued)

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

39 Employee benefits (Continued)

(B) Defined Benefit Plan: (Continued)

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at 30 September 2019 were as follows

Particulars	30 September 2019
Up to 1 year	53.77
Between 1-2 years	19.92
Between 2-6 years	70.29
6 to 10+ years	180.83

(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 period ended 30 September 2019 based on actuarial valuation using the projected accrued benefit method is Rs 20.92 millions.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

40 Contingent liabilities and Commitments

A) Contingent liabilities

	As at 30 September 2019
a. Claims against The Company not acknowledged as debts	153.21
b. Demand raised by authorities against which The Company has filed an appeal	
i) Income Tax	80.05
ii) Excise duty	0.73
iii) Service tax	16.11
iv) Customs Duty	6.51
v) VAT / Sales Tax	2.59
vi) GST	0.79

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 interim financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on the interim 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 judgments/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 30 September 2019
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	47.40

41 Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)

	As at 30 September 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the period	
Principal	85.34
Interest	2.89
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	626.92
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	4.86
The amount of interest accrued and remaining unpaid at the end of each accounting period ended 30 September 2019	7.42
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	-



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

42 Corporate Social Responsibility

The Company has spent Rs 21.45 million towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

	30 September 2019		
(a) Gross amount required to be spent by the Company during the year			46.20
(b) Amount spent during the period ended 30 September 2019	In cash/Payable	Yet to be paid in Cash	Total
(i) Construction / acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	10.14	11.31	21.45

43 The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the period 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.

44 Merger with Excel Crop Care Limited

Pursuant to the scheme of amalgamation (the Scheme) sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench on 22 August 2019, Excel Crop Care Limited ('ECCL') have merged with the Company. 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 and manufactures technical grade pesticides and formulations. ECCL also manufactures and markets other agri inputs like soil enrichers, bio-pesticides, plant growth regulators and soil & plant nutrition products. 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 there by enable conduct of the company's business more efficiently and advantageous.

Since the above transaction qualify as common control business combination under Ind AS 103 on "Business Combinations", the same has been accounted using 'pooling of interest' method (in accordance with the approved scheme) with effect from 1 April 2017. 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.

Also as per the Scheme, followings effects have been considered in the books of accounts of the Company :

- Existing equity shares of Rs. 5 each (post adjustment of shares held by the Company) of ECCL stands cancelled and is replaced by 22,45,57,641 equity shares of Rs 10 each, which has been 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 on 7 October 2019.
- As per the scheme, the authorised share capital of ECCL shall be combined with the authorised share capital of the Company. The Company and ECCL has filed INC-28 with the Registrar of Companies, Mumbai ("ROC") on 31 August 2019. The Form INC-28 filed by ECCL was approved by ROC. However, the form INC-28 filed by the Company is still pending in the ROC system, accordingly the authorised share capital is not increased as of 30 September 2019.



Sumitomo Chemical India Limited

Notes to the Interim Standalone Financial Statements

for the period ended 30 September 2019

(Currency: Indian Rupees in million)

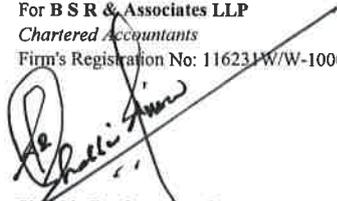
45 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the interim financial statements as on the Balance Sheet date.

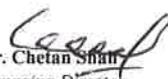
- 46 On 21st June, 2019, Gujarat Pollution Control Board ("GPCB") issued a notice to ECCL, which has amalgamated with the Company, instructing it to close manufacturing operations of its Bhavnagar Plant. The notice was caused because GPCB had found, in a plot of land adjacent to the manufacturing site, 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 submitted and its implementation, GPCB has temporarily withdrawn its Closure Order. As the last leg of the action plan, The Company is in the process of disposing of treated soil from the plot of land as per GPCB norms. Once such disposal is complete, the Company will approach GPCB for revocation of the Closure Order on permanent basis. In the meantime, the manufacturing operations of the Bhavnagar plant are being carried on uninterrupted.

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: 20 December 2019


Mr. Chetan Suman
Managing Director
DIN: 00488127
Place: Mumbai
Date: 20 December 2019


Mr. Anil Nawal
Chief Financial Officer
Place: Mumbai
Date: 20 December 2019

For and on behalf of the Board of Directors of
Sumitomo Chemical India Limited
CIN: U24110MH2000PLC124224


Mr. Sushil Marfatia
Executive Director
DIN: 07618601
Place: Mumbai
Date: 20 December 2019


Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 20 December 2019



Sumitomo Chemical India Limited

Consolidated Financial statements
together with the
Independent Auditors' Report
for the year ended 31 March 2019

Sumitomo Chemical India Limited
Consolidated Financial Statements together with Independent
Auditors' Report.

for the year ended 31 March 2019

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Consolidated Statement of Profit and Loss (including other comprehensive income)

Consolidated Statement of Cash Flows

Consolidated Statement of Changes in Equity

Notes to the Consolidated financial statements

B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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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.

Independent Auditors' Report (Continued)
Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)

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.

Independent Auditors' Report (Continued)
Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)

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.

Independent Auditors' Report (Continued)

Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 Rs.162.07 million as at 31 March 2019, total revenues of Rs.132.09 million and net cash flows amounting to Rs.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.

Independent Auditors' Report (Continued)
Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)

Other Matters (Continued)

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".

Independent Auditors' Report (Continued)

Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Report on Other Legal and Regulatory Requirements (Continued)

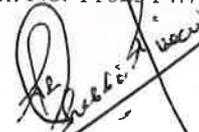
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the 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. 116231 W/W-100024



Shabbir Readymadewala

Partner

Membership No: 100060

ICAI UDIN:19100060AAAAAEJ1861

Mumbai
14 October 2019

Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

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 31 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

Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Annexure A to the Independent Auditor's Report - 31 March 2019 (Continued)

Auditors' Responsibility (Continued)

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.

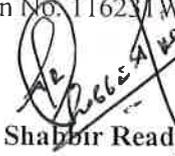
Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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. 116231 W/W-100024


Shalbir Readymadewala

Partner

Membership No: 100060

ICAI UDIN: 19100060AAAAEJ1861

Mumbai
14 October 2019

Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

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			
(b) Deferred tax liabilities (net)	16	156.42	127.10
(c) Other non-current tax liabilities (net)	29	145.92	180.74
		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	32.93
(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

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. R. & Associates LLP
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Shubhin Ready-made-vala
Partner
Membership No: 100060
Place: Mumbai
Date: 17 October 2019



esw

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 S. ...
Managing Director
DIN: 00488127
Place: Mumbai
Date: 14 October 2019

Mr. Anil Nawn
Chief Financial Officer
Place: Mumbai
Date: 14 October 2019
186

Mr. Sushil Mhatre
Executive Director
DIN: 07618601
Place: Mumbai
Date: 14 October 2019

Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 14 October 2019

Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

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)		<u>22,395.05</u>	<u>19,921.41</u>
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)		<u>19,796.61</u>	<u>17,711.75</u>
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)		<u>940.47</u>	<u>758.48</u>
VII. Profit for the Year (V-VI)		<u>1,657.97</u>	<u>1,451.18</u>
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
		<u>3.70</u>	<u>34.02</u>
B. Items that will be reclassified to Profit or Loss			
Exchange difference arising on translation of foreign operations		(2.69)	16.54
Total other comprehensive income for the year (VIII)		<u>1.01</u>	<u>50.56</u>
IX. Total comprehensive income for the year (VII + VIII)		<u>1,658.98</u>	<u>1,501.74</u>
X. Earnings per equity share (Face value of Rs. 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 BSR & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Shabbir Reaymadewala
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: U24110MII2000PLC12-122-i



Mr. Chetan Shah

Managing Director

DIN: 00488127

Place: Mumbai

Date: 14 October 2019

Mr. Anil Nawal

Chief Financial Officer

Place: Mumbai

Date: 14 October 2019

Mr. Sushil Marfatia

Executive Director

DIN: 07618601

Place: Mumbai

Date: 14 October 2019

Mr. Pravin D. Desai

Vice President (Legal)

& Company Secretary

Place: Mumbai

Date: 14 October 2019

Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

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
<i>Adjustments for:</i>		
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	<u>2,784.71</u>	<u>2,305.66</u>
<i>Working capital adjustments</i>		
(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
<i>Cash generated from operating activities</i>	<u>1,658.13</u>	<u>1,305.52</u>
Income taxes paid (net)	(881.28)	(831.11)
Net cash flows generated from operating activities (A)	<u>776.85</u>	<u>474.11</u>
B. Cash flow from investing activities		
Purchase of property, plant and equipment, and intangible	(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)	<u>(353.19)</u>	<u>(396.44)</u>



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Consolidated Statement of Cash Flows (Continued)

for the year ended 31 March 2019

(Currency: Indian Rupees in million)

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:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, 'Statement of Cash Flows'
- 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 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

Shubir 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: U24110MH2000PLC12422A

Mr. Chetan Shah

Managing Director

DIN: 00488127

Place: Mumbai

Date: 14 October 2019

Mr. Sushil Marfatia

Executive Director

DIN: 07618601

Place: Mumbai

Date: 14 October 2019

Mr. Anil Nawal

Chief Financial Officer

Place: Mumbai

Date: 14 October 2019

Mr. Pravin D. Desai

Vice President (Legal)

& Company Secretary

Place: Mumbai

Date: 14 October 2019



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

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

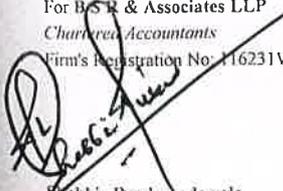
Particulars	Reserves & Surplus				Other comprehensive income	Total Other equity
	General Reserve	Securities Premium	Share Pending Issuance (refer note 42)	Retained earnings	Foreign Currency Translation reserve	
Balance as at 1 April 2017	3,981.58	2,350.60	2,245.58	1,670.23	7.86	10,255.85
Consideration 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 BSR & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024


Shabbir Readymadewala
Partner

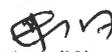
Membership No: 100060
Place: Mumbai
Date: 14 October 2019





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
Place: Mumbai
Date: 14 October 2019


Mr. Anil Nawal
Chief Financial Officer
Place: Mumbai
Date: 14 October 2019


Mr. Sushil Darfatia
Executive Director
DIN: 07618601
Place: Mumbai
Date: 14 October 2019


Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 14 October 2019

Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to consolidated financial statements

as at 31 March 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. 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 limited, 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:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the reporting date; or
- 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:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- 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:

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

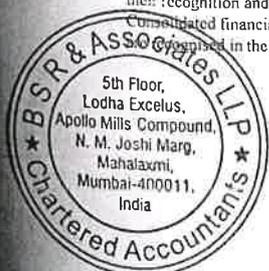
Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

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 recognized in the periods in which the results are known/materialize.



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

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 on or after 1 April 2019 and identified as leases in accordance with Ind AS 17.



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

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.

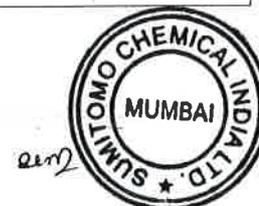
The key assets and related lives are:

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 know-how	5



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

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 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.

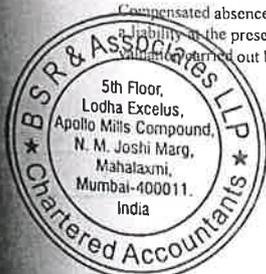
When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the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



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

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.

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:

- The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- 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.

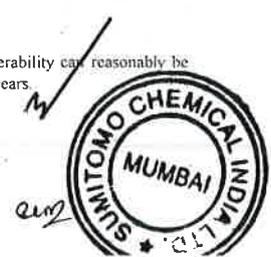
k Provisions and contingencies

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.

Research and development

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



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

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:

- the nature of products and services
- the differing risks and returns
- the internal organisation and management structure, and
- 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 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 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

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.
- Revenue in respect of insurance / other claims, Interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- 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:

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



Notes to the Consolidated financial statements (Continued)
as at 31 March 2019

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.

g 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.

f 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.



Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)
as at 31 March 2019

(Currency: Indian Rupees in million)

Note 3
Property, plant and equipment and capital work in progress

For the year ended 31 March 2019

Block of asset	Gross Block				Accumulated Depreciation				Net Block	
	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 Rs. 31.86 million (31 March 2018: Rs. 44.52 million)

For the year ended 31 March 2018

Block of asset	Gross Block					Accumulated Depreciation					Net Block		
	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 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
Factory road	3.17	-	3.17	-	-	3.17	0.54	-	0.54	0.54	-	1.08	2.09
Buildings	97.03	321.22	418.25	200.62	-	618.87	13.02	9.56	22.58	24.31	-	46.89	571.98
Plant & Machinery	2,081.11	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
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
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
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
Leasehold improvements	8.46	-	8.46	-	-	8.46	4.11	-	4.11	1.45	-	5.56	2.90
Electrical installations	-	47.92	47.92	8.91	1.29	55.54	-	7.66	7.66	8.18	1.15	14.69	40.85
Laboratory equipments	-	21.32	21.32	4.03	0.70	24.65	-	2.91	2.91	3.17	0.69	5.39	19.26
	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

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

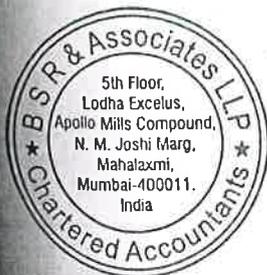
131.36

Balance as at 31 March 2018

44.52

Notes:

- Buildings include Rs. 0.002 million (31 March, 2018: Rs. 0.002 million) being the value of shares in co-operative housing societies.
- The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 38 B.
- For Property, plant and equipment pledged as security refer Note 18.



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

(Currency: Indian Rupees in million)

Note 4

Intangible assets

For the year ended 31 March 2019

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	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

Particulars	Gross Block					Accumulated Amortisation					Net Block		
	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 2017
Data registration expenses	-	35.49	35.49	8.91	-	44.40	-	16.47	16.47	15.85	-	32.32	19.02
Software	-	-	-	0.19	-	0.19	-	-	-	0.04	-	0.04	-
License and Registration	-	7.41	7.41	2.23	-	9.64	-	2.83	2.83	2.87	-	5.70	4.58
Technical Know-how	-	9.45	9.45	-	-	9.45	-	3.15	3.15	3.15	-	6.30	6.30
	-	52.35	52.35	11.33	-	63.68	-	22.44	22.44	21.91	-	44.36	29.90



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

(Currency : Rupees in million)

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 Rs.10 each fully paid-up	393	393	0.21	0.23
Tata Steel Limited Face Value of Rs.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 Rs. 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 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



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

(Currency: Rupees in million)

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 Rs. 18.59 million was charged to the Statement of Profit and Loss on account of damaged and slow moving inventories (31 March 2018 Rs. 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.

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



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

(Currency : Rupees in million)

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		
Security deposits which have significant increase in credit risk	20.69	22.49
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
<i>Unsecured, considered good unless otherwise stated</i>		
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

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



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

(Currency: Indian Rupees in million)

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 Rs 10 each	49,40,00,000	30,00,00,000	4,940.00	3,000.00
	49,40,00,000	30,00,00,000	4,940.00	3,000.00
Issued, subscribed and paid-up: Equity shares of Rs 10 each, fully paid-up	27,45,88,095	27,45,88,095	2,745.88	2,745.88
	27,45,88,095	27,45,88,095	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	
	Number	Amount	Number	Amount
Equity shares				
At the commencement of the year	27,45,88,095	2,745.88	27,45,88,095	2,745.88
Equity shares issued during the year	-	-	-	-
At the end of the year	27,45,88,095	2,745.88	27,45,88,095	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	27,45,88,093	99.99%	27,45,88,093	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	27,45,88,093	99.99%	27,45,88,093	99.99%
SC Enviromental Science Co. Ltd, Japan	Associate Company	2	0.01%	2	0.01%
		27,45,88,095	100.00%	27,45,88,095	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 42).



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

(Currency: Indian Rupees in million)

Note 14: Share Capital (Continued)

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 @ Rs. 1.87 per share for FY 2018-19 (2017-18: Rs. Nil per share) on equity shares of Rs. 10 each	513.48	-
Dividend distribution tax on interim dividend	105.55	-
Final dividend on 8,806,182 shares @ Rs 8.75 for FY 2017-18 (2016-17: Rs Nil per share) on equity shares of Rs. 5 each	77.05	-
Dividend distribution tax on final dividend	18.97	-
	<u>715.05</u>	-

	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 @ Rs. 0.22 per share for FY 2018-19 (2017-18: Rs Nil per share) on equity shares of Rs. 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 @ Rs. 6.25 per share for FY 2018-19 (2017-18: Rs Nil per share) on equity shares of Rs.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 Rs. 10 each for FY 2018-19 (2017-18: Rs 8.75 per 8,806,182 shares on equity shares of Rs.5 each)	99.83	77.05
Dividend distribution tax on final dividend	20.52	18.97
	<u>275.85</u>	<u>96.02</u>



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Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

(Currency : Rupees in million)

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-	(2.69)	16.54
Closing balance	21.71	24.40
Share pending issuance (refer note 42)	2,245.58	2,245.58
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).



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Notes to the Consolidated financial statements (Continued)

as at 31 March 2019

(Currency : Rupees in million)

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.

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 liabilities (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



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

	Year ended 31 March 2019	Year ended 31 March 2018
Note 22: Revenue from Operations		
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
	<u>326.17</u>	<u>255.75</u>
Total	<u>22,117.43</u>	<u>19,616.73</u>

* 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	19,531.38
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.



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

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

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)
	(984.81)	(465.79)

Excise Duty on increase/ (decrease) of finished goods



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

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

Note 27 : 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

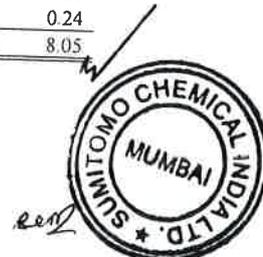
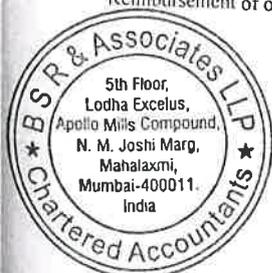
Note 28 : Other expenses

	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



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for the year ended 31 March 2019

(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:

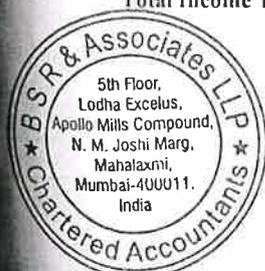
	Year ended 31 March 2019	Year ended 31 March 2018
Current income tax		
In respect of current year	945.96	798.85
Adjustment of tax related to earlier years	27.86	(15.78)
Deferred tax Charge/ (credit)		
Origination and reversal of temporary difference	(33.35)	(24.59)
Income tax expense recognized in the 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



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for the year ended 31 March 2019

(Currency: Indian Rupees in million)

Income taxes (continued)

C. The major components of deferred tax (liabilities) / assets arising 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)	257.66	(403.58)

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 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.



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

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	27,45,88,095	27,45,88,095
Equity shares to be issued pursuant to scheme of amalgamation (refer note 42)	22,45,57,641	22,45,57,641
Number of equity shares outstanding at the end of the year (B)	49,91,45,736	49,91,45,736
Basic and diluted earnings per share (Face value of Rs 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.



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

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

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 Scema 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



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

Related Party disclosures (continued)

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
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
Pramath 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



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

Related Party disclosures (continued)

Disclosures of transactions between the Group and the Related parties and the status of outstanding balances as at 31 March 2019 (Continued)

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	-
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 Company and ECCL.

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	-	-



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : 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	-	-	5,967.36	5,967.36	-	-	-	-
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.

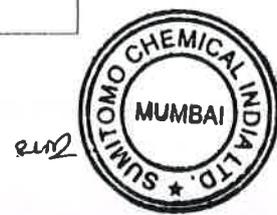
B. Measurement of fair values

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 fair value	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	Not applicable



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

B. 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.

Particulars	Carrying amount (in INR)	
	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.

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 Rs.
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	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.



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

B. Financial risk management (Continued)

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					
<i>Current liabilities</i>					
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					
<i>Current liabilities</i>					
Forward Exchange Contracts	49.57	49.57	49.57	-	-
	6,797.03	6,797.03	6,797.03	-	-

31 March 2018			Contractual cash flows		
Particulars	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
<i>Current liabilities</i>					
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					
<i>Current liabilities</i>					
Forward Exchange Contracts	7.52	7.52	7.52	-	-
	5,929.53	5,929.53	5,929.53	-	-



Sumitomo Chemical India Limited

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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

B. Financial risk management (Continued)

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 USD	31 March 2019 EURO	31 March 2019 Others
Financial assets			
Cash and cash equivalents	1.39	0.01	1.18
Trade and other receivables	1,416.89	22.08	-
	<u>1,418.28</u>	<u>22.09</u>	<u>1.18</u>
Financial liabilities			
Trade and other payables	1,507.13	-	13.06
	<u>1,507.13</u>	<u>-</u>	<u>13.06</u>
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)	-	-

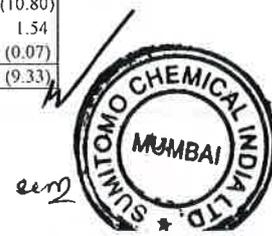
	31 March 2018 USD	31 March 2018 EURO	31 March 2018 Others
Financial assets			
Cash and cash equivalents	15.95	0.06	1.28
Trade and other receivables	900.65	78.30	-
	<u>916.60</u>	<u>78.37</u>	<u>1.28</u>
Financial liabilities			
Trade and other payables	1,220.16	4.89	8.33
	<u>1,220.16</u>	<u>4.89</u>	<u>8.33</u>
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)
	<u>(1.87)</u>	<u>1.87</u>

Effect in INR	Profit or loss	
	Strengthening	Weakening
31 March 2018		
1% movement		
EUR	10.80	(10.80)
USD	(1.54)	1.54
Others	0.07	(0.07)
	<u>9.33</u>	<u>(9.33)</u>



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

B. Financial risk management (Continued)

C. Market risk (Continued)

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. ✓



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : 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

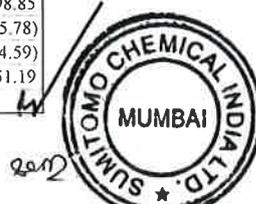
For management purposes, The Group is organised into business units based on its products and services and three reportable segments, as follows:

- Industrial Chemicals
- Agro Chemicals
- Public Health Chemicals

B. Information about reportable segments

31 March 2019	Reportable segments			
	Industrial Chemicals	Agro Chemicals	Public Health Chemicals	Total
Particulars				
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	24.78	245.36	0.84	278.04

31 March 2018	Reportable segments			
	Industrial Chemicals	Agro Chemicals	Public Health Chemicals	Total
Particulars				
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



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Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

Note 35: Segment Information (Continued)

31 March 2018	Reportable segments			
	Industrial Chemicals	Agro Chemicals	Public Health Chemicals	Total
Particulars				
Segment assets	743.71	8,379.10	125.24	9,248.05
Unallocated corporate assets				
Total assets				7,335.84
Segment liabilities	743.71	8,379.10	125.24	16,583.89
Unallocated corporate liabilities	1,071.95	5,815.78	8.43	6,896.16
Total liabilities				145.81
Capital expenditure	1,071.95	5,815.78	8.43	7,041.97
Unallocated corporate capital expenditure	15.43	496.99	0.24	512.66
Total capital expenditure				4.57
Depreciation and amortization	15.43	496.99	0.24	517.23
Unallocated depreciation and amortization	23.63	206.13	1.65	231.41
Total depreciation and amortization				5.90
				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



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : 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
	<u>84.94</u>	<u>76.51</u>

(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	<u>(9.56)</u>	<u>7.11</u>

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	<u>340.32</u>	<u>312.06</u>	<u>330.76</u>	<u>319.17</u>	<u>9.56</u>	<u>(7.11)</u>

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	<u>24.09</u>	<u>27.29</u>
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	<u>(2.23)</u>	<u>(33.68)</u>

ii. Plan assets

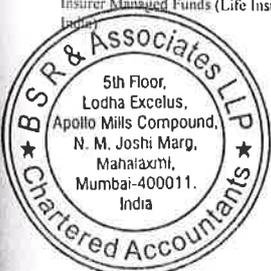
Plan assets comprise the following

	31 March 2019	31 March 2018
Insurer Managed Funds (Life Insurance Corporation of India)	100%	100%

100%

100%

100%



Sumitomo Chemical India Limited
(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)
for the year ended 31 March 2019

(Currency : Rupees in million)

Note 36: Employee benefits (Continued)

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 Rs 34.67 millions (31 March 2018: Rs 23.62 millions).



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

Note 37: Contingent liabilities and Commitments

	As at 31 March 2019	As at 31 March 2018
A) Contingent liabilities		
a. Claims against the Group not acknowledged as debts		
b. Demand raised by authorities against which the Group has filed an appeal	152.71	22.37
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 judgements/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

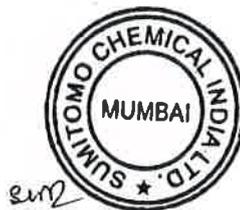
Note 39: Research and Development Expenditure

	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
	<u>118.06</u>	<u>95.68</u>
* Includes Rs 36.34 millions (Previous Year: Rs 28.29 millions), Rs 4.19 millions (Previous Year: 4.38 millions) & Rs 31.85 millions (Previous Year: Rs 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 Rs 11.31 millions (Previous Year: Rs 19.34 millions) in respect of Research and Development Unit at Bhavnagar, Rs 0.83 millions (Previous Year: Rs 5.1 millions) in respect of Research and Development Unit at Gajod and Rs 4.64 millions (Previous year: Rs 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 Rs 40.97 million (2017-18: Rs 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	
	In cash / payable	Yet to be paid in Cash	Total	Total
(a) Gross amount required to be spent by the Group during the year.			41.14	35.54
(b) Amount Spent during the year				
	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



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

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 is 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 there by enabling to conduct the company's business more efficiently.

Since the above transaction qualify as common control business combination under Ind AS 103 on "Business 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:

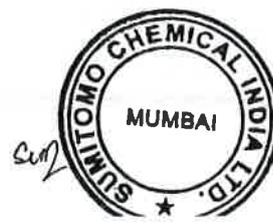
Particulars	01-Apr-17
Share Capital of ECCL	55.03
Cancellation of investment in equity shares of ECCL	(2,772.89)
Shares to be issued	(2,245.58)
Adjusted in General reserve	(4,963.44)

ii. Existing equity shares of Rs. 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 Rs 10 each, which will be issued to shareholders of ECCL in share swap ratio of 5:2 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
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



Sumitomo Chemical India Limited

(formerly known as Sumitomo Chemical India Private Limited)

Notes to the Consolidated financial statements (Continued)

for the year ended 31 March 2019

(Currency : Rupees in million)

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.

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								
<i>Foreign</i>								
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%	1,481.88
Subsidiaries								
<i>Foreign</i>								
1. Excel Crop Care (Europe) LLC	1.23%	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 DSR & Associates LLP
Chartered Accountants
Firm's Registration No. 110251W/W-1100024

Shri Pradyuman Desai
Partner
Membership No. 100000
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
Place: Mumbai
Date: 14 October 2019

Mr. Anil Nawal
Chief Financial Officer
Place: Mumbai
Date: 14 October 2019

Mr. Sushil Marfatia
Executive Director
DIN: 07618601
Place: Mumbai
Date: 14 October 2019

Mr. Pravin D. Desai
Vice President (Legal)
& Company Secretary
Place: Mumbai
Date: 14 October 2019

B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
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Independent Auditors' Report

To the Members of Sumitomo Chemical India Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sumitomo Chemical India Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

3

B S R & Associates (a partnership firm with
Registration No. BARR290) converted into
B S R & Associates LLP (a limited liability
Partnership with LLP Registration No. 45B B162)
with effect from October 16, 2017

Registered Office
5th Floor, Lodha Excelus,
Apollo Mills Compound,
N. M. Joshi Marg, Mahalaxmi,
Mumbai - 400 011

Independent Auditors' Report (Continued)

Sumitomo Chemical India Private Limited

Auditors' Responsibility (Continued)

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in exercise of powers conferred by Section 143(11) of the Act, we enclose in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the Directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;

Independent Auditors' Report (Continued)

Sumitomo Chemical India Private Limited

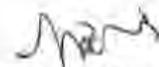
Report on Other Legal and Regulatory Requirements (Continued)

- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements.
 - ii. the Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – Refer Note 5 to the financial statements.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management – Refer Note 38 to the financial statements.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Farhad Bamji

Partner

Membership No: 105234

Mumbai
1 September 2017

Sumitomo Chemical India Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2017

(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 verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 8 to the financial statements are held in the name of the Company.
- ii. The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been dealt with in the books of account.
- iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees or securities to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India and under the provisions of section 73 to 76 of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident fund, Employee State Insurance Fund, Income-tax Sales tax, Value added tax, Duty of customs, Service tax and Duty of excise and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

Sumitomo Chemical India Private Limited

Annexure A to the Independent Auditor's Report – 31 March 2017 (Continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax/value added tax/ duty of excise, service tax, duty of custom and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales-tax/ value added tax, service tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of dispute other than those mentioned below:

Name of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income tax Act, 1961	Disallowance of royalty expenses	2,613,920	Assessment year 2003-04 and 2004-05	Mumbai High Court
The Income tax Act, 1961	Disallowance of capital subsidy and expenses	411,220	Assessment year 2004-05	CIT (Appeals), Mumbai
The Income tax Act, 1961	Disallowance of certain expenses	1,824,714	Assessment year 2004-05	ITAT, Mumbai
The Income tax Act, 1961	Disallowance of royalty expenses	1,115,152	Assessment year 2005-06 and 2006-07	Mumbai High Court
The Income tax Act, 1961	Disallowance of certain expenses	5,809,880	Assessment year 2008-09	ITAT, Mumbai
The Income tax Act, 1961	Disallowance of certain expenses	13,867,594	Assessment year 2011-12	CIT (Appeals), Mumbai
The Income tax Act, 1961	Transfer Pricing & Disallowance of certain expenses	31,105,690	Assessment year 2012-13	ITAT, Mumbai
The Income tax Act, 1961	Disallowance of certain expenses	794,740	Assessment year 2014-15	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 2014	Superintendent of Central Excise, Mumbai
The Central Excise Act, 1994	Incorrect availment of service tax	149,528	2014-15	Commissioner, Central Excise, Boisar
The Central Excise Act, 1994	Incorrect availment of service tax	293,521	2014-15	Commissioner, Central Excise, Boisar

Sumitomo Chemical India Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2017
(Continued)

Name of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Central excise Act, 1944	Denial of Convat Credit taken	734,238	2007-08 and 2008-09	Additional Commissioner of Central Excise
Central Sales Tax Act, 1956	Non submission of C & F Form	10,634,584	2008-09	Deputy Commissioner
The Central excise Act, 1944	Incorrect avilment of service tax	4,375,989	March 2015 to September 2015	Commissioner, Central Excise, Thane

- viii. The Company does not have any loans or borrowings from any banks, financial institutions, government or dues to debenture holders during the year. Accordingly paragraph 3(viii) of the Order are not applicable to the Company.
- ix. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.
- xi. The Company is a private company and thus the provision of Section 197 of the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act where applicable and the details of such related party transactions have been disclosed in the financial statements as required by Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute audit committee under Section 177 (4) (iv) of the Act and hence the said provision is not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

Sumitomo Chemical India Private Limited

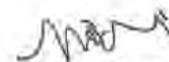
Annexure A to the Independent Auditors' Report – 31 March 2017 (Continued)

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Farhad Bamji

Partner

Membership No: 105234

Mumbai
1 September 2017

**Sumitomo Chemical India Private Limited (“the Company”)
Annexure B to the Independent Auditors’ Report 31 March 2017**

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

We have audited the internal financial controls over financial reporting of Sumitomo Chemical India Private Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Sumitomo Chemical India Private Limited

Annexure B to the Independent Auditors Report – 31 March 2017 (Continued)

Meaning of Internal Financial Controls over Financial Reporting

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

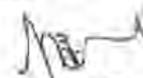
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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



Farhad Namji
Partner

Membership No: 105234

Mumbai
1 September 2017

Sumitomo Chemical India Private Limited

Balance sheet

as at 31 March 2017

(Currency: Indian rupees in million)

	Notes	31 March 2017	31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,745.88	2,329.85
Reserves and surplus	4	3,597.35	630.67
		<u>6,343.23</u>	<u>2,960.52</u>
Non-current liabilities			
Deferred tax Liability (net)	10	-	5.83
Long-term provisions	5	35.93	20.65
		<u>35.93</u>	<u>26.48</u>
Current liabilities			
Trade payables	6		
- Due to micro and small enterprises		43.15	44.41
- Due to other than micro and small enterprises		1,623.85	1,789.25
Other current liabilities	7	1,115.79	914.10
Short-term provisions	5	62.50	28.78
		<u>2,845.29</u>	<u>2,776.54</u>
TOTAL		<u>9,224.45</u>	<u>5,763.54</u>
ASSETS			
Non-current assets			
Fixed assets	8		
- Tangible fixed assets		525.37	521.83
- Intangible fixed assets		-	-
Capital work-in-progress		74.04	5.99
		<u>599.41</u>	<u>527.82</u>
Non-current investments	9	2,774.06	1.12
Deferred tax assets (net)	10	5.76	-
Long-term loans and advances	11	137.91	175.90
		<u>3,517.14</u>	<u>704.84</u>
Current assets			
Inventories	12	2,775.85	2,352.03
Trade receivables	13	2,211.91	1,832.77
Cash and bank balances	14	379.65	720.05
Short-term loans and advances	15	338.79	152.05
Other current assets	16	1.11	1.80
		<u>5,707.31</u>	<u>5,058.70</u>
TOTAL		<u>9,224.45</u>	<u>5,763.54</u>
Significant accounting policies	2		
Notes to the financial statements	1 - 39		

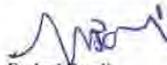
The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Farhad Banji

Partner

Membership No: 105234

Mumbai

1 September, 2017

For and on behalf of the Board of Directors of
Sumitomo Chemical India Private Limited
CIN: U24110MH2000PTC124224



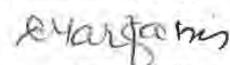
Mr. Akira Harada

Managing Director

DIN: 07131237

Tokyo, Japan

31 August, 2017



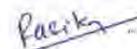
Mr. Sushil Marfatia

Whole Time Director

DIN: 07618601

Tokyo, Japan

31 August, 2017

Mrs. Rasika Kulkarni

Company Secretary

Membership No.: 31989

Mumbai

1 September, 2017

Sumitomo Chemical India Private Limited

Statement of profit and loss for the year ended 31 March 2017

(Currency: Indian rupees in million)

	Notes	31 March 2017	31 March 2016
Revenue from operations	17		
Sales of products (gross)		8,986.33	8,263.87
Less: Excise duty		(653.41)	(622.22)
Sales of products (net)		8,332.92	7,641.65
Sale of services		0.87	1.14
Other operating revenues		29.14	10.02
		8,362.93	7,652.81
Other income	18	104.61	257.80
Total revenue		8,467.54	7,910.61
Expenses			
Cost of materials consumed	19 a	3,971.49	3,110.76
Purchases of stock-in-trade	19 b	1,778.72	2,036.33
Changes in inventories of finished goods, work in progress and stock in trade	19 c	(438.33)	(78.03)
Employee benefit expenses	20	605.25	417.82
Finance costs	21	9.62	4.12
Depreciation and amortisation	8	69.47	74.43
Manufacturing and other expenses	22	1,439.88	1,274.68
		7,436.10	6,840.10
Total expenses		7,436.10	6,840.10
Profit before tax		1,031.44	1,070.51
Tax expenses			
- Current tax		399.30	400.00
- Deferred tax charge/(credit)		(11.59)	24.24
Prior Year Adjustments		27.65	-
Profit for the year		616.08	646.25
Earnings per equity share [Nominal value per share: Rs 10 (2016: Rs 10)]			
- Basic and diluted earnings per share (Rs)		2.38	2.77

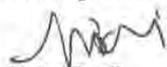
Significant accounting policies
Notes to the financial statements

2
1 - 39

The notes referred to above form an integral part of the financial statements.

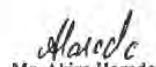
As per our report of even date attached.

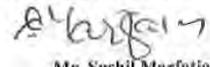
For **BSR & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024



Farhad Bamji
Partner
Membership No: 105234
Mumbai
1 September, 2017

For and on behalf of the Board of Directors of
Sumitomo Chemical India Private Limited
CIN: U24110MH2000PTC124224


Mr. Akira Harada
Managing Director
DIN: 07131237
Tokyo, Japan
31 August, 2017


Mr. Sushil Marfatia
Whole Time Director
DIN: 07618601
Tokyo, Japan
31 August, 2017




Mrs. Rasika Kulkarni
Company Secretary
Membership No.: 31989
Mumbai
1 September, 2017

Sumitomo Chemical India Private Limited

Cash flow statement

for the year ended 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
A. Cash flows from operating activities		
Profit before tax	1,031.44	1,070.49
Adjustments for:		
Depreciation/amortisation	69.47	74.43
CSR Expenses adjusted in opening stock	(0.18)	(0.36)
Loss on sale of fixed assets	8.04	0.35
Unrealised exchange loss (net)	0.24	(3.35)
Amortisation of premium on forward exchange contracts	0.75	0.45
Acquisition Cost of Investments	45.01	-
Provision for doubtful debts and advances	29.13	35.90
Interest expenses	9.62	4.12
Interest on income tax refund	0.98	-
Interest income	(42.85)	(34.27)
Operating profit before working capital changes	1,151.65	1,147.76
Adjustments for:		
(Increase) in inventories	(424.00)	(465.77)
(Increase) in trade receivables	(408.26)	(341.78)
(Increase) in current assets	(0.51)	-
(Decrease) / increase in loans and advances	(192.33)	35.88
(Decrease) / increase in trade payables	(166.66)	310.34
Increase in other liabilities	189.99	214.66
(Decrease) / increase in provisions	(3.99)	7.37
Cash generated from operating activities	145.89	908.46
Income tax (paid)	(353.12)	(383.99)
Net cash (used in) / generated from operating activities (A)	(207.23)	524.47
B. Cash flows from investing activities		
Purchase of fixed assets	(123.39)	(86.82)
Sale proceeds from investments	-	0.33
Purchase of Investments	(2,772.94)	(1.12)
Acquisition Cost of Investments	(45.01)	-
Sale proceeds from fixed assets	4.14	1.22
Deposit with banks (net)	0.01	(0.01)
Interest Actually received	43.07	33.03
Net cash (used in) investing activities (B)	(2,894.12)	(53.37)
C. Cash flow from financing activities		
Issue of Equity Share Capital	2,766.64	-
Interest paid	(5.69)	(4.12)
Net cash generated from / (used in) financing activities (C)	2,760.95	(4.12)
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	(340.40)	466.98
Cash and cash equivalents at the beginning of the year	719.98	253.00
Cash and cash equivalents at the end of the year (refer note below)	379.58	719.98



Sumitomo Chemical India Private Limited

Cash flow statement (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in million)

Notes:

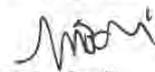
1 The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 ('AS 3') on Cash flow statement.

2 Components of cash and cash equivalents	31 March 2017	31 March 2016
Cash on hand	0.10	0.64
Cheques on hand	0.02	0.15
Balances with banks		
- on current accounts	190.00	577.50
- on deposit accounts (with original maturity of 3 months or less)	189.46	141.69
	379.58	719.98

The notes referred to above form an integral part of the financial statements

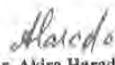
As per our report of even date attached.

For **BSR & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

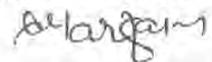


Farhad Bamji
Partner
Membership No: 105234
Mumbai
1 September, 2017

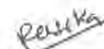
For and on behalf of the Board of Directors of
Sumitomo Chemical India Private Limited
CIN: U24110MH200010MH2000PTC124224



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Managing Director
DIN: 07131237
Tokyo, Japan
31 August, 2017



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31 August, 2017

Mrs. Rasika Kulkarni
Company Secretary
Membership No: 31989
Mumbai
1 September, 2017

Sumitomo Chemical India Private Limited

Notes to the financial statements

for the year ended 31 March 2017

(Currency: Indian rupees in million)

1 Company overview

Sumitomo Chemical India Private Limited ('SCIPL' or 'the Company') was incorporated on February 15, 2000 and 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.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continues to apply under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014 and other relevant provisions of the Companies Act, 2013 ('the Act'), to the extent notified and applicable. The financial statements are presented in Indian rupees rounded off to the nearest million, except earnings per share data and where mentioned otherwise.

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 Schedule III to the Act. Based on the nature of the business and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, and disclosure of contingent liabilities on the date of the financial statements, and the reported amounts of income and expenses during the reported period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Classification of assets and liabilities

Schedule III to the Companies Act, 2013 requires assets and liabilities to be classified as either Current or Non-current.

(a) An asset shall be classified as current when it satisfies any of the following criteria:

- i) It is expected to be realised 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 realised 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.

All other assets shall be classified as non-current.

(b) 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All liabilities other than current liabilities shall be classified as non-current.

Operating Cycle

Operating cycle is the time between the processing and realisation of assets in cash or cash equivalents which is considered to be a period of twelve months by the management, based on the above definition and the nature of services provided.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

2 Significant accounting policies (Continued)

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity discounts.

Interest

Interest income is recognised on a time proportion basis at the rate implicit in the transaction.

Commission and service income

Commission income and service income are recognised on the basis of completion of services as per contractual terms.

Export Incentive

Benefit on account of entitlement to import duty free materials under the 'Duty Draw Back Scheme' is recognised in the year of export.

2.5 Fixed assets and depreciation/amortisation/impairment

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Cost comprises the purchase price and includes freight, duties, taxes (other than those recoverable from tax authorities) and other expenses related directly / indirectly to the acquisition / construction and installation of the fixed assets for bringing the asset to its working condition for its intended use.

When parts of an items of fixed assets have different useful lives they are accounted for as separate items (major components of fixed assets).

Subsequent expenditures related to an item of tangible fixed assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on fixed assets is provided on the straight-line method (SLM) using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the schedule II to the Companies Act, 2013 whichever is higher. Depreciation on additions/ deletions of fixed assets made during the year is provided on pro rata basis from/to the date of such additions/ deletions.

The key assets and related lives are:

Nature of asset	Life in Years
Furniture and fixtures	10
Office equipment	10 & 4
Computers	3 & 6
Vehicles	5
Factory building	10
Plant and machinery	10
Piping and structures	10
Electrical installation	5
Other buildings	20
Factory road	10

Based on internal assessment carried out, management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

Assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

2 Significant accounting policies (Continued)

2.5 Fixed assets and depreciation/amortisation/impairment (Continued)

Intangible assets

Goodwill:

Goodwill that arises on an amalgamation or on the acquisition of business is presented as intangible assets. Such goodwill is amortised over its estimated useful life or five years whichever is shorter. Goodwill is tested for impairment annually.

Acquired intangible asset:

Intangible assets that are acquired by the company through custody or legal rights are capitalised at cost, where they can be reliably measured.

Intangible assets are amortised in statement of profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefit of the asset. Accordingly, these assets are being amortised on straight line basis over the estimated useful life which are as follows:

Nature of Assets	Useful life
Marketing rights	7 years
Patents	7 years
Goodwill	7 years
Non-compete fees	5 years
Trade marks	5 years
Copy rights	5 years
Technical know-how	5 years
License registration	5 years
Distribution network	5 years

Impairment

In accordance with AS 28 - 'Impairment of Assets', where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an impairment. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use.

An impairment loss is recognised whenever the carrying amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) exceeds its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Reversal of impairment loss is recognised in statement of profit and loss whenever recoverable amount of the asset (or where that of the cash generating unit to which the asset belongs) exceeds its carrying amount. Such reversal is recognised in the statement of profit and loss.

2.6 Investment

Long-term investments are carried at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments and is determined separately for each individual investment.

2.7 Inventories

Raw materials and packing materials, components, stores and spares are valued at cost. However, raw materials and packing materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Valuation of traded products includes cost of purchase and directly attributable overheads. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale. Accrual for excise duty liability is made in respect of manufactured finished goods lying in the factory and for customs duty liability in respect of inventories in bond.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

2 Significant accounting policies (Continued)

2.8 Operating leases

Where the Company is the Lessee

Leases – where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term.

2.9 Employee benefits

i) Short-term employee benefits

Defined contribution plans

The Company makes contribution towards provident fund, pension 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

The Company provides for gratuity using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, based on legislations as enacted as at the balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation and as reduced by the fair value of scheme assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The gratuity plan is managed by an approved gratuity fund to which contributions are made by the Company.

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.

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.

2.10 Foreign currency transactions

Income and expense in foreign currencies are translated at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities at year end are translated at the exchange rates prevailing on the balance sheet date and the resulting net gain or loss is recognised in the statement of profit and loss. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the year is recognised in the statement of profit and loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Forward contracts are entered to hedge the foreign currency risk of the underlying transaction. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Exchange differences on forward



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

2 Significant accounting policies (Continued)

2.11 Income taxes

Tax expense for the year comprises of current tax and deferred tax charge or credit.

Current taxes

Current taxes are measured at the amount expected to be paid to / recovered from the taxation authorities using the applicable tax rates and tax laws.

Minimum alternate Tax (MAT)

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred taxes

Deferred tax is recognised for all the timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or

2.12 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

2.13 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

2.14 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.

2.15 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.

2.16 Segmental Reporting

The Company has disclosed Business Segment as the primary segment.

The business of the Company is divided into three segments – Industrial Chemicals, Agro Chemicals and Public Health Chemicals based on the customers to which the goods are sold. These Segments have been identified taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system.

Industrial Chemicals is primarily engaged in manufacturing and trading of various insecticides and the products are sold to industrial customers. Agro Chemical business is primarily engaged in trading and manufacturing various pesticides and the products are sold to retail customers. Public Health Chemicals is primarily engaged in manufacturing and trading of larvicides and largely caters to Government tenders.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each segment as also the amounts allocable on a reasonable basis. Income and expenses which are not directly attributable to any business segment are shown as unallocated corporate income / expenses. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.



Sumitomo Chemical India Private Limited

Notes to the balance sheet (Continued) as at 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
3 Share capital		
Authorised		
30,00,00,000 (2016: 25,00,00,000) equity shares of Rs 10 each.	3,000.00	2,500.00
	<u>3,000.00</u>	<u>2,500.00</u>
Issued, subscribed and paid-up		
274,588,095 equity shares (2016: 232,984,521) of Rs 10 each, fully paid-up.	2,745.88	2,329.85
	<u>2,745.88</u>	<u>2,329.85</u>

Notes

1 Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2017		31 March 2016	
	Number(in units)	Amount	Number(in units)	Amount
Number of equity shares at the beginning and end of the year	2329,84,521	2,329.85	2329,84,521	2,329.85
Shares issued during the year	416,03,574	416.04	-	-
Shares outstanding at the end of the year	2745,88,095	2,745.88	2329,84,521	2,329.85

2 Rights, preferences and restrictions 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.

3 Particulars of shareholders holding more than 5% of a class of shares

Name of Shareholder	Relationship	31 March 2017		31 March 2016	
		Number(in units)	Percentage	Number(in units)	Percentage
Sumitomo Chemical Company Limited, Japan	Holding Company	2745,88,093	99.99%	2184,84,519	93.78%
Mr. Chetan Shah	Joint Managing Director	-	0.00%	145,00,000	6.22%

4 Particulars of shares held by holding company and associates

Name of Shareholder	Relationship	31 March 2017		31 March 2016	
		Number(in units)	Percentage	Number(in units)	Percentage
Sumitomo Chemical Company Limited, Japan	Holding Company	2745,88,093	99.99%	2184,84,519	93.78%
SC Environmental Science Co. Ltd, Japan	Associate Company	2	0.00%	2	0.00%
		<u>2745,88,095</u>	<u>99.99%</u>	<u>2184,84,521</u>	<u>93.78%</u>

	31 March 2017	31 March 2016
4 Reserves and surplus		
Surplus / (Deficit) in Statement of profit and loss		
At the commencement of the year	630.67	(15.58)
Add: Profit for the year	616.08	646.25
Total Statement of profit and loss (A)	<u>1,246.75</u>	<u>630.67</u>
Securities Premium Account		
At the commencement of the year	-	-
Add: Securities Premium for the year	2,350.60	-
Total Securities Premium Account (B)	<u>2,350.60</u>	<u>-</u>
Total Reserves and Surplus (A+B)	<u>3,597.35</u>	<u>630.67</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) as at 31 March 2017

(Currency: Indian rupees in million)

5 Provisions

	Long term		Short term	
	31-Mar-2017	31 March 2016	31-Mar-2017	31 March 2016
Provision for employee benefits				
- Gratuity (Refer note 27 a)	-	9.18	-	1.02
- Compensated absences (Refer note 27 a)	18.35	11.47	5.44	3.82
	<u>18.35</u>	<u>20.65</u>	<u>5.44</u>	<u>4.84</u>
Other provisions				
Provision for tax [net of advance tax Rs 1136.29 (2016: 789.04)]	17.44	-	53.80	23.00
Provision for wealth tax	0.04	-	-	0.02
Provision for fringe benefit tax	0.10	-	-	-
Provision for mark to market losses on derivative contracts	-	-	3.26	0.92
	<u>17.58</u>	<u>-</u>	<u>57.06</u>	<u>23.94</u>
	<u>35.93</u>	<u>20.65</u>	<u>62.50</u>	<u>28.78</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
6 Trade payables		
Trade payables towards goods purchased and services received		
- Due to micro and small enterprises *	43.15	44.41
- Due to other than micro and small enterprises	1,623.85	1,789.25
	1,667.00	1,833.66

* Disclosures as required under Sec 22 of MSMED Act, 2006

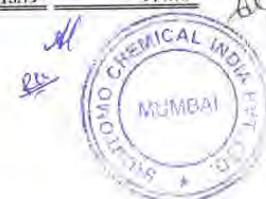
Under the Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED) which came in to force from 2 October, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Trade payable include Rs 43.15 million (2016: Rs 44.41 million) due to Micro and Small Enterprises to the extent such parties have been identified on the basis of information available with the Company. On the basis of information and records available with the management, the following disclosures are made for the amounts due to the Micro and Small enterprises, which are registered with the competent authorities:

The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	43.15	44.41
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	4.03	1.24
The amount of interest accrued and remaining unpaid at the end of accounting year; and	2.90	1.76
The amount of further interest due and payable even in the succeeding year, 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 section 23.	6.94	3.00

7 Other current liabilities

Advances from customers	227.43	247.39
Security deposits from customers	127.20	104.43
Employee benefits payable	114.75	52.46
Payable towards purchase of fixed assets	13.32	1.63
<i>Statutory dues payable</i>		
-Excise duty payable	26.43	30.65
-Tax deducted at source payable	10.67	10.34
-Sales tax payable	6.21	6.34
<i>Other statutory dues</i>		
-Service tax payable	-	3.04
-Provident fund payable	2.65	2.60
-Professional tax payable	0.53	0.69
-Employees State Insurance payable	0.05	0.01
Accrual for expenses	581.77	446.98
Other liabilities	4.78	7.54

1,115.79	914.10
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Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
as at 31 March 2017

(Currency: Indian rupees in million)

8 Fixed assets

Name of the assets	Gross block			Depreciation and amortisation		Net block	
	As at 1 April 2016	Additions	Deductions/ Discarded	As at 31 March 2017	For the year	Deductions/Discarded	As at 31 March 2017
Tangible fixed assets							
Leasehold land	175.36	-	-	175.36	2.46	-	150.95
Factory road	5.47	-	-	5.47	0.54	-	2.84
Residential building	3.97	-	-	3.97	0.20	-	1.94
Factory building	112.91	3.78	-	116.69	11.56	-	52.52
Building office	25.44	-	-	25.44	1.27	-	7.64
Plant and machinery	263.15	62.51	13.09	312.57	30.41	8.08	106.00
Furniture and fixtures	48.96	1.46	6.32	44.10	4.60	6.23	18.15
Vehicles	41.62	4.24	14.05	31.81	5.96	7.33	20.48
Office equipments	33.76	6.83	4.09	36.50	3.59	3.77	14.62
Computers	25.58	6.35	5.44	26.49	4.77	5.41	7.69
Leasehold improvements	31.54	-	-	31.54	4.11	-	18.80
Total (A)	767.76	85.17	42.99	809.94	69.47	30.82	284.57
Intangible fixed assets							
Goodwill	46.04	-	-	46.04	-	-	46.04
Trade marks	51.30	-	-	51.30	-	-	51.30
Marketing rights (#)	149.72	-	-	149.72	-	-	149.72
Patents	-	-	-	-	-	-	-
Copy rights	9.27	-	-	9.27	-	-	9.27
License and registration	43.79	-	-	43.79	-	-	43.79
Non - complete fees	22.51	-	-	22.51	-	-	22.51
Distribution network	33.96	-	-	33.96	-	-	33.96
Technical know-how	50.07	-	-	50.07	-	-	50.07
Total (B)	406.66	-	-	406.66	-	-	406.66
Total fixed assets (A+B)	1,174.42	85.17	42.99	1,216.60	69.47	30.82	691.23
							525.37

Note: # The marketing rights pertain to consideration paid to a company, through which, the company is entitled to market, promote, sell and distribute the products, viz, Esbiothrine and Esbioi. This also includes the technical and commercial information and data / documents necessary to exercise these marketing rights.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) as at 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
9 Non-current investments		
Unquoted		
Investments other than trade investments (valued at cost)		
Quoted		
2199448 (Previous Year Nil) Equity Shares of Excel Crop Care Ltd of Rs. 5/- each fully paid up	2,772.94	-
Others	1.12	1.12
	<u>2,774.06</u>	<u>1.12</u>
Aggregate Amount of quoted investments	2,772.94	-
Market Value of quoted investments	3,765.45	-
Aggregate amount of unquoted investments	1.12	1.12
10 Deferred tax assets / liability (net)		
Deferred tax assets		
Provision for employee benefits	9.96	9.86
Carry forward business loss and unabsorbed depreciation		
Others	78.22	68.14
	<u>88.18</u>	<u>78.00</u>
Deferred tax liability		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	82.42	83.83
	<u>82.42</u>	<u>83.83</u>
Deferred tax assets / (liability) (net)	<u>5.76</u>	<u>(5.83)</u>
Deferred tax assets / (liability) (net)	<u>5.76</u>	<u>(5.83)</u>
11 Long-term loans and advances (Unsecured, considered good)		

	Non-current portion		Current portion	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
To parties other than related parties				
Capital advances	3.14	21.27	-	-
Security deposits				
- Unsecured, Considered good	39.23	33.52	19.64	19.64
- Doubtful	-	-	2.80	2.80
- Less Provision for doubtful deposits	-	-	(2.80)	(2.80)
Loan to employees				
- Unsecured, Considered good	0.10	0.13	-	-
- Doubtful	-	-	0.43	0.43
- Less Provision for doubtful loans	-	-	(0.43)	(0.43)
Prepaid expenses	0.12	0.21	7.81	6.66
Sales tax deposits (sales tax and revenue)	0.01	0.01	-	-
Earnest money deposit	-	-	4.01	2.69
Advance income tax [net of provision for tax Rs 127.79 million (2016: Rs 172.79 million)]	95.28	119.46	-	-
Advance wealth tax [net of provision for tax 0.10 million (2016: Rs nil)]	0.03	-	-	-
Advance fringe benefit tax (FBT) [net of provision for tax Rs nil (2016: Rs 5.08 million)]	-	1.30	-	-
	<u>137.91</u>	<u>175.90</u>	<u>31.46</u>	<u>28.99</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) as at 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
12 Inventories		
<i>(Valued at lower of cost or net realisable value)</i>		
Raw materials	648.38	557.33
Packing materials	167.95	110.66
Raw material in transit	198.97	357.81
Work-in-progress	9.16	20.05
Finished goods	1,541.97	1,157.61
Finished goods in transit	0.15	3.69
Stock-in-trade	208.29	144.24
Stock-in-trade in transit	0.01	-
Stores and spares	0.98	0.64
	<u>2,775.85</u>	<u>2,352.03</u>
13 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
Secured, considered good	-	-
Unsecured, considered good	117.44	95.99
Considered doubtful	226.01	196.88
Total A	<u>343.45</u>	<u>292.87</u>
Trade receivables outstanding for a period less than six months from the date they became due for payment		
Secured, considered good	34.61	45.38
Unsecured, considered good	2,059.86	1,691.40
Total B	<u>2,094.47</u>	<u>1,736.78</u>
Total A+B	<u>2,437.92</u>	<u>2,029.65</u>
Less: Provision for doubtful debts	(226.01)	(196.88)
	<u>2,211.91</u>	<u>1,832.77</u>
14 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.10	0.64
Cheques on hand	0.02	0.15
Balances with banks		
- in deposit accounts (with original maturity of 3 months or less)	190.00	577.50
- in current accounts	189.46	141.69
	<u>379.58</u>	<u>719.98</u>
Other bank balances	0.07	0.07
	<u>379.65</u>	<u>720.05</u>
Details of bank balances / deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents' above.	379.48	719.34
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances' above.	0.07	0.07
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 12)	-	-
	<u>379.55</u>	<u>719.41</u>

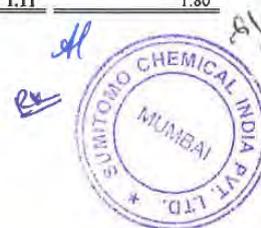


Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) as at 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
15 Short-term loans and advances		
To parties other than related parties		
<i>Unsecured, considered good</i>		
Current portion of long term loans and advances	31.46	28.99
Advance to suppliers	31.17	26.27
Other advances	15.08	5.23
Export incentives	0.15	0.50
Sales tax receivable	2.48	4.67
Balance with excise and custom authorities	238.68	71.78
Service tax receivable	18.42	12.45
Sales tax deposits	1.09	1.09
Insurance claim receivable	0.26	1.07
	<u>338.79</u>	<u>152.05</u>
16 Other current assets		
Interest accrued on fixed deposits	0.32	1.55
Interest accrued Others	0.28	0.25
Other current assets	0.51	-
	<u>1.11</u>	<u>1.80</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
17 Revenue from operations		
Sale of products		
- Manufactured goods	6,832.90	6,099.93
- Traded goods	2,153.43	2,163.94
Less: Excise duty	(653.41)	(622.22)
Sale of products (net)	<u>8,332.92</u>	<u>7,641.65</u>
Sale of services	0.87	1.14
Other operating revenues		
Commission income	4.97	4.19
Sale of licence	4.13	-
Duty draw back income	7.11	2.76
Export Incentives	12.93	3.07
	<u>29.14</u>	<u>10.02</u>
	<u><u>8,362.93</u></u>	<u><u>7,652.81</u></u>

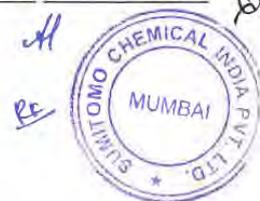
* Sales includes export sales Rs 1006.18 Million (2016: Rs 844.41 Million) and High sea sales Rs 871.88 Million (2016: Rs 1,368.53 Million)

Breakup of revenue from sale of products manufactured and traded

Manufactured (net)		
Technical	622.22	601.78
Solid formulation	2,705.26	2,335.93
Liquid formulation	2,852.01	2,540.00
	<u>6,179.49</u>	<u>5,477.71</u>
Traded goods		
Technical	1,175.05	1,946.54
Solid formulation	638.65	132.84
Liquid formulation	339.74	84.56
	<u>2,153.44</u>	<u>2,163.94</u>
	<u><u>8,332.93</u></u>	<u><u>7,641.65</u></u>

18 Other income

Excess provision no longer required written back	49.60	209.19
Interest income	42.85	34.27
Miscellaneous income	12.16	14.34
	<u>104.61</u>	<u>257.80</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
19 a. Cost of materials consumed		
Raw materials consumed		
Inventory of raw material at the beginning of the year	915.13	544.13
Add: Purchases of raw materials	3,422.82	3,169.64
Less: Inventory of raw material at the end of the year	847.35	915.13
	<u>3,490.60</u>	<u>2,798.63</u>
Packing materials consumed		
Inventory of packing material at the beginning of the year	110.66	87.24
Add: Purchases of packing materials	538.17	335.55
Less: Inventory of packing material at the end of the year	167.95	110.66
	<u>480.88</u>	<u>312.13</u>
	<u>3,971.49</u>	<u>3,110.76</u>
Breakup of cost of raw material consumed		
Technical	247.15	291.82
Solid formulation	1,615.03	1,281.96
Liquid formulation	1,628.42	1,224.86
	<u>3,490.60</u>	<u>2,798.63</u>
Break up of inventory of raw material at the end of the year		
Technical	107.04	154.70
Solid formulation	502.77	489.34
Liquid formulation	237.54	271.09
	<u>847.35</u>	<u>915.13</u>
19 b. Purchases of stock-in-trade		
Purchases	1,778.72	2,036.33
	<u>1,778.72</u>	<u>2,036.33</u>
Breakup of purchase of stock-in-trade		
Technical	1,393.12	1,814.67
Solid formulation	230.45	123.60
Liquid formulation	147.93	98.06
Others	7.22	-
	<u>1,778.72</u>	<u>2,036.33</u>
19 c. Changes in inventories of finished goods, work in progress and stock in trade		
Opening inventory		
Work-in-progress	20.02	13.01
Finished goods	1,305.55	1,238.48
Less : Allocated towards corporate social responsibility	(0.18)	(0.36)
	<u>1,325.39</u>	<u>1,251.13</u>
Closing inventory		
Work-in-progress	9.16	20.02
Finished goods	1,750.42	1,305.55
	<u>1,759.58</u>	<u>1,325.57</u>
(Increase) of excise duty on inventories	(4.14)	(3.60)
	<u>(438.33)</u>	<u>(78.03)</u>

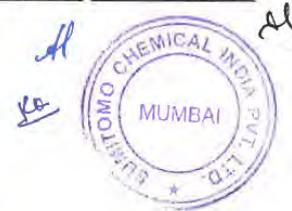


Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
19 c. Changes in inventories of finished goods, work in progress and stock in trade (Continued)		
Break up of changes in inventories of finished goods, work in progress and stock in trade		
Finished Goods		
- Manufacturing		
Technical	29.32	120.58
Solid formulation	634.27	501.72
Liquid formulation	878.53	539.00
Others	0.00	-
	<u>1,542.12</u>	<u>1,161.30</u>
- Traded		
Technical	90.13	82.60
Solid formulation	55.84	27.01
Liquid formulation	55.24	34.63
Others	7.09	-
	<u>208.30</u>	<u>144.24</u>
Work-in-Progress		
Technical	(0.87)	0.33
Solid formulation	4.06	7.26
Liquid formulation	5.97	12.44
	<u>9.16</u>	<u>20.03</u>
	<u>1,759.58</u>	<u>1,325.57</u>

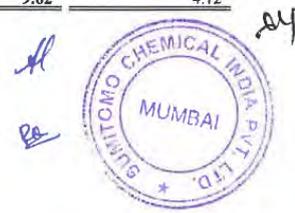


Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
20 Employee benefit expenses		
Salaries, wages, bonus and other benefits	554.61	385.52
Contributions to provident fund and other funds (Refer note 27 b)	19.78	15.26
Gratuity expenses (Refer note 27 a)	20.95	6.63
Staff welfare expenses	9.91	10.41
	<u>605.25</u>	<u>417.82</u>
21 Finance costs		
Interest		
- Others	9.62	4.12
	<u>9.62</u>	<u>4.12</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

	31 March 2017	31 March 2016
22 Manufacturing and other expenses		
Power and fuel	32.06	32.04
Consumption of stores and spare parts	3.38	5.64
Labour charges	37.85	32.11
	<u>73.29</u>	<u>69.79</u>
Rent (Refer note 26)	66.00	59.42
Communication expenses	9.99	7.71
Repairs and maintenance		
-Plant and machinery	12.78	12.53
-Others	11.84	11.62
Insurance	10.65	8.15
Rates and taxes	19.36	8.57
Discounts and rebates	377.76	409.90
Net loss on sale of fixed assets	8.04	0.35
Legal and professional	49.16	42.32
Travelling and conveyance	185.60	168.40
Commission	16.08	21.80
Selling and distribution expenses	369.21	285.52
Bad Debts written off	23.19	10.81
Provision for bad and doubtful trade receivables	29.13	35.90
Research and development expenses	1.15	5.05
Product testing expenses	32.25	13.13
Net loss on account of foreign exchange fluctuations	6.96	28.42
Amortisation of premium on forward exchange contracts	0.75	0.45
Bank charges	2.09	2.33
Payment to auditors (Refer note 32)	3.87	4.02
Corporate social responsibilities expenses (Refer note 36)	14.00	8.03
Compensation paid	-	8.05
Acquisition Cost of Investments	45.01	-
Miscellaneous expenses	71.72	52.41
	<u>1,439.88</u>	<u>1,274.68</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

23. Earnings per share

	2017	2016
Net profit attributable to equity shareholders	616.08	646.25
Weighted average number of equity shares outstanding during the year (in absolute numbers)	2593,09,237	2329,84,521
Basic & Diluted earnings per equity share of face value of Rs 10 each, fully paid up (in Rs per share)	2.38	2.77

24. Contingent liabilities

	2017	2016
Disputed Sales tax demands – matters under appeal	11.13	11.13
Disputed Excise demands – matters under appeal	0.73	0.73
Disputed Income tax demands – matters under appeal	77.04	58.76
Disputed Service tax demands – matters under appeal	6.08	1.89
Total	94.98	72.51

Future cash outflows in respect of contingent liabilities are determinable only on receipt of the respective judgment pending at various forums / authorities.

25. Capital Commitments

	2017	2016
Estimates value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	37.07	15.17
Total	37.07	15.17

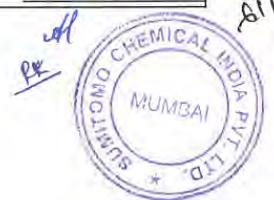
26. Leases

Operating Lease

The Company has entered into lease agreements for premises, which expire at various dates over the next five years. Lease rental expense for the year ended 31 March 2017 was Rs. 28.34 (2016 – Rs. 30.58) in respect of non-cancellable leases. Total lease expense was Rs. 66.00 (2016 – Rs 59.42) for the year ended 31 March 2017.

The future minimum lease obligations under non-cancellable operating leases are as follows:

Future lease payment under non – cancellable operating leases are as follows:	2017	2016
Not later than one year	33.69	23.47
Later than one year and not later than five years	114.58	0.05
Later than five year	-	-
Total	148.27	23.52



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

27 Employee benefits

a) Defined benefit plans

The following table sets out the status of defined benefit plans as required under AS-15.

	2017	2016
Changes in the present value of the defined benefit obligation are as follows		
Gratuity		
Opening defined benefit obligation	39.30	32.67
Current service cost	3.29	3.93
Interest cost	1.98	2.61
Benefits paid	(29.04)	(2.00)
Actuarial losses / (gains) on obligations	17.64	2.09
Closing defined benefit obligation	33.17	39.30
Leave encashment		
Opening present value of obligation	15.29	12.39
Interest cost	0.95	0.99
Current service cost	3.74	3.51
Benefits paid	(6.93)	(2.09)
Actuarial (gains)/ losses	10.73	0.49
Closing present value of obligation	23.78	15.29
Changes in the present value of the plan assets are as follows:		
Gratuity		
Opening fair value of plan assets (Incl. Bank Balance)	29.10	26.00
Expected return on plan asset	2.45	2.16
Contributions by employer	30.90	2.92
Benefits paid	(29.04)	(2.00)
Increase/ (decrease) in Bank Balance	-	0.02
Closing fair value of plan assets (Incl. Bank Balance)	33.41	29.10
Amounts recognised in the balance sheet:		
Gratuity		
Present value of obligation as at 31 March 2017	33.17	39.30
Present value of plan asset as at 31 March 2017	(33.41)	(29.10)
Net (asset)/ liability recognised as on 31 March 2017	(0.24)	10.20
Leave encashment		
Present value of obligation as at 31 March 2017	23.78	15.29
Classification into current/ non-current		
The liability comprises of the following current and non-current portions		
Gratuity		
Current	-	1.02
Non-current	(0.24)	9.18
Total	(0.24)	10.2

	2017	2016
Changes in the present value of the defined benefit obligation are as follows		
Leave encashment		
Current	5.44	3.82
Non-current	18.34	11.47
Total	23.78	15.29
Expenses recognised in the statement of profit and loss		
Gratuity		
Current service cost	3.29	3.93
Interest on defined benefit obligation	1.98	2.61
Expected return on plan assets	(2.45)	(2.16)
Net actuarial losses/ (gains) recognised in the current year	17.64	2.08
Expenses recognised in the statement of profit and loss *	20.46	6.46
Leave encashment		
Current service cost	3.74	3.51
Interest on defined benefit obligation	0.95	0.99
Net actuarial losses / (gains) recognised in the current year	10.73	0.49
Gross Amount	15.42	4.99
Leave Encashment paid for left employees	0.15	-
Expenses recognised in statement of profit and loss	15.57	4.99

*The difference of Rs 0 (2016: Rs 0.17) as compare to amount Shown in note no 21 is due to premium amount paid by the company to LIC and reduced by income and expenses of gratuity trust.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2017

(Currency: Indian rupees in million)

27 Employee benefits (Continued)

a) Defined benefit plans (Continued)

The principal assumptions used in determining benefit obligations are shown below:

	2017	2016
Discount rate	6.80%	8.00%
Expected rate of return on plan assets	6.80%	8.47%
Expected rate of salary increase	8.00%	5.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal rates	Age 0-30:35%, Age31-35:25% Age 36-40: 20% Age 41-45:15% Age 46-55:10% Age 56-60: 5%	10% to 2% p.a. age related on graduated scale

The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other conditions in the employment market.

Experience adjustments

	2017	2016	2015	2014	2013
Defined benefit obligation	33.17	39.30	32.66	27.65	23.39
Plan assets	33.41	29.10	26.00	23.28	21.54
Surplus / (deficit)	0.24	(10.20)	(6.66)	(4.37)	(1.85)
Experience adjustments on plan liabilities	107.64	2.08	1.71	0.75	(0.76)
Experience adjustments on plan assets	0.04	0.12	0.21	0.13	0.26
Assumption (Gain)/Loss	6.87				

b) Defined contribution plan

- i) Contribution to Provident Fund.
- ii) Contribution to Employees State Insurance Corporation (ESIC)

The Company has recognised the following amounts in the statement of profit and loss for the year

	2017	2016
- Employer's contribution to Provident Fund	19.49	15.10
- Employer's contribution to ESIC	0.28	0.15
- Contribution to Other Funds	0.01	0.01
Total	19.78	15.26

28 Earnings in foreign currency (on accrual basis)

	2017	2016
FOB value of exports	1,003.33	842.62
Service and commission income	4.59	4.65
Miscellaneous Income-Technical Service	10.32	-
Total	1018.24	847.27



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

29 Expenditure in foreign currency (on accrual basis)

	2017	2016
Travel	7.43	10.79
Legal and professional fees	9.20	7.15
Salary to expats	14.78	12.63
Other expenses (Books and Periodicals, Membership Subscription)	0.37	0.30
Total	31.78	30.87

30 Value of imported and indigenous raw material consumed

	2017		2016	
	Amount	%	Amount	%
Imported	1,509.79	43	1,239.18	44
Indigenous	1,980.82	57	1,553.23	56
Total	3,490.60	100	2,792.41	100

31 Value of imports on CIF basis

	2017	2016
Raw materials and traded goods	2,601.68	3,362.79

32 Auditors' remuneration (excluding service tax)

Particulars	2017	2016
Statutory audit fees	3.75	4.00
Other services- certification	0.12	0.02
Reimbursement of expenses	-	-
Total	3.87	4.02

33 Transfer pricing

The Company's domestic transactions with associated enterprises are at arm's length as per the independent accountants report for the year ended 31 March 2017. Management believes that the Company's domestic transactions with related parties post 31 March 2017 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for tax.

34 Segmental Reporting

	Industrial Chemicals		Agro Chemicals		Public Health Chemicals		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue								
Operating revenue	2,128.67	2,544.40	6,002.96	4,860.48	201.29	236.76	8,332.92	7,641.65
Other income	22.11	8.27	66.70	221.77	2.09	1.41	90.90	231.45
Total segment revenue	2,150.78	2,552.67	6,069.66	5,082.26	203.38	238.17	8,423.82	7,873.10
Unallocated revenue							43.72	37.51
Total revenue	2,150.78	2,552.67	6,069.66	5,082.26	203.38	238.17	8,467.54	7,910.61
Segment results	248.00	249.34	1,019.68	929.37	66.70	94.60	1,334.38	1,273.31
Unallocated corporate expenses							293.32	198.70
Profit / (loss) before interest and finance charges and tax	248.00	249.34	1,019.68	929.37	66.70	94.60	1,041.06	1,074.61
Finance costs							9.62	4.12
Profit / (loss) after interest and finance charges and before tax	248.00	249.34	1,019.68	929.37	66.70	94.60	1,031.44	1,070.49
Tax expenses								
- Current tax							399.30	400.00
- Deferred tax (credit)							(11.59)	24.24
- Previous Year Adjustments							27.65	-
Profit / (loss) for the year	248.00	249.34	1,019.68	929.37	66.70	94.60	616.08	646.25



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

34 Segmental Reporting (Continued)

	Industrial Chemicals		Agro Chemicals		Public Health Chemicals		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Segment assets	813.91	1,062.96	5,033.29	3,791.21	76.61	143.51	5,923.81	4,997.68
Unallocated corporate assets							3,300.64	765.84
Total assets	813.91	1,062.96	5,033.29	3,791.21	76.61	143.51	9,224.45	5,763.52
Segment liabilities	75.75	726.94	1,715.71	1,926.11	957.44	71.23	2,748.90	2,724.29
Unallocated corporate liabilities							132.31	78.72
Total liabilities	75.75	726.94	1,715.71	1,926.11	957.44	71.23	2,881.21	2,803.01
Capital expenditure	30.51	36.10	50.60	50.84	0.31	0.74	81.42	87.68
Unallocated corporate capital expenditure							3.75	3.50
Total capital expenditure	30.51	36.10	50.60	50.84	0.31	0.74	85.17	91.18
Depreciation and amortization	23.89	21.22	33.45	29.75	0.46	0.27	57.80	51.23
Unallocated depreciation and amortization							11.67	23.21
Total depreciation and amortization	23.89	21.22	33.45	29.75	0.46	0.27	69.47	74.44

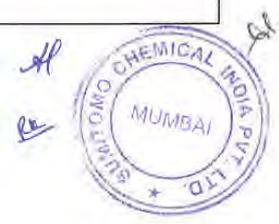
Further, the Company has considered the export operations as a separately identifiable geographic segment due to operations in the Japan and other countries. The Company has identified secondary segments based on geographic locations and has reported India, Japan, and other countries as geographic segments as below

	India		Japan		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Segment revenue	7,417.64	7,026.88	1,005.40	846.22	0.78	-	8,423.82	7,873.10
Segment assets	5,876.67	4,954.60	47.14	43.08	-	-	5,923.81	4,997.68
Capital expenditure	85.17	91.18	-	-	-	-	85.17	91.18

35 Related party disclosures

A) Name of related parties:

Holding Company	Sumitomo Chemical Company Limited – Japan
Fellow Subsidiaries	Valent Biosciences Corporation - USA Sumika Agro Manufacturing Co. Ltd. - Japan Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore SCA South Asia Petrochemical Pvt. Limited - India Mycorrhizal Applications, LLC - USA Excel Crop Care Limited-India (from 07th October 2016)
Key Managerial Personnel	Akira Harada – Managing Director Chetan Shah – Joint Managing Director (upto 07th October 2016) Sushil Marfatia-Whole Time Director (from 07th October 2016) Prannath Arora – Whole Time Director
Relatives of Key Management Personnel	Seema Arora (Wife of Director)



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2017

(Currency: Indian rupees in million)

35 Related party disclosures (Continued)

B) Related party transactions for the year ended 31 March 2017

Type of transaction	Holding company		Fellow subsidiaries	
	2017	2016	2017	2016
Related party transactions				
Purchase of traded goods / materials				
-Sumitomo Chemical Company Limited	2,160.09	2,739.88	380.50	409.14
- Valent Biosciences Corporation			253.54	409.14
- Mycorrhizal Applications, LLC			4.64	-
- Excel Crop Care Limited			122.32	-
Sale of goods				
-Sumitomo Chemical Company Limited	1,005.40	843.65	0.78	0.75
- Sumitomo Chemical (Asia Pacific) Pte Ltd	1,005.40	843.65		
			0.78	0.75
Rendering of services				
-Sumitomo Chemical Company Limited	1.00	1.29		
Commission Income				
-Sumitomo Chemical Company Limited	3.72	3.51		
Misc Income-Technical Service				
- Sumitomo Chemical Company, Limited	10.32	-		
Reimbursement of expenses (net)				
-Sumitomo Chemical Company, Limited	(4.89)	9.08	(6.68)	(5.64)
- Valent Bioscience Corporation	(4.89)	9.08	(6.58)	(7.79)
- Sumitomo Chemical (Asia Pacific) Pte Limited			1.87	1.57
- Mycorrhizal Applications, LLC			(2.09)	-
- Sumika Agro Manufacturing Co. Ltd.			-	0.58
- Excel Crop Care Limited			0.12	-
Investment in Equity Shares				
- Excel Crop Care Limited			2,772.94	

C) Balance as at 31 March 2017

	Holding Company		Fellow Subsidiaries	
	2017	2016	2017	2016
Accounts receivables				
-Sumitomo Chemical Company Limited	47.14	43.08	-	0.74
-SCA South Asia Petrochemical Pvt. Limited				0.01
-Sumitomo Chemical (Asia Pacific) Pte Limited				0.73
Accounts payable				
-Sumitomo Chemical Company Limited	940.57	1,177.33	196.30	88.06
- Valent Bioscience Corporation	940.57	1,177.33	101.73	88.06
- Sumitomo Chemical (Asia Pacific) Pte Limited			0.68	-
- Excel Crop Care Limited			93.89	-

Transactions and balances with key managerial personnel and their relatives:

Type of transaction	2017	2016
Managerial remuneration		
Chetan Shah	61.58	18.00
Akira Harada	20.57	18.99
Prannath Arora	23.59	17.06
Sushil Marfatia	2.94	-
Total	108.68	54.05



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in million)

35 Related party disclosures (Continued)

C) Balance as at 31 March 2017 (Continued)

Transactions and balances with key managerial personnel and their relatives (Continued):

Type of transaction	2017	2016
Transactions and balances with relatives of key managerial personnel		
Rent paid		
Seema Arora (Wife of Director)	1.62	1.62
Rent security deposit balance		
Seema Arora (Wife of Director)	5.00	5.00

36 Corporate Social Responsibility

The Company has spent Rs 14.00 (2015-16 Rs 8.03) towards Corporate Social Responsibility as per prescribed under section 135 of the Company's Act, 2013. The details are as under:

- Gross amount required to be spent by the Company during the year Rs 13.88 (2015-16 Rs 7.59)
- Amount spent during the year on :

Sr. No. Particulars	In cash / payable		Yet to be paid in Cash		Total	
	2017	2016	2017	2016	2017	2016
(i) Construction / Acquisition of any Asset	-	-	-	-	-	-
(ii) For the purpose other than (i) above	14.00	8.03	-	-	14.00	8.03

37 Foreign currency exposure and derivatives

The Company is exposed to risk associated with foreign currency fluctuations. The company has entered into forward contracts to mitigate the risks associated with foreign currency fluctuations having underlying transaction and relating to firm commitment or highly probable forecast transactions. However, the Company does not use these contracts for any trading or speculative purpose.

The outstanding position of forward contracts as at 31 March 2017 is Rs. 127.30 (2016: Rs 61.89) with the banks. The category wise break up is given hereunder:

Particulars	2017		2016	
	Foreign Currency (In '000)	Amount	Foreign Currency (In '000)	Amount
Forward cover in relation to hedging of exposure to fluctuations in foreign exchange of import creditors.	USD 1912	127.30	USD 911	61.89
Forward cover in relation to hedging of exposure to fluctuations in foreign exchange of Export receivables.	NIL	NIL	NIL	NIL

Particulars of un-hedged foreign currency exposure as at 31 March 2017 are as follows:

Particulars	2017		2016	
	Foreign Currency (In '000)	Amount	Foreign Currency (In '000)	Amount
Import creditors for goods	USD 5,594	362.82	USD 9,694	642.35
Amount payable / (receivable) for reimbursement of expenses/ other expenses	JPY 6,362	3.69	JPY 5,696	3.36
	-	-	(USD 2)	(0.12)
	USD 11	0.68	NIL	NIL
Export receivable for goods	USD 159	10.28	USD 647	42.86
Export receivable - services	USD 151	9.81	USD 13	0.94



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in million)

38 Disclosure on Specified Bank Notes

During the year, the Company had Specified Bank Notes or other denominations notes as defined in the MCA notification, G.S.R. 308 (E) dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs *	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1.15	0.11	1.26
(+) Permitted Receipts	-	0.99	0.99
(-) Permitted Payments	-	0.93	0.93
(f) Amount deposited in Banks	1.15	-	1.15
Closing cash in hand as on December 30, 2016	-	0.18	0.18

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O.1407 (E), dated November 8, 2016

39 Previous year comparatives

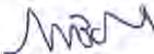
The Previous year financial statements have been audited by a firm of Chartered Accountants other than B S R & Associates LLP

Previous year's figures have been regrouped/ restated/ reclassified whenever necessary to conform with the current year's classification, details of which are as follows:

Particulars	Note No	Amount as per previous year financials	Adjustments	Revised amount for previous year
Raw Materials	12	563.56	(6.23)	557.33
Stock-in-trade	12	138.01	6.23	144.24
Changes in Inventory of Raw Material	19a	921.36	(6.23)	915.13
Changes in Inventory Stock-in-trade of Traded Liquid Formulation	19c	28.40	6.23	34.63

As per our report of even date attached.

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

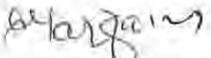


Farhad Bamji
Partner
Membership No: 105234
Mumbai
1 September 2017

For and on behalf of the Board of Directors of
Sumitomo Chemical India Private Limited
CIN: U24110MH2000PTC124224



Mr. Akira Harada
Managing Director
DIN: 07131237
Tokyo, Japan
31 August 2017



Mr. Sushil Marfatia
Whole Time Director
DIN: 07618601
Tokyo, Japan
31 August 2017




Mrs. Rasika Kulkarni
Company Secretary
Membership No: 31989
Mumbai
1 September 2017

B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone: +91 (22) 4345 5300
Fax: +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Sumitomo Chemical India Private Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Sumitomo Chemical India Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

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

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

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

B S R & Associates is partnership firm with
Registration No. 11492020 converted into
B S R & Associates LLP (a Limited Liability
Partnership with LLP Registration No. 31AS-1125)
with effect from October 14, 2013.

Registered Office:
5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

Independent Auditor's Report (Continued)

Sumitomo Chemical India Private Limited

Auditor's Responsibility (Continued)

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

Independent Auditor's Report (Continued)

Sumitomo Chemical India Private Limited

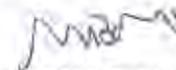
Report on Other Legal and Regulatory Requirements (Continued)

- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements; - Refer Note 35 to the Ind AS financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed. Refer Note 38 to the Ind AS financial statements.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Farhad Banji

Partner

Membership No: 105234

Mumbai
19 July 2018

Sumitomo Chemical India Private Limited

Annexure A to the Independent Auditor's Report - 31 March 2018

(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. 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 Ind AS financial statements are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, 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. 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 in respect of investments made or guarantees provided to the parties covered under Section 186. The Company has not granted any loans or provided any 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 (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.
- (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, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

Sumitomo Chemical India Private Limited

Annexure A to the Independent Auditor's Report – 31 March 2018 (Continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise, 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) The Company does not have any loans or borrowings from any bank or Government, nor has it issued any debentures. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution.
- (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, the provisions of paragraph 3(ix) of the Order are 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 course of our audit.
- (xi) The Company is a private company and thus the provision of Section 197 of the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (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 Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Ind AS financial statements as required by the applicable 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.

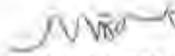
Sumitomo Chemical India Private Limited

Annexure A to the Independent Auditor's Report - 31 March 2018 (Continued)

- (xvi) The Company is not required to be registered under Section 45-1A 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

Mumbai
19 July 2018


Farhad Bamji
Partner
Membership No: 105234

Sumitomo Chemical India Private Limited

Annexure A to the Independent Auditor's Report - 31 March 2018
(Continued)

(Referred to in our report of even date)

Appendix I

Nature of the Statue	Nature of the dues	Amount (INR)	Period to which amount relates	Forum in which dispute is pending
Income Tax Act 1961	Disallowance of royalty expenses	1,687,538	AY 2003-04	Mumbai High Court
	Disallowance of equal subsidy	411,220	AY 2004-05	ITAT Mumbai
	Disallowance of royalty expenses	926,382	AY 2004-05	Mumbai High Court
	Disallowance of royalty expenses	419,282	AY 2005-06	High Court
	Disallowance of royalty expenses	595,870	AY 2006-07	High Court
	Disallowance of certain expenses	13,867,594	AY 2011-12	CIT (Appeals) Mumbai
	Transfer Pricing and disallowance of certain expenses	31,108,690	AY 2012-13	ITAT, Mumbai
Central Sales Tax Act, 1956	Non submission of F Form	192,806	1998-99	Sales Tax Officer, Thane
	Non submission of C & F Form	10,634,584	2008-09	Deputy Commissioner
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	Incorrect payment of service tax	149,528	July '14 to Dec '14	Commissioner, Central Excise, Borsar
	Incorrect availment of service tax	293,521	Jan '15 & Feb '15	Commissioner, Central Excise, Borsar
	Incorrect availment of service tax	4,375,989	March 2015 to Sept 2015	Commissioner, Central Excise, Thane
	Incorrect availment of service tax	1,730,852	October 2015 to Sept 2016	Commissioner, Central Excise, Thane
	Denial of CENVAT credit taken	734,238	2007-08 and 2008-09	Additional Commissioner of Central Excise

Sumitomo Chemical India Private Limited

Annexure B to the Independent Auditor's Report- 31 March 2018

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Act

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

2

Sumitomo Chemical India Private Limited

Annexure B to the Independent Auditor's Report- 31 March 2018 (Continued)

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

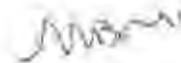
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

For B S R & Associates LLP
Chartered Accountants

Firm's Registration No. 116231W/W-100024



Farhad Bamji
Partner

Membership No: 105234

Mumbai
19 July 2018

Sumitomo Chemical India Private Limited

Balance sheet

as at 31 March 2018

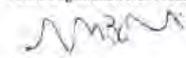
(Currency: Indian Rupees in million)

	Note	31 March 2018	31 March 2017	1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	648.61	525.37	521.83
Intangible assets	4	0.15	-	-
Capital work-in-progress	3	24.62	74.04	5.99
Financial assets				
Investments	5	6,677.59	3,766.64	1.19
Loans	6	31.41	34.41	31.22
Deferred tax assets	30	54.83	10.28	3.82
Other non-current assets	7	10.78	7.12	22.43
Income tax assets (net)		120.60	93.28	120.75
Total non-current assets		7,568.58	4,513.14	707.23
Current assets				
Inventories	8	2,726.84	2,775.86	2,352.03
Financial assets				
Trade receivables	9	3,150.66	2,199.08	1,805.74
Cash and cash equivalents	10	569.65	379.90	721.33
Other bank balances	11	0.07	0.07	0.07
Loans	12	8.66	24.02	23.00
Others	13	17.90	15.25	5.88
Other current assets	14	195.81	301.02	124.71
Total current assets		6,669.59	5,693.20	5,032.96
TOTAL ASSETS		14,238.17	10,208.34	5,740.19
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	2,745.88	2,745.88	2,329.85
Other equity	16	8,166.74	4,581.64	612.52
Total equity		10,912.62	7,327.52	2,942.37
Liabilities				
Non-current liabilities				
Provisions	17	26.01	18.39	20.87
Income tax liabilities		17.43	17.55	-
Total non-current liabilities		43.44	35.94	20.87
Current liabilities				
Financial liabilities				
Trade payables	18	1,782.12	1,667.00	1,833.66
Other financial liabilities	19	1,051.43	839.89	606.75
Provisions	20	7.49	5.44	5.20
Other current liabilities	21	375.49	278.75	308.34
Current tax liabilities (net)		65.58	53.80	23.00
Total current liabilities		3,282.11	2,844.88	2,776.95
Total liabilities		3,325.55	2,880.82	2,797.82
TOTAL EQUITY AND LIABILITIES		14,238.17	10,208.34	5,740.19
Significant accounting policies	2			
Notes to the financial statements	1 - 43			

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

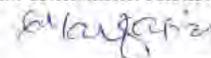
For BSR & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024



Farhad Banji
Partner
Membership No: 105234
Mumbai
19 July 2018

For and on behalf of the Board of Directors of
Sumitomo Chemical India Private Limited
CIN: U24110MH2000PTC124224


Mr. Akira Harada
Managing Director
DIN: 07131237
Mumbai
19 July 2018


Mr. Sushil Marfatia
Whole Time Director
DIN: 07618601
Mumbai
19 July 2018




Mrs. Rasika Kulkarni
Company Secretary
Membership No.: 31989
Mumbai
19 July 2018

Sumitomo Chemical India Private Limited

Statement of profit and loss

for the year ended 31 March 2018

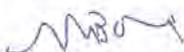
(Currency: Indian Rupees in million)

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Revenue			
Revenue from operations	22	8,705.77	8,638.58
Other income	23	259.56	106.32
Total income		8,965.33	8,744.90
Expenses			
Cost of materials consumed	24	3,960.71	3,971.48
Purchases of stock-in-trade (traded goods)		1,960.89	1,778.72
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	35.12	(438.32)
Employee benefits expenses	26	632.26	587.36
Finance costs	27	12.60	9.62
Depreciation and amortisation expenses	3&4	68.93	69.47
Excise duty		81.24	653.41
Other expenses	28	1,165.87	1,049.57
Total expenses		7,917.62	7,681.31
Profit before income tax		1,047.71	1,063.59
Income tax expense			
Current tax		420.50	399.30
Deferred tax		(44.20)	(0.74)
Adjustment of tax for earlier years		(3.39)	27.65
Profit for the year		674.80	637.38
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair valuation of investments		2,910.96	992.50
Remeasurements of defined benefit liability (asset)		(1.01)	(17.07)
Income tax related to items that will not be reclassified to profit or loss		0.35	5.71
Income tax related to items that will not be reclassified to profit or loss - Remeasurements		0.35	5.71
Income tax related to items that will not be reclassified to profit or loss - FV investment		-	-
Other comprehensive income for the year, net of income tax		2,910.30	981.14
Total comprehensive income for the year		3,585.10	1,618.52
Earnings per share			
Basic and diluted earnings per share (Rs)	31	2.60	2.46
Significant accounting policies	2		
Notes to the financial statements	f-43		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

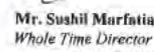
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19 July 2018

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19 July 2018


Mr. Sushil Marfatia
Whole Time Director
DIN: 07618601
Mumbai
19 July 2018




Mrs. Rasika Kulkarni
Company Secretary
Membership No. 31989
Mumbai
19 July 2018

Sumitomo Chemical India Private Limited

Statement of changes in equity for the year ended 31 March 2018

(Currency: Indian Rupees in million)

Equity share capital	31 March 2018	31 March 2017	1 April 2016
Opening balance as at	2,745.88	2,329.85	2,329.85
Changes in equity share capital during the year	-	416.03	-
Closing balance as at	2,745.88	2,745.88	2,329.85

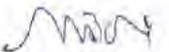
Other equity

Particulars	Attributable to the owners of the Company			Total
	Reserves & surplus		Items of other comprehensive income	
	Securities premium account	Retained earnings	Equity instruments through other comprehensive income	
Balance at 1 April 2016 before adjustments and AS adjustments	-	630.68	-	630.68
Changes in accounting policy / prior period errors	-	(18.23)	0.07	(18.16)
Balance at 1 April 2016 after adjustments	-	612.45	0.07	612.52
Profit for the year	-	637.38	-	637.38
Other comprehensive income for the year	-	(11.36)	992.50	981.14
Total comprehensive income for the year	-	626.02	992.50	1,618.52
Issue of share capital	2,350.60	-	-	2,350.60
Balance at 31 March 2017	2,350.60	1,238.47	992.57	4,581.64
Profit for the year	-	674.80	-	674.80
Other comprehensive income for the year	-	(0.66)	2,910.96	2,910.30
Total comprehensive income for the year	-	674.14	2,910.96	3,585.10
Balance at 31 March 2018	2,350.60	1,912.61	3,903.53	8,166.74

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

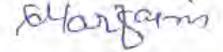
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024



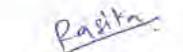
Farhad Bamji
Partner
Membership No: 105234
Mumbai
19 July 2018

For and on behalf of the Board of Directors of
Sumitomo Chemical India Private Limited
CIN: U24110MH2000PTC124224


Mr. Akira Harada
Managing Director
DIN: 07131237
Mumbai
19 July 2018


Mr. Sushil Marfatia
Whole Time Director
DIN: 07618601
Mumbai
19 July 2018




Mrs. Rasika Kulkarni
Company Secretary
Membership No.: 31989
Mumbai
19 July 2018

Sumitomo Chemical India Private Limited

Cash flow statement

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	1,047.71	1,063.59
Adjustments for:		
Depreciation/amortisation	68.93	69.47
CSR Expenses adjusted in opening stock	-	(0.18)
Loss on sale of property, plant and equipment	(0.07)	8.04
Unrealised exchange loss (net)	3.53	0.24
MTM of forward contracts	-	1.41
Amortisation of premium on forward exchange contracts	-	0.75
Acquisition cost of investments	-	-45.01
Provision for doubtful debts and advances	39.48	14.92
Interest expenses	12.60	9.62
Interest on income tax refund	-	0.98
Interest income	(23.21)	(44.56)
	1,148.97	1,169.29
Working capital adjustments		
(Increase) / Decrease in inventories	49.02	(423.99)
(Increase) / Decrease in trade receivables	(991.06)	(408.26)
(Increase) / Decrease in other current assets	98.88	(2.57)
(Increase) / Decrease in loans - current	18.59	(191.55)
Increase / (Decrease) in trade payables	115.16	(166.64)
Increase / (Decrease) in other current liabilities	304.76	190.00
Increase / (Decrease) in provisions - current	8.65	(21.63)
	752.97	144.65
Income tax paid	(430.76)	(353.12)
Net cash flows from operating activities	322.21	(208.47)
Cash flow from investing activities		
Purchase of property, plant and equipment	(143.88)	(123.38)
Purchase of investments	-	(2,772.94)
Acquisition cost of investments	-	(45.01)
Sale proceeds from property, plant and equipment	1.05	4.14
Deposit with banks (net)	(0.27)	0.01
Interest received	23.24	43.07
Net cash flows from investing activities	(119.86)	(2,894.11)
Cash flow from financing activities		
Proceeds from issue of equity share capital	-	2,766.64
Interest paid	(12.60)	(5.69)
Net cash flows from financing activities	(12.60)	2,760.95
Net increase / (decrease) in cash and cash equivalents	189.75	(341.63)
Cash and cash equivalents at the beginning of the year	379.90	721.53
Effect of exchanges rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	569.65	379.90

Reconciliation of Cash and cash equivalents with the Balance Sheet

Cash and bank balances as per Balance Sheet [Note 10]	569.65	379.90
Cash and cash equivalents as at the year end	569.65	379.90



Sumitomo Chemical India Private Limited

Cash flow statement (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

Notes :

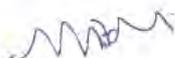
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash flows".

Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **BSR & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

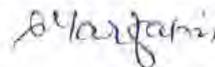


Farhad Bamji
Partner
Membership No. 105234
Mumbai
19 July 2018

For and on behalf of the Board of Directors of
Sumitomo Chemical India Private Limited
CIN: U24110MH2000PTC124224



Mr. Akira Harada
Managing Director
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19 July 2018



Mrs. Rasika Kulkarni
Company Secretary
Membership No. 31989
Mumbai
19 July 2018

Sumitomo Chemical India Private Limited

Notes to the financial statements

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

1 Corporate information

Sumitomo Chemical India Private Limited ('SCIPL' or 'the Company') was incorporated on February 15, 2000 and 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.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements for the year ended 31 March 2017 and the opening balance sheet as at 1 April 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanation of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 43.

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

- Investment securities,
- Derivative financial instruments, and
- Security deposits

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 19th July, 2018.

2.2 Current-non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

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.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

2.3 Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest million, unless otherwise indicated.

2.4 Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

i. Property, plant and equipment :

Determination of the estimated useful lives of tangible 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. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

ii. Recognition of deferred tax assets :

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

iii. 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.

iv. 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.

v. Impairment of trade receivables :

The provision for doubtful debts with respect to trade receivables is made based on specific identification of each stream of debtors.

vi. Recognition and measurement of other provisions :

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.



RE

Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

2.5 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 39 for information on detailed disclosures pertaining to measurement of fair values)

2.6 Statement of significant accounting policies

a Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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

- its purchase price, including import duties and all purchase applicable taxes, after deducting trade discounts and rebates.
- 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.
- 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 disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

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



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

b Intangible assets

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.

Goodwill arising on acquisition of business is tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, and is carried at cost less accumulated amortization, if any.

The Company has elected to continue with the carrying value of all its intangible assets as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

c Depreciation and amortization

Depreciation on fixed assets is provided on the straight-line method (SLM) using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013 whichever is higher. Depreciation on additions/ deletions of fixed assets made during the year is provided on pro rata basis from/to the date of such additions/ deletions.

The key assets and related lives are:

Nature of asset	Life in Years
Furniture and fixtures	10
Office equipment	10 & 4
Computers	3 & 6
Vehicles	5
Factory building	10
Plant and machinery	10
Piping and structures	10
Electrical installation	5
Other buildings	20
Factory road	10

The Company believes the useful lives as given above best represent the useful life of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

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 based on the evaluation and for the assets acquired prior to 1 April 2016, the carrying amount as on 1 April 2016 is amortised over the remaining useful life based on an evaluation. The useful life of such intangible assets is as follows:



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

Nature of Assets	Life in Years
Marketing rights	7
Patents	7
Goodwill	7 & 5
Non-compete fees	5
Trade marks	5
Copy rights	5
Technical know-how	5
License registration	5
Distribution network	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

Raw materials and packing materials, components, stores and spares are valued at cost. However, raw materials and packing materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost or realisable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Valuation of traded products includes cost of purchase and directly attributable overheads. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale. Accrual for customs duty liability is made in respect of inventories in bond.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

f Operating leases

Where the Company is the Lessee

Leases – 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.

g Employee benefits

1) Short-term employee benefits

Defined contribution plans

The Company makes contribution towards provident fund, pension 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-employee 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.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

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. 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.

ii. 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.

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.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

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.

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.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

n Segmental Reporting

The Company has disclosed Business Segment as the primary segment.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Director to make decisions about resources to be allocated to the segments and assess their performance.

The business of the Company is divided into three segments - Industrial Chemicals, Agro Chemicals and Public Health Chemicals based on the customers to which the goods are sold.

These Segments have been identified taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system.

Industrial Chemicals is primarily engaged in manufacturing and trading of various insecticides and the products are sold to industrial customers. Agro Chemical business is primarily engaged in trading and manufacturing various pesticides and the products are sold to retail customers. Public Health Chemicals is primarily engaged in manufacturing and trading of larvicides and largely caters to Government tenders.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each segment as also the amounts allocable on a reasonable basis. Income and expenses which are not directly attributable to any business segment are shown as unallocated corporate income / expenses. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

o Revenue Recognition

Revenue is measured at fair value of consideration received or receivable.

i. Sale of goods

Sale of goods is recognized as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

g. 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.

Equity Instruments at Fair value through Other comprehensive income

On initial recognition of equity investment that is not held for trading, Company has irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-by-investment basis.

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.

Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

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.

Financial liabilities of the company also include gold loans where company buys gold from authorised bank with deferred payment. Interest rate on such loan is dependent on gold lease market and other market specific factors (Linked to international gold interest rate). Gold loan is repaid considering the gold spot rate on the day of repayment. Since repayment of loan and interest payment is linked to the movement in gold price, this makes the arrangement a hybrid contract which will be fair valued at each reporting date.

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.



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Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

r 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.

2.7 RECENT ACCOUNTING DEVELOPMENTS

Standards issued but not effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, adjustments for time value of money etc. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company does not expect any material impact on account of this change.

The amendments will come into force from April 1, 2018.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
as at 31 March 2018

(Currency: Indian Rupees in million)

3 Property, plant and equipment and capital work-in-progress

For the year ended 31 March 2018

Block of asset	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2017	Additions	Deposals	Balance as at 1 April 2017	Charge for the year	Eliminated on disposal of assets	As at 31 March 2018	As at 31 March 2017
Land/building	163.41	-	-	163.41	2.46	2.46	159.49	160.95
Factory road	3.17	-	-	3.17	0.54	0.54	2.09	2.63
Residential building	2.23	-	-	2.23	0.20	0.20	1.63	2.03
Factory building	73.73	119.85	-	193.58	11.56	12.24	178.88	64.17
Building office	19.07	-	-	19.07	1.27	-	16.54	17.81
Plant and machinery	235.66	51.08	0.24	286.98	21.09	33.84	234.23	206.37
Plant and machinery	20.09	4.64	0.02	24.75	4.14	4.35	20.54	25.98
Vehicle	13.86	6.97	0.91	21.74	4.13	4.44	17.43	11.33
Office equipment	23.26	5.09	0.13	28.48	3.38	3.61	24.85	21.88
Computers	12.43	9.37	0.83	22.63	1.75	1.89	20.50	18.56
Leased improvements	-	-	-	8.48	4.11	-	4.37	7.79
Total	596.39	193.10	2.12	791.61	63.02	63.09	730.54	527.37

Capital Work-in-Progress

Capital work in progress as at 31 March, 2018

For the year ended 31 March 2017

Block of asset	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2016	Additions	Deposals	Balance as at 1 April 2016	Charge for the year	Eliminated on disposal of assets	As at 31 March 2017	As at 1 April 2016
Land/building	163.41	-	-	163.41	2.46	2.46	163.41	163.41
Factory road	3.17	-	-	3.17	0.54	0.54	2.63	3.17
Residential building	2.23	-	-	2.23	0.20	0.20	2.03	2.23
Factory building	71.95	3.78	-	75.73	11.56	11.56	64.17	71.95
Building office	19.07	-	-	19.07	1.26	-	17.81	19.07
Plant and machinery	179.48	62.51	0.13	242.12	30.41	1.32	206.21	179.48
Plant and machinery	20.18	4.66	0.15	25.00	4.60	0.46	24.14	20.18
Vehicle	19.77	2.28	8.33	30.38	5.97	1.84	33.51	19.77
Office equipment	18.96	6.83	0.33	26.12	3.59	0.21	29.50	18.96
Computers	9.15	6.36	0.00	15.51	4.77	0.02	19.26	9.15
Leased improvements	8.26	-	-	8.48	4.11	-	4.37	8.48
Total	523.82	85.18	14.02	623.02	87.47	11.17	699.32	523.82

Capital Work-in-Progress

Capital work in progress as at 31 March, 2017 (0)

As at 31 March, 2016 (0)

Note: (a) The Company has stated the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

(b) Deemed cost method

	Land/building	Factory road	Residential building	Factory building	Building office	Plant and machinery	Furniture and fixtures	Vehicle	Office equipment	Computers	Leased improvements	Total
Gross Block	173.26	5.47	3.97	115.91	35.44	283.15	48.96	41.62	31.76	24.88	31.03	767.75
Less: Accumulated Depreciation	11.95	2.30	1.74	40.06	6.37	83.87	19.78	21.83	14.82	19.61	24.52	245.92
Net Block	161.31	3.17	2.23	75.85	29.07	199.28	29.18	19.79	16.94	5.27	6.51	521.83



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Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
as at 31 March 2018

(Currency: Indian Rupees in million)

4 Intangible assets

PARTICULARS	Gross Block			As at 31 March 2018	As at 1 April 2017	Disposals	Accumulated Amortisation		Net Block	
	Additions	As at 31 March 2018	As at 1 April 2017				Charge for the year	Deductions	As at 31 March 2018	As at 31 March 2017
Software	0.19	0.19	-	0.19	-	-	0.04	-	0.04	0.15
TOTAL	0.19	0.19	-	0.19	-	-	0.04	-	0.04	0.15

PARTICULARS	Gross Block			As at 31 March 2017	As at 1 April 2016	Disposals	Accumulated Amortisation		Net Block	
	Additions	As at 31 March 2017	As at 1 April 2016				Charge for the year	Deductions	As at 31 March 2017	As at 31 March 2016
TOTAL	-	-	-	-	-	-	-	-	-	-

Notes:

(a) The Company has availed the deemed cost exemption in relation to intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortization on 1 April 2016 under the previous GAAP.

Deemed cost

	Goodwill	Trademarks	Marketing Rights	Copyrights	License and Registration	Non-complete Fees	Distribution Network	Technical Know-how	Total
Gross Block	46.04	51.30	149.72	9.27	43.79	22.51	33.96	50.07	406.66
Less: Accumulated Depreciation	46.04	51.30	149.72	9.27	43.79	22.51	33.96	50.07	406.66
Net Block	-	-	-	-	-	-	-	-	-



Sumitomo Chemical India Private Limited

Notes to the financial statements
as at 31 March 2018

(Currency: Indian Rupees in million)

	31 March 2018	31 March 2017	1 April 2016
5 Non-current investments			
	Number of shares		
	31 March 2018	31 March 2017	1 April 2016
	Amount		
	31 March 2018	31 March 2017	1 April 2016
Quoted equity shares at FVTOCI			
Equity Shares of Excel Crop Care Ltd.	21,99,448	21,99,448	-
Unquoted investments valued at EVTPL			
Others	9,132	9,132	9,132
Total	22,08,580	22,08,580	9,132
	6,676.42	3,765.45	-
Aggregate amount of quoted investments	6,676.42	3,765.45	-
Aggregate Market value of quoted investments	6,676.42	3,765.45	-
Aggregate amount of unquoted investments	1.17	1.19	1.19
Aggregate amount of impairment in value of investments	-	-	-
	31 March 2018	31 March 2017	1 April 2016
6 Loans (non-current)			
<i>(Unsecured, considered good unless otherwise specified)</i>			
Security deposits	31.35	34.31	31.09
Loans to employees	0.06	0.10	0.13
	31.41	34.41	31.22
	31 March 2018	31 March 2017	1 April 2016
7 Other non-current assets			
Capital advance	6.92	3.14	21.27
Sales tax deposits	-	0.01	0.01
Prepaid expenses	1.41	0.12	0.21
Prepaid rent	2.42	3.58	0.94
Others	0.03	0.27	-
	10.78	7.12	22.43
	31 March 2018	31 March 2017	1 April 2016
8 Inventories			
Raw materials (including raw materials in transit 31 March 2018: Rs 272.31 million, 31 March 2017: Rs 198.97 million, 01 April 2016: Rs 357.81 million)	872.87	847.35	915.14
Packing materials	155.25	167.95	110.66
Work-in-progress	18.07	9.16	20.05
Finished goods (including goods in transit 31 March 2018: Rs 0.58 million, 31 March 2017: Rs 0.15 million; 01 April 2016: Rs 3.69 million)	1,283.67	1,542.12	1,161.30
Stock-in-trade (including stock in transit 31 March 2018: Rs 25.40 million, 31 March 2017: Rs 0.01 million; 01 April 2016: Rs Nil)	396.17	208.30	144.24
Stores and spares	0.81	0.98	0.61
	2,726.84	2,775.86	2,352.03
Inventories which comprise raw materials, packing materials, work-in-progress, finished goods, stock-in-trade and stores and spares are carried at the lower of cost and net realisable value.			
The write-down of inventories to net realisable value during the year amounted to Rs Nil (31 March 2017: Rs Nil, 01 April 2016: Rs Nil). The write-down is included in cost of materials consumed or changes in inventories of finished goods and work-in-progress in the statement of profit and loss.			
	31 March 2018	31 March 2017	1 April 2016
9 Trade receivables			
Unsecured, considered good	3,146.96	2,164.47	1,760.36
Secured, considered good	3.70	34.61	45.38
Considered doubtful	278.30	238.83	223.91
Less: Provision for doubtful receivables	(278.30)	(238.83)	(223.91)
	3,150.66	2,199.08	1,805.74

For terms and conditions of trade receivables owing from related parties, see Note 42.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 40.



Sumitomo Chemical India Private Limited

Notes to the financial statements
as at 31 March 2018

(Currency: Indian Rupees in million)

10 Cash and cash equivalents

Cash on hand	0.13	0.10	0.64
Balance with banks:			
- in current account	344.11	189.46	141.69
- in deposit accounts (with original maturity of 3 months or less)	225.22	190.32	579.05
Cheques on hand	0.19	0.02	0.15
	<u>569.65</u>	<u>379.90</u>	<u>721.53</u>

31 March 2018	31 March 2017	1 April 2016
0.13	0.10	0.64
344.11	189.46	141.69
225.22	190.32	579.05
0.19	0.02	0.15
<u>569.65</u>	<u>379.90</u>	<u>721.53</u>

11 Other bank balances

Bank deposits due to mature within 12 months	0.07	0.07	0.07
	<u>0.07</u>	<u>0.07</u>	<u>0.07</u>

31 March 2018	31 March 2017	1 April 2016
0.07	0.07	0.07
<u>0.07</u>	<u>0.07</u>	<u>0.07</u>

12 Loans (current)

Security deposits			
- Unsecured, considered good	4.13	19.64	19.64
- Doubtful	2.71	2.80	2.80
- Less: Provision for doubtful deposits	(2.71)	(2.80)	(2.80)
Loan to employees			
- Doubtful	0.43	0.43	0.43
- Less: Provision for doubtful loans	(0.43)	(0.43)	(0.43)
Earnest money deposit	4.28	4.01	2.69
Interest accrued - others	0.25	0.28	0.25
Other advances	-	0.09	0.42
	<u>8.66</u>	<u>24.02</u>	<u>23.00</u>

31 March 2018	31 March 2017	1 April 2016
4.13	19.64	19.64
2.71	2.80	2.80
(2.71)	(2.80)	(2.80)
0.43	0.43	0.43
(0.43)	(0.43)	(0.43)
4.28	4.01	2.69
0.25	0.28	0.25
-	0.09	0.42
<u>8.66</u>	<u>24.02</u>	<u>23.00</u>

13 Other current financial assets

Staff advances	16.75	14.99	4.81
Insurance claim receivable	1.15	0.26	1.07
	<u>17.90</u>	<u>15.25</u>	<u>5.88</u>

31 March 2018	31 March 2017	1 April 2016
16.75	14.99	4.81
1.15	0.26	1.07
<u>17.90</u>	<u>15.25</u>	<u>5.88</u>

14 Other current assets

Prepaid rent	1.22	1.21	1.29
Prepaid expenses	4.74	7.81	6.66
Advance to suppliers	18.96	31.17	26.27
Balance with excise and custom authorities	22.86	238.68	71.78
Sales tax deposits	1.02	1.09	1.09
Sales tax receivable	2.51	2.48	4.67
Export incentives	1.94	0.15	0.50
Service tax receivable	0.85	18.42	12.45
Excise duty receivable			
GST receivable	141.71	-	-
Other advances			
Other current assets			
	<u>195.81</u>	<u>301.01</u>	<u>124.71</u>

31 March 2018	31 March 2017	1 April 2016
1.22	1.21	1.29
4.74	7.81	6.66
18.96	31.17	26.27
22.86	238.68	71.78
1.02	1.09	1.09
2.51	2.48	4.67
1.94	0.15	0.50
0.85	18.42	12.45
141.71	-	-
<u>195.81</u>	<u>301.01</u>	<u>124.71</u>



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Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

15 Share capital

Authorised	Number of shares			Amount		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Equity shares of Rs 10 each	30,00,00,000	30,00,00,000	25,00,00,000	3,000.00	3,000.00	2,500.00
				3,000.00	3,000.00	2,500.00
Issued, subscribed and paid-up:						
Equity shares of Rs 10 each, fully paid-up	27,45,88,095	27,45,88,095	23,29,84,521	2,745.88	2,745.88	2,329.85
				2,745.88	2,745.88	2,329.85

Reconciliation of number of shares outstanding at the beginning and end of the year

	31 March 2018		31 March 2017		1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares						
At the commencement of the year	27,45,88,095	2,745.88	23,29,84,521	2,329.85	23,29,84,521	2,329.85
Equity shares issued during the year			4,16,03,574	416.03	-	-
At the end of the year	27,45,88,095	2,745.88	27,45,88,095	2,745.88	23,29,84,521	2,329.85

Rights, preferences and restrictions 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.

Particulars of shareholders holding more than 5% of a class of shares

Name of shareholder	Relationship	31 March 2018		31 March 2017		1 April 2016	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
Sumitomo Chemical Company Limited, Japan	Holding Company	27,45,88,093	99.99%	27,45,88,093	99.99%	21,84,84,519	93.80%
Mr. Chetan Shah	Joint Managing Director	-	0.00%	-	0.00%	1,45,00,000	6.20%

Particulars of shares held by holding company and associates

Name of shareholder	Relationship	31 March 2018		31 March 2017		1 April 2016	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
Sumitomo Chemical Company Limited, Japan	Holding Company	27,45,88,093	99.99%	27,45,88,093	99.99%	21,84,84,519	93.78%
SC Environmental Science Co. Ltd, Japan	Associate Company	2	0.00%	2	0.00%	2	0.00%
		27,45,88,095	99.99%	27,45,88,095	99.99%	21,84,84,521	93.78%



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

16 Other equity

Other reserves

	Note	As on 31 March 2018	As on 31 March 2017	As on 1 April 2016
Securities premium account	i	2,350.60	2,350.60	-
Retained earnings	ii	1,912.61	1,238.47	612.45
Other Comprehensive income: Fair valuation of investments	iii	3,903.53	992.57	0.07
		8,166.74	4,581.64	612.52
i. Securities premium account				
Opening balance		2,350.60	-	-
Issue of equity share capital		-	2,350.60	-
Closing balance		2,350.60	2,350.60	-
ii. Retained earnings				
Opening balance		1,238.47	612.45	-
Profit for the year		674.80	637.38	612.45
Remeasurements of defined benefit liability (asset)		-0.66	-11.36	-
Closing balance		1,912.61	1,238.47	612.45
iii. Other Comprehensive income: Fair valuation of investments				
Opening balance		992.57	0.07	-
Changes in fair value		2,910.96	992.50	0.07
Closing balance		3,903.53	992.57	0.07

Nature and purpose of reserves

i. Securities premium account

Securities premium is used to record the premium received on issue of equity shares. It is utilised in accordance with the provisions of Companies Act 2013.

ii. Retained earnings

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

iii. Other Comprehensive income: Fair valuation of investments

The Company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The group transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised



Sumitomo Chemical India Private Limited

Notes to the financial statements
as at 31 March 2018

(Currency: Indian Rupees in million)

17 Long term provisions

Provision for employee benefits
Gratuity
Compensated absences
Other provisions
Other provisions

	31 March 2018	31 March 2017	1 April 2016
	5.14	-	10.47
	20.87	18.35	10.40
	0.00	0.04	-
	26.01	18.39	20.87

18 Trade payables

Due to Micro and Small Enterprises (Refer Note 36)
Due to others

	31 March 2018	31 March 2017	1 April 2016
	49.18	43.15	44.41
	1,732.94	1,623.85	1,789.25
	1,782.12	1,667.00	1,833.66

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 40

19 Other financial liabilities

Salary, wages and bonus payable
Capital Creditors
Accrual for expenses
Derivative liabilities
Security deposits from customers

	31 March 2018	31 March 2017	1 April 2016
	103.36	114.75	52.46
	-	13.32	1.63
	797.91	581.77	446.98
	-	2.85	1.25
	150.16	127.20	104.43
	1,051.43	839.89	606.75

20 Short term provisions

Provision for employee benefits
Compensated absences
Other provisions
Other provisions

	31 March 2018	31 March 2017	1 April 2016
	7.49	5.44	5.18
	-	-	0.02
	7.49	5.44	5.20

21 Other current liabilities

Advances from customers
Statutory dues payable (including provident fund, tax deducted at source and others)
Other liabilities

	31 March 2018	31 March 2017	1 April 2016
	338.52	227.43	247.39
	32.92	46.54	53.67
	4.05	4.78	7.28
	375.49	278.75	308.34



Sumitomo Chemical India Private Limited

Notes to the financial statements

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

22 Revenue from operations

Sales of products and services

Sale of products

- Manufactured goods

7,801.24 7,643.00

- Traded goods

2,506.62 2,167.54

Less: Discounts and rebates

(1,630.35) (1,201.97)

Sale of products (net)

8,677.51 8,608.57

Sale of services

3.28 0.87

8,680.79 8,609.44

Other operating revenue

Commission income

2.91 4.97

Sale of licence

- 4.13

Duty draw back income

2.21 7.11

Export incentive

19.86 12.93

24.98 29.14

Total revenue from operations

8,705.77 8,638.58

23 Other income

Interest income on security deposits measured at amortised cost

23.21 44.56

Excess provision no longer required written back

225.20 49.60

Net profit on sale of property, plant & equipment

0.07 -

Miscellaneous income

11.08 12.16

Total other income

259.56 106.32

24 Cost of materials consumed

Raw materials consumed

Inventory of raw material at the beginning of the year

847.35 915.13

Add: Purchases of raw materials

3,568.97 3,422.82

Less: Inventory of raw material at the end of the year

872.87 847.35

Packing materials consumed

Inventory of packing material at the beginning of the year

167.95 110.66

Add: Purchases of packing materials

404.56 538.17

Less: Inventory of packing material at the end of the year

155.25 167.95

Cost of material consumed

3,960.71 3,971.48



Sumitomo Chemical India Private Limited

Notes to the financial statements

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

	Year ended 31 March 2018	Year ended 31 March 2017
25 Changes in inventories of finished goods (including stock in trade) and work in progress		
Opening stock:		
Finished goods	1,750.42	1,305.55
Work-in-progress	9.16	20.02
Less: Allocated towards corporate social responsibility	(3.41)	(0.18)
	<u>1,756.17</u>	<u>1,325.39</u>
Closing stock:		
Finished goods	1,679.84	1,750.42
Work-in-progress	18.07	9.16
	<u>1,697.91</u>	<u>1,759.58</u>
Changes in inventories:		
Finished goods	67.18	(445.05)
Work-in-progress	(8.91)	10.87
(Increase) of excise duty on inventories	(23.15)	(4.14)
Changes in inventories of finished goods and work in progress	<u>35.12</u>	<u>(438.32)</u>
26 Employee benefits expense		
	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages, bonus and other benefits	596.75	554.31
Contribution to provident and other funds (Refer Note 33)	20.22	19.78
Gratuity (Refer Note 33)	4.66	3.36
Staff welfare expenses	10.63	9.91
Employee benefits expense	<u>632.26</u>	<u>587.36</u>
27 Finance costs		
	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on financial liabilities measured at amortised cost	6.36	9.62
Interest on others	6.24	-
Finance costs	<u>12.60</u>	<u>9.62</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

	Year ended 31 March 2018	Year ended 31 March 2017
28 Other expenses		
Consumable stores and spares parts	3.16	3.38
Power and fuel	39.00	32.06
Repairs and maintenance		
- Building	4.15	-
- Plant and machinery	16.75	12.78
- Others	9.61	11.84
Labour charges	15.07	37.85
Rent (refer Note 34)	82.48	67.63
Research and development	7.58	1.15
Product testing expenses	15.30	32.25
Travelling and conveyance	195.78	185.60
Insurance	10.21	10.65
Communication expenses	12.69	9.99
Net loss on account of foreign exchange fluctuations	3.53	6.14
Legal and professional fees	59.86	49.16
Rates and taxes	13.25	19.36
Provision for doubtful trade receivables	39.48	14.92
Acquisition cost of investments	-	45.01
Selling and distribution	547.73	403.29
Bank charges	1.51	2.09
Commission	19.93	16.08
Bad debts written off	0.09	23.19
Corporate social responsibility expenses (Refer Note 37)	17.80	14.00
Net loss on sale of property, plant and equipment	-	8.04
Loss on derivative contracts	-	1.60
Payment to auditors (refer below)	3.96	3.87
Miscellaneous expenses	46.94	37.64
	<u>1,165.87</u>	<u>1,049.57</u>

Auditors' remuneration (excluding relevant taxes)

Statutory audit fees	3.86	3.75
Other services- certification	0.10	0.12
	<u>3.96</u>	<u>3.87</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2018

(Currency: Indian Rupees in million)

29 Tax expense

Amounts recognised in profit and loss

	Year ended 31 March 2018	Year ended 31 March 2017
Current income tax	420.50	399.30
Deferred tax expense	(44.20)	(0.74)
Adjustment of tax for earlier years	(3.39)	27.65
Tax expense for the period	372.91	426.21

Amounts recognised in other comprehensive income

	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Fair valuation of investments	2,910.96	-	2,910.96	992.50	-	992.50
Remeasurements of defined benefit liability (asset)	(1.01)	0.35	(0.66)	(17.07)	5.71	(11.36)
	2,909.95	0.35	2,910.30	975.43	5.71	981.14

Reconciliation of effective tax rate

	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	1,047.71	1,063.59
Tax rate	34.608%	34.608%
Tax using the Company's domestic tax rate	362.59	368.09
Tax effect of:		
Prior period tax adjustments	(3.39)	27.65
Interest on tax expense not deductible for tax purposes	2.81	3.99
Non-deductible tax expenses	6.16	22.62
Weighted average deduction for R&D expenses	(1.87)	(0.95)
Others	6.61	4.82
	372.91	426.21



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

30 Deferred tax

	31 March 2018			31 March 2017		
	Deferred tax assets	Deferred tax (liabilities)	Net deferred tax asset (liabilities)	Deferred tax assets	Deferred tax (liabilities)	Net deferred tax asset (liabilities)
Property, plant and equipment	-	(82.65)	(82.65)	-	(82.42)	(82.42)
Trade receivables	96.29	-	96.29	82.66	-	82.66
Derivatives	-	-	-	0.03	-	0.03
Loans	0.07	-	0.07	0.04	-	0.04
Employee benefits	41.12	-	41.12	9.95	-	9.95
Net deferred tax asset (liabilities)	137.48	(82.65)	54.83	92.68	(82.42)	10.26

Movement in deferred tax balances

	31 March 2018					
	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset (liabilities)						
Property, plant and equipment	(82.42)	(0.23)	-	(82.65)	-	(82.65)
Trade receivables	82.66	13.63	-	96.29	96.29	-
Derivatives	0.03	(0.03)	-	-	-	-
Loans	0.04	0.03	-	0.07	0.07	-
Employee benefits	9.95	30.82	0.35	41.12	41.12	-
Deferred tax asset (liabilities)	10.28	44.20	0.35	54.83	137.48	(82.65)

	31 March 2017					
	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset (liabilities)						
Property, plant and equipment	(83.83)	1.41	-	(82.42)	-	(82.42)
Trade receivables	77.50	5.16	-	82.66	82.66	-
Derivatives	0.03	(0.00)	-	0.03	0.03	-
Loans	0.07	(0.03)	-	0.04	0.04	-
Employee benefits	10.05	(5.81)	5.71	9.95	9.95	-
Deferred tax asset (liabilities)	3.82	0.74	5.71	10.28	92.68	(82.42)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

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.

i. Profit attributable to owners of the Company

	31 March 2018	31 March 2017
Profit attributable to owners of the Company for basic earnings	674.80	637.38
Other adjustments	-	-
Profit attributable to owners of the Company adjusted for the effect of dilution	674.80	637.38

ii. Weighted average number of ordinary shares

	31 March 2018	31 March 2017
Issued ordinary shares at 1 April	25,93,09,237	23,29,84,521
Effect of shares issued for cash on 6 June 2016	-	1,28,05,047
Effect of shares issued for cash on 23 September 2016	-	1,35,19,669
Weighted average number of shares at 31 March for basic and diluted EPS	25,93,09,237	25,93,09,237

Basic and diluted earnings per share

	31 March 2018	31 March 2017
Basic and diluted earnings per share	2.60	2.46

32 Capital Management

The Company's policy is to maintain a strong capital base to sustain future development of the business. The Company has adequate cash and bank balances and continues to remain debt-free. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian Rupees in million)

33 Employee benefits

a) Defined contribution plan

- i) Contribution to Provident Fund
- ii) Contribution to Employees State Insurance Corporation (ESIC)

The Company has recognised the following amounts in the statement of profit and loss for the year

Description	31 March 2018	31 March 2017
Employer's contribution to Provident Fund	19.64	19.49
Employer's contribution to ESIC	0.57	0.28
Contribution to Other Funds	0.01	0.01
	20.22	19.78

b) Defined benefit plan

Gratuity

Gratuity Plan is classified as a defined benefit plan as the Company's obligation is to provide agreed benefit to plan 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 2018. 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.

An analysis of net (deficit)/assets is provided below for the Company's principal defined benefit gratuity scheme.

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of unfunded obligations	38.22	33.16	39.56
Present value of plan assets	33.08	33.41	29.09
Net (deficit)/ (assets) are analysed as:			
Liabilities	5.14	-	10.47
Assets	-	(0.25)	-
Of the above net deficit:			
Current	-	-	-
Non-current	5.14	0.25	10.47

Fair value of the plan assets and present value of the defined benefit liabilities

The amount included in the Balance sheet arising from the Company's obligations and plan assets in respect of its defined benefit schemes is as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
A. Movement in defined benefit obligations:			
At the beginning of the year	33.16	39.56	32.67
Current service cost	5.01	3.29	2.50
Interest cost	1.93	2.16	1.82
Actuarial (gains)/losses on obligations:			
Due to change in demographic assumptions	-	1.23	-
Due to change in financial assumptions	(0.93)	5.64	-
Due to experience	1.75	10.32	4.57
Benefit paid	(2.70)	(29.04)	(2.00)
At the end of the year	38.22	33.16	39.56
B. Movement in fair value of plan assets:			
At the beginning of the year	33.41	29.09	25.54
Expected return on plan assets	-	-	2.04
Actuarial gains/(losses)	(0.19)	0.12	0.12
Interest income	2.27	2.09	-
Employer contributions	0.29	31.15	2.91
Benefit paid	(2.70)	(29.04)	(2.00)
Bank balance	-	-	0.48
At the end of the year	33.08	33.41	29.09



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian Rupees in million)

C. The components of defined benefit plan cost are as follows:

Particulars	31 March 2018	31 March 2017
Recognised in Profit or Loss		
Current service cost	5.01	3.29
Net interest cost	1.93	2.16
Expected return on plan assets	(2.27)	(2.09)
Total	4.67	3.36
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	1.01	17.07

Analysis of plan assets is as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Others (including assets under Schemes of insurance)	100%	100%	100%
Total	100%	100%	100%

The principal actuarial assumptions used for estimating the Company's benefit obligations are set out below (on a weighted average basis):

Particulars	31 March 2018	31 March 2017	1 April 2016
Rate of increase in salaries	8.00%	8.00%	5.00%
Discount rate	7.30%	6.80%	8.00%
Rate of employee turnover	7.30%	6.80%	8.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) ULI	Indian Assured Lives Mortality (2006-08) ULI	Indian Assured Lives Mortality (2006-08) ULI

Salary escalation assumption has been set in discussions with the Company based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

Sensitivity of the defined benefit obligation:

	31 March 2018		31 March 2017		1 April 2016	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	37.34	39.15	32.37	33.99	38.80	40.37
Rate of increase in salaries (0.50% movement)	39.14	37.34	33.98	32.38	40.39	38.78

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The Company makes payment of liabilities from its cash and cash equivalent balances whenever liability arises.

Defined benefit liability and employer contribution

Particulars	Up to 1 year	Between 1-2 years	Between 2-6 years	6 to 10+ years	Total
31 March 2018					
Defined benefit obligations (Gratuity)	10.36	3.89	11.57	15.64	41.46
31 March 2017					
Defined benefit obligations (Gratuity)	9.54	3.24	9.59	27.53	49.90
1 April 2016					
Defined benefit obligations (Gratuity)	25.17	1.47	3.84	34.31	64.79
Total	45.07	8.60	25.00	77.48	156.15

Leave encashment:

The obligation for leave encashment is recognised in the same manner as gratuity. The Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of Rs 9.37 million (31 March 2017: Rs 15.57 million) towards compensated absences is recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year.

Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

34 Operating lease

The Company has entered into lease agreements for premises, which expire at various dates over the next five years. Lease rental expense for the year ended 31 March 2018 was Rs 29.40 million (31 March 2017: 28.34 million) in respect of non-cancellable leases. Total lease expense was Rs 82.48 million for the year ended 31 March 2018 (31 March 2017: Rs 67.63 million)

The future minimum lease obligations under non-cancellable operating leases were receivable as follows.

i. Future minimum lease payments

	31 March 2018	31 March 2017	1 April 2016
Less than one year	36.41	33.69	23.47
Between one and five years	96.81	114.58	0.05
More than five years	-	-	-
	133.22	148.27	23.52

ii. Amounts recognised in profit or loss

	Year ended 31 March 2018	Year ended 31 March 2017
Lease expense	82.48	67.63



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

35 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

	31 March 2018	31 March 2017	1 April 2016
Disputed Sales tax demands – matters under appeal	11.13	11.13	11.13
Disputed Excise demands – matters under appeal	0.73	0.73	0.73
Disputed Income tax demands – matters under appeal	54.12	77.04	58.76
Disputed Service tax demands – matters under appeal	7.81	6.08	1.89
Total	73.79	94.98	72.51

(i) 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

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as 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 its financial results.

Commitments

	31 March 2018	31 March 2017	1 April 2016
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	21.62	37.07	15.17
Total	21.62	37.07	15.17

36 Dues to micro and small suppliers

Under the Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED) which came in to force from 2 October, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Trade payables include Rs 44.41 Million due to Micro and Small Enterprises to the extent such parties have been identified on the basis of information available with the Company. On the basis of information and records available with the management, the following disclosures are made for the amounts due to the Micro and Small enterprises, which are registered with the competent authorities:

	31 March 2018	31 March 2017	1 April 2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of	49.18	43.15	44.41
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year:	-	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED)	2.76	4.03	1.24
The amount of interest accrued and remaining unpaid at the end of accounting year, and	3.40	2.90	1.76
The amount of further interest due and payable even in the succeeding year, 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 section 23	6.16	6.94	3.00



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

37 Corporate Social Responsibility

The Company has spent Rs 17.80 million (31 March 2017: Rs 14.00 million, 1 April 2016: Rs 8.03 million) towards Corporate Social Responsibility as per prescribed under section 135 of the Company's Act, 2013. The details are as under:

Gross amount required to be spent by the Company during the year is Rs 17.94 million (31 March 2017: Rs 13.88 million, 1 April 2016: Rs 7.59 million)

Amount spent during the year on:

Particulars	In cash / payable			Yet to be paid in Cash			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Construction / acquisition of any asset	-	-	-	-	-	-	-	-	-
For the purpose other than above	17.80	14.00	8.03	-	-	-	17.80	14.00	8.03

The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year

38 Specified Bank Notes

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30 March 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E).

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are provided in the table below:-

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	1.15	0.11	1.26
(+) Permitted receipts	-	0.99	0.99
(-) Permitted payments	-	0.92	0.92
(+) Amount deposited in Banks	1.15	-	1.15
Closing cash in hand as on 30/12/2016	-	0.18	0.18

39 Transfer pricing

The Company's transactions with associated enterprises are at arm's length as per the independent accountants report for the year ended 31 March 2017. Management believes that the Company's transactions with related parties post 31 March 2017 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for tax.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)
as at 31 March 2018

(Currency: Indian Rupees in million)

40 i. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The Company has not disclosed the fair values for certain financial assets and liabilities because their carrying amounts are a reasonable approximation of fair value.

31 March 2018	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets								
Non-current								
Investments	-	6,677.59	-	6,677.59	6,676.42	-	1.17	6,677.59
Loans	-	-	31.41	31.41	-	31.41	-	31.41
Current								
Trade receivables	-	-	3,150.66	3,150.66	-	-	-	-
Cash and cash equivalents	-	-	569.65	569.65	-	-	-	-
Other bank balances	-	-	0.07	0.07	-	-	-	-
Loans	-	-	8.66	8.66	-	-	-	-
Other financial assets	-	-	17.90	17.90	-	-	-	-
	-	6,677.59	3,778.35	10,455.94	6,676.42	31.41	1.17	6,709.00
Financial liabilities								
Current								
Trade payables	-	-	1,782.12	1,782.12	-	-	-	-
Other financial liabilities	-	-	1,051.43	1,051.43	-	-	-	-
	-	-	2,833.55	2,833.55	-	-	-	-

31 March 2017	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets								
Non-current								
Investments	-	3,766.64	-	3,766.64	3,765.45	-	1.19	3,766.64
Loans	-	-	34.41	34.41	-	34.41	-	34.41
Current								
Trade receivables	-	-	2,199.08	2,199.08	-	-	-	-
Cash and cash equivalents	-	-	379.90	379.90	-	-	-	-
Other bank balances	-	-	0.07	0.07	-	-	-	-
Loans	-	-	24.02	24.02	-	-	-	-
Other financial assets	-	-	15.25	15.25	-	-	-	-
	-	3,766.64	2,652.73	6,419.37	3,765.45	34.41	1.19	3,801.05
Financial liabilities								
Current								
Trade payables	-	-	1,667.00	1,667.00	-	-	-	-
Derivative liabilities	2.85	-	-	2.85	-	2.85	-	2.85
Other financial liabilities	-	-	837.04	837.04	-	-	-	-
	2.85	-	2,504.04	2,506.89	-	2.85	-	2.85



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

1 April 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets								
Non-current								
Investments	-	1.19	-	1.19	-	-	1.19	1.19
Loans	-	-	31.22	31.22	-	31.22	-	31.22
Current								
Trade receivables	-	-	1,805.74	1,805.74	-	-	-	-
Cash and cash equivalents	-	-	721.53	721.53	-	-	-	-
Other bank balances	-	-	0.07	0.07	-	-	-	-
Loans	-	-	23.00	23.00	-	-	-	-
Other financial assets	-	-	5.88	5.88	-	-	-	-
	-	1.19	2,587.44	2,588.63	-	31.22	1.19	32.41
Financial liabilities								
Current								
Trade payables	-	-	1,833.66	1,833.66	-	-	-	-
Derivative liabilities	1.25	-	-	1.25	-	1.25	-	1.25
Other financial liabilities	-	-	605.50	605.50	-	-	-	-
	1.25	-	2,439.16	2,440.41	-	1.25	-	1.25

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 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
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 Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk ; and
- Currency risk

i. Risk management framework

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 has established Compliance Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

Financial instruments – Fair values and risk management (continued)

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount	
	31 March 2018	31 March 2017
India	3,385.88	2,391.55
Other regions	43.09	46.37
	<u>3,428.97</u>	<u>2,437.92</u>

Impairment

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

31 March 2018

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Neither past due nor impaired	1,505.76	2.38%	35.89
Past due 0-90 days	819.72	4.66%	38.18
Past due 90-180 days	764.99	8.83%	67.58
Past due 180-270 days	125.55	26.79%	33.63
Past due 270-360 days	20.97	62.00%	13.00
More than 360 days	145.20	62.00%	90.02
	<u>3,382.19</u>		<u>278.30</u>



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

31 March 2017

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Neither past due nor impaired	1,134.30	1.55%	17.53
Past due 0-90 days	424.80	3.88%	16.47
Past due 90-180 days	453.44	8.96%	40.61
Past due 180-270 days	140.14	27.15%	38.05
Past due 270-360 days	23.21	62.00%	14.39
More than 360 days	180.28	62.00%	111.77
	2,356.17		238.82

1 April 2016

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Neither past due nor impaired	1,010.09	1.89%	19.07
Past due 0-90 days	354.42	4.51%	15.99
Past due 90-180 days	282.60	11.41%	32.23
Past due 180-270 days	86.33	32.22%	27.81
Past due 270-360 days	15.15	62.00%	9.39
More than 360 days	192.61	62.00%	119.42
	1,941.20		223.91

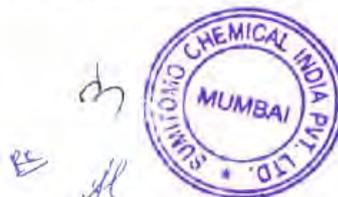
Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	Impairment
Balance as at 1 April 2016	223.91
Impairment loss recognised	14.91
Balance as at 31 March 2017	238.82
Impairment loss recognised	39.48
Balance as at 31 March 2018	278.30

Cash and cash equivalents

The Company held cash and cash equivalents of Rs 569.64 million (31 March 2017: Rs 379.90 million, 1 April 2016: Rs 721.53 million). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

Financial Instruments – Fair values and risk management (continued)

iii. 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 aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Company uses various ratios to monitor liquidity, such as current ratio. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

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 2018	Carrying amount	Contractual cash flows			
		Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade payables	1,782.12	1,782.12	1,782.12	-	-
Other financial liabilities	1,051.43	1,051.43	1,051.43	-	-
31 March 2017					
31 March 2017	Carrying amount	Contractual cash flows			
		Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade payables	1,667.00	1,667.00	1,667.00	-	-
Other financial liabilities	837.04	839.89	839.89	-	-
Derivative financial liabilities					
Forward contracts					
- Outflow	2.85	(126.89)	(126.89)	-	-
- Inflow	-	124.04	124.04	-	-
1 April 2016					
1 April 2016	Carrying amount	Contractual cash flows			
		Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade payables	1,833.66	1,833.66	1,833.66	-	-
Other financial liabilities	605.50	606.75	606.75	-	-
Derivative financial liabilities					
Forward contracts					
- Outflow	1.25	(61.60)	(61.60)	-	-
- Inflow	-	60.35	60.35	-	-



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

Financial instruments – Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, the Company(s) exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in the Company(s) foreign currency revenues and costs.

v. Currency risk

The Company is exposed to currency risk on account of its trade receivables and trade payables in foreign currency. The functional currency of the Company is Indian Rupees. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2018, 31 March 2017 and 1 April 2016 are as below:

31 March 2018	USD	JPY
Financial assets		
Trade receivables	26.40	-
	26.40	-
Financial liabilities	497.48	8.33
Trade payables	497.48	8.33
Derivatives (net settled)		
Forward contract	-	-
Net exposure in respect of recognised assets and liabilities	(471.08)	(8.33)
31 March 2017	USD	JPY
Financial assets		
Trade receivables	47.14	-
	47.14	-
Financial liabilities		
Trade payables	487.55	3.69
	487.55	3.69
Derivatives (net settled)		
Forward contract	126.89	-
Net exposure in respect of recognised assets and liabilities	(313.52)	(3.69)



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

Financial instruments – Fair values and risk management (continued)

1 April 2016	USD	JPY
Financial assets		
Trade receivables	43.81	-
	<u>43.81</u>	<u>-</u>
Financial liabilities		
Trade payables	633.37	3.36
	<u>633.37</u>	<u>3.36</u>
Derivatives (net settled)		
Forward contract	61.60	-
Net exposure in respect of recognised assets and liabilities	<u>(527.96)</u>	<u>(3.36)</u>

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollars and Japanese Yen would have affected the measurement of financial instruments denominated in US dollars and Japanese Yen and affected the Statement of 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 2018		
1% movement		
USD	4.71	(4.71)
JPY	0.08	(0.08)
	<u>4.79</u>	<u>(4.79)</u>
31 March 2017		
1% movement		
USD	3.14	(3.14)
JPY	0.04	(0.04)
	<u>3.18</u>	<u>(3.18)</u>

vi. Interest rate risk

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. Since the Company does not have interest bearing borrowings, it is not exposed to risk of changes in market interest rates. The Company has not used any interest rate derivatives.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees in million)

Financial instruments – Fair values and risk management (continued)

1 April 2016	USD	JPY
Financial assets		
Trade receivables	43.81	-
	<u>43.81</u>	<u>-</u>
Financial liabilities		
Trade payables	633.37	3.36
	<u>633.37</u>	<u>3.36</u>
Derivatives (net settled)		
Forward contract	61.60	-
Net exposure in respect of recognised assets and liabilities	<u>(527.96)</u>	<u>(3.36)</u>

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Effect in INR	Profit or loss	
	Strengthening	Weakening
31 March 2018		
1% movement		
USD	4.71	(4.71)
JPY	0.08	(0.08)
	<u>4.79</u>	<u>(4.79)</u>
31 March 2017		
1% movement		
USD	3.14	(3.14)
JPY	0.04	(0.04)
	<u>3.18</u>	<u>(3.18)</u>

vi. Interest rate risk

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. Since the Company does not have interest bearing borrowings, it is not exposed to risk of changes in market interest rates. The Company has not used any interest rate derivatives.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency: Indian Rupees in million)

31 March 2017	Reportable segments			
	Industrial Chemicals	Agro Chemicals	Public Health Chemicals	Total
Particulars				
Revenue				
Operating revenue	2,199.09	6,201.55	207.95	8,608.59
Other income	22.53	67.94	2.13	92.60
Total segment revenue	2,221.62	6,269.49	210.08	8,701.19
Unallocated revenue				43.72
Total revenue	2,221.62	6,269.49	210.08	8,744.91
Segment results				
Unallocated corporate expenses	253.98	1,044.25	68.32	1,366.55
Profit / (loss) before interest and finance charges and tax	253.98	1,044.25	141.76	1,073.22
Finance costs				9.62
Profit / (loss) after interest and finance charges and before tax	253.98	1,044.25	141.76	1,063.60
Tax expenses				
- Current tax				399.30
- Deferred tax (credit)				(0.74)
- Previous Year Adjustments				27.65
Profit / (loss) for the year				637.39
Segment assets				
Unallocated corporate assets				4,297.32
Total assets	813.91	5,020.47	76.61	10,208.31
Segment liabilities				
Unallocated corporate liabilities	75.75	1,715.71	957.44	2,748.90
Total liabilities	75.75	1,715.71	957.44	2,880.81
Capital expenditure				
Unallocated corporate capital expenditure	30.51	50.60	0.31	81.42
Total capital expenditure	30.51	50.60	0.31	85.17
Depreciation and amortization	23.89	33.45	0.46	57.80
Unallocated depreciation and amortization				11.67
Total depreciation and amortization				69.47

01 April 2016	Industrial Chemicals	Agro Chemicals	Public Health Chemicals	Total
Particulars				
Segment assets				
Unallocated corporate assets				769.54
Total assets	1,062.96	3,764.18	143.51	5,740.19
Segment liabilities				
Unallocated corporate liabilities	726.94	1,926.11	71.23	2,724.28
Total liabilities	726.94	1,926.11	71.23	2,797.83



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

C. Geographic information

Further, the Company has considered the export operations as a separately identifiable geographic segment due to operations in the Japan and other countries. The Company has identified secondary segments based on geographic locations and has reported India, Japan, and other countries as geographic segments as below.

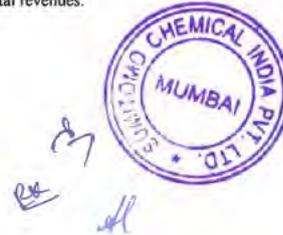
	Year ended 31 March 2018	Year ended 31 March 2017
Segment revenue		
India	8,267.90	7,695.01
Japan	664.93	1,005.40
Others	0.77	0.78
Total revenue	8,933.60	8,701.19

	31 March 2018	31 March 2017	01 April 2016
Segment assets*			
India	804.60	701.80	670.99
Japan	43.09	47.14	43.08
Others	-	-	-
Total assets	847.69	748.94	714.07

*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 Company's total revenues.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency: Indian Rupees in million)

42 Related party disclosures

List of related parties

Holding Company	Sumitomo Chemical Company Limited - Japan
Fellow Subsidiaries	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
	Excel Crop Care Limited - India (from 07th October 2016)
Key Managerial Personnel	Akira Harada - Managing Director
	Chetan Shah - Joint Managing Director (upto 07th October 2016)
	Sushil Marfatia - Whole Time Director (from 07th October 2016)
	Prannath Arora - Whole Time Director
Relatives of Key Management Personnel	Rasika Kulkarni - Company Secretary
	Seema Arora (Wife of Director - Prannath Arora)

(d) The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
Purchase of traded goods / materials	1,975.97	1,422.42	2,160.09	380.50
- Sumitomo Chemical Company Limited	1,975.97	-	2,160.09	-
- Valent BioSciences LLC (Previously Known as Valent Biosciences Corporation)	-	401.38	-	253.54
- Mycorrhizal Applications, LLC	-	27.32	-	4.64
- Excel Crop Care Limited	-	993.72	-	122.32
Sale of goods	664.93	2.56	1,005.40	0.78
- Sumitomo Chemical Company Limited	664.93	-	1,005.40	-
- Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)	-	0.77	-	0.78
- Excel Crop Care Limited	-	1.79	-	-
Rendering of services	2.09	1.79	1.00	-
- Sumitomo Chemical Company Limited	2.09	-	1.00	-
- Sumitomo Dainippon Pharma Co Ltd	-	1.79	-	-
Commission Income	1.71	-	3.72	-
- Sumitomo Chemical Company Limited	1.71	-	3.72	-
Miscellaneous Income - Technical Service	3.74	2.24	10.32	-
- Sumitomo Chemical Company, Limited	3.74	-	10.32	-
- Mycorrhizal Applications, LLC	-	2.24	-	-
Reimbursement of expenses (net)	1.93	(1.16)	(4.89)	(6.68)
- Sumitomo Chemical Company, Limited	1.93	-	(4.89)	-
- Valent BioSciences LLC (Previously Known as Valent Biosciences Corporation)	-	(2.72)	-	(6.58)
- Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)	-	0.79	-	1.87
- Mycorrhizal Applications, LLC	-	-	-	(2.09)
- Excel Crop Care Limited	-	0.78	-	0.12
Investment in Equity Shares	-	6,676.42	-	3,765.45
- Excel Crop Care Limited	-	6,676.42	-	3,765.45



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Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in million)

42 Related party disclosures (Continued)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
Accounts receivables	43.09	-	47.14	-	43.08	0.74
- Sumitomo Chemical Company Limited	43.09	-	47.14	-	43.08	-
- SCA South Asia Petrochemical Pvt. Limited	-	-	-	-	-	0.01
- Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)	-	-	-	-	-	0.73
Accounts payable	1,035.57	267.50	940.57	196.30	1,177.33	88.06
- Sumitomo Chemical Company Limited	1,035.57	-	940.57	-	1,177.33	-
- Valent BioSciences LLC (Previously Known as Valent Biosciences Corporation)	-	133.57	-	101.73	-	88.06
- Mycorrhizal Applications, LLC	-	15.39	-	-	-	-
- Sumitomo Chemical Asia Pte Limited - Singapore (Previously known as Sumitomo Chemical (Asia Pacific) Pte Limited - Singapore)	-	0.71	-	0.68	-	-
- Excel Crop Care Limited	-	117.83	-	93.89	-	-

(e) Transactions and balances with key managerial personnel and their relatives:

Type of transaction	2018	2017	2016
Managerial remuneration			
Chetan Shah	-	61.58	18.00
Pranath Arora	33.68	23.59	17.06
Akira Harada	20.24	20.57	18.99
Sushil Marfatia	9.82	2.94	-
Remuneration to KMP			
Rasika Kulkarni	0.84	0.46	-
Total	64.58	109.14	54.05
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.			
Transactions and balances with relatives of key managerial personnel			
Rent paid			
Seema Arora (Wife of Director)	0.81	1.62	1.62
Rent security deposit balance			
Seema Arora (Wife of Director) Refund Received in Oct 2017	-	5.00	5.00

All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash within six months of the reporting date. None of the balances are secured.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

43 Explanation of transition to Ind AS

For the purposes of reporting as set out in Note 1, the Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 2.6 have been applied in preparing the financial statements for the year ended 31 March 2016, 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the "transition date"). In preparing the opening Ind AS balance sheet, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise any estimates previously made under IGAAP except where required by Ind AS.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:

A. Optional exemptions availed

1. Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
 - fair value;
 - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost), and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.

B. Mandatory exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI / FVTPL.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

2. Classification and measurement of financial assets

Ind AS 10 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.



Sumitomo Chemical India Private Limited

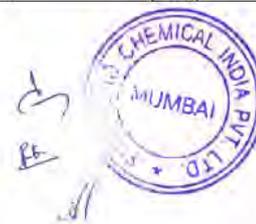
Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

Explanation of transition to Ind AS (Continued)

Reconciliation of equity as at 1 April 2016

	Note	Previous IGAAP*	Adjustment on transition to Ind AS	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		521.83	-	521.83
Capital work-in-progress		5.99	-	5.99
Financial assets				
Investments	2	1.12	0.07	1.19
Loans	3	33.65	(2.43)	31.22
Deferred tax assets	4	(5.83)	9.65	3.82
Other non-current assets	3	21.49	0.94	22.43
Income tax assets (net)		120.75	-	120.75
Total non-current assets		699.00	8.23	707.23
Current Assets				
Inventories		2,352.03	-	2,352.03
Financial assets				
Trade receivables	1	1,832.77	(27.03)	1,805.74
Cash and cash equivalents		721.53	-	721.53
Bank balances other than above		0.07	-	0.07
Loans		23.00	-	23.00
Others		5.88	-	5.88
Other current assets	3	123.42	1.29	124.71
Total current assets		5,058.70	(25.74)	5,032.96
TOTAL ASSETS		5,757.70	(17.51)	5,740.19
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,329.85	-	2,329.85
Other equity	1 - 4	630.68	(18.16)	612.52
Total equity		2,960.53	(18.16)	2,942.37
Liabilities				
Non-current liabilities				
Provisions	3	20.65	0.22	20.87
Total non-current liabilities		20.65	0.22	20.87
Current liabilities				
Financial liabilities				
Trade payables		1,833.66	-	1,833.66
Other financial liabilities	3	605.50	1.25	606.75
Provisions	3	5.78	(0.58)	5.20
Other current liabilities	3	308.60	(0.26)	308.34
Current tax liabilities (net)		23.00	-	23.00
Total current liabilities		2,776.54	0.41	2,776.95
Total liabilities		2,797.19	0.63	2,797.82
Total equity and liabilities		5,757.72	(17.53)	5,740.19



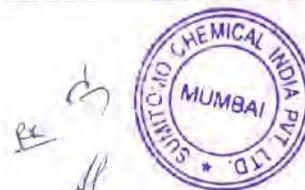
Sumitomo Chemical India Private Limited
Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

Explanation of transition to Ind AS (Continued)

Reconciliation of equity as at 31 March 2017

	Note	Previous IGAAP*	Adjustment on transition to Ind AS	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		525.37	-	525.37
Capital work-in-progress		74.04	-	74.04
Financial assets				
Investments	2	2,774.06	992.58	3,766.64
Loans	3	39.34	(4.93)	34.41
Deferred tax assets	4	5.76	4.52	10.28
Other non-current assets	3	3.29	3.83	7.12
Income tax assets (net)		95.28	-	95.28
Total non-current assets		3,517.14	996.00	4,513.14
Current Assets				
Inventories		2,775.86	-	2,775.86
Financial assets				
Trade receivables	1	2,211.90	(12.82)	2,199.08
Cash and cash equivalents		379.90	-	379.90
Bank balances other than above		0.07	-	0.07
Loans		24.02	-	24.02
Others		15.25	-	15.25
Other current assets	3	300.32	0.70	301.02
Total current assets		5,707.32	(12.12)	5,695.20
TOTAL ASSETS		9,224.46	983.88	10,208.34
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,745.88	-	2,745.88
Other equity	1 - 4	3,597.34	984.30	4,581.64
Total equity		6,343.22	984.30	7,327.52
Liabilities				
Non-current liabilities				
Provisions		18.39	-	18.39
Income tax liabilities		17.55	-	17.55
Total non-current liabilities		35.94	-	35.94
Current liabilities				
Financial liabilities				
Trade payables		1,667.00	-	1,667.00
Other financial liabilities	3	837.04	2.85	839.89
Provisions	3	8.70	(3.26)	5.44
Other current liabilities		278.75	-	278.75
Current tax liabilities (net)		53.80	-	53.80
Total current liabilities		2,845.29	(0.41)	2,844.88
Total liabilities		2,881.23	(0.41)	2,880.82
Total equity and liabilities		9,224.45	983.89	10,208.34



Sumitomo Chemical India Private Limited
Notes to the financial statements (Continued)

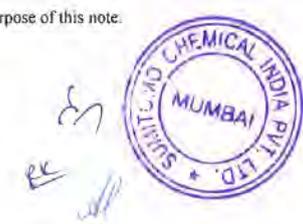
(Currency: Indian Rupees in million)

Explanation of transition to Ind AS (Continued)

Reconciliation of profit or loss for the year ended 31 March 2017

		Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from operations	5	8,362.93	275.65	8,638.58
Other income	3	104.61	1.71	106.32
Total income		8,467.54	277.36	8,744.90
Expenses				
Cost of materials consumed		3,971.48	-	3,971.48
Purchases of stock-in-trade		1,778.72	-	1,778.72
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(438.32)	-	(438.32)
Employee benefits expenses	3	605.24	(17.88)	587.36
Finance costs		9.62	-	9.62
Depreciation and amortization expenses		69.47	-	69.47
Excise duty	5	-	653.41	653.41
Other expenses	1, 3	1,439.88	(390.31)	1,049.57
Total expenses		7,436.09	245.22	7,681.31
Profit/(loss) before income tax		1,031.45	32.14	1,063.59
Income tax expense				
Current tax		399.30	-	399.30
Deferred tax	4	(11.59)	10.84	(0.74)
Adjustment of tax for earlier years		27.65	-	27.65
Profit for the year		616.08	21.30	637.38
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Fair valuation of investments	2	-	992.50	992.50
Remeasurements of defined benefit liability (asset)	3	-	(17.07)	(17.07)
Income tax related to items that will not be reclassified to profit or loss	4	-	5.71	5.71
Other comprehensive income for the year, net of income tax		-	981.14	981.14
Total comprehensive income for the year		616.08	1,002.44	1,618.52

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

Explanation of transition to Ind AS (Continued)

Reconciliation of net worth as at 31 March 2017 and 01 April 2016

Particulars	Note	31 March 2017	1 April 2016
Net worth under IGAAP		6,343.23	2,960.53
Summary of Ind AS adjustments			
Impairment of trade receivables - expected credit loss method	1	(12.82)	(27.03)
Fair valuation of investments	2	992.51	-
Other adjustments	3	(0.19)	(0.84)
Deferred tax on above adjustments	4	4.73	9.65
Total Ind AS adjustments		984.23	(18.22)
Net worth under Ind AS		7,327.46	2,942.31

Reconciliation of comprehensive income for the year ended on 31 March 2017

Particulars	Note	31 March 2017
Comprehensive income under IGAAP		616.07
Summary of Ind AS adjustments		
Impairment of trade receivables - expected credit loss method	1	14.21
Fair valuation of investments	2	992.51
Other adjustments	3	0.65
Deferred tax on above adjustments	4	(4.92)
Total Ind AS adjustments		1,002.45
Comprehensive income under Ind AS		1,618.52



Sumitomo Chemical India Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

Explanation of transition to Ind AS (Continued)

Reconciliation of Statement of Cash Flow

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Notes to the reconciliation:

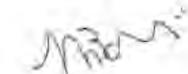
- 1 Under Previous GAAP, loss provision for trade receivables was created based on credit risk assessment. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.
- 2 Under Ind AS, equity investments not held for trading are measured at Fair Value through Other Comprehensive Income (FVOCI).
- 3 Other includes security deposits are carried at their face values under previous GAAP. Under Ind AS, non-cancellable deposits (not statutory deposits in nature) are required to be measured at their fair values at inception using an appropriate discounting rate. Under Ind AS remeasurement of defined benefit plans are recognised in Other Comprehensive Income and Under Ind AS all derivative contracts are required to be marked to market at each period end with mark to market gains and losses recognised in the statement of profit and loss.
- 4 The impact of transition adjustments together with the Ind AS mandate of using the balance sheet approach (against profit and loss approach in Previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss Account for the subsequent periods.
- 5 Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. Under previous GAAP, discounts and rebates were presented in other expenses but now, these are also netted off against revenue under Ind AS.

As per our report of even date attached.

For BSR & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



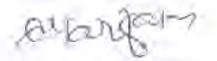
Farhad Bamji
Partner
Membership No: 105234
Mumbai
19 July 2018

For and on behalf of the Board of Directors of
Sumitomo Chemical India Private Limited

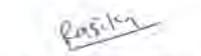
CIN: U24110MH2000PTC124224



Mr. Akira Harada
Managing Director
DIN: 07131237
Mumbai
19 July 2018



Mr. Sushil Marfatia
Whole Time Director
DIN: 07618601
Mumbai
19 July 2018



Mrs. Rasika Kulkarni
Company Secretary
Membership No. : 31989
Mumbai
19 July 2018

SECTION VII - LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATIONS AND OTHER MATERIAL DEVELOPMENTS

In terms of the SEBI ICDR Regulations, our Company is required to disclose in this Information Memorandum, (i) all criminal proceedings; (ii) all actions by statutory or regulatory authorities; (iii) all claims related to direct and indirect taxes, in consolidated manner, giving number of cases and total amount; and (iv) all material litigation, in each case involving our Company, our Directors, and our Promoters.

Additionally, we are required to disclose: (a) all disciplinary action including penalty imposed by SEBI or the Stock Exchanges, against the Promoters in the last 5 financial years, including outstanding actions; and (b) any litigation involving our Group Companies, which may have a material impact on the Company.

*Pre-litigation notices received by the Company, our Promoters, a Director or our Group Companies (the “**Relevant Parties**”) from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, unless otherwise decided by the Board of Directors, not be considered material until such time that the Relevant Party is impleaded as defendant in litigation proceedings before any judicial forum.*

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation proceedings involving our Company which excludes the litigation proceedings involving the Transferor Company which have been provided separately and have been assumed by the Transferee Company pursuant to the Scheme

The status of litigation proceedings involving the Transferee Company and the Transferor Company disclosed herein are as on January 22, 2020.

Litigation proceedings involving the Company

A. Legal Metrology:

Our Company has received notices and complaints issued by the Department of Legal Metrology of (i) Maharashtra; (ii) Karnataka; (iii) Telangana and (iv) Uttar Pradesh. These notices have been issued in relation to the following matters pursuant to the provisions of the LM Act and the relevant rules framed thereunder, as in force in the aforesaid states:

- (a) Illegible declaration marked on the packaging of products
- (b) Irregularities in the font size of the numerals in retail sale price, month and year of manufacture on the product packaging
- (c) Non-indication of maximum retail price and date of packing on the product package
- (d) Non-indication of contact details for redressing consumer complaints on the product package
- (e) Non-compliance with Section 18 (*Declaration on Pre-packaged Commodities*), Section 11 (*Prohibition of quotation etc. other than in terms of standard units of weight, measure and numeration*) and Section 29 (*Penalty for quoting, publishing etc. of non-standard units*) of the LM Act

There are 12 (twelve) such matters filed against the Company under the provisions of the LM Act. Further, the Company has paid a cumulative compounding fees to the extent of INR 4,50,000 in some of the aforesaid matters. The maximum punishment for contravening the provisions of the LM Act is imprisonment for a term not exceeding 1 (one) year and fine not exceeding INR 50,000, or both.

B. Misbranded Products:

1. Our Company is involved in 87 (eighty-seven) cases relating to misbranding of products under the IN Act and the Fertilizer Control Order, 1985 (“**FCO**”). Majority of these matters are in relation to the content of the active ingredient being lesser than the permissible limits prescribed under the IN Act. The Company has been asked to explain to the concerned authority the reasons for the same and to send samples of the concerned products for reanalysis by any government approved lab. Our Company has complied with these requirements and is currently seeking legal assistance for further actions on these matters.

In certain instances, a particular batch of products has been declared as misbranded by the concerned authority and the Company has been prohibited from selling, stocking, distributing and exhibiting for sale such products. Further, there have been instances wherein our Company has been asked to produce copy of the fertilizer license for production of ammonium sulphate, as mandated by the FCO.

The maximum punishment under the IN Act for misbranding is imprisonment for a term not exceeding 3 (three) years or fine up to INR 75,000 or both. Moreover, Section 33 of the IN Act attributes liability and prescribes punishment for the negligent act of any director, manager, secretary or other officer of the Company who has been part of the Company at the time of commission of the offence.

2. A complaint captioned "1962.2018" was filed by the State of Punjab before the Sessions Court, Ludhiana on January 18, 2019 pursuant to the requirements under Sections 17, 18, 29 and 33 of the IN Act. The complaint stated that Monocrotophos 36% SL in 500 ml pack, containing 'Batch No. NCL 06, date of manufacturing 12-5-2011 and date of expiry 11-11-2012' which was manufactured by New Chemi Industries, Vapi, Gujarat and supplied by New Chemi Industries, Ludhiana, was displayed for sale. The said sample of Monocrotophos was declared misbranded as it did not meet the ISI specifications. Additionally, it was also stated that the active ingredient in the sample was 32.29% instead of 36%. A quashing petition dated May 28, 2019 has been filed on behalf of Mr. Chetan Shantilal Shah, Mr. Dharmesh D. Patel and Mr. Satinder Saini. The matter is pending as on date.

C. Consumer Complaints:

Our Company has received 56 complaints under the Consumer Protection Act, 1986. The matters have been filed before various consumer forums for the alleged loss suffered on account of using the products manufactured by the Company. The total claim amount involved in these matters is INR 1,39,37,400.

D. Other pending litigation against the Company:

1. SCIL received a complaint captioned 1008/2019 on February 1, 2018 by Rainbow Marketing Agencies for recovery of commission payment for non-compliance with Anti-bribery laws and policy. The settlement amount to be paid is approximately INR 9,95,000. As on date of filing the Information Memorandum, the case is pending.
2. A complaint was filed against SCIL before the District Judge 3 and Motor Accident Claim Tribunal, Latur captioned 173/2017 on April 27, 2018 for a motor accident claim under the Motor Vehicles Act, 1988. Our company is not liable to pay. As on date, the Court has issued NFL (No fault Liability) of INR 50,000 which will be paid by Insurance company. As at the date of filing the Information Memorandum, the case is at the stage of framing of issues.
3. A complaint was filed against SCIL before Directorate of Revenue Intelligence, New Delhi captioned DRI/HQ-CI/50D/Int-5/2018-CI on June 29, 2018 in relation to Custom Duty on import of raw material under the Customs Act, 1962. The Company had filed its reply in the matter on 30th March 2018 and the company's advocate had attended the personal hearing with the Custom Appellate Authority and explained the matter. The Company has placed a deposit of INR 2,06,32,044 with the Directorate of Revenue Intelligence. As on date, we are awaiting the order.
4. A complaint was filed by Santokh Singh, Ex-Employee of the ASD division on September 27, 2018 against SCIL in relation to salary and pending. A subsequent complaint was filed on January 28, 2019 demanding full and final settlement. At present, the case is pending in the court.

5. A notice dated January 24, 2019 was issued by the Gujarat Pollution Control Board to our Company and 43 other industrial units (“**Industrial Units**”) regarding the deposit to be made towards the compliance of the order dated January 11, 2019 passed by National Green Tribunal (“**NGT Order**”). Under the NGT Order, a demand from the Industrial Units was made for a payment of an interim compensation to remedy the pollution caused by such Industrial Units. Under the NGT Order, our Company was required to pay an amount of INR 25,00,000. The Industrial Units, in consultation with Vapi Industrial Association, filed a petition before the Supreme Court of India requesting the Supreme Court for a stay of the NGT Order. The matter is currently pending.

Litigation proceedings involving ECC

A. Filed against ECC:

1. On April 23, 2012, an order was passed by CCI imposing a penalty of 9% on the average turnover, amounting to INR 63.90 crores alleging cartel and bid rigging by ECC for a product - Aluminum Phosphide (ALP). ECC filed an appeal with COMPAT on June 17, 2012. COMPAT by its Order dated October 29, 2013 reduced the penalty to INR 2,91,70,000 (Indian Rupees Twenty Nine Million One Hundred and Seventy Thousand only). CCI filed an appeal against the order of COMPAT. On May 8, 2017, the Supreme Court upheld the order passed by the COMPAT and directed ECC to pay a penalty amounting to INR 2,91,70,000 (Indian Rupees Twenty Nine Million One Hundred and Seventy Thousand only) (“**Penalty Amount**”). On June 13, 2017, ECC paid the penalty amount. Thereafter, CCI issued a notice dated September 15, 2017 to ECC demanding a sum of INR 1,75,01,400 on account of delay of 40 months in payment of Penalty Amount calculated as per Regulation 5 of CCI (Manner of Recovery of Monetary Penalty) Regulations 2011 expeditiously. A subsequent recovery notice dated October 9, 2019 was issued by CCI for recovery of the interest on the Penalty Amount. SCIL filed a writ petition before the High Court of Delhi challenging the said recovery notice. Vide an order dated October 23, 2019, the High Court of Delhi issued a stay on the recovery notice and directed CCI to file a reply within 4 weeks. The matter has been kept for hearing at a future date.
2. A legal notice dated January 3, 2019 was issued against ECC by Food Corporation of India (“**FCI**”) demanding compensation for alleged losses suffered by them in relations to the tenders released for purchasing Aluminium Phosphide Tablets for period 2009-10 and 2011-2012. Subsequently, FCI filed a Compensation Appeal before National Company Law Appellate Tribunal, New Delhi. The total amount involved in the matter is INR 12,14,68,475.
3. ECC has received a notice dated June 21, 2019 issued by the GPCB instructing us to suspend the manufacturing operations at our Bhavnagar plant in Gujarat after 15 days from the date of issue of the notice. The notice was issued on account of GPCB finding certain waste materials of a product on a plot of land adjacent to the premises of the plant. However, ECC has not been producing the said product and the same has not been in production since the year 2000. ECC has submitted an action plan to GPCB for scientific disposal of the waste and has agreed to undertake other remedial measures. Based on the submission of the action plan by ECC, GPCB has withdrawn its closure order thereby granting ECC time of 3 (three) months to execute the remediation plan. GPCB has directed the Company to dispose the treated soil to a GPCB approved disposal site within a period of 6 months, which the Company has done. The Company is in the process of making an application to GPCB for the permanent revocation of the closure notice. The operations at Bhavnagar plant are, as on the date of filing of this Information Memorandum, being carried on without any interruption.
4. A public interest litigation was filed seeking a ban on sale, manufacture and use of ‘Endosulfan’, a product which was used by ECC, was disposed-off by the Supreme Court without levying any penalties/fines on ECC. Further, the State Governments of Karnataka and Kerala have been directed by the Supreme Court to compensate for the damages/losses suffered by the victims. The state governments are also permitted to claim these damages from the industry participants (including ECC), if legally permissible. As on date, no demand/claim for damages/fines have been received from any state government in this regard. ECC has not received any demand

claims in relation to this matter.

5. A case was filed in the Civil Courts, Senior Division, Amritsar against our Company and others by National Khad Store and others in relation to the dishonor of cheques issued by a deceased employee of a third-party engaged by ECC. The case has been filed against the legal heirs of the deceased and ECC has been made a party under the assumption that there may be certain pending dues to be paid by ECC to the deceased. The amount involved in the matter is INR 5,00,000.
6. Paschim Gujarat Vij Company Limited (“**PGVCL**”), by a show cause notice in November 2013, demanded a sum of INR 64,78,759.33 for power factor rebate and extra high voltage rebate granted. PGVCL had also issued a disconnection notice to ECC. Against the show cause notice ECC had moved to the High Court of Gujarat in December 2013 and had obtained a stay order. While granting the stay order, ECC was directed to deposit a sum of INR 10,00,000 with PGVCL. When the matter came for admission before the High Court of Gujarat, ECC was directed to file the dispute with the consumer dispute redressal forum of PGVCL. ECC had filed an application before the consumer dispute redressal forum of PGVCL which was dismissed. Against the order of consumer dispute redressal forum of PGVCL, ECC filed an appeal before the electricity ombudsman, Ahmedabad. Simultaneously with the filing of the appeal, ECC was directed to deposit 1/3rd of the disputed amount. ECC has till date deposited an amount of INR 23,00,000. After hearing us Electricity Ombudsman passed an order dismissing the application. Against the order of Ombudsman, ECC filed SCA 13795 of 2015 in the High Court of Gujarat.

B. Misbranding of Products

ECC has 33 cases filed against it for misbranding of products before various courts in various jurisdictions across India. These cases have been filed under the IN Act as well the FCO on allegations of the content of the active ingredient being lesser than the permissible limit prescribed under the IN Act. Further, in most of these matters, the sample of the ingredient have been sent to the Central Insecticides Laboratory for testing, and the reports are awaited.

The maximum punishment under the IN Act for misbranding is imprisonment for a term not exceeding 3 (three) years or fine up to INR 75,000 or both. Moreover, Section 33 of the IN Act attributes liability and prescribes punishment for the negligent act of any director, manager, secretary or other officer of the Company who has been part of the Company at the time of commission of the offence.

C. Other Pending Litigation involving ECC

1. There are 17 cases under Section 138 of the Negotiable Instruments Act, 1881 filed by ECC before various courts in India. The total amount involved is INR 17,232,529.
2. ECC is involved in 5 cases under the Motor Vehicles Act, 1988. The Company has been made a party to these matters along with the respective insurance companies. The total amount involved is INR 1,28,65,000.
3. ECC is involved in 1 case under the Legal Metrology Act, 2009 filed in Belgavi. The amount involved in the matter is INR 50,000.
4. ECC has received 1 complaint against it under the Consumer Disputes Act, 1986, filed before the District Consumer Forum, Ajmer. The total amount involved in the matter is INR 1,15,000.

Disciplinary actions against our Promoters in the past three years

Civil penalty for an amount of approximately USD 15,000 levied by U.S. Environmental Protection Agency (an authority in United States of America), has been paid by SCC for alleged noncompliance with Federal Insecticide, Fungicide and Rodenticide Act.

Litigation proceedings involving our Directors

There are no pending litigation proceedings involving our Directors except the following:

Mr. Chetan Shantilal Shah, Managing Director had received a demand notice dated March 22, 2014 under Section 156 of the Income Tax Act, 1961 demanding a sum of INR 58,71,730 for the assessment year 2011-12. The matter is pending adjudication.

Outstanding dues to micro and small scale enterprises or any other creditors

The outstanding dues is INR 7592.56 million for creditors (trade payables) as on September 30, 2019 as per the interim standalone financial statements of the Company. Out of which, the outstanding dues owed to micro and small scale enterprises by our Company is INR 85.66 million and to other creditors is INR 7506.90 million. The total number of micro and small scale enterprise creditors as on September 30, 2019 is 81 (Eighty One). The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at www.sumichem.co.in.

Outstanding Tax litigation

Sl. No	Nature of Tax	No. of Cases	Amount demanded / in dispute (in INR)
Tax Litigation Involving the Transferee Company			
1.	Direct Tax	13	4,85,98,981
2.	Indirect Tax	10	1,28,69,819
Tax Litigation Involving the Transferor Company			
1.	Direct Tax	7	3,21,96,000
2.	Indirect Tax	9	1,39,24,366

Disciplinary actions against our group companies in the past three years

There are no disciplinary actions initiated against our group companies in the past three years

GOVERNMENT AND OTHER APPROVALS

All consents, permissions, statutory or other licenses, approvals, sanctions, permits, registrations, authorizations, consents to operate, certificates, environment or other clearances and authorities, leases, tenancies, assignment, allotments, power of attorney given by, issued to or executed in favour of the Transferor Company, claims, powers, allotments, approvals, contracts, enactments, arrangements, rights, titles, interests, benefits, privileges and other intangible rights issued to or executed in favour of the Transferor Company, arrangements of all kinds, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. In so far as the special incentive schemes and various other incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Transferor Company are concerned, the same shall vest with and be available to Transferee Company on the same terms and conditions. Any registration fees, charges etc. paid by the Transferor Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, etc. shall be deemed to have been paid by the Transferee Company and consequently, the concerned Appropriate Authority shall carry out necessary mutations in favour and in name of the Transferee Company, where applicable. Upon the Effective Date and until the licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business, transferred pursuant to this Scheme, in the name and style of Transferor Company and under the relevant license and or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

REGULATORY AND STATUTORY DISCLOSURES

Authority for listing

Our Board of Directors had approved the Scheme at their meeting held on August 1, 2018. The National Company Law Tribunal, Mumbai bench, vide its order dated June 27, 2019 approved the Scheme. Pursuant to the Scheme, the Transferor Company is transferred to and vested in our Company with effect from the opening hours of the Appointed Date of April 1, 2018, in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Effective Date of the Scheme is August 31, 2019.

In accordance with the Scheme, the Equity Shares of our Company, issued pursuant to the Scheme, shall be listed and admitted to trading on BSE and NSE. Such admission and listing is not automatic and will be subject to fulfilment by our Company of the respective listing criteria of the Stock Exchanges and also subject to such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing.

Eligibility criterion

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations are not applicable. However, SEBI has vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19 (2) (b) of SCRR, as amended. SEBI, vide its letter dated January 22, 2020 granted relaxation of clause to sub-rule (2)(b) of Rule 19 of SCRR thereof by making an application to SEBI under sub-rule (7) of Rule 19 of the SCRR as per the SEBI Circular. Our Company submitted this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges i.e., www.bseindia.com and www.nseindia.com. Our Company shall make the Information Memorandum available on its website at www.sumichem.co.in. Our Company will publish an advertisement on January 23, 2020, in the newspapers containing its details in terms of the SEBI Circular.

Prohibition by Securities and Exchange Board of India

Our Company, Directors, Promoters, Promoter Group and the natural persons in control are not currently prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Further, none of our Directors or Promoters is a director or promoter of any other company which is currently debarred from accessing the capital markets by SEBI.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable.

Fugitive Economic Offences

Neither of our Promoters or Directors has been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Association with the Securities Market

None of our Directors are associated with the securities market in any manner. No action has been initiated by SEBI against any such Directors during the five years preceding the date of this Information Memorandum.

Identification as wilful defaulter

Our Company, Promoters and Directors have not been identified as wilful defaulters by any bank and/or

financial institution in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Disclaimer Clause of the BSE

BSE *vide* its letter dated December 21, 2018 approved the Scheme under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed.

As required, a copy of this Information Memorandum has been submitted to BSE.

Disclaimer Clause of the NSE

NSE has *vide* its letter dated December 21, 2018 approved the Scheme under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in this Information Memorandum as one of the stock exchanges on which this Company's Equity securities are proposed to be listed.

As required, a copy of this Information Memorandum has been submitted to NSE.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisement which will be published on January 23, 2020 in terms of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in Mumbai, India.

Listing

Applications have been made to BSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares.

Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within a period as approved by SEBI.

Listing Approval from BSE and NSE

As per Regulation 28 (2) of SEBI LODR, a Company proposing to issue securities post a scheme of arrangement shall not be required to obtain in-principle approvals from the stock exchanges if they have received the no-objection letter under Regulation 37. Our Company has obtained the no-objection letters from NSE and BSE, both dated December 21, 2018. Hence, we are exempt from seeking the in-principle approvals from the stock exchanges. Our Company shall make the applications for final listing and trading approvals from BSE and NSE.

Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

Our Company has been granted an exemption from the application of Rule 19(2)(b) of SCRA by SEBI *vide* its letter dated January 22, 2020.

Demat Credit

The Company has executed Tripartite Agreements with the Registrar, NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE258G01013.

Dispatch of share certificates

Pursuant to the Scheme, on October 07, 2019, our Company has issued and allotted its Shares to eligible shareholders of ECC on the Record Date and our Company has dispatched share certificates to those shareholders holding shares in ECC in physical form on October 24, 2019.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous rights and public issues

Other than the allotment of Equity Shares pursuant to the scheme, our Company has not issued any Equity Shares to the public since its incorporation.

Capital issuances in the last three years by the Company and other listed group companies/Subsidiaries/ Associates

For details of the issuances of Equity Shares by our Company since incorporation, see “*Capital Information-Notes to Capital Structure*” at Page 23.

This is the first time the Equity Shares of our Company are getting listed on the Stock Exchanges.

Issuances for consideration other than cash

Other than the allotment of Equity Shares pursuant to the Scheme, our Company has not allotted any Equity Shares for consideration other than cash.

Commission and Brokerage on Previous Issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company.

Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments issued by our Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

Stock Market Data for Equity Shares of our Company

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

Disposal of Investor Grievances by our Company

Our Company has the following platforms for addressing investors' grievances:

- E-mail id: investor.relations@sumichem.co.in

Shareholders can express their grievances by sending mails to above e-mail id or raise complaints in SCORES (common portal introduced by SEBI). Our Company has obtained the credentials for its SCORES portal and the same has been activated. Further, the Shareholders can also raise their grievances with our Company Secretary and Compliance Officer. As on the date of this Information Memorandum, our Company has not received any investor complaints since incorporation.

Company Secretary and Compliance Officer

Pravin D. Desai is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Address: 13/14 Aradhana Industrial. Development Corporation, Near Virwani Industrial Estate, Goregaon East, Mumbai 400063

E-mail: investor.relations@sumichem.co.in

Capitalisation of reserves or profits or revaluation of assets

There has been no capitalization or revaluation done on any other assets.

SECTION VIII - OTHER INFORMATION

MAIN PROVISIONS OF THE ARTICLES 'OF ASSOCIATION

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

MAIN ARTICLES OF ASSOCIATION OF SUMITOMO CHEMICAL INDIA LIMITED

Company to be governed by Articles and Table F not to apply.	1.	The provisions contained in Table 'F' to Schedule I to the Companies Act, 2013 shall not apply to this Company but the regulations for the management of the Company and for the observance thereof by the members of the Company and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by special resolution as prescribed by the Companies Act, 2013, be such as are contained in these Articles
		INTERPRETATION
Act		'Act' means the Companies Act, 2013 or any statutory modification or re- enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;
Expressions in the Articles bear the same meaning in Act		(5) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be;
Conflict with provisions of the Act and other applicable laws and regulations		(7) In the event of a conflict between these Articles and the provisions of the Act and/or other applicable laws and regulations, the provisions of the Act and/or other applicable laws regulations, as the case may be, shall govern and supersede the provisions of these Articles.
		CAPITAL
Share Capital	3.	The share capital of the Company is as contained in the capital clause of the memorandum of association of the Company.
Delivery of certificates	6.	(1) Every member shall be entitled, without payment, to one certificate for all the shares of each class or denomination registered in his name, or if the Board of Directors so approve (upon paying such fees as the Board of Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the date of receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be.
Certificate to bear seal		(2) Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.
One certificate to joint holders		(3) In respect of shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
Issue of new certificate in place of one defaced or destroyed	7.	If any share certificate is lost or destroyed or worn out or defaced, mutilated or torn or has no further space on the back thereof for endorsement of transfers then, in case of a lost or destroyed certificate upon proof thereof to the satisfaction of the Board of Directors as to its loss or destruction and on such indemnity as the Board of Directors deem adequate being given and, in other cases, upon surrender of the certificate to the Company, a new certificate in lieu thereof shall be given to the party entitled to such certificate. Any new or renewed certificate may be marked as such. The out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company. No fee shall be charged for issue of new certificates in replacement of those, which are old, decrepit or worn out or where the

		cages on the reverse for recording transfers have been utilized fully. In this clause, the expression "Board of Directors" shall include any committee constituted by the Board of Directors or any person or persons duly authorized by the Board of Directors.
Increase of capital	12.	The Company may by ordinary resolution in general meeting from time to time alter the conditions of its memorandum as follows, that is to say, it may:(a) increase its authorized share capital by such amount as it thinks expedient;(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (c) convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination;(d) sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum;(e) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and a cancellation of shares in pursuance of this clause shall not be deemed to be a reduction of share capital.
Further issue of shares	13.	(1) Where it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then such further shares shall be offered in accordance with the provisions of the Act as follows: (a) to the persons who at the date of offer, are holders of equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid up capital on those shares at the date and the offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person; or (b) to employees under any scheme of employees' stock option; or (c) to any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above
Option to receive share certificate or hold shares with depository	14.	(1) A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
Installment on shares to be duly paid	20.	If by the conditions of allotment of any share the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment, shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
Liability of Members	21.	Every member or his heirs, executors and administrators shall pay to the Company the proportion of the capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall from time to time in accordance with the Company's regulations require or fix for the payment thereof.
		TRANSFER OF SHARES
Execution of transfer etc.	30.	(1) No transfer of shares held in material form shall be registered unless a proper instrument of transfer, accompanied by the certificate of the shares to which it relates and such other evidence as the Board of Directors (which expression shall include any committee constituted by the Board of Directors or any person or persons duly authorized by the Board of Directors in this behalf) may reasonably require to show the right of the transferor to make the transfer, has been delivered to the Company.
Instrument to be stamped		(2) The instrument of transfer of any share shall be duly stamped and be executed by or on behalf of the transferor and by or on behalf the transferee.
Transferor to remain holder		(3)The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof.
Separate instrument for each class		(4) Shares of different classes shall not be included in the same instrument of transfer.
Form of transfer		(5) The instrument of transfer shall be in writing and in the form prescribed by the Rules.

Shares in fungible form		(6) In the case of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are held in any electronic and fungible form in a depository, the provisions of applicable law shall apply.
Board may refuse to register transfer		(7) The Board may, subject to the right of appeal conferred by the Act, decline to register— (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien.
Transfer of shares		(8) In case of shares held in material form, the transfer of shares shall be undertaken in accordance with the applicable provisions of the Act and the Rules.
Certificate of transfer		(9) The certification by the Company of any instrument of transfer of shares in the Company shall be taken as representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares. No fee shall be charged for registration of a transfer.
Company not liable for disregard of notice prohibiting registration of transfer		(10) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing on the register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to attend or give effect to any such notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to give regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.
Closure of transfer books		(11) The Board of Directors may, after giving of previous notice of at least seven days or such lesser period as may be specified rchange Board of India, in accordance with the provisions of the Act and Rules close the register of members at such times and for such periods (not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time) as the Board of Directors may determine.
No fees for transfer		(12) No fee shall be charged for registration of a transfer.
TRANSMISSION OF SHARES		
Transmission Clause	31.	(1) Any person becoming entitled to shares in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of probate or letters of administration or succession certificate or such other evidence that he sustains the character in respect of which he proposes to act under this clause or of his title, as the Board of Directors think sufficient, may with the consent of the Board of Directors (which they shall not be under any obligation to give) elect either to be registered as member in respect of such share or to make a transfer of his shares as the deceased or insolvent member could have made. In this clause, the expression “Board of Directors” shall include any committee constituted by the Board of Directors or any person or persons duly authorized by the Board of Directors. This clause is herein in these Articles referred to as the “Transmission Clause”.
Election to be member		(2) If the person so becoming entitled, elects to be registered as holder of the share, he shall deliver or send to the Company a notice in writing duly signed by him that he so elects, and such notice shall be accompanied with proper evidence.
Transfer to be executed		(3) If the person aforesaid shall elect to transfer the share, he shall testify election by executing a transfer of the share.
Limitations on transfer to apply in		(4) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice

case of transmission		or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were signed by that member.
Entitlement to dividend etc.		(5) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled and be subject to the same obligations if he were the registered holder of the share except that he shall not, before being registered a member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, Provided that the Board of Directors may, at any time, give notice requiring any such person to elect to be registered himself for to transfer the share, and if the notice is not complied within ninety days, the Board of Directors may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the share, until the requirements of the notice have been complied with.
Director's right to refuse to register a transmission		(6) The Directors shall, subject to the provisions of law, have the same right to refuse to register a person entitled under the Transmission Clause to any shares as it would have had if the deceased or insolvent member had presented a transfer for registration before his death or insolvency.
Board may require evidence of transmission		(7) Every transmission of shares shall be verified in such manner as the Board of Directors may require and the Company may refuse to register any such transmission until the same be so verified or until and unless an indemnity be given to the Company with regards to such registration which the Board of Directors in their discretion shall consider sufficient, Provided nevertheless that there shall not be any obligation on the Company or the Board of Directors to accept an indemnity.
Death of sole holder		(8) In case of a sole holder of shares, on his death, his nominee or nominees or legal representatives shall be the only person(s) recognized by the Company as having any title to his interest in the shares.
No fee on transmission etc.		(9) No fee shall be charged for registration of transmission, grant of probate, succession certificate, letters of administration, certificate of death or marriage, power of attorney or other similar document.
		FORFEITURE
If installment not paid notice may be given	42.	If any member fails to pay any call or installment of a call on or before the date appointed for the payment of the same, the Board of Directors may, at any time thereafter, during such time as any part of the call or installment remains unpaid, serve as notice on such member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Form of notice	43.	The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places, on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, shall be liable to be forfeited.
If the notice not complied with shares may be forfeited	44.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
Notice after forfeiture	45.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof shall forthwith be made in the register provided however that the failure or omission to give the notice will not in any way invalidate the forfeiture.
Forfeited share to become property of	46.	Any shares so forfeited shall be deemed to be the property of the Company and the Board of Directors may sell, re-allot or otherwise dispose of the same in such manner,

the Company		as they think fit.
Power to annul forfeiture	47.	The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted otherwise disposed of, annul or cancel the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as they may think fit.
Arrears to be paid notwithstanding for forfeiture	48.	Any member whose share shall have been forfeited shall cease to be a member in respect of the share, but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such share at the date of the forfeiture, together with interest thereon from the time of the forfeiture until payment at the rate of eighteen percent per annum and the Board of Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. The liability of such member shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
Effect of forfeiture	49.	The forfeiture of a share shall involve the extinction of all interest in and also all claims and demands made against the Company in respect of the share and all other rights incidental to the share.
Evidence of forfeiture	50.	A duly verified declaration in writing that the declarant is a director, manager or secretary of the Company or an officer duly authorized by the Board of Directors in this behalf and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts and circumstances therein stated as against all persons claiming to be entitled to the share.
Purchaser of forfeited share	51.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom such share is sold, re-allotted or disposed of and the person to whom such share is sold, re-allotted or disposed of may not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such re-allotment or disposal. Such purchaser or allottee shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
Partial payment not to preclude forfeiture	52.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money, which shall from time to time be due from any member in respect of any shares either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.
The provisions of these Articles as to forfeiture to apply in case of non- payment of any sum	53.	The provisions of these Articles as to forfeiture shall apply in the case of non- payment of any sum which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
LIEN		
Company's lien on shares	54.	The Company shall not have a lien on its fully paid shares. In the case of partly paid-up shares, the Company shall have a first and paramount lien thereof in respect of all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of such shares and for all monies presently payable by him or his estate to the Company. Such lien shall extend to all dividends or interest payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
As to enforcing lien	55.	For the purpose of enforcing such lien, the Board of Directors may sell the shares

by sale		subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until a notice in writing of the intention to sell shall have been served on such member or the person or persons entitled by transmission to the shares and default shall have been made by him or them in the payment of sum payable as aforesaid for seven days after the date of such notice.
Application of proceeds of sale	56.	The net proceeds of any such sale, after payment of the cost of such sale, shall be received by the Company and applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue, if any, be paid to such member or to the person entitled at the date of the sale to the shares so sold.
Validity of sale	57.	To give effect to any sale after forfeiture or for enforcing a lien in exercise of the powers hereinbefore given, the Board of Directors may authorize some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be effected by any irregularity or invalidity in the proceedings in reference to the sale. After his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person.
VOTING RIGHTS		
Restrictions on exercise of voting right of members who have paid in advance of calls	73.	A member paying the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
Votes of members holding equity shares	74.	No member shall exercise any voting right in respect of any shares registered in his name, on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.
Voting rights on a show of hands and on a poll etc.	75.	Subject to the provisions of these Articles: (a) every member of the Company holding any equity share and otherwise entitled to vote shall, on a show of hands (where applicable), when present in person, have one vote. (b) every member of the Company holding any equity share and otherwise entitled to vote shall, on a poll (where applicable), have one vote for each equity share held by him. (c) every member of the Company holding any equity share and otherwise entitled to vote shall, at a postal ballot, have one vote for each equity share held by him. (d) every member of the Company holding any equity share and otherwise entitled to vote shall, on a voting by electronic means, have one vote for every equity share held by him.
Voting rights of preference shareholders	76.	Subject to the provisions of the Act, the holders of preference shares shall have, in respect of such preference shares held by them, the right to vote only on resolutions placed before the Company in general meeting which directly affect the rights attached to such preference shares.
Members entitled to appoint a proxy	77.	Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.
Instrument of proxy to be deposited at registered office	78.	The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
When vote by proxy valid though authority is revoked	79.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.
Form of proxy	80.	Every instrument of proxy whether for a specified meeting or otherwise shall be in the

		form prescribed by the Rules.
Vote in respect of shares of deceased or insolvent Member	81.	Any person entitled under the Transmission Clause to transfer any shares, may vote in a general meeting in respect thereof in the same manner as if he were the registered holder of such share provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
Vote of member of unsound mind or minor	82.	A member of unsound mind, or in respect of whom an order has been made by a Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy. A member who is a minor may vote through his guardian or any one of his guardians if more than one to be selected in case of dispute by the Chairperson of the meeting.
Objection to vote	83.	No objections shall be raised to the qualification of any voter except at the meeting or at the adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.
		DIVIDEND
Dividends	111.	Subject to the provisions of the Act and the Articles and subject to the right of persons, if any, to shares with special rights as to dividend, the profits of the Company which it shall from time to time determine to distribute in dividends, shall be divisible amongst the members in proportion to the capital paid up or credited as paid up on the shares held by them respectively. (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. (c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
Declaration of dividends	112.	The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.
Restrictions on amount of dividends	113.	No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.
Dividend out of profits only and not to carry interest	114.	No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company.
Declaration of Directors as to net profit conclusive	115.	The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
Interim Dividend	116.	The Directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	117.	The Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on accounts of calls or otherwise in relation to the shares of the Company and may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Dividend and call together	118.	Any general meeting declaring a dividend may, on the recommendations of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this clause shall be deemed ordinary business of the general

		meeting which declares a dividend.
Effect of transfer	119.	A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.
Retention in certain cases	120.	The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Clause entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.
Dividend payable in cash	121.	(i) No dividend shall be payable except in cash.
Payment by post		(ii) A dividend payable in cash may be paid by cheque or warrant sent through the post directed to the registered address of the member entitled to the payment of the dividend or in the case of joint holders to the registered address of that one of the joint holders which is the first named on the register or to such person and to such address as the member or all the joint holders may in writing direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.
Company not liable for loss		(iii) The Company shall not be responsible or liable for any cheque or warrant lost in transmission or for any dividend lost by the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.
Notice of dividend	122.	Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holder of registered shares in the manner provided in the Act.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:00 AM and 2:00 PM for a period of seven days from the date of filing of this Information Memorandum with the Stock Exchanges.

Documents for Inspection:

- Memorandum and Articles of Association of the Company, as amended till date.
- Certification of Incorporation of our Company dated February 15, 2000 issued by the RoC, Mumbai.
- Fresh Certificate of Incorporation of our Company dated November 24, 2018, issued by the RoC, Mumbai.
- Order dated June 27, 2019 of the National Company Law Tribunal, Mumbai bench along the Scheme of Amalgamation
- Letters issued by BSE and NSE under Regulation 37 of SEBI Listing Regulations, both dated December 21, 2018 approving the Scheme of Amalgamation.
- SEBI's letter dated January 22, 2020, granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular for the purpose of listing of the shares of Sumitomo Chemical India Limited.
- In-principle approval from NSE dated December 10, 2019.
- In-principle approval from BSE dated December 19, 2019.
- Tripartite Agreement dated July 18, 2019 with NSDL, Registrar and Transfer Agent and our Company.
- Tripartite Agreement dated July 8, 2019 with CDSL, Registrar and Transfer Agent and our Company.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Sushil Marfatia
Designation: Executive Director
DIN: 07618601

Place: Mumbai
Date: January 22, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Mukul Govindji Asher
Designation: Chairman and Independent Director
DIN: [00047673](#)

Place: Singapore
Date: January 22, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Chetan Shantilal Shah
Designation: Managing Director
DIN: 00488127

Place: Singapore
Date: January 22, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Bhupendranath Bhargava
Designation: Independent Non-executive Director
DIN: 00001823

Place: Mumbai
Date: January 22, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Tadashi Katayama
Designation: Non-executive director
DIN: 07628973

Place: California
Date: January 22, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Preeti Gautam Mehta

**Designation: Independent non-executive woman
director**

DIN: 00727923

Place: Mumbai

Date: January 22, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Hiroyoshi Mukai
Designation: Non-executive director
DIN: 07835814

Place: California
Date: January 22, 2020

DECLARATION

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SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Ninad Dwarkanath Gupte
Designation: Non-Executive Director
DIN: 00027523

Place: Mumbai
Date: January 22, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Anil Nawal
Designation: CFO

Place: Mumbai
Date: January 22, 2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

SIGNED BY THE ORDER OF THE BOARD OF THE DIRECTORS OF THE COMPANY

Sd/-

Name: Pravin. D. Desai
Designation: V.P- Legal and
Company Secretary
Mem. No: 3679

Place: Mumbai
Date: January 22, 2020