

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF METAHELIX LIFE SCIENCES IMITED

#### 1. Report on the Financial Statements

We have audited the accompanying financial statements of **METAHELIX LIFE SCIENCES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, 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.

#### 2. 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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.

#### 3. Auditor's 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the 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 financial statements are free from material misstatement.



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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 auditor's 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.

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

#### **5. Report on Other Legal and Regulatory Requirements**

1. 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 prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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- 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 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.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm's Registration No. 008072S

*S. Ganesh*

**S. Ganesh**  
Partner  
Membership No.204108

**Place: Bangalore**  
**Date : April 19, 2016**



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 5(1)(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**1. 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 **METAHELIX LIFE SCIENCES LIMITED ("the Company")** as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**2. 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. 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.

**3. 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

**4. 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.

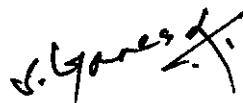
**5. Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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.

**6. Opinion**

In our opinion, 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, 2016, 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.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm's Registration No. 008072S



**S.Ganesh**  
Partner  
Membership No.204108

**Place: Bangalore**  
**Date : April 19, 2016**



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 5(2) under 'Report on Other Legal and Regulatory Requirements' section of 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 fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
  - (iii) 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.
  - (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
  - (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
  - (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.



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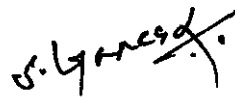
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.



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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm's Registration No. 008072S



**S.Ganesh**  
Partner  
Membership No.204108

**Place: Bangalore**  
**Date : April 19, 2016**





**Metahelix Life Sciences Limited**

Balance Sheet as at 31st March, 2016

	Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
			Rs	Rs
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	Shareholders' funds			
	(a) Share capital	3	1,075,020	1,075,020
	(b) Reserves and surplus	4	534,410,176	328,221,873
			<b>535,485,196</b>	<b>329,296,893</b>
(2)	Non - current liabilities			
	(a) Long-term borrowings	5	51,314,108	73,612,536
	(b) Other long- term liabilities	6	48,189,410	40,391,300
	(c) Long-term provisions	7	12,808,000	11,246,000
			<b>112,311,518</b>	<b>125,249,836</b>
(3)	Current liabilities			
	(a) Short-term borrowings	8	464,949,214	409,668,962
	(b) Trade payables			
	i) Total Outstanding dues of micro enterprises and small enterprises (Refer note 27)		-	-
	ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises	9	857,833,647	819,688,942
	(c) Other current liabilities	10	617,843,872	462,871,925
	(d) Short-term provisions	11	1,909,000	1,562,000
			<b>1,942,535,733</b>	<b>1,693,791,829</b>
	<b>TOTAL</b>		<b>2,590,332,447</b>	<b>2,148,338,558</b>
<b>II</b>	<b>ASSETS</b>			
(1)	Non - current assets			
	(a) Fixed assets			
	(i) Tangible assets	12.a	218,917,016	213,741,840
	(ii) Intangible assets	12.b	35,630,385	37,002,058
	(iii) Intangible assets under development		154,814,587	120,740,958
	(iv) Capital Work in progress		10,524,544	126,009
			<b>419,886,532</b>	<b>371,610,865</b>
	(b) Long-term loans and advances	13	159,264,733	75,140,474
			<b>579,151,265</b>	<b>446,751,339</b>
(2)	Current assets			
	(a) Inventories	14	1,474,538,070	1,162,504,344
	(b) Trade receivables	15	425,511,651	412,850,275
	(c) Cash and cash equivalents	16	16,134,172	20,174,410
	(d) Short-term loans and advances	17	79,415,012	94,083,351
	(e) Other current assets	18	15,582,277	11,974,839
			<b>2,011,181,182</b>	<b>1,701,587,219</b>
	<b>TOTAL</b>		<b>2,590,332,447</b>	<b>2,148,338,558</b>

Corporate information and significant accounting policies

1 & 2

See accompanying notes forming part of the financial statements

3 - 45

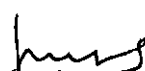
In terms of our report attached

For Deloitte Haskins & Sells

For and on behalf of the Board of Directors

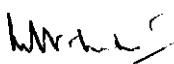
Chartered Accountants


  
S. Ganesh  
Partner

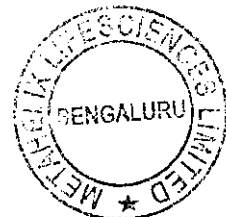
  
Suresh Kannar  
CFO & Company Secretary

  
Dr. Punita Kumar-Sinha  
Chairperson

  
S. Nagarajan  
CEO & Director

  
K.R. Venkatadri  
Director

  
Dr. Natraj  
Director



Place : Mumbai  
Date : 19th April, 2016

Place : Mumbai  
Date : 19th April, 2016



**Metahelix Life Sciences Limited**

Statement of Profit and Loss for the year ended 31st March, 2016

	Particulars	Note No	For the year ended,	For the year ended,
			31st March, 2016	31st March, 2015
			Rs	Rs
1	Revenue from operations	19	3,340,808,033	3,099,912,753
2	Expenses:			
	(a) Cost of material consumed	21	1,531,609,855	1,540,470,568
	(b) Changes in inventories of finished goods and work in progress (Increase)/ Decrease	22	(163,024,031)	(239,041,234)
	(c) Employee benefits expense	23	290,408,066	244,075,374
	(d) Other expenses	24	1,459,667,188	1,309,344,110
	Total Expenses (a+b+c+d)		3,118,661,078	2,854,848,618
3	Earnings before interest, depreciation, tax and amortisation (EBIDTA) (1-2)		222,146,955	245,063,935
4	Finance costs	25	56,359,908	53,415,135
5	Depreciation and amortisation expense	12	54,655,030	46,555,710
6	Other income	20	(26,929,998)	(20,121,733)
7	Profit / (Loss) before exceptional items and tax (3 - 4 - 5 + 6)		138,062,015	165,214,823
8	Exceptional items (Refer note 36 & 42)		(68,126,287)	-
9	Profit / (Loss) before tax (7 - 8)		206,188,302	165,214,823
10	Tax Expense(benefits)			
	(a) Current tax		38,300,000	28,514,000
	(b) Less: MAT Credit		(38,300,000)	(28,514,000)
	(c) Net current tax expense (a - b)		-	-
	(d) Provision for fringe benefit tax of earlier years		-	(167,441)
11	Profit for the year ( 9 - 8(c) (d) &(e))		206,188,302	165,382,264
12	Earnings per equity share of Rs 10 each (Refer note 37)			
	(1) Basic		1,918.00	1,538.41
	(2) Diluted		1,918.00	1,538.41

Corporate information and significant accounting policies

1 & 2

See accompanying notes forming part of the financial statements

3 - 45

In terms of our report attached

For Deloitte Haskins & Sells

For and on behalf of the Board of Directors

Chartered Accountants

*S. Ganesh*

S. Ganesh  
Partner

*Suresh Kannan*

Suresh Kannan  
CFO & Company Secretary

*Punita Kumar*

Dr Punita Kumar-Sinha  
Chairperson

*S. Nagarajan*

S. Nagarajan  
CEO & Director

*K.R. Venkatadri*

K.R. Venkatadri  
Director

*Dr. Natraj*

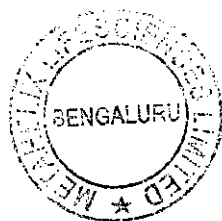
Dr. Natraj  
Director

Place : Mumbai

Date : 19th April, 2016

Place : Mumbai

Date : 19th April, 2016

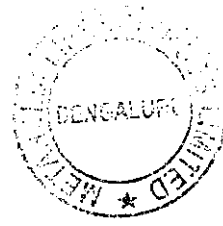


Metahelix Life Sciences Limited

Cash Flow Statement for the year ended 31st March, 2016

	Particulars	For the year ended	For the year ended
		31st March, 2016	31st March, 2015
		Rs.	Rs.
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Net Profit/(Loss) before tax	206,188,302	165,214,823
	Adjustments for:		
	Add:		
	-Depreciation and amortisation	54,655,030	46,555,710
	- Intangible asset written off	15,465,480	10,476,633
	-Advances write back	(1,468,737)	(1,857,213)
	-Creditors write back	-	(936,651)
	-Provision for doubtful trade and other receivable	11,835,865	9,563,799
	-Net unrealised (gain)/loss	-	-
	-Finance costs	56,359,908	53,415,135
	- Profit on sale of asset	(123,750)	(108,600)
	- Interest income	(4,768,996)	(3,484,264)
	<b>Operating profit before working capital changes</b>	<b>338,143,102</b>	<b>278,839,372</b>
	<b>Changes in working capital:</b>		
	Adjustments for (increase) / decrease in operating assets:		
	- Inventories	(312,033,726)	(264,682,990)
	-Trade receivables	(24,497,241)	(116,301,730)
	-Short-term loans and advances	14,668,339	(38,462,446)
	-Long-term loans and advances	(27,970,000)	18,959,533
	-Other current assets	(3,607,438)	(6,851,367)
	Adjustments for increase / (decrease) in operating liabilities:		
	-Trade payables	38,144,705	172,339,948
	-Other current liabilities	147,382,879	44,264,588
	-Short-term provisions	347,000	324,000
	-Long-term provisions	1,562,000	2,231,000
	- Other Long-term liabilities	7,426,159	5,618,713
	<b>Net change in working capital</b>	<b>(158,577,323)</b>	<b>(182,560,751)</b>
	<b>Cash generated from operations</b>	<b>179,565,779</b>	<b>96,278,621</b>
	Net income tax (paid) / refunds	(55,429,870)	(31,719,045)
	<b>Net cash from operating activities-A</b>	<b>124,135,909</b>	<b>64,559,576</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Capital expenditure on fixed assets, including capital advances	(116,718,132)	(143,364,616)
	Proceeds from sale of fixed assets	123,750	108,600
	Interest income	4,768,996	3,484,264
	Bank balances not considered as cash and cash equivalents		
	- (Placed)/Matured	(82,257)	(1,344,495)
	<b>Net cash used in investing activities-B</b>	<b>(111,907,643)</b>	<b>(141,116,247)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from long-term borrowings	-	55,200,000
	Repayment of long-term borrowings	(15,952,311)	(15,847,984)
	Proceeds / Repayment of working capital borrowings (net)	55,280,252	90,110,538
	Interest expense	(55,678,702)	(55,032,357)
	<b>Net cash generated/(used in) from financing activities-C</b>	<b>(16,350,761)</b>	<b>74,430,197</b>

Handwritten signatures and initials: "Aur", "R", "K.S.", "R", "K.S."



Metahelix Life Sciences Limited

Cash Flow Statement for the year ended 31st March, 2016

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rs.	Rs.
Net increase/(decrease) in cash and cash equivalents D=A+B+C	(4,122,495)	(2,126,474)
Cash and cash equivalents at the beginning of the year	4,767,995	6,894,469
Cash and cash equivalents at the end of the year*	645,500	4,767,995
* Comprises: (Refer note 16 )		
(a) Cash on hand	234,324	626,424
(b) Balances with banks		
- In current accounts	314,998	4,053,855
- In deposit accounts	96,178	87,716

Corporate information and significant accounting policies - 1 & 2

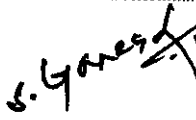
See accompanying notes forming part of the financial statements - 3 to 45


In terms of our report attached


For Deloitte Haskins & Sells

Chartered Accountants

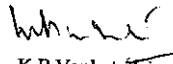
For and on behalf of the Board of Directors


  
S. Ganesh  
Partner

  
Suresh Kannan  
CFO & Company Secretary

  
Dr Punita Kumar-Sinha  
Chairperson

  
S. Nagarajan  
CEO & Director

  
K.R. Venkatahari  
Director

  
Dr. Natraj  
Director

Place : Mumbai  
Date : 19th April, 2016

Place : Mumbai  
Date : 19th April, 2016



**1 Corporate Information**

The Company's primary activities is in the area of agricultural biotechnology and the focus area being the development of new technologies and traits for crop improvement. The Company has a strong research and development program for hybrid seeds in field and vegetable crops. Additionally, the Company uses its strengths in the area of functional genomics, plant transformation and marker assisted selection to develop value added traits such as insect, weed and virus protection traits to its hybrid seeds products. The Company also produce parent seeds at various locations. The Company is also engaged in the production and marketing of seeds. Operations of the Company are spread out across various zones in the country with research and development activity primarily based out of Bangalore, Hyderabad, Ahmadabad, Aurangabad; seeds production in Andhra Pradesh and Karnataka; seed processing facilities at Hyderabad

**2 Significant Accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.2 Revenue Recognition**

Revenue from Sale of products/goods (net of tax) is recognized upon passage of title to the customer, which generally coincides with their delivery. Revenue is net of trade discounts, sales returns and VAT. Cash discount and other performance/volume based incentives are considered as expenses.

Revenue from technology fee contracts are recognized as per the terms of the contracts on completion of specific performance obligations under the contract and when reasonable certainty of receiving the consideration is established.

**2.3 Fixed assets**

Fixed Assets are stated at their historical cost of acquisition or construction, less accumulated depreciation and impairment losses if any. Cost includes all cost incurred to bring the assets to their location and condition. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work in progress -projects under which assets are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets under development -expenditure on Research and development (Refer Note 2.6) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

**2.4 Borrowing cost**

Borrowing costs attributable to the acquisition of qualifying asset as defined under Accounting Standard 16 on Borrowing Costs are capitalized as part of acquisitions. Other borrowing costs are charged to the Statement of Profit and Loss.



**2.5 Depreciation and Amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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

Asset Category	Useful Life
Factory Building	25 years
Seed Processing Machine	15 years
Lab Equipments	10 years

Internally generated Intangible assets are amortised over a period of three years based on straight line method

Computer Software is amortised over a period of 12 Months

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

Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase. Depreciation on Fixed Assets added/disposed of during the year is provided on pro-rata basis from the date of such addition or, as the case may be up to the date on which such asset has been sold, discarded, demolished or destroyed.

**2.6 Research & Development cost**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs including crop breeding programs consisting of parent or line development of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility and commercial viability has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for tangible fixed assets

**2.7 Inventories**

Inventories are valued at the lower of cost (determined on weighted average basis) and net realizable value after providing for obsolescence and other loss where considered necessary. Cost of Inventories includes cost of purchase, cost of processing and other costs incurred in bringing it to their present location and condition. Remnant/substandard stocks are not valued and are accounted as revenue in the year of sale of such stock. Work-in-progress and Finished goods include material cost and appropriate share of production overheads. The Company's products are not subject to Excise duty.



**2.8 Grants**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis

**2.9 Foreign Currency Transactions**

**Accounting of exchange difference:**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Realized gain/loss on such transaction is recognized as income or expense in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities are translated into Rupees at the exchange rate prevailing at year end. The exchange gain/loss arising out of such translation is dealt in the Statement of Profit and Loss.

**Accounting of Forward Contract**

Premium / discount on forward exchange contracts which are not intended for trading or speculation purposes are amortized over the period of the contracts, if such contract relates to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expenditure in the period in which such cancellation or renewal is made.

**2.10 Employee Benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

**Defined contribution plans**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when service are rendered by the employees.

**Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised 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 and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.



**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

**2.11 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of Income tax act,1961 and other applicable tax laws

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**2.12 Use of Estimates**

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenue and expenses for the year. Actual results could differ from these estimates





**2.13 Provisions and contingencies**

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised and, if any, are adequately disclosed in the notes to accounts

**2.14 Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The intangible assets capitalised and intangibles under development are tested for impairment each financial year even if there is no indication that the asset is impaired

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss

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 in earlier accounting periods 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.

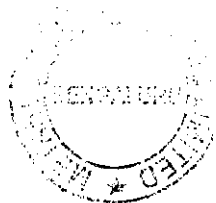
**2.15 Leases**

Where the Company as a lessor leases assets under operating leases, such amounts are recognized as income on an accrual basis.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss over primary period of lease on a straight-line basis over the lease term.

**2.16 Cash Flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



**Metahelix Life Sciences Limited**

**Notes forming part of the financial statements for the year ended March 31, 2016**

**2.17 Cash & Cash Equivalents**

Cash comprises cash on hand and demand 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.

**2.18 Other Income**

Interest Income is accounted on accrual basis.

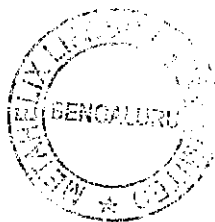
Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Lease income is accounted on accrual basis.

Income recognition for facilitation services are recognised as and when the services are performed.

**2.19 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



3 Share Capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Rs	Number	Rs
<b>Authorised</b> Equity Shares with voting rights of Rs.10 each	28,812,800	288,128,000	28,812,800	288,128,000
<b>Issued, Subscribed and Fully Paid up</b> Equity Shares with voting rights of Rs.10 each	107,502	1,075,020	107,502	1,075,020

a. Reconciliation of Equity shares with voting rights outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Rs	Number	Rs
At the beginning and end of the year	107,502	1,075,020	107,502	1,075,020

b. The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

c. Shares held by Holding / Ultimate Holding Company and / or their subsidiaries / associates

Out of total equity shares with voting rights issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Rs	Number	Rs
Rallis India Limited, the holding company and its nominees	107,496		86,549	

d. Details of shareholders holding more than 5% shares in the company.

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% Holding	No. of Shares	% Holding
Rallis India Limited and its nominees	107,496	99.99%	86,549	80.51%
Dr K K Narayanan	-	-	7,616	7.08%
Dr Gautham Nadig	-	-	8,254	7.68%



4 Reserves and Surplus

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Opening balance	Additions during the year	Closing Balance	Opening balance	Additions during the year	Closing Balance
	Rs	Rs	Rs	Rs	Rs	Rs
(a) Securities Premium Account	670,431,656	-	670,431,656	670,431,656	-	670,431,656
(b) Surplus/(Deficit) in the Statement of Profit and Loss	(344,709,783)	206,188,302	(138,521,481)	(510,092,047)	165,382,264	(344,709,783)
(c) Capital Reserves	2,500,000	-	2,500,000	2,500,000	-	2,500,000
	328,221,873	206,188,302	534,410,176	162,839,609	165,382,264	328,221,873

5 Long-term Borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
<b>Term loans</b>		
<b>From Bank</b>		
- Secured (Refer note (c),(d)&(e) below)	38,350,008	58,833,336
<b>From Others parties</b>		
- Secured		
Biotechnology Industry Partnership Project (Refer note (a) below)	7,967,900	8,950,300
- Unsecured		
Loan from Council of Scientific and Industrial Research (Refer note (b) below)	4,996,200	5,828,900
<b>Total</b>	<b>51,314,108</b>	<b>73,612,536</b>

a. Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of the Company, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. Term loan is repayable along with interest in 10 equal half yearly installments from December 2015 (Rice) and June, 2017 (Maize). The balance payable as on 31st March 2016 is DBT rice loan Rs 4,420,800 (of which Rs 982,400 has been grouped under other current liabilities (refer note 10) and balance payable on DBT maize Loan is Rs 4,529,500.

b. Term loan from Council of Scientific and Industrial Research: The balance payable as on 31st March 2016 is 5,828,900 (of which Rs 832,700 has been grouped under other current liabilities (refer note 10) is repayable alongwith interest in 7 annual installments.

c. Term loan from Kotak Mahindra Bank - II secured by first pari passu charge on plant & machinery of Unit 3 at Hyderabad, present and future (purchased out of proceeds of Term Loan II) of Cob drying unit, Immoveable agricultural property of the Company at Kokkonda Village and Proposed plant & machinery of Unit 3 Hyderabad (purchased out of proceeds of Term Loan II) of the Cob drying unit.. The balance outstanding as at March 31, 2016 is Rs.3,250,000 (grouped under note 10 other current liabilities ) repayable in 10 equated monthly installments of Rs.325,000.

d. Term loan from Kotak Mahindra Bank - III-First and exclusive charge on proposed plant and machinery of Unit 4 of the cob drying unit purchased/ being purchased out of the Bank's term loan. The balance outstanding is Rs.30,583,336(of which Rs 12,233,328 has been grouped under note 10 other current liabilities) which is repayable in 30 monthly installments .

e. Term loan from ICICI Bank - is secured by hypothecation of movable assets, both present and future including its movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future All piece and parcel of the Immoveable Agricultural property situated at Kokkonda Village, Mulugu Mandal, Medak Distric. The balance outstanding as at March 31, 2016 is Rs.25,000,000(of which Rs 5,000,000 has been classified under note 10 other current liabilities) repayable in 20 equated qaterly installments of Rs. 1,250,000 each.

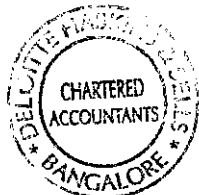
f. For the current maturity of Long-term Borrowings, refer note 10 (a) Other Current Liabilities

6 Other Long-term Liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
a) Others		
i) Interest accrued but not due on borrowings	694,912	322,991
ii) Security deposits received	47,494,468	40,068,309
<b>Total</b>	<b>48,189,410</b>	<b>40,391,300</b>

7 Long-term Provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
a) Provision for employee benefits		
Compensated absences (Refer note 34)	12,808,000	11,246,000
<b>Total</b>	<b>12,808,000</b>	<b>11,246,000</b>



8 Short-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
(a) Loans repayable on demand from banks (Secured) (Refer note (i) below)	364,949,214	159,668,962
(b) Term loan from bank (secured)	-	150,000,000
(c) Term loan from bank (Unsecured) (Refer note (ii) below)	100,000,000	100,000,000
<b>Total</b>	<b>464,949,214</b>	<b>409,668,962</b>

i) Working capital loan from Kotak Mahindra Bank and HDFC Bank Ltd secured by first pari passu charge by way of Hypothecation of Current assets, both present & future and the Immovable property at Bommasandra .Bangalore together with plant and machinery of the Company and working capital loan form Citi bank Secured by First pari passu charge on all present & future stocks and book debts of the Company.

ii) Term loan Rs.50,000,000 repayable on 16th June 2016 and balance of Rs.50,000,000 repayable on 19th June 2016.

9 Trade Payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
<b>Trade Payables - Other than acceptances</b>		
i) Total Outstanding dues of micro enterprises and small enterprises (Refer note 27)	-	-
ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises	857,833,647	819,688,942
<b>Total</b>	<b>857,833,647</b>	<b>819,688,942</b>



10 Other Current Liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
a. Current maturity of long-term debt (Refer note below)	22,298,425	15,952,308
b. Interest accrued but not due on borrowings	1,604,189	1,294,934
c. Other Payables		
i. Advance from customers	573,831,825	428,837,997
ii. Payables on purchase of fixed assets	5,440,742	3,038,309
iii. Statutory remittances	6,347,846	5,221,377
iv. Provision for Gratuity	3,173,000	3,527,000
v. Forward contract Premium	147,845	-
vi. Accruals for contingencies	5,000,000	5,000,000
<b>Total</b>	<b>617,843,872</b>	<b>462,871,925</b>

Note: Refer Note 5 - Long term borrowings for details of security and guarantee

11 Short-term Provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
a. Provision for employee benefits		
Compensated absences (Refer note 34)	1,909,000	1,562,000
<b>Total</b>	<b>1,909,000</b>	<b>1,562,000</b>



12 Fixed Assets

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	Balance as at 1st April, 2015	Additions	Disposals/ adjustments	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation / Amortisation charge for the year	On disposals/ adjustments	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>a Tangible Assets</b>										
Freehold Land - owned	18,701,147 (18,701,147)	-	-	18,701,147 (18,701,147)	-	-	-	-	18,701,147 (18,701,147)	18,701,147 (18,701,147)
Buildings - owned	111,170,248 (74,470,371)	1,184,952 (36,699,877)	2,114,628	110,240,572 (111,170,248)	31,144,334 (28,312,695)	4,453,081 (2,831,639)	2,114,628	33,482,787 (31,144,334)	76,757,785 (80,025,914)	80,025,914 (46,157,676)
Plant and Equipment - Owned	171,341,292 (145,372,446)	20,712,480 (27,640,658)	2,805,064 (1,671,812)	189,248,708 (171,341,292)	60,131,582 (52,131,529)	11,222,263 (9,671,865)	2,805,064 (1,671,812)	68,548,781 (60,131,582)	120,699,927 (111,209,710)	111,209,710 (93,240,917)
- Given under operating lease	4,801,611 (4,801,611)	-	-	4,801,611 (4,801,611)	3,977,350 (3,839,973)	137,755 (137,377)	-	4,115,105 (3,977,350)	686,506 (824,261)	824,261 (961,638)
Furniture and Fixtures - owned	3,826,225 (3,480,698)	308,026 (350,527)	287,196 (5,000)	3,847,055 (3,826,225)	3,276,256 (3,038,912)	322,806 (242,344)	287,196 (5,000)	3,311,866 (3,276,256)	535,189 (549,969)	549,969 (441,786)
Vehicles - owned	1,970,153 (4,760,570)	-	1,068,026 (2,790,417)	902,127 (1,970,153)	1,970,153 (4,711,518)	-	1,068,026 (2,790,417)	902,127 (1,970,153)	-	-
Office Equipments - owned	8,017,712 (7,276,176)	62,378 (757,336)	2,275,978 (16,000)	5,804,112 (8,017,712)	5,586,873 (4,542,392)	956,755 (1,060,481)	2,275,978 (16,000)	4,267,650 (5,586,873)	1,536,462 (2,430,839)	2,430,839 (2,733,784)
<b>Total</b>	319,828,388 (258,863,019)	22,267,836 (65,448,598)	8,550,892 (4,483,229)	333,545,332 (319,828,388)	106,086,548 (96,577,019)	17,092,660 (13,992,758)	8,550,892 (4,483,229)	114,628,316 (106,086,548)	218,917,016 (213,741,840)	213,741,840 (162,286,000)
<b>b Intangible Assets</b>										
Internally generated										
Seed development technology - owned	115,643,505 (102,021,687)	32,597,540 (13,621,818)	-	148,241,045 (115,643,505)	80,123,598 (49,084,870)	34,488,662 (31,038,728)	-	114,612,260 (80,123,598)	33,628,785 (35,519,907)	35,519,907 (52,936,817)
Others	10,161,315 (7,833,182)	3,593,157 (2,328,133)	-	13,754,472 (10,161,315)	8,679,164 (7,154,941)	3,073,708 (1,524,223)	-	11,752,872 (8,679,164)	2,001,600 (1,482,151)	1,482,151 (678,241)
Computer software - owned	125,804,820 (109,854,869)	36,190,697 (15,949,951)	-	161,995,517 (125,804,820)	88,802,762 (56,239,811)	37,562,370 (32,562,951)	-	126,365,132 (88,802,762)	35,630,385 (37,002,058)	37,002,058 (53,615,058)
<b>Total</b>										

Note : Figures in brackets indicate balances of previous year



**13 Long-term loans and advances (Unsecured considered good)**

	Particulars	As at	As at
		31st March, 2016	31st March, 2015
		Rs	Rs
	a) Capital Advance	724,389	-
	b) Security deposits((Unsecured, considered good)	31,190,233	3,220,233
	c) Balance with govt authorities		
	i) MAT credit entitlement	85,920,830	47,620,830
	ii) Advance Tax/ Tax deduction at source (Net of provision of Rs.83,560,000 Previous year Rs Rs.45,260,000)	41,429,281	24,299,411
	<b>Total</b>	<b>159,264,733</b>	<b>75,140,474</b>

**14 Inventories( at lower of cost or net realisable value)**

	Particulars	As at	As at
		31st March, 2016	31st March, 2015
		Rs	Rs
	a. Raw materials and packing material	484,296,740	335,287,044
	b. Work-in-progress (seeds)	8,291,666	8,967,993
	c. Finished goods	981,949,664	818,249,307
	<b>Total</b>	<b>1,474,538,070</b>	<b>1,162,504,344</b>

**15 Trade Receivables**

	Particulars	As at	As at
		31st March, 2016	31st March, 2015
		Rs	Rs
	(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, considered good	181,033,236	166,036,657
	Unsecured, considered doubtful	58,620,920	46,785,056
	Less: Provision for doubtful trade receivables .	(58,620,920)	(46,785,056)
		<b>181,033,236</b>	<b>166,036,657</b>
	(b) Other trade receivables		
	Unsecured, considered good	244,478,415	246,813,618
		<b>244,478,415</b>	<b>246,813,618</b>
	<b>Total</b>	<b>425,511,651</b>	<b>412,850,275</b>





16 Cash and cash equivalents

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
<b>A. Cash and cash equivalents(as per AS 3 Cash Flow statement )</b>		
a. Cash on hand	234,324	626,424
b. Balances with banks :		
i) Current accounts	314,998	4,053,855
	<b>549,322</b>	<b>4,680,279</b>
<b>B. Other bank balances</b>		
i) In other deposit accounts (Original Maturity of more than 3 month )	96,178	87,716
ii) In earmarked accounts - Balances held as margin money	15,488,672	15,406,415
	<b>15,584,850</b>	<b>15,494,131</b>
<b>Total</b>	<b>16,134,172</b>	<b>20,174,410</b>



17 Short-term loans and advances; (Unsecured considered good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
a. Prepaid expenses	3,073,010	5,613,368
b. Loans and advances to employees	14,237,989	10,106,773
c. Advances to vendors	56,093,985	37,010,730
d. Balances with government authorities - Tender deposits	6,010,028	6,983,767
e. Security deposit	-	28,000,000
f. Loans and advance to related party (Refer note below)	-	6,368,713
<b>Total</b>	<b>79,415,012</b>	<b>94,083,351</b>

Note: Capital advance to related party is to a Director towards use/ purchase of agricultural land (Refer Note 36)

18 Other current assets (Unsecured considered good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
Grants	-	936,756
Other Receivables	15,582,277	11,038,083
<b>Total</b>	<b>15,582,277</b>	<b>11,974,839</b>

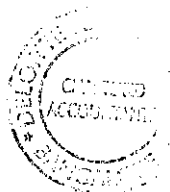


19 Revenue from Operations

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
(a) Sale of products - Seeds	3,325,119,345	3,093,351,902
(b) Other operating revenues		
Farm income	3,406,473	2,875,208
Revalidation Charges	12,282,215	3,685,643
<b>Total</b>	<b>3,340,808,033</b>	<b>3,099,912,753</b>

20 Other Income

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
(a) Gain on sale of Fixed Assets (net)	123,750	108,600
(b) Interest Income		
(i) From bank deposits	1,530,086	1,387,974
(ii) From other deposits	3,088,439	2,059,562
(iii) Loans and advance to employees	150,471	36,728
(c) Net gain on foreign currency transactions and translation	1,796,748	-
(d) Other non-operating income		
(i) Insurance claims	3,452,230	103,874
(ii) Lease rentals	1,100,000	1,100,000
(iii) Facilitation fee	12,489,126	10,558,156
(iv) Advances write back	1,468,737	1,857,213
(v) Creditors write back	-	936,651
(vi) Other Income	1,730,411	1,972,975
<b>Total</b>	<b>26,929,998</b>	<b>20,121,733</b>



21 Cost of materials consumed

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
<b>Cost of Materials Consumed (Refer note 32 &amp; 39)</b>		
Opening inventory of raw material (Including packing material & chemical )	335,287,044	309,645,288
Add:Purchase of seeds	1,370,580,105	1,246,606,659
Add: Seed production expenses	172,081,694	205,626,536
Add: Processing Charges	137,957,752	113,879,129
Less: Closing inventory of raw material (including packing material & chemical )	484,296,740	335,287,044
<b>Total</b>	<b>1,531,609,855</b>	<b>1,540,470,568</b>

22 Changes in inventories of finished goods and work-in-progress - (Increase)/ Decrease

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
<b>Closing Stock</b>		
Finished Goods	981,949,664	818,249,307
Work- in- Progress	8,291,666	8,967,993
	<b>990,241,330</b>	<b>827,217,300</b>
<b>Opening Stock</b>		
Finished Goods	818,249,307	580,727,716
Work- in- Progress	8,967,993	7,448,350
	<b>827,217,300</b>	<b>588,176,066</b>
<b>Net (Increase)/ Decrease</b>	<b>(163,024,031)</b>	<b>(239,041,234)</b>



23 Employee benefits expense (Refer note 34,36 & 39)

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
Salaries and wages	260,176,865	218,822,114
Contributions to provident funds and other funds (Refer note 34)	19,661,580	15,987,885
Staff welfare expenses	10,569,621	9,265,375
<b>Total</b>	<b>290,408,066</b>	<b>244,075,374</b>

24 Other expenses

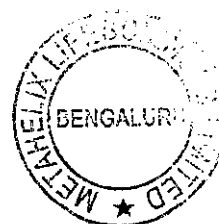
Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
Breeding expenses	18,426,164	12,884,936
Lab expenses (Refer Note 30)	7,241,921	7,309,001
Rent including lease rentals	33,164,327	28,809,385
Freight and forwarding	131,631,159	121,597,227
Travelling and conveyance (Refer note 30)	85,960,057	78,293,597
Business Promotion	271,958,703	391,360,016
Expenditure on corporate social responsibilities	1,343,555	950,236
Cash discount on sales	811,613,327	581,431,942
Solacium	3,572,007	3,537,363
Communication Expenses	8,707,393	7,027,679
Legal and Professional (Refer note 30)	10,647,139	13,324,022
Rates and Taxes	7,008,199	5,537,880
Power and fuel	15,185,722	14,768,145
Repairs and maintenance;		
- Plant and machinery	1,093,310	803,775
- Building	5,820	821,584
- Others	8,676,878	7,083,179
Security charges	8,019,729	6,611,777
Insurance	2,084,487	1,669,759
Net loss on foreign currency transactions and translation	382,162	656,041
Intangible asset written off	15,465,480	10,476,633
Provision for doubtful trade and other receivable	11,835,865	9,563,799
Grant receivable written off	936,756	-
Bad trade receivables written off	-	30,058,507
Provision for doubtful debts written back	-	(30,058,507)
Miscellaneous Expenses	4,707,028	4,826,134
<b>Total</b>	<b>1,459,667,188</b>	<b>1,309,344,110</b>

Note; Payment to statutory auditors comprises ( included in legal and professional charges)

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
For audit	1,935,050	1,368,000
For taxation matters	274,800	228,000
For other services	-	84,270
Reimbursement of expenses	133,332	238,545
<b>Total</b>	<b>2,343,182</b>	<b>1,918,815</b>

25 Finance costs

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs.	Rs.
Interest expenses on borrowings	56,359,908	53,415,135
<b>Total</b>	<b>56,359,908</b>	<b>53,415,135</b>



**Other Information**

**26 Contingent Liabilities and commitments (to the extent not provided for)**

a) **Contingent Liabilities** - Claims not acknowledged by the Company relating to cases contested by the company and which, in the opinion of the Management, are not likely to devolve on the Company relating to the following areas:

- Legal cases filed against the Company Rs 33,263,958 (Previous Year: Rs 25,206,368)

- Guarantees issued by bank on behalf of the Company Rs 6,384,620 (Previous Year Rs 5,736,500) these are covered by the charge created in favour of the Company's bankers by way of hypothecation of stock and debtors.

b) **Commitments**

i) Estimated amount of contract with minimum commitment for plant activity Rs 195,500,000 (Previous Year: Rs 81,600,000)

ii) Estimated amount of contract remaining to be executed on capital account and not provided for Rs 1,844,813 (Previous Year: Rs 8,763,922)

iii) Capital commitment towards investment in joint venture (PT Metabelix Lifesciences Indonesia) in Indonesia USD 122,500 (Previous Year: USD 196,000).

**27 Micro and Small enterprises**

There are no Micro and Small enterprises to whom the company owes dues as at the Balance sheet date. The information regarding the Micro Enterprises and small enterprises disclosed under note 9. Trade payable in the balance sheet has been determined to the extent such parties have been identified on the basis of information collected by the management based on the enquiries made with the vendors which have been relied upon by the auditors.

**28 Derivative disclosures**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not use forward contracts for speculative purposes.

Particulars	As on 31st March, 2016			As on 31st March, 2015		
	Number of Contracts	Amount in Rs.	Foreign Currency (USD)	Number of Contracts	Amount in Rs.	Foreign Currency (USD)
Foreign Currency Loan	19	265,461,979	3,761,548	-	-	-

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are Rs Nil (Previous Year Rs Nil)

**29 Value of imports calculated on CIF basis**

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
Raw Materials	14,857,368	16,873,125
Lab equipments	4,426,879	3,006,182
	19,284,247	19,879,307

**30 Expenditure in Foreign Currency**

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
Travelling and conveyance	554,063	801,196
Lab expenses	365,349	447,877
Membership /Subscription	59,238	30,026
Crop Trial Fees	103,093	-
Legal & Professional	2,492,533	4,234,225
	3,574,276	5,553,324

**31 Earnings in Foreign Currency**

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
Exports of goods calculated on F.O.B Basis	-	8,614,045
	-	8,614,045

**32 Details of consumption of imported and indigenous items**

Particulars	For the year ended, 31st March, 2016		For the year ended, 31st March, 2015	
	%	Amount (Rs)	%	Amount (Rs)
Import	1%	14,857,368	1%	16,873,125
Indigenous	99%	1,516,732,487	99%	1,523,597,443
Total		1,531,609,855		1,540,470,568

**33 Details of Government grants**

(included under Other current assets- Note No.18)

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
Opening Balances	936,736	936,736
Written off	-	-
Closing balance	936,736	936,736



**34 Employees Benefits Plan**

**a) Defined contribution plans**

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.12,723,858 (Previous Year Rs.11,366,368) for Provident Fund contributions and Rs.60,722 (Previous year Rs.1,66,348) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**b) Defined benefits plans**

The Company offers the following employee benefit schemes to its employees:

- Gratuity - (included as part of Contributions to provident funds and other funds in Note 23 Employee benefits expense)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	For the year ended,	For the year ended,
	31st March, 2016	31st March, 2015
	Rs	Rs
<b>I Components of employer expense</b>		
1 Current Service cost		
2 Interest cost	4,437,000	3,559,000
3 Expected return on plan assets	1,828,000	1,580,000
4 Actuarial Losses/(Gains)	(1,535,000)	(1,232,000)
5 Transitional liability recognised in the year	2,147,000	1,372,000
6 Past service cost- non vested benefits		
7 Past service cost- vested benefits		
8 Total expense recognized in the Statement of Profit & Loss	6,877,000	5,279,000
<b>II Actual Contribution and Benefits Payments for year ended</b>		
1 Actual benefit payments	780,000	963,000
2 Actual Contributions	7,231,000	5,174,000
<b>III Net asset/(liability) recognised in Balance Sheet</b>		
1 Present value of Defined Benefit Obligation (DBO)	30,935,000	23,426,000
2 Fair value of plan assets	27,762,000	19,899,000
3 Funded status [Surplus/(Deficit)]	(3,173,000)	(3,527,000)
4 Unrecognized Past Service Costs		
5 Net asset/(liability) recognised in Balance Sheet	(3,173,000)	(3,527,000)
6 Experience adjustments on plan liabilities -(loss)/gain	1,685,000	362,000
7 Experience adjustments on plan assets -(loss)/gain	(359,000)	516,000
<b>IV Change in Defined Benefit Obligations during the year ended</b>		
1 Present Value of DBO at beginning of period	23,426,000	17,362,000
2 Acquisition adjustment		
3 Current Service cost	4,437,000	3,559,000
4 Interest cost	1,828,000	1,580,000
5 Actuarial (gains)/ losses	2,024,000	1,888,000
6 Past service cost-(non vested benefits)		
7 Past service cost -(vested benefits)		
8 Benefits paid	(780,000)	(963,000)
6 Present Value of DBO at the end of period	30,935,000	23,426,000
<b>V Change in Fair Value of Assets during the year ended</b>		
1 Plan assets at beginning of period		
2 Acquisition Adjustment	19,899,000	13,940,000
3 Actual return on plan assets		
4 Actual Company contributions	1,535,000	1,232,000
5 Benefits paid	7,231,000	5,174,000
6 Actuarial (gains)/ losses	(780,000)	(963,000)
7 Plan assets at the end of period	27,762,000	19,899,000
<b>VI Composition of the plan assets is as follows:</b>		
Equity mutual fund		
Bonds	27,762,000	19,899,000
<b>VII Actuarial Assumptions for Gratuity</b>		
1 Discount Rate	7.60%	7.80%
2 Expected Return on plan assets	7.80%	9.00%
3 Salary escalation	8.00%	8.00%
4 Mortality	IA LM 2006-08 (Ultimate)	IA LM 2006-08 (Ultimate)
5 Withdrawal Rates	12%	12%
6 Estimate of amount of contribution in the immediate next year	7,000,000	7,000,000

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**Experience adjustment**

Gratuity	For the year ended 31st March, 2016	For the year ended 31st March, 2015	For the year ended, 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs	Rs	Rs	Rs	Rs
Present value of DBO	30,935,000	23,426,000	17,362,000	7,903,000	5,659,844
Fair value of plan assets	27,762,000	19,899,000	13,940,000	4,480,365	3,849,233
Funded status [Surplus / (Deficit)]	(3,173,000)	(3,527,000)	(3,422,000)	(3,422,635)	(1,810,609)
Experience gain / (loss) adjustments on plan liabilities	1,685,000	362,000	514,000	650,000	1,222,005
Experience gain / (loss) adjustments on	(123,000)	516,000	(453,000)	41,000	(152,420)



Actuarial Assumptions for long term compensated absences/ leave plan	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
Discount Rate	7.60%	7.90%
Salary escalation	8.00%	8.00%
Mortality	I.A.L.M 2006-08 (Ultimate)	I.A.L.M 2006-08 (Ultimate)
Withdrawal Rates	12%	12%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

### 35 Segment Information

The Company is principally engaged in the production and marketing of seeds. The seed related activities are considered as primary segment and secondary segment is reported based on the geographical location of customers

The sales outside India are less than the threshold limits, as such the disclosure requirement under AS-17 have not been disclosed.

### 36 Related party transactions

Ultimate Holding Company	Tata Chemicals Ltd
Holding Company	Rallis India Limited

Key Managerial Personnel	Dr. K.K. Narayanan – Managing Director- Upto 31.03.2016
	Dr. Gautham Nadig – Executive Director- Upto 31.03.2016
	Mr.S.Ravi Krishna -Executive Director- Upto 31.03.2016
	Mr S.Nagarajan-Chief Executive Officer- with effect from 01.03.2016

Transactions/ Outstanding	Holding Company-Rallis India Limited		Ultimate Holding Company-Tata Chemicals Ltd		Key Managerial personnel	
	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
Balances	Rs	Rs	Rs	Rs	Rs	Rs
Sales	103,983,690	70,051,445	376,421,813	327,160,007	-	-
Cash discount on sales	5,745,981	10,270,543	100,180,644	60,445,731	-	-
Processing charges & freight reimbursement	6,572,089	6,688,875	11,172,042	7,296,554	-	-
Purchases	19,028,123	6,520,750	-	-	-	-
Trade payable as at the year end	1,885,000	-	-	-	-	-
Advance as at the year-end	43,000,000	43,017,541	45,800,000	-	-	-
Trade receivables as at the year end	119,356	-	42,088,406	19,291,408	-	-
Dr K K Narayanan-Managing Director	-	-	-	-	-	6,368,713
Compensation Received	-	-	-	-	68,126,287	-
Remuneration	-	-	-	-	20,874,667	18,400,000

No amount is/has been written back during the year in respect of debts due from/to a related party

### 37 Earnings per share

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
i) Net Profit/ (Loss) after tax	206,188,302	165,382,264
ii) Weighted Average number of Equity Shares for Basic EPS (Nos.)	107,502	107,502
iii) Weighted Average number of Equity Shares for Diluted EPS (Nos.)	107,502	107,502
iv) Nominal value of shares (Rs.)	10	10
v) Basic Earnings per share (Rs.)	1,918.00	1,538.41
vi) Diluted Earnings per share (Rs.)	1,918.00	1,538.41

### 38

#### a) Minimum Alternate Tax

The Company has book profit u/s 115JB of the Income Tax Act 1961 ( the "Act") and the minimum alternate tax ( MAT) there on is higher than the tax liability under the normal provisions of the Act. Thus, the provision towards tax liabilities has been made based on MAT. Correspondingly, the Company has also recognised credit for MAT under section 115JAA of the said Act, which is disclosed as MAT credit entitlement in the Statement of Profit and Loss.

#### b) Deferred tax (liabilities) / assets

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
	Rs	Rs
Tax effect of items constituting deferred tax assets	-	-
On Provision for compensated absences and gratuity	6,191,371	5,562,267
Provision for doubtful debts / advances	20,287,528	15,892,241
Unabsorbed depreciation carried forward	19,346,615	6,549,653
Unabsorbed business losses	77,922,147	109,827,381
Deferred tax (liabilities) / assets (net)	123,747,661	137,831,542

Deferred tax asset arising out of the above have not been recognised on the basis of conservatism and in the absence of virtual certainty





39 Details of research and development expenditure recognised as expense in Statement of Profit and Loss

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
Cost of Materials	1,711,279	1,411,874
Employee benefit expenses	55,747,416	46,220,941
Consumables	5,867,256	3,374,364
Travelling and Conveyance	2,751,831	2,509,227
Depreciation	4,294,856	2,179,036
Breeding Expenses	14,155,370	9,973,053
Other Expenses	7,903,919	7,956,544
<b>Total</b>	<b>92,331,947</b>	<b>75,625,039</b>

40 Expenses disclosed in the Statement of Profit and Loss are net of following research and development expenses capitalised during the year as Intangible assets under development [Refer Balance sheet II(1)(a)(iii)]

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
Cost of Materials	1,570,763	1,347,956
Employee benefit expenses	38,872,414	32,793,912
Crop Technology fees	-	1,798,880
Consumables	1,566,107	1,057,168
Travelling and Conveyance	8,444,532	5,994,368
Breeding Expenses	28,221,965	20,274,119
Other Expenses	3,460,868	2,298,721
<b>Total</b>	<b>82,136,649</b>	<b>65,165,114</b>

41 Details of research and development capitalised as fixed assets (refer schedule No.12 - Fixed Assets)

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
Buildings	1,184,652	3,661,024
Plant & Equipment	11,785,265	5,046,257
Computer Software	1,960,793	-
<b>Total</b>	<b>14,930,710</b>	<b>8,707,281</b>

42 The company has received a sum of Rs 68,126,287 towards compensation for non fulfillment of obligation to transfer land to the company.

43 The gross amount required to be spent by the company during the year towards Corporate Social Responsibility (CSR) as per the provisions of section 135 of the Companies Act, 2013 amounts to Rs 1,899,459 (Previous year: Rs 950,256). Amount spent during the year on CSR activities as under:

Particulars	For the year ended, 31st March, 2016	For the year ended, 31st March, 2015
Other Expenses (For health care, Purified water system in schools and villages, etc.)	1,593,902	699,889
<b>Total</b>	<b>1,593,902</b>	<b>699,889</b>

44 The Company has entered into a joint venture agreement with Suresh Vaswani (Individual). Based on such agreement a new Company "PT Melohelix Lifesciences Indonesia" has been formed in the FY 2015-16, in Indonesia with a Share Capital of USD 250,000 which is yet to commence operations. The Company is yet to make the required investment of 49% in the joint venture company (Refer Note 26(b)(iii))

45 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

