

Board's Report

To the Members of Rallis India Limited

The Directors present their Seventy-Fourth (74th) Annual Report on the business and operations of Rallis India Limited ('the Company') along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2022.

Financial Results

(₹ in crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	2,603.93	2,429.43	2,603.93	2,429.44
Other Income	27.44	40.44	27.46	40.45
Total Income	2,631.37	2,469.87	2,631.39	2,469.89
Profit before finance cost, depreciation and tax	301.58	363.43	301.51	363.33
Finance costs	4.79	5.21	4.79	5.21
Depreciation	74.31	64.07	74.31	64.07
Profit before exceptional items and tax	222.48	294.15	222.41	294.05
Exceptional items	0.00	9.45	0.00	9.45
Profit before tax	222.48	303.60	222.41	303.50
Provision for tax	62.18	77.03	62.18	77.04
Deferred tax	(3.97)	(2.10)	(3.97)	(2.10)
Profit for the year	164.27	228.67	164.20	228.57
Profit for the year attributable to:				
- Owners of the Company	164.27	228.67	164.20	228.58
- Non-controlling interests	-	-	-	-
Other comprehensive income ('OCI')	(0.65)	1.32	(0.56)	1.40
Total comprehensive income	163.62	229.99	163.64	229.96
Profit for the year	163.62	229.99	163.64	229.96
Balance of Profit brought forward from previous year	1,128.50	947.14	1,213.04	1,031.77
	1,292.12	1,177.13	1,376.68	1,261.75
Appropriations				
Others	(0.01)	0.00	0.55	0.00
Dividend on equity shares [#]	(58.34)	(48.62)	(58.34)	(48.62)
Transfer to reserve for equity instruments through OCI	0.00	(0.01)	(0.09)	(0.08)
Balance profit carried forward to balance sheet	1,233.77	1,128.50	1,318.80	1,213.04

[#] Dividend declared in the previous year and paid during the respective reporting year



STATUTORY REPORTS

Board's Report	45
Management Discussion & Analysis	72
Corporate Governance Report	84
Business Responsibility & Sustainability Report	110

FINANCIAL STATEMENTS

Standalone Financial Statements	
Independent Auditors' Report	142
Balance Sheet	154
Statement of Profit and Loss	155
Statement of Changes in Equity	156
Statement of Cash Flows	157
Notes to Financial Statements	159
Consolidated Financial Statements	
Independent Auditors' Report	229
Balance Sheet	238
Statement of Profit and Loss	239
Statement of Changes in Equity	240
Statement of Cash Flows	241
Notes to Financial Statements	243
Form AOC-1	313
Notice	314

Board's Report

To the Members of Rallis India Limited

The Directors present their Seventy-Fourth (74th) Annual Report on the business and operations of Rallis India Limited ('the Company') along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2022.

Financial Results

(₹ in crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	2,603.93	2,429.43	2,603.93	2,429.44
Other Income	27.44	40.44	27.46	40.45
Total Income	2,631.37	2,469.87	2,631.39	2,469.89
Profit before finance cost, depreciation and tax	301.58	363.43	301.51	363.33
Finance costs	4.79	5.21	4.79	5.21
Depreciation	74.31	64.07	74.31	64.07
Profit before exceptional items and tax	222.48	294.15	222.41	294.05
Exceptional items	0.00	9.45	0.00	9.45
Profit before tax	222.48	303.60	222.41	303.50
Provision for tax	62.18	77.03	62.18	77.04
Deferred tax	(3.97)	(2.10)	(3.97)	(2.10)
Profit for the year	164.27	228.67	164.20	228.57
Profit for the year attributable to:				
- Owners of the Company	164.27	228.67	164.20	228.58
- Non-controlling interests	-	-	-	-
Other comprehensive income ('OCI')	(0.65)	1.32	(0.56)	1.40
Total comprehensive income	163.62	229.99	163.64	229.96
Profit for the year	163.62	229.99	163.64	229.96
Balance of Profit brought forward from previous year	1,128.50	947.14	1,213.04	1,031.77
	1,292.12	1,177.13	1,376.68	1,261.75
Appropriations				
Others	(0.01)	0.00	0.55	0.00
Dividend on equity shares*	(58.34)	(48.62)	(58.34)	(48.62)
Transfer to reserve for equity instruments through OCI	0.00	(0.01)	(0.09)	(0.08)
Balance profit carried forward to balance sheet	1,233.77	1,128.50	1,318.80	1,213.04

* Dividend declared in the previous year and paid during the respective reporting year



Dividend

The Directors are pleased to recommend a dividend of ₹ 3 per share (i.e. 300%) on the Equity Shares of the Company of ₹ 1 each for the year ended March 31, 2022 (previous year ₹ 3 per share i.e. 300%). If the dividend, as recommended above, is declared at the ensuing Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 58.34 crore (previous year ₹ 58.34 crore).

Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of the Company have adopted a Dividend Distribution Policy which aims to maintain a balance between profit retention and a fair, sustainable and consistent distribution of profits among its Members. The said Policy is available on the website of the Company under the 'Investors' section at <https://www.rallis.com/dividend-distribution-policy>.

Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2021-22 in the profit and loss account.

Share Capital

The paid-up Equity Share Capital as on March 31, 2022 was ₹ 19.45 crore. During the year under review, the Company has not issued any shares.

Coping with challenges in the short term and transforming for the long term

During the year under review, the Company continued to move ahead with resilience. The Company recorded a double digit growth in its Domestic Crop Care business and positive momentum in exports. The Company also drove commercialisation of key capital projects. This has been achieved despite the challenges posed by the pandemic and other volatile business factors. The Company continued to leverage its strengths and expertise for supporting business growth as well as prioritising safety and well-being of its employees and other stakeholders. The Company is also working to navigate the volatility and uncertainty arising from the recent geopolitical crisis. The journey of innovation and transformation continues to remain a thrust area through various initiatives such as enhancing manufacturing capacities, digitalisation, launching new products, enhancing brand visibility, etc. During the year under review, a state-of-the-art formulation plant was inaugurated in Dahej, Gujarat.

The Company endeavours to accelerate its journey and enhance value in areas of environmental sustainability, societal initiatives and long-lasting partnerships along with continuous focus on cost optimisation across the value chain.

Company's Performance

The Company's consolidated revenue from operations for FY 2021-22 was ₹ 2,604 crore compared to ₹ 2,429 crore in the previous year, an increase of 7.2% over the previous year. The Company's Profit before exceptional items on a consolidated basis was ₹ 222 crore during the year compared to ₹ 294 crore in the previous year. The Company earned a net profit after tax of ₹ 164 crore, lower by 28.2%, as against a net profit after tax of ₹ 229 crore in the previous year.

Business Operations

A. Crop Care

During the year under review, the Domestic Crop Care business achieved a revenue of ₹ 1,468 crore as against ₹ 1,287 crore during FY 2020-21, a growth of 14%. The International business achieved a revenue of ₹ 787 crore during the year under review as against ₹ 741 crore during FY 2020-21, a growth of 6.2%.

1. Crop Protection

Domestic Formulation:

India is a vast nation with high growth potential for the crop protection industry on the back of its diverse agro-climatic conditions as well as its increasing impetus on improvements in agricultural productivity and doubling the farmer's income. India's capability in low cost manufacturing, availability of technically trained resources, domestic demand, sufficient capacity, reasonable price realisations and a strong presence in generic pesticide manufacturing are the major factors boosting the crop protection market growth.

The Company registered 12.3% growth over the previous year with the help of its new product introductions, commercial interventions, supportive trade policies and by enhancing channel reach and engagement.

The agricultural sector has experienced a buoyant growth in the past two years. In FY 2021-22, the sector, which is the largest employer of workforce, contributed to 16% in Gross Value Added (GVA) of the country. As per the second Advance Estimate, GVA from agriculture, forestry and fishing was estimated at ₹ 39.64 lakh crore (at current price) in FY 2021-22.

As per second Advance Estimates for FY 2021-22, total food grain production in the country is estimated at a record 316.06 million tonnes which is 5.32 million tonnes higher than that during FY 2020-21. The production of rice, wheat and coarse cereals has increased at compound annual growth rates ('CAGR') of 3.2%, 2.8% and 1.5%, respectively during the last five years i.e. from FY 2017-18 to FY 2021-22. The CAGR for pulses, oilseeds and cotton has been 1.5%, 4.2% and 0.9% respectively, during the same period.

The 2021 annual rainfall over the country as a whole was 99% of its Long Period Average ('LPA') value for the period from 1961-2010. The Southwest monsoon season (June to September) rainfall was normal over Northwest India (96%) and Central India (104%). Season rainfall was below normal over East and Northeast India (88%) and above normal over South Peninsula India (111%). The Southwest monsoon seasonal rainfall over the monsoon core zone, which consists of most of the rain-fed agriculture regions in the country, was above normal. Out of the total 36 meteorological subdivisions, 20 subdivisions constituting 58% of the total area of the country received normal season rainfall, 10 subdivisions received excess rainfall (25% of the total area) and 6 subdivisions received deficient season rainfall (17% of the total area). Further, the season was very uniquely placed in the historical record for its distinct and contrasting month-to-month variation over India as a whole. The rainfall across the country as a whole was 110%, 93%, 76% and 135% of the LPA during June, July, August and September respectively.

Further, the total live storage in 140 important reservoirs in different parts of the country during the week ended March 24, 2022 was 83.523 Billion Cubic Meter ('BCM') (47% of the storage capacity at full reservoir level) as against 78.198 BCM during the corresponding date of the previous year and 65.421 BCM which is the average storage of the last 10 years. Storage during the year was nearly 107% of last year's storage and 126% of the average of the last 10 years.

Thus, during FY 2021-22, Indian agriculture experienced a relatively normal monsoon in aggregate which resulted in normal crop acreage in Kharif and increased acreage in Rabi due to better water availability. However, distribution of rainfall was uneven which resulted in crop loss and low consumption of pesticides.

In this background, the Insecticides portfolio witnessed a growth of 9% over the previous year. It has grown in key crops like Paddy, Cotton, Pulses, Chillies and Soybean. However, incessant rainfall during the peak consumption

time of Cotton, challenges in acceptance of granule insecticides in Paddy for Stem Borer, 'low to almost no' infestation of fall armyworms in Maize and low pest load on Rabi Pulses limited the growth.

The Fungicides portfolio grew 10% over the previous year. It grew in key crops like Fruits and Vegetables segment and Soybean. Continuous rainfall during the consumption and 'low to no' disease incidence in Paddy, severe Chilli crop damage due to Black Thrips, drastic drop in Cumin acreages, etc. impacted the overall Fungicides category negatively. Further, the consumption of high end molecules reduced in key geographies while the consumption of generics increased comparatively.

The Herbicide portfolio grew 26% over the previous year. The flagship brands like Panida Grande, Tata Metri and Taarak registered a strong growth. However, the Maize herbicides segment was impacted due to continuous dry spell in key geographies during the Kharif season. Liquidation of wheat herbicides was impacted due to unusual rains.

International Business:

The preliminary view of the global crop protection market is that it is estimated to have increased by 8% to reach a total value of USD 65.8 billion during calendar year 2021 compared to USD 60.8 billion during calendar year 2020. Overall, the agrochemical market, both crop and non-crop segments have grown to USD 73.4 billion in 2021 from USD 68.0 billion in 2020.

During the year under review, the market in North American Free Trade Agreement ('NAFTA') States improved compared to the previous year, benefiting from a continuing rise in maize and soybean areas and positive prices in the USA. High prices for key agrochemicals have led to a better realisation, particularly for generic products, boosting the overall value of the market. The markets in Central and South America have been held back somewhat by dry weather conditions and continued currency issues. Additionally, the European crop protection market has also benefited from favourable agricultural conditions, higher planted areas and the normalisation of inventories. In the Middle East, pest incidence generally has been less severe than in 2020, leading to a slowdown in use of insecticides. In Australia, the crop protection market has benefited from much improved conditions following the effects of severe drought during the previous year, particularly in the key cropping states whereas China benefited from increased government support for maize where crop protection



usage is generally more and uses higher cost of inputs. Asia Pacific market such as Vietnam, Thailand, Indonesia, Philippines and Malaysia have benefited from a significant improvement in weather conditions and water availability. Favourable conditions for planting have generally been prevalent throughout Africa. In South Africa, favourable weather boosted the local maize crop.

In terms of market performance, 14.1% revenue growth was witnessed in Asia Pacific. A growth of 8.7% was witnessed in Europe, 5.0% in NAFTA States, 4.6% in Middle East / Africa and 4.4% in Central and South America.

During the year under review, the Company's International business registered a growth of 6.2% over the previous year. Out of the total revenues recorded during the year, a significant share of 39% was witnessed in NAFTA States followed by Asia, Middle East, Latin America, Africa and Europe. The Company gained 17 new registrations in the overseas market in FY 2021-22. The Company also clocked the highest ever growth in branded formulations sales. Developing the branded sales business in targeted countries in African and South East Asian regions continues to be a focal point of the Company. Simultaneously, future growth is envisaged by offering Active Ingredients to the existing as well as prospective customers across the globe.

2. Crop Nutrition

The Crop Nutrition business of the Company consists of Bio fertilisers, Bio stimulants, Micronutrients, Water soluble fertilisers, Organic fertilisers and Biopesticides.

During FY 2021-22, the Crop Nutrition business achieved an impressive growth of 20.5%. 6 new products were added to the portfolio - Aquafert Cotton, Aquafert Apple, Ralli Derma, Ralli Flomonas, Ralli Pecilo and GeoGain K+. All these new products were well accepted by traders and farmers. Research and Development activities were intensified and more than 20 products covering multiple segments across categories were chosen for development and commercialisation.

While the manufacturing of a few products currently takes place at the Company's unit located at Akola, the Crop Nutrition business follows an asset-light model wherein multiple strategic partners and third party arrangements support its supply chain. Crop calendar and crop life cycle based product promotion approach at territory level, demonstrations, distance marketing and promotion of integrated nutrition management and integrated pest

management continued to be implemented during the year under review.

Biopesticides:

The Biopesticides segment which the Company entered in 2021 fared encouragingly during the year under review. In FY 2021-22, many regions were engaged in the sale of biopesticides and the feedback received based on the experience of various customers has been encouraging.

B. Seeds

The Seeds business is a research based operation of the Company. The Company develops, produces and distributes hybrid seeds of Paddy, Maize, Millet, Cotton, Mustard and Vegetables in more than 200 territories across 15 states of the country as well as in Nepal. The Company is one among the few Indian seed companies engaged in conventional and biotechnology based research and development, supported by institutional, national and international collaborations for germplasm access.

The year was unpredictable and a challenging one for seeds, particularly due to the erratic and uneven distribution of monsoon. Crop shifts, Covid-19 situation, erratic monsoon, illegal HTBt cotton and reduced hybridisation impacted majority of the seeds industry players. In this backdrop, the revenues of the seeds business shrunk by 13%. Despite the internal and external challenges, the Company managed good realisations across the crop categories which helped manage its Gross Margins. Maintaining the Covid-19 safety protocols throughout the year continued to be the Company's first priority along with securing a threshold base for its hybrids across the territories in the declining market so as to enable the Company to grow when the market returns to normal. Its second priority was to remain profitable through disciplined management of fixed costs. Third priority was to ensure availability of products for the next financial year. The Company launched 6 products for different market segments of India.

The brand architecture for seeds business was revamped to emphasise the parentage and simplify the pack designs which is being progressively rolled out. The Company also piloted the "One Rallis" project in the eastern part of the country, a common front-facing operation for both crop care and seeds. The Company's supply chain continued to focus on certainty and reliability in seeds production and operations.

Looking ahead, even though the volatility and uncertainty is expected to continue, the business has evolved plans to emerge stronger. With its wide core product portfolio and emerging strong products in the existing and new market segments and renewed focus on cost optimisation, productivity, performance and people, the Company envisages being able to absorb shocks and demonstrate good performance in the seeds business.

Farmer Engagement

The Company believes in empowering the farmers and providing them with necessary knowledge for enhancing farm prosperity. During the year under review, through its Farmer Engagement Programme in both Crop Care as well as Seeds, the Company undertook the following initiatives:

- **Rallis Samrudh Krishi® ('RSK 2.0'):** The Company continued to follow a refreshed approach to RSK 2.0. A bottom-up planning was done to align the Company's Customer Connect activities with the season's progress. Engagement activities were planned and executed in 3 broad categories viz. i) crop advisor led activities, ii) sales team led activities and iii) distance marketing based initiatives.

The Company's crop advisors visited Rallis Marga Pradarshak farmers, a select set of farmers, on a regular basis providing solutions based on the stage and condition of the crop. This initiative was supported by Dr. Vishwas, (Company's farmer advisory helpline). These engagement initiatives were also supported by various digital interventions such as social media presence through Facebook, YouTube and Instagram, query & complaint resolution through Rallis Krishi Samadhan (a mobile app), etc. Progress on field level activities were monitored through Sampark and E-Sparsh digital platforms.

- **Samrudh Krishi:** Samrudh Krishi ('SK') is a weather-based agro advisory programme to support grape growers. SK was initiated in FY 2011-12 and ever since continuous improvements have been made. Farmers are well connected with this service since inception and have been reaping its benefits. During the year under review, the Fertigation Grape schedule i.e. "Aquafert Grapes 1st to 4th Grades" was introduced which is a new concept and a complete solution for grape nutrition. During FY 2021-22, more than 3,800 farmers have directly benefited through the SK programme. SK activities were carried out with use of masks along with physical distancing during the pandemic. Despite pandemic-led movement restrictions, continuous connection with the customers was maintained through digital platforms.

- **Drishti:** Drishti is a Decision Intelligence and Crop Monitoring System which harnesses the power of space borne remote sensing and Artificial Intelligence (AI). It is a co-development initiative between Rallis and TCS Digital Farming Initiative. During the Rabi season, around 1,400 acres of paddy hybrid seed production fields were under Drishti's surveillance.

Drishti generates insight to the hybrid seed production team at a predetermined frequency, speeds up the decision-making and significantly saves time and human efforts. Further, its high spatiotemporal resolution of farm scan and yield monitoring process allows the Company to have near real-time monitoring of the scattered and distant production plots. Additionally, seasonal weather forecasts and the risk advisories generated by Drishti enable the Company to select the right seed production location, minimising the loss in yield, etc.

- **Seeds Production Programme:** As part of the hybrid seed production programme, the Company is engaged with about 14,000 growers from more than 1,300 villages. During the hybrid seed production cycle, the field team regularly guides the farmers in various regions of Andhra Pradesh, Telangana, Gujarat, Odisha, Maharashtra and Karnataka with better agronomic practices as well as effective and efficient use of agricultural input for better profitability. The seed production programme is carried out in many tribal areas as well, which helps the community to improve and uplift their skills and income.

Consolidated Financial Statements

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

The Consolidated Financial Statements include financials of PT Metahelix Lifesciences Indonesia.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the SEBI Listing Regulations. The Policy, as approved by the Board is uploaded on the Company's website at <https://www.rallis.com/PolicyonMaterialSubsidiaries>. A report on the financial position of PT Metahelix Lifesciences Indonesia as per Section 129(3) of the Companies Act, 2013 ('the Act') is provided in Form AOC-1 which is attached to the financial statements.



The Company does not have any subsidiary, associate or joint venture company as on March 31, 2022.

Status of Subsidiary

PT Metahelix Lifesciences Indonesia ('PT Metahelix')

PT Metahelix had received approval for cancellation of its Company Registration Number and revocation of its business licence in March 2021. Further, on March 23, 2022, PT Metahelix also received a certificate for cancellation of its Tax Identification Number and accordingly ceased to be a subsidiary of the Company effective the said date.

Credit Ratings

There were no changes in the credit ratings of the Company during the year under review. As on March 31, 2022, the Company had a short-term credit rating of CRISIL A1+ and a long-term rating of CRISIL AA+/ Stable by CRISIL Limited for bank loan facilities aggregating to ₹ 440 crore.

Particulars of Loans, Guarantees or Investments

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

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

Related Party Transactions

The Company formulated a Policy on Related Party Transactions in accordance with the Act and the SEBI Listing Regulations including any amendments thereto for identifying, reviewing, approving and monitoring of Related Party Transactions ('RPTs'). The said Policy has been revised in line with the amended SEBI Listing Regulations and the same is available on the Company's website at <https://www.rallis.com/RPTPolicy>.

All RPTs are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned/repetitive in nature. A statement giving details of all RPTs entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review specifying the nature, value and terms and conditions of the transactions. All the RPTs under Ind AS-24 have been disclosed in note no. 38 to the Standalone Financial Statements forming part of this Integrated Annual Report.

The RPTs entered into during the year under review were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act read with

the rules framed thereunder and the SEBI Listing Regulations. Further, the Company did not enter into any contracts or arrangements with related parties in terms of Section 188(1) and no material related party transactions were entered into during the year under review. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form No. AOC-2 is not applicable to the Company for FY 2021-22 and hence does not form part of this Integrated Annual Report.

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of RPTs on a consolidated basis, as per the format specified in the relevant accounting standards to the stock exchanges on a half-yearly basis.

Risk Management

The Company has a well defined risk management framework in place to identify, evaluate, monitor business risks and challenges across the Company as well as to identify new and emergent risks. The Company's success as an organisation largely depends on its ability to identify opportunities and leverage them while mitigating the risks that arise while conducting its business.

The Risk Register is revisited periodically to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are effective. This provides a proactive and value adding independent review process which enables maintaining the risk profile at an acceptable level in a rapidly changing environment. Further, for appropriate identification and mapping of risks, the Company designs a Risk Slate focussing on two parameters – likelihood of the incident/event and its impact on the business. Risks that fall under both these parameters are tagged as key risks for the purpose of timely tracking and preparing mitigation plans. During the year under review, the Risk Management Policy and Terms of Reference of the Risk Management Committee were revised in line with the SEBI Listing Regulations to, *inter alia*, set up strategic policies including focus on ESG related risks, cyber security risks and defining the role and responsibilities of the Risk Management Committee.

The Risk Management Committee is chaired by an Independent Director and the Chairperson of the Audit Committee is also a member of the said Committee. Further, the Board is apprised of any procedure that may impact the long-term plans of the Company.

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

Details on the risks identified and mitigation plan are set out on Page 20 of the Integrated Report.

Internal Financial Controls

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. The Company has implemented robust processes to ensure that all internal financial controls are working effectively.

Two external firms viz. Ernst & Young LLP and Mahajan & Aibara, Chartered Accountants, LLP were engaged to assist the Internal Auditor of the Company to oversee the internal financial processes, policies and recommend robust internal financial controls from time to time for ensuring an orderly and efficient conduct of its business. Independence of the Internal Auditor is ensured by way of direct reporting to the Audit Committee.

These internal financial controls help in safeguarding assets, prevention & detection of frauds and/or errors, maintaining the accuracy and completeness of the accounting & financial records. These controls also help in the timely preparation of transparent, complete and accurate financial information and statements as per the stipulated accounting standards and principles. The Audit Committee of the Board evaluates the internal financial controls system periodically.

Further, the Audit Committee approves and reviews the audit plan for the year based on internal risk assessment. Audits are conducted on an ongoing basis and significant deviations, if any, are brought to the notice of the Audit Committee following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps.

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

Further details of the internal control systems are provided in the Management Discussion & Analysis which forms part of this Integrated Annual Report.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, audit conducted by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that

the Company's internal financial controls were adequate and operating effectively during FY 2021-22.

Accordingly, pursuant to Sections 134(3)(c) and 134(5) of the Act, the Directors, to the best of their knowledge and ability, confirm that for the year ended March 31, 2022:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Governance, Compliance and Ethics

The Governance, Corporate Secretarial and Legal functions of the Company ensure maintenance of good governance within the organisation. They assist the business in functioning smoothly by ensuring compliance and providing strategic business partnership in the areas including legislative expertise, corporate restructuring, regulatory changes and governance.

The Company has also adopted the governance guidelines on Board effectiveness to fulfill its responsibility towards its stakeholders. With a view to uphold human rights as an integral aspect of doing business, being committed to respect and protect human rights and remediate adverse human rights impact resulting from or caused by the Company's businesses, the Board adopted 'Business and Human Rights Policy' during the year under review.



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

Management Discussion & Analysis

The Management Discussion & Analysis as required under the SEBI Listing Regulations forms part of this Integrated Annual Report.

Business Responsibility & Sustainability Report

The Company endeavours to cater to the needs of the communities it operates in thereby creating maximum value for the society along with conducting its business in a way that creates a positive impact and enhances stakeholder value. As per Regulation 34(2)(f) of the SEBI Listing Regulations, as amended, and in line with the SEBI Circulars dated May 5, 2021 and May 10, 2021, though voluntary for FY 2021-22, the Company has, as a matter of good governance, made disclosure in the Business Responsibility & Sustainability Report ('BRSR') depicting initiatives taken by the Company from an environmental, social and governance perspective. The BRSR forms part of this Integrated Annual Report.

Directors and Key Managerial Personnel

Re-appointment:

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

Independent Directors:

Dr. Punita Kumar Sinha, Dr. C. V. Natraj and Ms. Padmini Khare Kaicker, Independent Directors of the Company, have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Board is of the opinion that all Directors including the Independent Directors of the Company possess requisite qualifications, integrity, expertise and experience in the fields of science and technology, industry experience, strategy, finance and governance, IT and digitalisation, human resources, safety and sustainability, etc.

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

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

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Board.

Key Managerial Personnel ('KMP'):

Mr. Ashish Mehta superannuated from the services of the Company as the Chief Financial Officer with effect from the close of business hours on June 14, 2021. The Board places on record its appreciation for Mr. Mehta's contribution during his association with the Company. The Board, on recommendation of the Nomination & Remuneration Committee ('NRC') and the Audit Committee, appointed Ms. Subhra Gourisaria as the Chief Financial Officer of the Company with effect from June 15, 2021.

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

- Mr. Sanjiv Lal, Managing Director & CEO
- Ms. Subhra Gourisaria, Chief Financial Officer
- Mr. Yashaswin Sheth, Company Secretary

Procedure for Nomination and Appointment of Directors:

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

The NRC is also responsible for reviewing the profile of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board.

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

The Board has also reviewed the list of core skills, expertise and competencies of the Board of Directors as are required in the context of the businesses and sectors applicable to the Company which were mapped with each of the Directors on the Board. The same is disclosed in the Corporate Governance Report forming part of this Integrated Annual Report.

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

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

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

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

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

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

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

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

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

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

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of the NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors.

In a separate Meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of the Managing Director and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and the Directors. The same was discussed in the Board Meeting that followed the Meeting of the Independent Directors and the NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed. The Company follows a practice of implementing each of the observations from the annual evaluation by calendarising its implementation through the Action Taken Report which is reviewed by the Board of Directors from time to time.

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

Remuneration Policy

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



Board and Committee Meetings

Regular meetings of the Board and its Committees are conducted to discuss and approve various strategies, policies, financial matters and such other businesses. A calendar of Board and Committee Meetings to be held during the year was circulated in advance to the Directors.

a. Details of Board Meetings

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

b. Composition of Audit Committee

As on March 31, 2022, the Audit Committee comprised four (4) Members out of which three (3) were Independent Directors and one (1) was a Non-Independent, Non-Executive Director. During the year, seven (7) Audit Committee Meetings were held, details of which are provided in the Corporate Governance Report.

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

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

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

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

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

Corporate Social Responsibility

CSR and Affirmative Action ('AA') continued to be an integral part of the business journey of the Company. The Company has aligned its CSR and AA strategy and operations with Tata Chemicals Limited and Tata Chemicals Society for Rural Development ('TCSRDR'). The CSR framework of TCSRDR as followed by the Company addresses a majority of the

Sustainability goals. The leadership team at the Company has been very supportive, sensitive and encourages the team to work for inclusive growth through its CSR and AA initiatives.

During FY 2021-22, over and above its usual CSR commitments, the Company also carried out various activities towards Covid-19 relief work.

Employees are one of the key stakeholders and they extend great support to the CSR and AA initiatives by their active participation through volunteering. During the year under review, the Company has achieved more than 7,960 volunteering hours through various activities in which 497 employees actively participated.

Under Natural Resource Management, the Company has focussed on water conservation through rainwater harvesting ('Jal Dhan'), recharging ground water and soil conservation. Jal Dhan benefits have reached more than 2.55 lakh villagers and harvested 3.28 million cubic meter water during FY 2021-22.

In Education, the Company has focussed on Science, English, Information Technology, educational infrastructure and initiatives for special children. The Company has been engaged in capacity building of school teachers and has provided necessary training to teachers. The Company has also supported schools by providing teachers, especially in the stream of Science, English and special teachers for special children. The Company has branded its educational interventions as 'RUBY' (Rallis Ujjwal Bhavishya Yojana).

The Company has also initiated scholarship support to students from economically weaker sections through the Vidyasaarathi portal managed by the CSR wing of the National Securities Depository Limited.

The Company, under its AA Programme, focussed on converting a backward Tribal Village into a Model Tribal Village. This initiative focussed on tribal areas around Mumbai in Maharashtra. During the year under review, the Gujarat Government approached the Company to replicate the same in the aspirational district of Narmada. The Company has identified and initiated work in 5 villages from Narmada district of Gujarat and continued to work in 5 villages from Maharashtra catering to more than 3,700 tribals.

Under the Integrated Village Development, the Company focusses on Education, Health and Skilling along with other developmental aspects. During the year under review,

the Company identified 9 villages and 10 Gram mitras from Warangal and Karimnagar districts of Telangana. The Company will work with TCSRDR and All India Institute of Local Self Governance for said project.

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

During the year under review, the Company revised its CSR Policy and Charter of the Committee to align with the amended Companies (Corporate Social Responsibility Policy) Rules, 2014. The revised Policy mainly included changes in definitions, CSR expenditure, treatment of surplus and setting off of excess spend, guiding principles for selection, implementation and monitoring of activities and approach, direction and annual action plan of the Board and CSR Committee of the Company. The CSR Policy is available on the website of the Company at <https://www.rallis.com/csr-policy>.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the rules framed thereunder. Internal Committees have been set up to redress complaints received regarding sexual harassment. All persons whether employed as permanent, contractual, temporary or trainees are covered under this Policy. No complaints were pending at the beginning of FY 2021-22. Further, the Company did not receive any complaints of sexual harassment during the year under review and accordingly, there were no complaints pending as at the end of the financial year. The said Policy is available on the website of the Company at <https://www.rallis.com/posh-policy>.

As an endeavour to educate and empower the women employees within the organisation regarding POSH and their rights, virtual awareness sessions were also conducted during FY 2021-22.

Vigil Mechanism and Whistleblower Policy

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Tata Code of Conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Tata Code of Conduct cannot be undermined. A Vigil Mechanism

and Whistleblower Policy has been established for Directors and employees to approach the Chief Ethics Counsellor/ Chairperson of the Audit Committee of the Company to report instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or policies and provides safeguards against the victimisation of employees who avails of the mechanism. The Audit Committee reviews reports made under this Policy and implements corrective actions wherever necessary.

Along with the ethics structure, details of the third party helpline 'Integrity Matters' is also available on the Company's website. Further, various training and awareness sessions on Code of Conduct and related policies were conducted during the year under review. Senior Leadership Members at various occasions emphasise the importance of adherence to the Company's Code of Conduct and its ethical ways of working.

Details of the Vigil Mechanism and Whistleblower Policy are made available on the Company's website at <https://www.rallis.com/WhistleblowerPolicy>.

Auditors

(1) Statutory Auditors:

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

The Audit Report of BSR on the Financial Statements of the Company for FY 2021-22 forms part of this Integrated Annual Report. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Board of Directors of the Company at its Meeting held on April 21, 2022, based on the recommendation of the Audit Committee, re-appointed BSR as the Statutory Auditors of the Company pursuant to Section 139 of the Act for a second term of five (5) consecutive years i.e. from the conclusion of the 74th AGM till the conclusion of the 79th AGM to be held in the year 2027, subject to approval by the Members at the ensuing 74th AGM of the Company.

Accordingly, an Ordinary Resolution proposing the re-appointment of BSR as the Statutory Auditors of the



Company for a second term of five (5) consecutive years is set out in the Notice of the 74th AGM forming part of this Integrated Annual Report. The Company has received their written consent along with the eligibility certificate confirming that they satisfy the criteria provided under Section 141 of the Act and that the re-appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

(2) Cost Auditors:

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

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, based on the recommendations of the Audit Committee, the Board of Directors appointed D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), being eligible, to conduct Cost Audits relating to the business of the Company for the year ending March 31, 2023.

D. C. Dave & Co. have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that their appointment meets the requirements of Section 141(3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company. The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to D. C. Dave & Co. is included in the Notice of the 74th AGM forming part of this Integrated Annual Report.

(3) Secretarial Auditors:

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

Reporting of Frauds by Auditors

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

Annual Return

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 read with Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 as on March 31, 2022 is available on the Company's website at <https://www.rallis.com/MGT2022.htm>.

Other Disclosures

- No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations
- No applications were made or any proceedings were pending against the Company under the Insolvency and Bankruptcy Code, 2016
- No deposits have been accepted from the public during the year under review and no amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2022
- There has been no change in the nature of business of the Company as on the date of this Report
- There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report

Secretarial Standards of ICSI

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

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

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

Particulars of Employees and Remuneration

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

The information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining the same may write to the Company Secretary at investor_relations@rallis.com. None of the employees listed in the said Annexure is related to any Director/KMP of the Company.

Mumbai, April 21, 2022

Acknowledgements

The Directors appreciate and value the contribution, dedication, hard work, and commitment made by all the employees and acknowledge the support extended by them during these challenging times.

The Directors would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, government authorities, farming community, business partners, shareholders, customers and other stakeholders. The Directors look forward to continuance of the supportive relations and assistance in the future.

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

On behalf of the Board of Directors

Bhaskar Bhat
Chairman
DIN: 00148778



Annexure A to the Board's Report

Remuneration Policy for Directors, Key Managerial Personnel and Other Employees

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

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

- “(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.”

Key principles governing this remuneration policy are as follows:

Remuneration for Independent directors and Non-Independent Non-Executive directors

- Independent directors ('ID') and Non-Independent Non-Executive directors ('NED') may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) and commission within regulatory limits
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board

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

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

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:
 - Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
 - Driven by the role played by the individual
 - Reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay
 - Consistent with recognised best practices and
 - Aligned to any regulatory requirements
- In terms of remuneration mix or composition:
 - The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders
 - Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience
 - In addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and

hospitalisation through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance

- The Company provides retirement benefits as applicable
- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company

Remuneration payable to Director for services rendered in other capacity

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

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

Policy Implementation

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

On behalf of the Board of Directors

Bhaskar Bhat
Chairman
DIN: 00148778

Mumbai, April 21, 2022



Annexure B to the Board's Report

Annual Report on CSR Activities

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

1. Brief outline on CSR Policy of the Company

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

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

The Company has framed a CSR Policy in compliance with the provisions of the Act, as amended, which is available on the Company's website and the web-link for the same is provided in this Report.

2. Composition of CSR Committee as on March 31, 2022:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. R. Mukundan (Chairman)	Non-Executive, Non-Independent Director	3	3
2.	Dr. Punita Kumar Sinha	Non-Executive, Independent Director	3	3
3.	Mr. Sanjiv Lal	Managing Director & CEO	3	3

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

<https://www.rallis.com/our-commitment/csr>

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

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

However, the Company had voluntarily conducted an Impact Assessment in FY 2021-22 for its flagship watershed programme "Jal Dhan" in Beed district covering 10 villages which were identified on the basis of implementation of year-on-year work in the said villages. The beneficiaries of this program expressed their gratitude and shared positive feedback about the work done. Few excerpts are as under:

- Jal Dhan has made a significant impact on local environment, employment generation, availability of drinking water, developing agriculture based occupations and reducing the effort for fetching the water from longer distance
- Beed district has faced drought problem for last 25 years, but with Jal Dhan the water problem has been resolved because of water availability throughout the year for domestic and agricultural use
- Economic status of families have improved as majority of families are owning assets like motorcycle, tractor, refrigerator, mobiles, LPG gas, TV set, etc.
- One of the benefits as mentioned by the Gram Panchayat officials was that as water is available for domestic use, construction of toilet facilities at community level or at individual level has increased
- Decrease in migration as work is now available in the village throughout the year either through agriculture or allied businesses
- Water percolation has helped substantially to increase the water table in the area

- A substantial income generation due to Jal Dhan is reported by 76% of the families and 96% of women have reported an increase in the rates of daily wages
- About 40% of the respondents have reported that they have invested in secondary occupation to support their main occupation

The summary of the Impact Assessment Report can be accessed on the website of the Company at <https://www.rallis.com/ImpactAssessmentReportFY2021-22>.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ lakh)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2021-22	12.33	NIL

6. Average net profit of the Company as per Section 135(5) - ₹ 25,792.60 lakh

7. (a) Two percent of average net profit of the Company as per Section 135(5) - ₹ 515.85 lakh

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – N.A.

(c) Amount required to be set-off for the financial year, if any - NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) - ₹ 515.85 lakh

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

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



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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in years)	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Jal Dhan – Rainwater harvesting	1. Rural development 2. Ensuring environment sustainability	No	Maharashtra	Latur, Beed and Osmanabad	4	40	144.68	Nil	No	TCSRDR	CSR00002564
				Jharkhand	Ramgad							
2.	Rallis Ujjwal Bhavishya Yojana (RUBY) Project- Education	Promoting education including special education	Yes	Maharashtra	Ratnagiri, Akola, Raigad, Palghar	4	62	62.04	Nil	No		
				Gujarat	Bharuch							
				Karnataka	Bagalkot, Bengaluru							
				Telangana	Siddipet, Jangaon							
				Chhattisgarh	Mahasmund							
3.	Tata Rallis (TaRa) Project - Women Empowerment and Skill Development	1. Enhancing vocational skills 2. Promoting gender equality 3. Rural development	No	Maharashtra	Thane, Akola	4	28	28.74	Nil	No		
				Gujarat	Bharuch							
4.	Model Tribal Village	Addresses majority of Sustainable Development Goals	No	Maharashtra	Raigad, Palghar	4	66	68.99	Nil	No		
5.	Integrated Village Development	Addresses majority of Sustainable Development Goals	No	Telangana	Warangal, Karimnagar	4	-	31.01	Nil	No		
6.	Centre for Sustainable Agriculture and Farm Excellence (C-SAFE)	Rural development	No	Pan India		4	50	57.01	Nil	No		
TOTAL							246	392.47				

TCSRDR - Tata Chemicals Society for Rural Development

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Covid - 19 Relief work	Rural development, Health	No	Gujarat	Bhavnagar, Bharuch	61.45	Yes	TCSRDR	CSR00002564
				Maharashtra	Ratnagiri, Akola, Raigad Malegaon				
				Rajasthan	Jodhpur				
				Karnataka	Bengaluru				
2.	Rural Development, Healthcare and Sanitation	Rural development	Yes	Telangana	Siddipet	14.51	Yes		
				Maharashtra	Ratnagiri, Raigad, Aurangabad				
				Gujarat	Bharuch				
			No	Telangana	Mancheriyal	10.67	No		
				Andhra Pradesh	Cuddapah				
				Maharashtra	Ratnagiri, Thane				
3.	Greening Project (Afforestation)	Environment sustainability	No	Karnataka	Bengaluru	1.47	Yes		
				Gujarat	Bharuch				
				Maharashtra	Ratnagiri, Akola, Raigad				
				Rajasthan	Jaipur				
4.	Volunteering	-	Yes	Uttar Pradesh	Lucknow	6.27	Yes		
				Gujarat	Bharuch, Narmada				
				Maharashtra	Ratnagiri, Thane, Raigad, Akola				
				Karnataka	Bengaluru				
				Telangana	Siddipet, Jangaon				
Total						94.37			

(d) Amount spent on Administrative Overheads – ₹ 25.79 lakh

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 516.43 lakh

(g) Excess amount for set-off, if any

Sl. No.	Particulars	Amount (₹ in lakh)
i.	Two percent of average net profit of the Company as per Section 135(5)	515.85
ii.	Total amount spent for the financial year	516.43
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.58
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	NIL*

* Excess amount not availed for set-off



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

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

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

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

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

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

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

Sanjiv Lal
Managing Director & CEO
DIN: 08376952

R. Mukundan
Chairman - CSR Committee
DIN: 00778253

Mumbai, April 21, 2022

Annexure C to the Board's Report

FORM No. MR-3

Secretarial Audit Report for the financial year ended March 31, 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Rallis India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rallis India Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, to the extent the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- The Companies Act, 2013 ('the Act') and the rules made thereunder;
- The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign

Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; **(Not applicable to the Company during the audit period)**
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)** and



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- (vi) Other laws specifically applicable to the Company namely
1. The Insecticides Act, 1968 and Rules, 1971
 2. The Seeds Act, 1966 and Rules, 1968
 3. The Fertilizers (Control) Order, 1985
 4. Biological Diversity Act, 2002
 5. Essential Commodities Act, 1955

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

Decisions at the Board Meetings were taken unanimously.

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

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

1. PT Metahelix Lifesciences Indonesia received a certificate for cancellation of its Tax Identification Number on March 23, 2022 and consequentially ceased to be a subsidiary of the Company effective the said date.

For Parikh & Associates
Practicing Company Secretaries

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488D000175514
PR No.: 1129/2021

'Annexure A'

To,
The Members,
Rallis India Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practicing Company Secretaries

Jigyasa Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488D000175514
PR No.: 1129/2021

Place: Mumbai
Date: April 21, 2022

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



Annexure D to the Board's Report

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps taken or Impact on Conservation of Energy:

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

Ankleshwar:

- Replacement of conventional reciprocating air compressors with energy efficient screw compressors of 100 HP
- Replacement of nine old air conditioners with high efficiency air conditioners
- All motors under the new procurement were purchased with higher efficiency IE-3 standards
- Conventional lights replacement with LED light in the areas of flood for both street as well as plant lights
- Energy bill reduction initiative started by maintaining unity power factor and low distribution losses by introducing shunt capacitor bank at high rated Kilo Watt (kW) motors
- High rated kW motors have been connected with Variable Frequency Drive (VFD) for the cooling of tower pumps to reduce input drawn current thereby less power consumption
- Solar street lights installed with movement sensor to reduce electricity bills
- Replacement of old and low efficiency 1,600 KVA transformer by high efficiency 2,500 KVA transformer with on load tap changing facility

Lote:

- Installed capacitor bank for compressor power panel to improve the power factor
- Installation of energy efficient motor at – Dryer Mixer

- Auto temperature cut off provided for cooling tower fans motors and auto cut off panel was installed as per desired temperature
- Reduction in kWh for idle condition (dry run) running of motors and protective relay installed for pump to no load protection
- VFD was installed for DV-G-06, crystallise and vacuum agitator motors
- Replaced old window air conditioner with split air conditioners having a good star rating
- Lower efficiency reciprocating compressor was replaced with new high efficiency screw compressor
- VFD setting was aligned with outlet temperature to reduce power consumption
- Installed a digital timer for E.A. washing to reduce raw material consumption

Dahej:

- Installation of energy efficient IE-3 motors against the old IE-1/IE-2 standard motors resulting in an approximate energy saving of 16,036 kWh/year
- Replacement of Funda Filter System (Hydrogenation section) with sintered filter leading to approximate energy saving of 19,800 kWh/year
- Waste heat recovery system in utility air compressor is being installed
- Auto cut off sensor provided in the cooling tower fan thereby saving approximate energy of 22,275 kWh/year
- Capacitor bank was installed to improve the power factor which is envisaged to reduce the KVA demand of the plant
- Refurbished 25 watts solar lighting systems at admin block and a total energy saving of 16,200 kWh/year was achieved. Variation of cooling tower pump speed was reduced through VFD (45 to 40 Hz) and an approximate energy saving of 20,520 kWh/year was achieved

Akola:

- Under new procurement, motors were purchased with IE-3 standard
- Movement sensors were installed for lights on/off mode in the unmanned areas

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

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

- (a) During the year, the Company continued to operate its 4 Mega Watt (mW) solar power plant at the unit in Dahej, Gujarat and the unit received a rebate of 5,212 mW hours per annum from the solar power plant.
- (b) Additionally, a rooftop solar electricity generation plant with a capacity of 309 KV was installed and commissioned at Akola unit. A total of 2.42 lakh kW hours of electricity was generated and 198 MT CO₂ emission reductions were achieved.

(iii) Capital Investment on Energy Conservation Equipments:

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

During the year, the Company invested ₹ 48.1 lakh at the Ankleshwar unit equipment such as air compressor, IE-3 series energy efficient motors, LED lamps, etc. At Akola, a total of ₹ 6.9 lakh was invested for operation of roof top solar electricity plant through the OPEX model and ₹ 80 lakh was invested at Lote. Overall, the Company invested approximately ₹ 135 lakh for energy conservation equipment during the year.

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

(B) Technology Absorption

(i) Efforts made towards Technology Absorption:

- (a) Successfully transferred technology for manufacturing of three formulations developed by way of R&D
- (b) Efforts were made towards advancements on digital transformation journey of the R&D initiatives for lab activities
- (c) Three crop specific nutrients viz. Aquafert Foliar Apple, Aquafert Foliar Cotton and Surplus – Kerala grade were successfully launched during the year
- (d) Three biopesticides viz. Ralli Derma (Trichoderma viride), Ralli Flomonas (Pseudomonas fluorescens) and Ralli Pecilo WP (Paecomyces lilacinus) were also launched
- (e) Further, the drones technology program for pesticide spraying was successfully demonstrated and a regulatory study was undertaken at State Agricultural Universities on Bengal gram crop with the insecticide, Flubendiamide 20% WG (Takumi) for the management of Pod borer (Helicoverpa armigera) to avail the label approval from CIB&RC to upgrade the technologies for the benefit of farming community

(ii) Benefits derived like Product Improvement, Cost Reduction, Product Development or Import Substitution:

- (a) Label claim expansion approval was obtained on 5 products on 14 different crops
- (b) During the year, 14 dossiers were submitted under various categories of new registration
- (c) Successfully conducted piloting and technology transfer to manufacturing units of formulations for both domestic and international business of 3 products comprising 1 herbicide and 2 fungicides
- (d) One of the Active Ingredient was moved to commercial scale development at manufacturing units
- (e) During FY 2021-22, following products were developed in-house and commercialised:
 - i) **PePe (Penoxsulam 1% + Pendimethalin 24% SE):** Water-based Suspo-Emulsion (SE), an innovative new generation formulation for the management of



Annexure E to the Board's Report

Disclosure of Managerial Remuneration

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Disclosure of Managerial Remuneration

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2021-22 as well as the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary is as under:

Name of Director/ Key Managerial Personnel	Ratio to median remuneration	% increase in remuneration over previous year
Non-Executive Directors		
Mr. Bhaskar Bhat	2.93 : 1	(31.41)
Dr. Punita Kumar Sinha	5.03 : 1	6.38
Dr. C. V. Natraj	4.88 : 1	(24.81)
Ms. Padmini Khare Kaicker	5.01 : 1	(20.10)
Mr. R. Mukundan	-	-
Executive Director		
Mr. Sanjiv Lal, Managing Director & CEO	45.39 : 1	4.18
Key Managerial Personnel		
Mr. Ashish Mehta, Chief Financial Officer (ceased w.e.f. June 14, 2021)	-	*
Ms. Subhra Gourisaria, Chief Financial Officer (appointed w.e.f. June 15, 2021)	-	*
Mr. Yashaswin Sheth, Company Secretary	-	25.90

* Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence not stated

Note:

- Remuneration includes sitting fees and commission for Non-Executive Directors. Commission relates to FY 2021-22, which will be paid during FY 2022-23.
- Mr. R. Mukundan, Non-Executive Director, being in the whole-time employment of Tata Chemicals Limited, the Holding Company, draws remuneration from it and hence the above details are not applicable to him

B. Percentage increase in the median remuneration of employees in FY 2021-22: 8.12%

C. Number of permanent employees on the rolls of the Company as on March 31, 2022: 1,716

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

Particulars	% Change in Remuneration
Average increase in salary of employees (other than managerial personnel)	13.30
Average increase in remuneration of managerial personnel	4.18

E. Affirmation:

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

On behalf of the Board of Directors

Bhaskar Bhat
Chairman

DIN: 00148778

Mumbai, April 21, 2022

major weeds in rice as a pre-emergence application.

ii) **Prodim (Clethodim 24% EC):** Introduction of an imported formulation of herbicide in India for annual and perennial grassy weeds management in soybean.

iii) **Zaafu (Hexaconazole 0.5% GR):** First ever granular systemic fungicide with advanced technology granules for the management of sheath blight and sheath rot in transplanted rice.

iv) **AQUAFERT® Foliar Apple:** A scientifically designed water soluble fertiliser

formulation made specifically for foliar nutrition of Apple.

v) **AQUAFERT® Foliar Cotton:** A customised foliar formulation of water soluble fertilisers which is a supplemental nutrient source for cotton during 'Square formation' to 'Boll development' stage.

All the new products launched during the year have been well accepted by the farmers. 23 products of the Company were registered in India for the domestic / export market and 17 overseas registrations were obtained in 12 countries on 11 products.

(iii). In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) The details of technology imported	Formulation development technology for weed management in wheat crop	Formulation development technology for weed management in wheat crop
(b) The year of import	2020-21	2021-22
(c) Whether the technology has been fully absorbed	No	No
(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	Formulation optimisation	The stability of the formulation is currently under progress

(iv). Expenditure on R & D:

	2021-22	2020-21
Capital Expenditure	2.84	4.02
Revenue Expenditure*	43.77	37.41
Total R&D Expenditure	46.61	41.43
Total R&D Expenditure as a percentage of net sales (excluding excise duty)	1.79%	1.71%

* Includes an amount of ₹ 0.25 crore paid to an external agency.

(C) Foreign Exchange Earnings and Outgo

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

	2021-22	2020-21
Foreign Exchange Earned	747.76	730.19
Foreign Exchange Outgo	539.31	573.30

On behalf of the Board of Directors

Bhaskar Bhat
Chairman

DIN: 00148778

Mumbai, April 21, 2022