



# Board's Report

## To the Members of Rallis India Limited

The Directors present their Seventy-Fifth (75th) Annual Report on the business and operations of Rallis India Limited ('the Company' or 'Rallis') along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2023.

## Financial Results

	(₹ in crore)	
Particulars	2022-2023	2021-2022
Revenue from operations	2,966.97	2,603.93
Other income	12.71	27.44
<b>Total Income</b>	<b>2,979.68</b>	<b>2,631.37</b>
Profit before finance cost, depreciation and tax	231.04	301.58
Finance costs	12.24	4.79
Depreciation	91.36	74.31
Profit before exceptional items and tax	127.44	222.48
Exceptional items	0.62	-
<b>Profit before tax</b>	<b>128.06</b>	<b>222.48</b>
Provision for tax	45.19	62.18
Deferred tax	(9.07)	(3.97)
<b>Profit for the year</b>	<b>91.94</b>	<b>164.27</b>
Profit for the year attributable to:		
- Owners of the Company	91.94	164.27
- Non-controlling interests	-	-
Other comprehensive income ('OCI')	(0.20)	(0.65)
Total comprehensive income	91.74	163.62
<b>Profit for the year</b>	<b>91.74</b>	<b>163.62</b>
Balance of Profit brought forward from previous year	1,233.77	1,128.50
	<b>1,325.51</b>	<b>1,292.12</b>
<b>Appropriations</b>		
Others	-	(0.01)
Dividend on Equity Shares <sup>#</sup>	(58.34)	(58.34)
Transfer to Reserve for equity instruments through OCI*	0.00	0.00
Transfer to Cash flow hedge reserve	0.24	-
Balance Profit carried forward to Balance Sheet	<b>1,267.41</b>	<b>1,233.77</b>

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

\* Value is less than ₹ 1 crore

## Dividend

The Directors are pleased to recommend a dividend of ₹ 2.5 per share (i.e. 250%) on the Equity Shares of the Company of ₹ 1 each for the year ended March 31, 2023 (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 ₹ 48.62 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 2022-23 in the profit and loss account.

## Share Capital

The paid-up Equity Share Capital as on March 31, 2023 was ₹ 19.45 crore. During the year under review, the Company has not issued any shares.

## Rooted in Values, Seeding Growth – 75 Years and Beyond

Rallis, incorporated in 1948, is known for its deep understanding of Indian agriculture, connect with farmers and quality agri-inputs. In its endeavour to be at the forefront of strategic advances centred on science and innovation, Rallis has come a long way in digital transformation over the years.

A key success attribute of over a seven-decade business journey is the consistent focus on creating value for the stakeholders and accelerating farm prosperity. With the goal of evolving as a future-ready organisation, Rallis heads towards a greener chemistry by aligning its Mission, Vision and Values with sustainable business practices and stakeholder value creation.

Driven by its core value of 'Serving Farmers through Science', Rallis shall continue to accelerate its journey and enhance value in areas of environmental sustainability, societal initiatives, digitisation and long-lasting partnerships.

## Company's Performance

The Company's revenue from operations for FY 2022-23 was ₹ 2,967 crore compared to ₹ 2,604 crore in the previous year, an increase of 14% over the previous year. The Company's Profit before exceptional items was ₹ 127 crore during the year compared to ₹ 222 crore in the previous year. The Company earned a net profit after tax of ₹ 92 crore, lower by 44%, as against a net profit after tax of ₹ 164 crore in the previous year.

The Company's performance in FY 2022-23 was also impacted due to reassessment of intangible assets under development which has resulted in impairment of technical know-how of seed development technology amounting to ₹ 30.41 crore. Also, reassessment of future sales potential has resulted in the Company recognising the provision for slow moving inventory in seeds amounting to ₹ 52.81 crore.

## Business Context

Agriculture sector in India continued to experience the impact of climate change which is reflected in the adverse yield impact in wheat due to the early heat wave towards the end of previous wheat growing season and the decline in the sown area in Kharif Paddy due to delayed monsoons and deficient rainfall. The 2022 rainfall over the country as whole was 108% of its long-period average ('LPA'). As second Advance Estimate for 2022-23, total foodgrains production in the country is estimated at 324.6 million tonnes which is 2.5% higher than the previous year.

Though India is one of the largest producers of agricultural output in the world, the intensity of crop protection usage is relatively low compared to other leading agriculture economies like USA, Brazil, China, etc. The Industry has taken various initiatives to promote safe use of crop protection solutions. Agriculture sector is well supported by the State and Central Government for ensuring economic prosperity to farmers, which is critical for balanced economic development of the country. Ministry of Agriculture and Farmers Welfare has brought out Standard Operation Procedures for use of drones in pesticide and nutrient application to promote drone technologies in Indian agriculture. The crop protection market in India is expected to sustain the growth trend as farmers seek solutions to protect their crops from emerging biotic and abiotic stress to ensure food security of the growing population.

India is the leading exporter of agrochemicals and the business environment is conducive for rapid export growth going forward. The Government and Industry is working together to tap the opportunities to make India a global hub for agrochemicals.



## A. Crop Care

During the year under review, the Domestic Crop Care business achieved a revenue of ₹ 1,643 crore as against ₹ 1,468 crore during FY 2021-22, a growth of 12%. The Exports business achieved a revenue of ₹ 979 crore during the year under review as against ₹ 787 crore during FY 2021-22, a growth of 24.5%.

### Domestic Crop Protection:

The Company registered 7.5% 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. New formulations developed through R&D efforts are Daksh Plus (Herbicide), Clasto (Insecticide), Capstone (Fungicide) & Castillo (Fungicide) for the domestic crop protection market. In a challenging environment, Industry is estimated to have sustained the recent growth trend.

#### Insecticides:

Insecticide growth was driven by paddy brown plant hopper and cotton sucking pest segments. In general, pest incidents were relatively low and missed sprays due to adverse weather conditions further impacted insecticide business for the industry and Rallis. During the year under review, the Company successfully launched Clasto for Cotton white fly, which is also the carrier of dreaded cotton leaf curl virus. The Paddy portfolio further strengthened with the launch of Clue for brown plant hopper menace and Dext for borer segment which can also be applied to sugarcane. The Company also launched Onto for control of sucking pests in tea and also having wider application in multiple crops.

#### Fungicides:

Fungicide demand was relatively low due to weather conditions in paddy and plantation crops and low disease incidence in potato. The Company achieved marginal growth in this challenging environment leveraging its strong portfolio including the scale up of recently launched Zaafu and Ayaan. Fungicide portfolio further strengthened with the introduction of Capstone to address the increasing leaf and neck blast challenges in Paddy and Castello, a broad spectrum fungicide for Fruits and Vegetables segments.

#### Herbicides:

Herbicide as an effective alternative to manual weeding is getting increasing acceptance in India as farmers are trying to mitigate cost and labour availability challenges. This trend is expected to continue and to tap these opportunities, the

Company has been strengthening its portfolio across crops like paddy, sugarcane, maize, wheat and soybean which is also reflected in the growth of herbicide segment during the year. In addition to successfully scaling up Prodim for weed control in soybean and paddy herbicides Pepe and Preetplus, the Company launched Daksh Plus, a highly differentiated wheat herbicide during Rabi 2022.

### Exports:

Global crop protection market is estimated to have grown by around 12% representing the strongest growth rate for the market in last two decades to reach a total value of USD 74 billion during calendar year ('CY') 2022 compared to USD 66 billion during CY 2021. Total agrochemical market including no-crop usage has grown to USD 83 billion in CY 2022 from USD 73 billion reported for CY 2021. Revenue growth registered is mostly attributed to price increase undertaken to offset volatile and high input cost and relatively low volume growth. Herbicide in particular was benefited from significant price increase of major herbicides like Glyphosate and Glufosinate.

Rallis' exports have grown by 24.5% from ₹ 787 crore in FY 2021-22 to ₹ 979 crore in FY 2022-23. During the year, significant growth was recorded in Latin America (278%), Middle East (90%) and Europe (22%) compared to last year. During the year under review, the Company has gained 7 registrations in overseas markets and onboarded new customers from European territory. The significant devaluation of currency against dollar in many South East Asian and African countries has impacted the sales volume of formulation products.

### Crop Nutrition:

Crop Nutrition is a critical and necessary input for ensuring production, productivity and quality of farm produce. Rallis has a range of unique and differentiated products in Organic fertilisers, Biofertiliser, Biostimulants, Secondary and Micronutrients and Water Soluble Fertilisers categories. During FY 2022-23, the Crop Nutrition business sustained the high growth trend to record 21.8% growth. Addition of three new products viz. Rallizin, Paclo and GeoGreen P plus GR strengthened the portfolio to cater to wider geographies and crop segments.

Biopesticides are an integral part of integrated pest management and play an important role in resistance management and residue management. The Company entered this segment a couple of years ago and established its presence in Biopesticides solutions which is getting increasing acceptance in India.

## B. Seeds

Rallis' Seeds business is research based. Hybrid seeds of Paddy, Maize, Cotton, Bajra, Mustard & Vegetables are made available for sale across the country. The Company is one among the few Indian companies engaged in both conventional and biotechnology based research and development, supported by national and international collaborations.

The year was challenging for the Seeds business. The Company continued to leverage its strong channel engagement, customer loyalty and diversified portfolio which is reflected in the success it achieved in North Cotton Market. Rallis was able to navigate a challenging environment to maintain the revenue by adapting to changing market dynamics. Rallis will continue to focus on optimising costs to improve margins for sustained growth going forward.

### Farmer Engagement

#### Rallis Samrudh Krishi (RSK):

RSK is a Crop solution centric approach wherein the Company understands what crop the farmer is growing, at what stage the crop is, what are the likely interventions the crop will need and accordingly suggest solutions to farmers. In FY 2022-23, the focus was on further strengthening the planning & implementation efforts among sales and marketing team. Enhancements were made in the Sampark mobile application to capture detailed inputs with respect to demand creation activities through both digital and physical means.

#### Samrudh Krishi (SK):

SK delivers Good Agriculture Practices with expertise in crop protection, nutrition and canopy management. SK now provides services to more than 5,000 customers. Rallis has updated SK services according to the gap needs of grape farmers. The Company has introduced Aquafert Grape Fertigation grades which is a complete solution for Nutrient management of Grapes.

#### Drishti:

Drishti is the Company's flagship digital initiative aimed at climate-smart agriculture. In collaboration with Tata Consultancy Services Limited, Rallis co-developed Drishti, a state-of-the-art decision intelligence and crop monitoring system that harnesses the power of space borne remote sensing and artificial intelligence (AI) to generate predictive advisories on crop conditions, soil moisture, pest outbreaks and more. Rallis has been utilising

Drishti for internal planning to improve resilience toward climate change, monitoring hybrid seed production farms and providing advisories to farmers and seed growers. During the year under review, the Company was conferred with the CII-DX award under the 'Most Innovative' category and the NASSCOM Enterprise Cloud Adoption Awards '22 for leveraging Drishti to monitor its HSP farms and for internal planning.

### Financial Statements

The Company did not have any subsidiary, associate or joint venture company as on March 31, 2023 and hence is not required to consolidate its financial statements with any other company.

### Credit Ratings

There were no changes in the credit ratings of the Company during the year under review. As on March 31, 2023, the Company had a short-term credit rating of A1+ and a long-term rating of AA+/ Stable by CRISIL Limited for bank loan facilities aggregating to ₹ 440 crore. The Company had a short-term credit rating of A1+ for the Commercial Papers of ₹ 75 crore issued and repaid during the year.

### 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 Companies Act, 2013 ('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 is available on the Company's website at <https://www.rallis.com/Upload/PDF/Related-Party-Transactions-Policy.pdf>. During the year under review, the Company also appointed Ernst & Young LLP (EY) as an external independent agency to review and validate the RPT processes and compliances with the applicable provisions as a measure of good governance.

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. All the RPTs under Ind AS-24 have been disclosed in note no. 38 to the 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) of the Act 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 2022-23 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 as per the prescribed format to the stock exchanges on a half-yearly basis.

## Risk Management

The Company has a comprehensive Risk Management framework that seeks to minimise adverse impact on business objectives and capitalise on opportunities.

The Company has implemented a mechanism for risk management and formulated a Risk Management Policy. The said policy provides for creation of a risk register, identification of risks and formulating mitigation plans. Major risks identified by the business and functions are systematically addressed through mitigation actions on a continuing basis. The risk register is refreshed periodically to ensure that the risks remain relevant at all times and corresponding mitigation measures are timely and effective so that the risk profile is within identified tolerance levels.

The Company has set up a Risk Management Committee which is chaired by Dr. Punita Kumar Sinha, Independent Director, to monitor the risks and their mitigation actions as well as formulating strategies towards identifying new and emergent risks. Further, the Board is apprised of any actual / emergent risk that may threaten the long term plans of the Company.

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

Details of the risks identified and mitigation plans are set out on page 48 of the Integrated Report.

## Internal Financial Controls

The Company's internal financial controls framework is based on the 'three lines of defence model'. The Company has laid down Standard Operating Procedures, policies, roles, responsibilities and authorities to guide the operations of the business.

Process owners are responsible to ensure compliance with the policies and procedures laid down by the Management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company. During the year, two external firms viz. Ernst & Young LLP and Mahajan & Aibara LLP, were engaged to perform the defined reviews. Independence of the Internal Auditor is ensured by way of direct reporting to the Audit Committee.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of the audit recommendations including those relating to strengthening of the Company's risk management policies and systems. The ultimate objective being, a Zero Surprise, risk controlled organisation.

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 2022-23.

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, 2023:

- (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. At Rallis, human rights are also an integral aspect of doing business and the Company is committed to respect and protect human rights to remediate adverse human rights impacts that may be resulting from or caused by the Company's businesses. In furtherance to this, the Company has adopted the 'Business and Human Rights Policy' which aligns with the principles contained in the Universal Declaration of Human Rights, International Labour Organisations (ILO), Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights and is consistent with the Tata Code of Conduct.

The Company has in place an online compliance management system for monitoring the compliances across its various plants and offices. A compliance certificate is also placed before the Board of Directors every quarter. 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, the Business Responsibility & Sustainability Report depicting initiatives taken by the Company from an environmental, social and governance perspective which has been assured by Ernst & Young LLP forms part of this Integrated Annual Report.

### Directors and Key Managerial Personnel

#### Directors

##### Re-appointment:

In accordance with the provisions of Section 152 of the Act and in terms of Article 112(2) of the Articles of Association of the Company, Mr. Bhaskar Bhat, Non-Executive Director of the Company (Chairman), retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment and his term would be up to and inclusive of August 29, 2024 in view of the retirement age policy for Directors adopted by the Company.

##### 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. Yashaswin Sheth resigned as the Company Secretary with effect from the close of business hours on September 29, 2022 to pursue an opportunity within the Tata Group. The Board places on record its appreciation for Mr. Sheth's contribution during his association with the Company. The Board, on recommendation of the Nomination & Remuneration Committee ('NRC'), appointed Mr. Srikant Nair as the Company Secretary of the Company with effect from September 30, 2022.

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. Srikant Nair, 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, eight (8) Board Meetings were held, details of which are provided in the Corporate Governance Report.

### b. Composition of Audit Committee

As on March 31, 2023, 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. During the year under review, two (2) 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 Society for Rural Development ('TCSRDR'). The CSR framework of TCSRDR as followed by the Company addresses a majority of the Sustainability goals.

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 12,600 volunteering hours through various activities in which 755 employees actively participated.

Under Natural Resource Management, the Company has focussed on water conservation through rainwater harvesting ('Jal Dhan'), recharging groundwater and soil conservation.

In Education, the Company has focussed on Science, English, Mathematics 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).

Under Unnat gram initiative, the Company works to convert a backward Tribal Village into a Model Tribal Village.

Under the Integrated Village Development, the Company focusses on Education, Health and Skilling. During the year under review, the Company worked in 8 villages from Warangal and Karimnagar districts of Telangana.

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.

The CSR Policy is available on the website of the Company at <https://www.rallis.com/CSRPolicy>.

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

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has constituted requisite Internal Committees (ICs). The Company's POSH Policy is gender neutral, detailing the governance mechanisms for prevention and redressal of sexual harassment issues. All persons whether employed as permanent, contractual, temporary or trainees are covered under this policy. While maintaining the highest governance norms, the Company has appointed an external independent person with prior experience in the areas of women empowerment and prevention of sexual harassment as the external member on all the Internal Committees.

To build awareness in this area, the Company has been conducting related training programmes across locations in the organisation on a continuous basis. Moreover, the POSH e-learning module has also been uploaded on the Learning Management System (LMS) and is used extensively by employees including new entrants.

No complaints were pending at the beginning of the year. During the year under review, no complaints with allegations of sexual harassment were received by the Company and accordingly no complaints were pending as at the end of the year.

The said Policy is available on the website of the Company at <https://www.rallis.com/posh-policy>.

### Vigil Mechanism and Whistleblower Policy

The Company has adopted a Whistleblower Policy as a part of its vigil mechanism. The purpose of this Policy is to enable any person including the directors, employees, other stakeholders, etc. to raise concerns regarding unacceptable or improper practices and / or any unethical practices, fraud or violation of any law, rule or regulation.

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

The Company believes in the conduct of its affairs by adopting the highest standards of professional conduct, honesty, integrity

and ethical behaviour, in line with the Tata Code of Conduct. All the stakeholders are encouraged to raise their concerns or make disclosures on being aware of any potential or actual violation of the Company's Code of Conduct, policies or the law. Periodic awareness is also conducted for the same.

Additionally, the Company provides access to the third party helpline "Integrity Matters" through phone, web based, email facility for its Directors and employees across all locations.

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 74th AGM of the Company held on June 24, 2022, 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 re-appointed as Statutory Auditors of the Company 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.

The Audit Report of BSR on the Financial Statements of the Company for FY 2022-23 forms part of this Integrated Annual Report. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

### (2) Cost Auditors:

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

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, 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, 2024.

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 75th 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, 2023 is available on the Company's website at <https://www.rallis.com/MGT2023.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, 2023



- 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](mailto:investor_relations@rallis.com). None of the employees listed in the said Annexure is related to any Director/KMP of the Company.

### Acknowledgements

The Directors appreciate and value the contribution, dedication, support, hard work and commitment made by all the employees towards continuous improvement in all functions and areas as well as efficient utilization of the Company's resources for sustainable and profitable growth.

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.

**On behalf of the Board of Directors**

**Bhaskar Bhat**  
**Chairman**

DIN: 00148778

Mumbai, April 27, 2023

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

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

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

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

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

### Policy Implementation

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

**On behalf of the Board of Directors**

**Bhaskar Bhat**  
**Chairman**

Mumbai, April 27, 2023

DIN: 00148778

# 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 a 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:

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	2	2
2.	Dr. Punita Kumar Sinha	Non-Executive, Independent Director	2	2
3.	Mr. Sanjiv Lal	Managing Director & CEO	2	2

## 3. Provide the web-link(s) 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 executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable to the Company during the period under review.

5. (a) Average net profit of the Company as per sub-section (5) of section 135 - ₹ 26,000.85 lakhs
- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135 - ₹ 520.02 lakhs
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - Nil
- (d) Amount required to be set-off for the financial year, if any - Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ 520.02 lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹ 495.91 lakhs
- (b) Amount spent in Administrative Overheads - ₹ 26 lakhs
- (c) Amount spent on Impact Assessment, if applicable - N.A.
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 521.91 lakhs



(e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 521.91 lakhs	Nil				

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	520.02 lakhs
(ii)	Total amount spent for the Financial Year	521.91 lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1.89 lakhs
(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

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
N.A.								

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/acquired – **N.A.**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility - **N.A.**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		

N.A.

## 9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 - N.A.

Mumbai, April 25, 2023

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

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





## Annexure C to the Board's Report

FORM No. MR-3

# Secretarial Audit Report for the financial year ended March 31, 2023

[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, 2023 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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; **(Not applicable to the Company during the audit period)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)**
  - (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. During the year under review, the Company issued Commercial Paper aggregating to ₹ 75 crore and redeemed the same and fulfilled its payment obligations.

**For Parikh & Associates**  
**Practising Company Secretaries**

**Jigyasa Ved**  
**Partner**

**FCS No:** 6488 **CP No:** 6018

**UDIN:** F006488E000185502

**PR No.:** 1129/2021

**Place:** Mumbai

**Date:** April 25, 2023

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 A'**

To,  
The Members,  
**Rallis India Limited**

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

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

**For Parikh & Associates**  
**Practising Company Secretaries**

**Jigyasa Ved**  
**Partner**

**FCS No:** 6488 **CP No:** 6018

**UDIN:** F006488E000185502

**PR No.:** 1129/2021

**Place:** Mumbai  
**Date:** April 25, 2023

## 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:

- Installation of energy efficient Screw Compressor for Air
- All motors under new procurement were purchased with IE-3 standard as per the new capex execution plan
- Conventional light replacement plan implemented with LED light in the area of flood light and lamp
- Installation of Solar Street light and Rooftop Solar in the Rallis Colony at Ankleshwar
- Energy bill reduction initiative was undertaken by maintaining unity power and increasing utilisation of power during the night
- Installation of energy efficient transformer with OLTC
- Atomization - Interlocks of Temperature controller with C.T. fan motor panel
- Installation of Variable Frequency Drive (VFD) at cooling tower pump to obtain constant water pressure

#### 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
- 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 crystallise and vacuum agitator motors
- Lower efficiency reciprocating compressor was replaced with new high efficiency screw compressor

#### Dahej SEZ:

- Waste heat recovery system in utility air compressor is being installed
- Replacement of old motors and pumps with Energy efficient motors and pumps
- Replacement of FUNDA Filter system to sintered filter in Hydrogenerator "B" resulting in a power usage reduction of 26.4 kWh/day
- Metri plant cooling tower circulation pump operation philosophy reviewed and pump capacity changed (100 hp to 60 hp), led to power reduction of 24 kWh
- Metri plant chilled water secondary pump operation philosophy reviewed and pump capacity changed. As a result, the power usage was reduced by 227 kWh/day
- Heat recovery systems were installed at utility air compressors thereby saving 62 kw/hr units of power
- Reduced speed of Pendi PCT pump through VFD (45hz to 40hz) that led to savings of 274 kWh/day units
- Energy efficient motor - IE3 was installed in place of IE2

#### Dahej CZ:

- Delta temperature controller was installed at CT Fan motor
- A 24 hour timer was installed at canteen HVAC system and the operational time was set
- Process air was used instead of instrument air by installing PRV as well as line modification was carried out

**Akola:**

- Screw compressor and VFD were installed during the year

**(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:

- During the year, the Company continued to operate its 4.4 MegaWatt (MW) solar power plant at the unit in Dahej, Gujarat and the unit received a rebate of 33.01 lakhs MWh per annum at Dahej and Ankleshwar units and 2,344 MT of CO<sub>2</sub> emission reductions were achieved. A solar power system was also installed at the Admin Green Building at Ankleshwar
- A rooftop solar electricity generation plant with a capacity of 309 kWp was installed and commissioned at the Akola unit. A total of 3.47 lakhs kWh of electricity was generated and 246 MT of CO<sub>2</sub> emission reductions were achieved
- A rooftop solar electricity generation plant with a capacity of 10 kWp was installed and commissioned in the Rallis Colony at Ankleshwar whereby a total of 1,792 kWh of electricity was generated and 1.5 MT of CO<sub>2</sub> emission reduction was achieved
- A hybrid (wind + solar) electricity agreement with a capacity of 1.1 MW was signed off at Ankleshwar. As a result, a total of 43 lakhs kWh of electricity will be generated and 3,526 MT of CO<sub>2</sub> emission reduction will be achieved
- The Company continued to operate its 8 TPH Boiler at Dahej Unit, 4 TPH Boiler at Lote Unit and 1.5 TPH Boiler at Dahej CZ Unit using Biomass Briquette as fuel, which is eco-friendly and made from green waste. Additionally, a 15 TPH Biomass Briquette Boiler was installed and is under pre-commissioning at Dahej Unit for the MPP plant
- A 4 lakh kcal/hr Biomass Briquette Thermopac is procured and is under installation at Dahej Unit for the MPP plant

**(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 ₹ 153.5 lakhs at the Ankleshwar unit on solar energy, replacement of old electrical motors with energy efficient motors such as air compressor, IE-3 series energy efficient motors, LED lamps, etc. At Akola, a total of ₹ 4.8 lakhs was invested for installation of screw compressor and VFD. ₹ 150 lakhs was invested at Dahej SEZ for replacement of energy efficient motors and pumps. At Lote, a total of ₹ 100 lakhs was invested for refurbishment of screws of brine compressor and chilled water compressor. Overall, the Company invested approximately ₹ 408.30 lakhs 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:**

- Successfully transferred technology for manufacturing of five new formulations developed by way of R&D for domestic business
- Efforts were made towards advancements on digital transformation journey of the R&D for lab activities
- Successful completion of 6 CIB & RC approved formulation spray by using Drone as Regulatory Study (Phytoxicity evaluation on 7 crops) was undertaken with the service provider at 2 locations of SAUs to get label approval from CIB & RC on spray by using Drone applicator after internal evaluation. Label expansion dossier submitted for Drone approval for Takumi on Bengal gram

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

- Label claim expansion approval was obtained on 5 products across 9 different crops
- During the year, 98 dossiers were submitted under various categories of registration

- (c) Successfully piloted and technology transferred to manufacturing of four crop protection formulations and one crop nutrition formulation
- (d) Total 8 formulations were developed in-house and launched under various categories
- (e) During FY 2022-23, following products were developed and commercialized in the domestic market:
- Pyrifluquinazon 20% WG (Clasto):** A novel insecticide for the control of cotton whitefly introduced for the first time in India. It provides quick effect due to its new mode of action, Insect Behaviour Regulator (IBR) Technology. It acts on chordotonal organs thus quickly disrupting insect pest in their sucking, walking & flight behaviour.
  - Fenoxanil 5% + Isoprothiolane 30% EC (Capstone):** A unique solution for paddy blast. It is a new pre-mixture of two different groups of fungicides with different mode of action - Melanin Synthesis Inhibitor & Lipid Synthesis Inhibitor and is systemic in action. It is

protective and strong curative fungicide with residual action for disease control. It provides a phytotonic effect on crop gives greening effect & healthy crop.

- Pendimethalin 40% + Metribuzin 8% EC (Daksh Plus):** New Pre-emergent Herbicide for effective management of weeds in wheat. It is Superior Emulsion Technology (SET) - an advanced Emulsion technology which provides higher efficacy and broadening the spectrum of activity. Broad Spectrum herbicide, highly effective on all type of weeds. It provides superior efficacy on Phalaris minor and other weeds.
  - RALLIZIN:** A suspension based crop nutrition product, rich source of zinc for foliar application was formulated through in-house research. This high efficient micronutrient fertilizer helps in reducing heavy metal load in soil, while improving zinc nutrition.
- (f) Total 30 product registrations received from the CIB & RC. Obtained 9 registrations in 8 countries for 4 products.

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

The details of technology imported	Formulation development technology for weed management in wheat crop	Formulation development technology for weed management in wheat crop	Formulation development technology for weed management in wheat crop
The year of import	2020-21	2021-22	2022-23
Whether the technology has been fully absorbed	No	No	No
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	The stability of the formulation is currently under progress

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

	(₹ in crore)	
	2022-23	2021-22
Capital Expenditure	5.36	2.84
Revenue Expenditure*	53.28	43.77
Total R&D Expenditure	58.64	46.61
Total R&D Expenditure as % of net Sales	<b>1.98%</b>	<b>1.79%</b>

\*Includes an amount of ₹ 0.25 crore paid to an external agency in FY 2021-22

**(C) Foreign Exchange Earnings and Outgo**

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

	(₹ in crore)	
	<b>2022-23</b>	<b>2021-22</b>
Foreign Exchange Earned	856.60	747.76
Foreign Exchange Outgo	530.91	539.31

On behalf of the Board of Directors

**Bhaskar Bhat**

**Chairman**

DIN: 00148778

Mumbai, April 27, 2023

## 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 2022-23 as well as the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary is as under:

Name of Director/Key Managerial Personnel	Ratio to median remuneration	% increase in remuneration over previous year
<b>Non-Executive Directors</b>		
Mr. Bhaskar Bhat	2.71 : 1	(0.88)
Dr. Punita Kumar Sinha	4.71 : 1	-
Dr. C. V. Natraj	4.59 : 1	0.53
Ms. Padmini Khare Kaicker	4.71 : 1	0.51
Mr. R. Mukundan	-	-
<b>Executive Director</b>		
Mr. Sanjiv Lal, Managing Director & CEO	41.47 : 1	(2.34)
<b>Key Managerial Personnel</b>		
Ms. Subhra Gourisaria, Chief Financial Officer	-	*
Mr. Yashaswin Sheth, Company Secretary (ceased w.e.f. September 29, 2022)	-	*
Mr. Srikant Nair, Company Secretary (appointed w.e.f. September 30, 2022)	-	*

\* Since the remuneration is only for part of the year (current/previous), the percentage increase in remuneration is not comparable and hence not stated

### Note:

1. Remuneration includes sitting fees and commission for Non-Executive Directors. Commission relates to FY 2022-23, which will be paid during FY 2023-24.
2. In line with the internal guidelines of the Company, no payment is made to Mr. R. Mukundan, Non-Executive Director of the Company, who is in full-time employment with other Tata Company and hence the above details are not applicable to him.

### B. Percentage increase in the median remuneration of employees in FY 2022-23: 6.90%

### C. Number of permanent employees on the rolls of the Company as on March 31, 2023: 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)	6.88
Average increase / decrease in remuneration of managerial personnel	(2.34)

### 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 27, 2023