

## Rallis India Limited

## REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. Your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

As a TATA Enterprise, your Company has a strong legacy of fair, transparent and ethical governance practices. This is further strengthened by the adoption of the Tata Code of Conduct for its employees, including the Managing Director and adoption of a Code of Conduct for its Non-Executive Directors. The Company's Corporate Governance philosophy is also reinforced through adoption of the Code of Conduct for Prevention of Insider Trading, Code of Corporate Disclosure Practices and the Tata Business Excellence Model.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## 2. BOARD OF DIRECTORS

**Composition**

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act').

The Board of Directors, as on 31st March, 2017, comprised 9 Directors, of which 8 were Non-Executive Directors and one Managing Director. The Company has a Non-Executive Chairman and the 5 Independent Directors (including two women Directors) comprise more than one-half of the total number of Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors. None of the Directors are related to each other.

None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of the Listing Regulations), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

None of the Directors hold office in more than 20 Companies and in more than 10 public Companies. None of the Independent Directors serve as an Independent Director in more than seven listed Companies. All Directors are also in compliance of the limit on Independent Directorships of listed Companies as prescribed in Regulation 25(1) of the Listing Regulations. The Managing Director does not serve as Independent Director in any listed Company.



### Category and Attendance of Directors

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in public limited Companies are given below:

Director	Category	No. of Board Meetings attended during 2016-17	Attendance at AGM held on 24th June, 2016	No. of Directorships* (As on 31.03.2017)			No. of committee positions in Mandatory Committees* (As on 31.03.2017)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. Bhaskar Bhat (Chairman) DIN - 00148778	Non-Independent Non-Executive	7	Yes	4	5	9	-	3	3
Mr. B. D. Banerjee (upto 31.10.2016) DIN - 00064354	Independent Non-Executive	4	Yes	-	2	2	-	2	2
Mr. E. A. Kshirsagar (upto 30.09.2016) DIN - 00121824	Independent Non-Executive	3	Yes	-	6	6	5	1	6
Mr. Prakash R. Rastogi DIN - 00110862	Independent Non-Executive	7	Yes	-	2	2	-	1	1
Mr. Bharat Vasani DIN - 00040243	Non-Independent Non-Executive	7	Yes	-	3	3	-	-	-
Mr. R. Mukundan DIN - 00778253	Non-Independent Non-Executive	7	Yes	-	4	4	-	1	1
Dr. Y. S. P Thorat DIN - 02652734	Independent Non-Executive	7	Yes	-	4	4	1	3	4
Dr. (Mrs.) Punita Kumar-Sinha DIN - 05229262	Independent Non-Executive	7	Yes	-	10	10	2	4	6
Dr. C.V. Natraj (w.e.f. 22.07.2016) DIN - 07132764	Independent Non-Executive	5	NA	-	3	3	-	2	2
Mrs. Padmini Khare Kaicker (w.e.f. 22.07.2016) DIN - 00296388	Independent Non-Executive	5	NA	-	5	5	5	-	5
Mr. V. Shankar (Managing Director & CEO) DIN - 01385240	Non-Independent Executive	7	Yes	3	1	4	-	1	1

\* Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Act. Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions.

The Company held 7 Board Meetings during 2016-17 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held were: 26th April, 2016; 24th June, 2016; 22nd July, 2016; 24th October, 2016; 17th November, 2016; 20th January, 2017 and 17th March, 2017.

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### Shareholding of Directors as on 31st March, 2017:

Dr. C. V. Natraj holds 4,831 (0.002%) Equity Shares of the Company. No other Director holds any shares in the Company.

### Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The agenda and related information is circulated in electronic form through a highly secure web based application, which is accessible through IPads. This has reduced paper consumption, thereby enhancing the sustainability efforts of the Company.

At Board Meetings, the Managing Director & CEO apprises the Board on the overall performance of the Company. The Board also, *inter alia*, reviews the strategy, annual business plan and capital expenditure budgets, quarterly, half-yearly and annual financial results, compliance reports on all laws applicable to the Company, EHS (Environment, Health and Safety) performance of the Company, people, process matters, minutes of Board Meetings of subsidiaries and minutes of meetings of Committees of the Board. In addition, the Board is kept informed of all major events, including information listed under Part A of Schedule II to the Listing Regulations.

### Code of Conduct

The Company has adopted the Tata Code of Conduct for all employees of the Company, including the Managing Director. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in Schedule IV to the Act. Both the Codes are available on the Company's website.

All Board members and senior management personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director & CEO forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates.

Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

### Independent Directors

All Independent Directors of the Company have been appointed as per the provisions of the Act, Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

### Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 26th April, 2016, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At the Meeting, the Independent Directors:



- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors of the Company attended the Meeting of Independent Directors. Mr. B. D. Banerjee chaired the Meeting.

#### **Familiarization Programme for Independent Directors**

The Company has an orientation programme upon induction of new Directors, as well as other initiatives to update Directors on a continuous basis.

The Company facilitated the smooth induction of Dr. C. V. Natraj and Mrs. Padmini Khare Kaicker, who joined the Company's Board as Independent Directors in July 2016. The Managing Director & CEO introduced them to the senior leadership of the Company and advised them on the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. An Induction Manual was handed over to them, giving detailed information on the Board processes, Committee Charters, duties, functions and powers of the Board and individual Directors, Performance Evaluation process for the Board, its Committees and Directors, Code of Conduct applicable to the Directors, periodic declarations to be submitted by the Directors to the Company and other matters of relevance. They were also issued Appointment Letters, giving terms and conditions of their appointment, as well as their roles, duties and responsibilities.

The Company also has an ongoing familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations and business model, nature of the industry and environment in which it operates, the regulatory environment applicable to it and also the roles, rights and responsibilities of Independent Directors.

Details of familiarization programmes imparted to Independent Directors are available on the Company's website at the following weblink: <http://www.rallis.co.in/DFPID.htm>

#### **Board and Director Evaluation and criteria for evaluation**

During the year, 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 Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include *inter alia*, structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.

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Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/support to management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board's Report.

### 3. AUDIT COMMITTEE

#### Terms of reference

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, *inter alia*, are as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discuss and review with the management the annual/ half yearly/ quarterly financial statements and the auditor's report thereon, before submission to the Board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgments made.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit.
- Evaluate internal financial controls and risk management systems.



- Scrutinize inter-corporate loans and investments.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements, including the Tata Code of Conduct for the Company and its subsidiaries.
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices.
- Oversee financial reporting controls and process for subsidiary companies.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Act and any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has been given the powers prescribed under Regulation 18(2)(c) of the Listing Regulations.

#### **Composition and Attendance during the year**

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mrs. Padmini Khare Kaicker, Chairperson of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2016-17
Mr. E. A. Kshirsagar, Chairman (upto 30.09.2016)	Independent, Non-Executive	4
Mrs. Padmini Khare Kaicker, Chairperson (Member w.e.f. 10.08.2016; Chairperson w.e.f. 01.10.2016)	Independent, Non-Executive	5
Mr. B. D. Banerjee, Member (upto 31.10.2016)	Independent, Non-Executive	5
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	8
Dr. Y. S. P. Thorat, Member	Independent, Non-Executive	8

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The Audit Committee met 8 times during the year and the gap between two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings were held were: 26th April, 2016; 23rd June, 2016; 22nd July, 2016; 26th August, 2016; 24th October, 2016; 16th November, 2016; 20th January, 2017 and 17th March, 2017. Necessary quorum was present at the above Meetings.

During the year, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems, functioning of the Whistle Blower mechanism and implementation of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. The Chairperson of the Committee briefs the Board about the significant discussions at Audit Committee Meetings. The minutes of each Audit Committee Meeting are placed at the next meeting of the Board.

The meetings of the Audit Committee are usually attended by the Managing Director & CEO, the Chief Financial Officer, the Head of Internal Audit, the Company Secretary and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the secretary to the Committee. Occasionally, the Audit Committee also meets without the presence of any Executives of the Company.

The then Chairman of the Audit Committee, Mr. E. A. Kshirsagar was present at the Annual General Meeting of the Company held on 24th June, 2016.

### Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company. Mr. Ashish Mehta, Chief Financial Officer has been appointed as the Compliance Officer for ensuring compliance with and for the effective implementation of the Regulations and the Code across the Company. Details of dealing in the Company's shares by Designated Persons are placed before the Audit Committee on a quarterly basis.

The Company has also adopted a Code of Corporate Disclosure Practices, for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information by the Company, to enable the investor community to take informed investment decisions with regard to the Company's shares. Mr. Ashish Mehta, Chief Financial Officer, has been designated as the Chief Investor Relations Officer to ensure timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information.

## 4. NOMINATION AND REMUNERATION COMMITTEE

### Terms of reference

The terms of reference of the Nomination and Remuneration Committee (NRC) are as follows:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.



- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.
- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/ EDs, KMP and executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- Oversee familiarization programmes for Directors.
- Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
- Perform other activities related to the Charter as requested by the Board from time to time



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### Composition and Attendance during the year

The NRC is constituted in accordance with the provisions of Regulation 19 of the Listing Regulations and the provisions of Section 178(1) of the Act. The composition of the NRC and the details of Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2016-17
Mr. B. D. Banerjee, Chairman (upto 31.10.2016)	Independent, Non-Executive	2
Dr. C.V. Natraj, Chairman (Member w.e.f. 10.08.2016; Chairman w.e.f. 01.11.2016)	Independent, Non-Executive	2
Mr. Bhaskar Bhat, Member	Non-Independent, Non-Executive	3
Mr. E. A. Kshirsagar, Member (upto 30.09.2016)	Independent, Non-Executive	2
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	3
Mr. R. Mukundan, Member (w.e.f. 10.08.2016)	Non-Independent, Non-Executive	2

The NRC met three times during the year, on 26th April, 2016; 26th August, 2016 and 20th January, 2017.

The then Chairman of the NRC, Mr. B. D. Banerjee was present at the Annual General Meeting of the Company held on 24th June, 2016.

### Remuneration of Directors

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company's Remuneration Policy is aligned to this philosophy. The principles governing the Company's Remuneration Policy are given in the Board's Report.

### Details of remuneration for 2016-17

#### Managing Director & CEO:

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director & CEO. Annual increments are recommended by the NRC within the salary scale approved by the Members and are effective 1st April each year. The NRC recommends commission payable to the Managing Director & CEO out of the profits for the financial year, within the overall ceilings stipulated in the Act. Specific amount payable as commission is based on the performance criteria laid down by the Board, which broadly takes into account the profits earned by the Company for the year.



The aggregate value of salary, perquisites and commission paid to Mr. V. Shankar, Managing Director & CEO, during the year 2016-17 is ₹ 3,73,67,227/-, comprising:

Salary	:	₹ 66,00,000/-
Perquisites and allowances	:	₹ 1,07,67,227/-
Commission for the financial year 2015-16, paid during 2016-17	:	₹ 2,00,00,000/-
Period of Agreement	:	Re-appointed w.e.f. 13th March, 2017 upto 30th September, 2021 (till he attains the retirement age).
Notice period	:	The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' remuneration in lieu thereof.
Severance fees	:	Nil
Stock Options	:	Nil

Commission of ₹ 250 lakhs is also payable to Mr. Shankar for the year 2016-17 and shall be paid after the annual Financial Statements are adopted by the Members at the Annual General Meeting.

#### **Non-Executive Directors:**

The Company paid sitting fees of ₹ 20,000/- per meeting to the Non-Executive Directors for attending meetings of the Board, Executive Committee of the Board, Audit Committee, NRC, Corporate Social Responsibility Committee and Risk Management Committee and ₹ 10,000/- per meeting for attending the meetings of the Stakeholders Relationship Committee and Property Committee. ₹ 20,000/- was also paid as sitting fees to the Independent Directors who attended the Meeting of the Independent Directors.

In terms of the Members' approval obtained at the Annual General Meeting of the Company held on 24th June, 2013, commission is paid to Non-Executive Directors at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Act. The distribution of commission among the Non-Executive Directors is recommended by the NRC and approved by the Board. The commission is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as guidance provided to senior management other than at meetings and is paid after the annual Financial Statements are adopted by the Members at the Annual General Meeting. The Company also reimburses any expenses incurred by the Directors for attending meetings.

The sitting fees paid during the financial year 2016-17 to the Non-Executive Directors for attending the Board and Committee Meetings for the year 2016-17, the commission paid to them during 2016-17 for the year 2015-16 and the commission payable for the year 2016-17, are as follows:

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Name of Director	Sitting Fees (₹)	Commission for FY 2015-16, paid during 2016-17 (₹)	Commission for FY 2016-17, payable during 2017-18 (₹)
Mr. R. Gopalakrishnan (upto 24.12.2015)	NA	23,45,000	NA
Mr. Bhaskar Bhat	2,20,000	10,35,000	31,00,000
Mr. B. D. Banerjee (upto 31.10.2016)	2,50,000	32,55,000	20,40,000
Mr. E. A. Kshirsagar (upto 30.09.2016)	2,10,000	36,75,000	18,60,000
Mr. Prakash R. Rastogi	4,20,000	16,90,000	28,35,000
Mr. Bharat Vasani	1,90,000	14,40,000	19,05,000
Dr. Y. S. P. Thorat	4,20,000	20,80,000	30,95,000
Dr. (Mrs.) Punita Kumar-Sinha	2,00,000	14,80,000	17,65,000
Dr. C. V. Natraj (w.e.f. 22.07.2016)	1,40,000	NA	11,05,000
Mrs. Padmini Khare Kaicker (w.e.f. 22.07.2016)	2,00,000	NA	22,95,000

**Retirement Policy for Directors**

The Governance Guidelines on Board Effectiveness adopted by the Company provides for the retirement age of Directors. As per the Guidelines, Managing and Executive Directors retire at the age of 65 years, Non-Independent Non-Executive Directors retire at the age of 70 years and the retirement age for Independent Directors is 75 years, subject to the tenure specified under Section 149 of the Act.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE****Terms of reference**

The terms of reference of the Stakeholders Relationship Committee (SRC) are as follows:

- Review statutory compliance relating to all security holders.
- Consider and resolve the grievances of security holders of the Company, including complaints related to transfer of securities, non-receipt of annual report/ declared dividends/ notices/ balance sheet.
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Oversee and review all matters related to the transfer of securities of the Company.
- Approve issue of duplicate certificates of the Company.
- Review movements in shareholding and ownership structures of the Company.
- Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent.
- Recommend measures for overall improvement of the quality of investor services.
- Review the concerns received under the Tata Code of Conduct.



### Composition and Attendance during the year

The SRC met twice during the year, on 22nd July, 2016 and 20th January, 2017.

The composition of the SRC and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2016-17
Mr. Prakash R. Rastogi, Chairman (upto 09.08.2016)	Independent, Non-Executive	1
Dr. (Mrs.) Punita Kumar-Sinha, Chairperson (w.e.f. 10.08.2016)	Independent, Non-Executive	1
Dr. Y. S. P. Thorat, Member	Independent, Non-Executive	2
Mr. V. Shankar, Member	Non-Independent, Executive	2

### Name, designation and address of Compliance Officer

P. S. Meherhomji  
Company Secretary  
2nd Floor Sharda Terraces  
Plot No. 65 Sector 11  
CBD Belapur  
Navi Mumbai 400 614  
Tel. No.: 91 22 6776 1657  
Fax No.: 91 22 6776 1775  
Email: pmeherhomji@rallis.co.in

Shareholders may also correspond with the Company on the email address: investor\_relations@rallis.co.in

A total of 598 correspondences were received from investors during 2016-17, of which 2 cases were reported as complaints. 7 correspondences remained pending as on 31st March, 2017. These were received during the last week of March 2017 and hence were pending on 31st March, 2017, but have been subsequently replied to, as certified by TSR Darashaw Ltd. (Registrars).

No request for transfer or dematerialization of shares was pending as on 31st March, 2017.

Status of Investor Complaints as on 31st March, 2017 and reported under Regulation 13(3) of the Listing Regulations, is as under:

Complaints pending as on 01.04.2016	:	0
Received during the year	:	2
Resolved during the year	:	2
Pending as on 31.03.2017	:	0

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Terms of reference

The terms of reference of the Corporate Social Responsibility (CSR) Committee are as follows:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount to be spent on the CSR activities.

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- Monitor the Company's CSR Policy periodically.
- Oversee the Company's conduct with regard to its Corporate and societal obligations and its reputation as a responsible corporate citizen.
- Oversee activities impacting the quality of life of various stakeholders.
- Monitor the CSR Policy and expenditure of material subsidiaries.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the year 2016-17 forms a part of the Board's Report.

### Composition and Attendance during the year

The CSR Committee of the Company is constituted in accordance with the provisions of Section 135 of the Act. The composition of the CSR Committee and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2016-17
Mr. Bharat Vasani, Chairman	Non-Independent, Non-Executive	2
Dr. Y. S. P. Thorat, Member	Independent, Non-Executive	2
Mr. V. Shankar, Member	Non-Independent, Executive	2

The CSR Committee met twice during the year, on 24th June, 2016 and 20th February, 2017.

## 7. RISK MANAGEMENT COMMITTEE

Regulation 21 of the Listing Regulations mandates top 100 listed entities, determined on the basis of market capitalization as at the end of the immediate previous financial year, to constitute a Risk Management Committee (RMC). Although non-mandatory, the Company has constituted a RMC of the Board during the year.

### Terms of reference

The terms of reference of the RMC are as follows:

- Approve the Risk Management Policy and plan integration through training and awareness programmes.
- Approve the process of risk identification.
- Set up risk strategy policies, including agreeing on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks.
- Monitor the Company's compliance with the risk structure. Assess whether the current exposure to the risk it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis.
- To approve major decisions affecting the risk profile or exposure and give appropriate directions.
- To consider the effectiveness of decision making process in crisis and emergency situations.
- Balance risks and opportunities.



- Generally, assist the Board in the execution of its responsibility for the governance of risk.
- Attend to such other matters and functions as may be prescribed from to time.

#### Composition and Attendance during the year

The composition of the RMC and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2016-17
Dr. Y.S.P Thorat, Chairman	Independent, Non-Executive	2
Mr. V. Shankar, Member	Non-Independent, Executive	2

The RMC met twice during the year, on 16th November, 2016 and 10th January, 2017.

The Chief Financial Officer and Head - Internal Audit are permanent invitees to the RMC. Business and Operation Heads are invited to the Meetings when required. The Company Secretary acts as the Secretary to the Committee.

The Company has a well-defined risk management framework in place. The risk management framework of the Company is given in detail in the Management Discussion and Analysis Report.

#### 8. EXECUTIVE COMMITTEE OF THE BOARD

The Executive Committee of the Board (ECOB) is responsible for reviewing, before presentation to the full Board, items such as Business and strategy review, long-term financial projections and cash flows, capital and revenue budgets, acquisitions, divestments and business restructuring proposals. The Committee is also responsible for advising the management on development of business plans and future strategies for the Company.

The composition of the ECOB and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2016-17
Mr. Bhaskar Bhat, Chairman	Non-Independent, Non-Executive	1
Mr. E. A. Kshirsagar, Member (upto 30.09.2016)	Independent, Non-Executive	-
Mr. Prakash R. Rastogi, Member (w.e.f. 10.08.2016)	Independent, Non-Executive	1
Mr. R. Mukundan, Member	Non-Independent, Non-Executive	1
Dr. (Mrs.) Punita Kumar-Sinha, Member	Independent, Non-Executive	1
Mr. V. Shankar, Member	Non-Independent, Executive	1

The ECOB met once during the year, on 2nd March, 2017.

The Chief Financial Officer is a permanent invitee to the Committee.

## Rallis India Limited

### 9. PROPERTY COMMITTEE

The Property Committee has been constituted to advise the management on unlocking the value of the surplus assets of the Company.

The composition of the Property Committee and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2016-17
Mr. B. D. Banerjee, Chairman (upto 31.10.2016)	Independent, Non-Executive	1
Mr. Prakash R. Rastogi, Member (Chairman w.e.f. 01.11.2016)	Independent, Non-Executive	1
Mr. E. A. Kshirsagar, Member (upto 30.09.2016)	Independent, Non-Executive	1
Mr. Bharat Vasani, Member	Non-Independent, Non-Executive	1
Dr. (Mrs.) Punita Kumar-Sinha, Member (w.e.f. 10.08.2016)	Independent, Non-Executive	1

The Property Committee met once during the year, on 19th September, 2016.

### 10. SUBSIDIARY COMPANIES

Regulation 16(1)(c) of the Listing Regulations defines a 'material subsidiary' as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. As per this definition, during the year, Metahelix Life Sciences Ltd. (Metahelix), was a material subsidiary of the Company.

Regulation 24 of the Listing Regulations requires at least one Independent Director of the listed entity to be a Director on the Board of an unlisted material subsidiary incorporated in India. Two Independent Directors of the Company, viz. Dr. (Mrs.) Punita Kumar-Sinha and Dr. C. V. Natraj are appointed as Independent Directors on the Board of Metahelix.

The Company's Audit Committee reviews the consolidated financial statements of the Company as well as the financial statements of the subsidiaries, including the investments made by the subsidiaries. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are periodically placed before the Board of Directors of the Company.

The Company has formulated a policy for determining material subsidiaries and the Policy is disclosed on the Company's website.



## 11. GENERAL BODY MEETINGS

Location, date and time of Annual General Meetings held during the last 3 years and special resolutions passed:

Day, Date and Time	Location	Special Resolutions
Friday, 24th June, 2016 at 3.00 pm	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.	There was no matter that required passing of Special Resolution.
Monday, 29th June, 2015 at 3.00 pm	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.	There was no matter that required passing of Special Resolution.
Monday, 30th June, 2014 at 3.00 pm	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.	1) Approval of borrowing limits of the Company. 2) Creation of Charge on the assets of the Company.

All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders.

No Extra-ordinary General Meeting of the shareholders was held during the year. During the year under review, no resolution was put through by Postal Ballot.

## 12. DISCLOSURES

- a) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. During the year, there were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, their subsidiaries, the Directors, the KMP, the management or relatives, or other designated persons, that may have a potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect.
- b) All related party transactions entered into during the year were on arms' length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and Listing Regulations. The Company has adopted a Related Party Transactions Policy and the same is displayed on the Company's website at the following weblink: [http://www.rallis.co.in/Related\\_Party\\_TransactionsPolicy.htm](http://www.rallis.co.in/Related_Party_TransactionsPolicy.htm)
- c) The Company has adopted a Policy on Material Subsidiaries and the same is displayed on the Company's website at the following weblink: [http://www.rallis.co.in/Material\\_SubsubsidiariesPolicy.htm](http://www.rallis.co.in/Material_SubsubsidiariesPolicy.htm)
- d) The Company has complied with the requirements of the Stock Exchanges, SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.
- e) The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2017.
- f) The Company has a well defined risk management framework in place. The Company periodically places before the RMC and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.



## Rallis India Limited

- g) The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- h) The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS').

Up to the year ended 31st March, 2016, the Company prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Act notified under the Companies (Accounting Standards) Rules, 2006 ('Previous GAAP'). These are the Company's first Ind AS Financial Statements.

- i) The Company has complied with all mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46(2) relating to dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under:
- The Non-Executive Chairman maintains a separate office, for which the Company is not required to reimburse expenses.
  - Half yearly financial performance of the Company is sent to all shareholders.
  - The financial statements of the Company are with unmodified audit opinion.
  - The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
  - The Internal Auditor reports to the Audit Committee.

### 13. MEANS OF COMMUNICATION

- i) The quarterly and the half yearly results, published in the format prescribed by the Listing Regulations read with the Circular issued there under, are approved and taken on record by the Board of Directors of the Company within one month of the close of the relevant quarter. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed, viz. NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE). The results are also published within 48 hours in Hindu Business Line (in English) and Mumbai Lakshadweep (in Marathi) and also displayed on the Company's website, [www.rallis.co.in](http://www.rallis.co.in).
- ii) The Company publishes the audited annual results within the stipulated period of sixty days from the close of the financial year as required by the Listing Regulations. The annual audited results are also uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively, published in the newspapers and displayed on the Company's website.
- iii) Official news releases and presentations made to institutional investors and analysts are uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively and posted on the Company's website.
- iv) Comprehensive information about the Company, its business and operations and press releases can be viewed on the Company's website. The "Investor Relations" section on the website gives information relating to financial



results, annual reports, shareholding pattern and presentations made to analysts and at Annual General Meetings. Information about unclaimed dividends and details of Equity Shares required to be transferred to the IEPF Demat account are also available in this section.

Members also have the facility of raising their queries/ complaints through the Shareholder Query Form available under "Investor Information" in the "Investor Relations" section of the website.

- v) The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with NSE through NEAPS and with BSE through BSE Online Portal. The Shareholding Pattern is also displayed on the Company's website under the "Investor Relations" section.
- vi) Material events or information, as detailed in Regulation 30 of the Listing Regulations, are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Online Portal. They are also displayed on the Company's website under the "Investor Relations" section.
- vii) The Company sends an annual reminder to shareholders who have not claimed their dividends. Circulars are also sent periodically to shareholders urging them to opt for the electronic mode for receiving dividends.
- viii) Management Discussion and Analysis Report forms a part of the Annual Report.

#### 14. GENERAL SHAREHOLDER INFORMATION

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L36992MH1948PLC014083.

##### **Annual General Meeting date, time and venue:**

Friday, 23rd June, 2017 at 3.00 pm at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.

As required under Regulation 36(3) of the Listing Regulations, particulars of the Directors seeking re-appointment/ appointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 23rd June, 2017.

<b>Financial Calendar :</b>	April to March
<b>Date of book closure:</b>	13th June, 2017 to 23rd June, 2017 (both days inclusive)
<b>Dividend payment date:</b>	28th June, 2017
<b>Listing on Stock Exchanges:</b>	The Company's Equity Shares are listed on the following Stock Exchanges:
BSE Ltd.	The National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers	Exchange Plaza, 5th Floor
Dalal Street	Plot No.C/1, G Block
Mumbai 400 001	Bandra-Kurla Complex
	Bandra (E) Mumbai 400 051

The Company has paid the listing fees to these Stock Exchanges for the year 2016-17.

Stock Code on BSE Ltd.	:	500355
Stock Code on the National Stock Exchange of India Ltd.	:	RALLIS EQ
Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares	:	INE613A01020

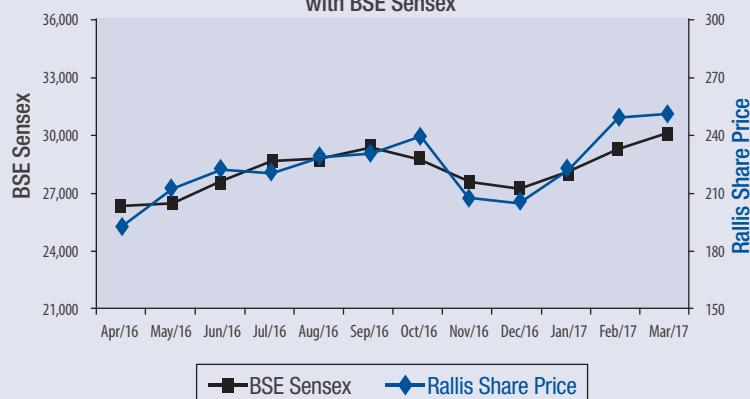
Rallis India Limited

Market Information:

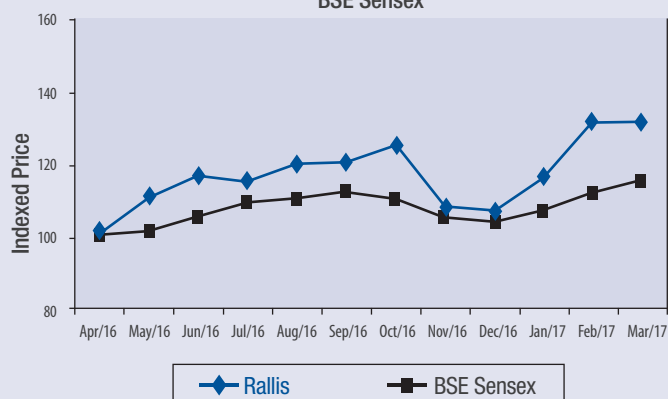
Market price data: High/ low, Number and Value of shares traded during each month in the last financial year:

Month	BSE Ltd.					The National Stock Exchange of India Ltd.				
	High (₹)	Low (₹)	No. of Shares Traded	Value of Shares Traded (₹ Lakhs)	No. of Trades	High (₹)	Low (₹)	No. of Shares Traded	Value of Shares Traded (₹ Lakhs)	No. of Trades
April 2016	205.00	165.75	10,75,274	1,979.55	19,611	205.40	165.20	52,87,210	9,956.58	92,295
May 2016	216.45	192.00	14,28,692	2,942.38	22,942	216.80	192.50	59,47,377	12,189.94	93,802
June 2016	226.50	204.00	10,15,347	2,194.49	24,410	230.00	203.20	64,06,329	13,837.42	97,005
July 2016	225.90	206.00	9,62,999	2,085.19	20,212	226.45	206.00	66,43,681	14,378.07	85,346
August 2016	235.00	215.40	11,04,380	2,469.01	23,007	235.00	215.20	83,68,148	18,686.82	96,606
September 2016	235.00	210.80	16,46,921	3,697.65	19,252	234.85	210.00	44,43,015	9,991.82	68,623
October 2016	245.95	218.10	11,28,584	2,631.38	23,454	246.00	218.35	62,26,761	14,505.67	1,04,896
November 2016	225.50	180.25	11,37,945	2,308.19	15,304	224.90	180.40	42,63,885	8,551.84	87,140
December 2016	209.00	188.45	8,28,345	1,622.52	6,537	209.15	188.00	37,84,330	7,409.13	39,617
January 2017	242.00	191.35	17,35,030	3,763.60	23,540	242.25	191.20	71,84,038	15,605.61	1,15,181
February 2017	253.80	230.85	14,91,530	3,643.15	17,387	254.20	231.25	48,73,811	11,856.53	71,540
March 2017	264.60	232.20	22,17,779	5,484.53	19,625	265.25	232.10	96,00,623	23,466.06	1,12,180

Performance of Rallis Share Price in comparison with BSE Sensex



Indexed Performance of Rallis Share Price in comparison with BSE Sensex





### Registrars and Share Transfer Agents:

Members may correspond with the Company's Registrars and Share Transfer Agents, TSR Darashaw Ltd. (TSRDL), quoting their folio numbers/ DP ID and Client ID at the following addresses:

TSR DARASHAW LTD.

6-10 Haji Moosa Patrawala Industrial Estate,  
20 Dr. E. Moses Road,  
Mahalaxmi, Mumbai 400 011.

Tel. No.: 91 22 6656 8484

Fax No.: 91 22 6656 8494

E-mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

Business Hours: 10.00 a.m. to 3.30 p.m. (Monday to Friday)

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following Branch Offices/ agencies of TSRDL:

### Branches of TSRDL

TSR Darashaw Ltd.,  
503, Barton Centre, (5th Floor),  
84, Mahatma Gandhi Road,  
Bengaluru 560 001.  
Tel.: 91 80 2532 0321  
Fax: 91 80 2558 0019  
Email: [tsrdlbg@tsrdarashaw.com](mailto:tsrdlbg@tsrdarashaw.com)

TSR Darashaw Ltd.,  
Tata Centre, 1st Floor,  
43, J. L. Nehru Road,  
Kolkata 700 071.  
Tel.: 91 33 2288 3087  
Fax: 91 33 2288 3062  
Email: [tsrdlcal@tsrdarashaw.com](mailto:tsrdlcal@tsrdarashaw.com)

TSR Darashaw Ltd.,  
2/42, Ansari Road,  
1st Floor, Daryaganj, Sant Vihar,  
New Delhi 110 002.  
Tel.: 91 11 2327 1805  
Fax: 91 11 2327 1802  
Email: [tsrdldel@tsrdarashaw.com](mailto:tsrdldel@tsrdarashaw.com)

TSR Darashaw Ltd.,  
"E" Road,  
Northern Town, Bistupur,  
Jamshedpur 831 001.  
Tel.: 91 657 242 6616  
Fax: 91 657 242 6937  
Email: [tsrdljsr@tsrdarashaw.com](mailto:tsrdljsr@tsrdarashaw.com)

**Agent of TSRDL**  
Shah Consultancy Services Ltd.,  
3, Sumatinath Complex, 2nd Dhal,  
Pritam Nagar, Ellisbridge,  
Ahmedabad 380 006.  
Telefax: 91 79 2657 6038  
Email: [shahconsultancy8154@gmail.com](mailto:shahconsultancy8154@gmail.com)

### Share Transfer System:

Documents for transfer of shares in physical form can be lodged with TSRDL at its registered address or at any of the above mentioned branch offices or at the office of the Agent of TSRDL. The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects.

### Secretarial Audit:

- Parikh & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the year 2016-17. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made there under, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.
- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

## Rallis India Limited

- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

### Distribution of shareholding as on 31st March, 2017:

Holding of Nominal Value: ₹ 1/-

Sr. No.	Range	Holding	Amount (₹ )	% to Capital	No. of Holders	% to Total Holders
1	1 to 500	35,21,865	35,21,865.00	1.81	30,878	81.17
2	501 to 1000	24,32,086	24,32,086.00	1.25	3,113	8.18
3	1001 to 2000	27,54,469	27,54,469.00	1.42	1,855	4.88
4	2001 to 3000	18,56,679	18,56,679.00	0.96	718	1.89
5	3001 to 4000	11,06,197	11,06,197.00	0.57	310	0.81
6	4001 to 5000	13,48,072	13,48,072.00	0.69	288	0.76
7	5001 to 10000	32,29,955	32,29,955.00	1.66	437	1.15
8	Greater than 10000	17,82,19,567	17,82,19,567.00	91.64	440	1.16
<b>Total</b>		<b>19,44,68,890</b>	<b>19,44,68,890.00</b>	<b>100.00</b>	<b>38,039</b>	<b>100.00</b>

### Shareholding pattern as on 31st March, 2017:

Sr. No.	Category of Shareholders	Total Holding	Percentage
1	Tata Companies	9,74,16,610	50.09
2	Government/ Other Public Financial Institutions and Insurance Companies	69,91,217	3.60
3	Foreign Institutional Investors and Foreign Companies	86,87,918	4.47
4	Non Resident Individuals	15,55,091	0.80
5	Other Bodies Corporate and Trusts	1,74,64,609	8.98
6	Nationalized Banks and Mutual Funds	1,96,95,860	10.13
7	Foreign Banks and Other Banks	2,03,920	0.10
8	Individuals	4,24,53,665	21.83
<b>Total</b>		<b>19,44,68,890</b>	<b>100.00</b>

### Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz. NSDL and CDSL.

Percentage of shares held in physical and dematerialized form as on 31st March, 2017:

Physical form : 1.36%

Electronic form with NSDL : 91.25%

Electronic form with CDSL : 7.39%

The Company's shares are regularly traded on BSE and NSE.



**Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company does not have any outstanding ADRs/ GDRs/ Warrants or any convertible instruments.

**Commodity price risk or foreign exchange risk and hedging activities:**

During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts. The details of foreign currency exposure are disclosed in Note No.37 to the Standalone Financial Statements.

**Plant locations:**

- (i) GIDC Estate, Plot No.3301, Ankleshwar 393 002, Dist. Bharuch, Gujarat.
- (ii) GIDC Estate, Plot No.2808, Ankleshwar 393 002, Dist. Bharuch, Gujarat.
- (iii) GIDC Estate, Plot No.3000, Ankleshwar 393 002, Dist. Bharuch, Gujarat.
- (iv) C 5/6, MIDC Industrial Area, Phase III, Shivani, Akola 444 104, Maharashtra.
- (v) Plot No.D-26, Lote Parashuram, MIDC, Near Hotel Vakratunda, Taluka Khed, Dist. Ratnagiri 415 722, Maharashtra.
- (vi) Plot Nos. Z/ 110 and Z/112, Dahej SEZ Part - II, P.O. Lakhigam, Taluka Vagra, Dist. Bharuch 392 130, Gujarat.

**Investor correspondence address:**

Rallis India Ltd.  
Secretarial Department  
2nd Floor Sharda Terraces  
Plot No. 65 Sector No. 11  
CBD Belapur Navi Mumbai 400 614

OR

TSR Darashaw Ltd.  
Unit: Rallis India Ltd.  
6-10 Haji Moosa Patrawala Industrial Estate,  
20 Dr. E. Moses Road,  
Mahalaxmi Mumbai 400 011.

**Rallis India Limited**

To,  
The Members of Rallis India Limited

### Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, V. Shankar, Managing Director & CEO of Rallis India Limited hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2017.

Mumbai, 24th April, 2017

V. Shankar  
Managing Director & CEO

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**TO THE MEMBERS OF  
RALLIS INDIA LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter Reference No. SVP/8819 dated 1 July 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Rallis India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For DELOITTE HASKINS AND SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/ W-100018)  
Sanjiv V. Pilgaonkar  
Partner  
(Membership No.39826)

MUMBAI, 24th April, 2017