RALLIS INDIA LIMITED

Corporate Identity No. L36992MH1948PLC014083

2nd Floor Sharda Terraces Plot No 65 Sector 11 CBD Belapur Navi Mumbai 400 614
Tel 91 22 6776 1657 Fax 91 22 6776 1775 email pmeherhomji@rallis.co.in

Mrs P S Meherhomji
Company Secretary

24th June, 2017

The General Manager
Corporate Relations Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Asst. Vice President
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra - Kurla Complex
Bandra (E), Mumbai 400 051

Dear Sir,

Sub: Annual Report for the Financial year 2016-17.

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find a copy of the Annual Report of the Company for the year ended 31st March, 2017 for your reference and records.

Thanking You,

Yours faithfully,
RALLIS INDIA LIMITED

(P. S. MEHERHOMJI)

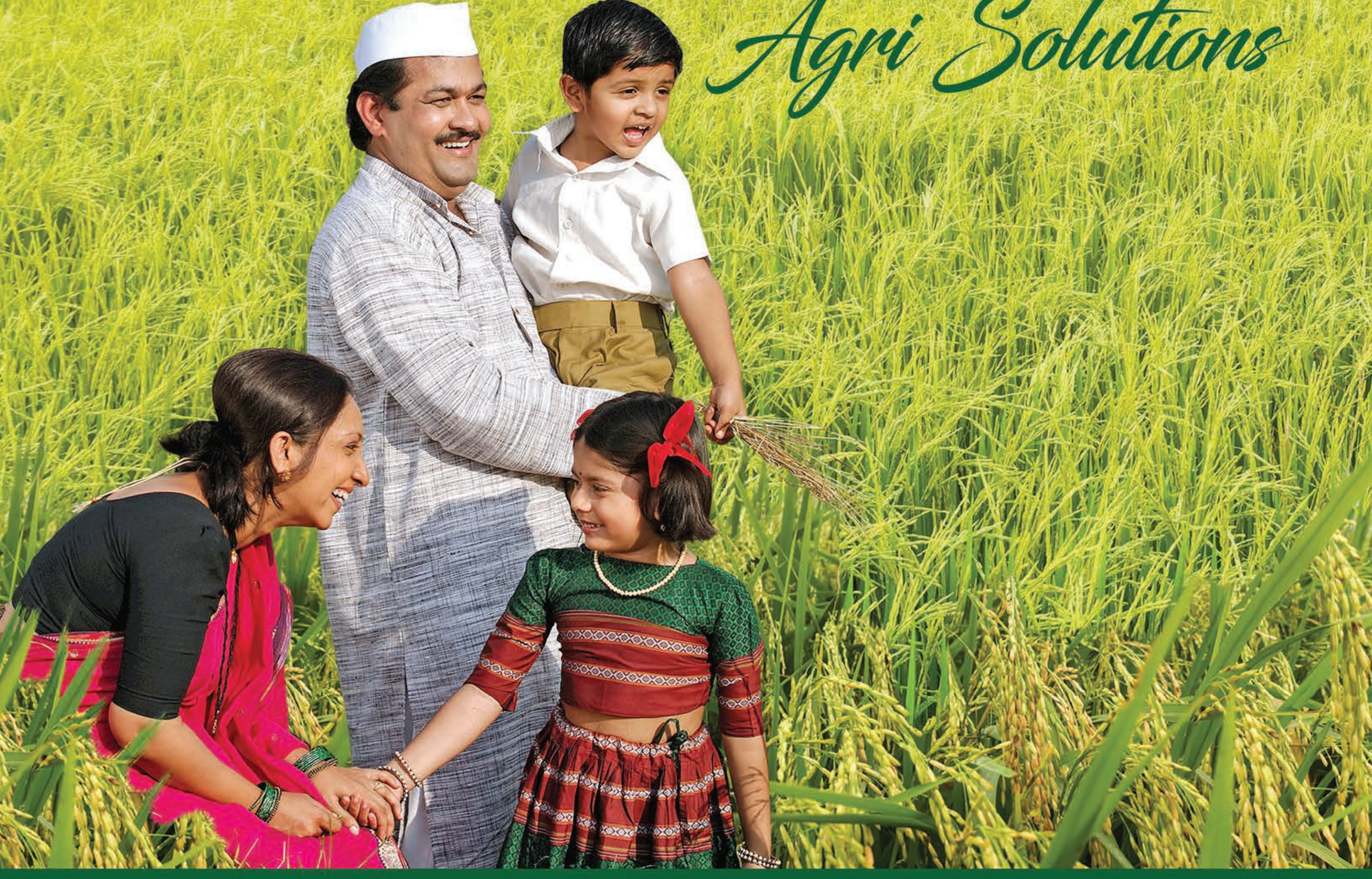
Encl: a/a

RALLIS INDIA LIMITED

A TATA Enterprise

RALLIS SAMRUDH KRÍSHÍ®

Agri Solutions



69th Annual Report | 2016-2017

Farmer Commendations for Rallis Samrudh Krishi®

I came to know about the Rallis Agri Solutions approach at one of the Farmer Meetings conducted by Rallis. My experience with this approach is very good and I am satisfied. I got regular consultancy and advise from Rallis at critical crop interventions throughout my paddy crop cycle. During critical pest attacks of Stem Borer & BPH, the Rallis Executive has advised me on the right recommendation. He taught me to plant only two plants per hill during transplantation under Agri Solutions approach, which gave me good & healthy boot leaf. I received 15% increase in yield over last year. Agri Solutions approach also helped me to reduce cost up to 10% over last year by the use of Rallis Package of Practice. I have influenced other farmers in my village to adopt the PoP recommended under Agri Solutions by Rallis.

Taposh Mondal, Village Aoura, District Burdwan, State West Bengal

I have been cultivating chilly crop for many years. Annually, I am getting average yield of 35-36 quintals per acre. I have adopted the Package of Practice as recommended by Rallis under Agri Solutions and have got increased yield, besides having good quality crop. Timely intervention of Rallis Executives and their advice at critical crop stages has helped me to protect the crop from pest damage and avoid crop losses. This year I got average yield of 40 quintals per acre and I am very much happy and thank Rallis for providing solutions from time to time as required.

Venkateshwra Rao, Village Dharnikota, District Guntur, State Andhra Pradesh

I have been growing pomegranate since last many years. Since I started cultivation based on scientific Package of Practice recommended by Rallis under Agri Solutions, I have got yield benefit both in quantity and value. The best part of Agri Solutions is that Rallis Executives visited our plot at regular intervals and recommended the right solution at critical stages for pest control, irrigation, besides fertilizer recommendations. My cost of cultivation has also come down by the use of Rallis PoP. They also helped us in understanding the crop output prices in nearby mandis.

Dhuldev Mahadev Shinde, Village Lonarwadi, Taluka Pandarpur, District Solapur, State Maharashtra

Since the time we were told about Agri Solutions concept by Rallis, I have been frequently and regularly visited by the team. Representatives of Rallis guided me on all activities, from land preparation to harvesting my paddy crop and even selling of produce in the nearby market. I was given detailed information about GeoGreen to improve the soil structure and texture. Later on, I was provided information regarding crop protection inputs as and when required. I was also given information about the right dose, right time of application and correct method of application of crop protection inputs. I must admit, the Agri Solutions approach of Rallis has immensely helped me in increasing the yield as well as enhancing the quality of my produce.

Satnam Singh, Village Shamli, District Karnal, State Haryana

For the last few years, I was using some products of Rallis India Limited, but this year I have been fully involved with Rallis through Agri Solutions for my soybean crop cultivation practice. I have followed the guidelines from land preparation to harvesting of the crop, which is guided by Company officials from time to time. I have advised all my farmer friends to use the products of Rallis as recommended by the Package of Practice given by Rallis and increase their profitability.

Hansraj Patidar, Village Amleta, District Ratlam, State MP

RALLIS

A TATA Enterprise

Sixty-ninth annual report 2016-2017

Contents

Annual General Meeting : Friday, 23rd June, 2017
Time : 3.00 p.m.
Venue : Walchand Hirachand Hall, 4th Floor,
Indian Merchants' Chamber Building,
IMC Marg, Churchgate,
Mumbai 400 020.

BOOK CLOSURE DATES
13th JUNE, 2017 TO 23rd JUNE, 2017

Rallis India Limited

Rallis India Limited

BOARD OF DIRECTORS

Bhaskar Bhat *(Chairman)*

Prakash R. Rastogi

Bharat Vasani

R. Mukundan

Y. S. P. Thorat

Punita Kumar-Sinha

C. V. Natraj

Padmini Khare Kaicker

V. Shankar *(Managing Director & CEO)*

COMPANY SECRETARY

P. S. Meherhomji

CORPORATE IDENTITY NUMBER (CIN)

L36992MH1948PLC014083

REGISTERED OFFICE

156/157 15th Floor Nariman Bhavan
227 Nariman Point
Mumbai 400 021

Tel. No.: 91 22 6665 2700

Fax No.: 91 22 6665 2827

E-mail address: investor_relations@rallis.co.in

Website: www.rallis.co.in

AUDITORS

Deloitte Haskins & Sells LLP

SOLICITORS & ADVOCATES

Crawford Bayley & Company

SENIOR LEADERSHIP

V. Shankar	*Managing Director & CEO*
K. R. Venkatadri	*Chief Operating Officer*
Ashish Mehta	*Chief Financial Officer*
Prosenjit Bose	*Chief - Technology, Innovation & Business Development*
Ravindra R. Joshi	*Vice President - Manufacturing*
Siddheswar Mallick	*Vice President - Domestic Sales*
D. G. Shetty	*Vice President - Planning, Logistics & Third Party Management*
Subhra Jyoti Roy	*Vice President - International Business*
N. K. Uppal	*Vice President - Agri Services*
Rajashekhar Khinnavar	*Vice President - Corporate Projects & Quality Assurance*
Alok Chandra	*Head - Human Resources & Corporate Sustainability*
Coomie N. Kapadia	*Head - Internal Audit*

SHARE REGISTRARS AND TRANSFER AGENTS

TSR Darashaw Limited
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 address: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

BANKERS

State Bank of India
Citibank N.A.
Corporation Bank
BNP Paribas
IDBI Bank Limited
Axis Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Oriental Bank of Commerce
Kotak Mahindra Bank Limited

CHAIRMAN'S STATEMENT

Dear Shareholders,

COMPANY PERFORMANCE OVERVIEW

I am happy to share in brief the highlights of your Company's performance during 2016-17.

Indian Agriculture started on an optimistic note in 2016, with forecast of a better monsoon and good initial rainfall. Increase in acreages and production had an encouraging effect on the Agri input industry as well. However, growth was not uniform across India, with some areas experiencing delayed onset of monsoon or dry spells and excess rainfall in other areas. Absence of the North East monsoon had a severe impact in the southern States. Globally, sales of crop protection products declined due to various factors, including high distributor inventory in many countries, low pest/ disease pressure, strengthening of the US dollar against local currencies, weak crop prices for all major commodities and weak prices of Glyphosate.

Your Company's consolidated revenue from operations for the year is ₹ 1,783 crores, registering an increase of 10% over the previous year. Consolidated net profit (excluding profit of ₹ 127 crores on assignment of leasehold rights in the Turbhe land) is ₹ 170 crores, higher by 16% over the previous year.

Your Company plans to roll out **Rallis Samrudh Krishi®** - which I have touched upon in some details below - to benefit a larger farming community. The Company's ICT initiatives will enable it to more effectively provide necessary services extending Good Agricultural Practices (GAP) to the agri community. Our digital platform, Drishti enables us to provide predictive advisory services, which is a critical need of the farming community. The launch of Vistaar, a Geospatial Analytics engine, is intended to help the sales and marketing team in effective planning based on real time data and improve overall efficiency. Going forward, these will be the key enablers to our **Rallis Samrudh Krishi®** programme.

WATER - SOME PERSPECTIVES AND COMPANY RESPONSE

I would now like to speak about a subject that is engaging the world and your Company as well and which has significant bearing on agricultural operations..... Water. I wish to share some perspectives around water and how your Company is building responses across several dimensions to contribute its mite towards addressing this emerging concern.

Water has a dominant role in our daily life with multiple touch points. While more than two-thirds of the earth surface is covered with water, most of this being sea water is salty. Fresh water is mostly inaccessible being frozen in ice caps or stored underground, with only 0.3% available on the surface of the earth. Again this is stored in lakes, swamps and in rivers. As all the sweet water is not extractable, around 1% of the total water can be used by human beings. Water also makes up most of the human body weight with the brain having 95% water, blood 82% and lungs 90%. The body cannot work without it, just as a car cannot run without gas and oil.

Water is not only important for human beings but also plays an important role to balance the entire ecosystem. By its presence in the atmosphere it absorbs the sun's heat. The rain water scours the hills and carries the sediments into rivers, valleys etc. Water is required to run industries for their manufacturing processes, generation of power, cooling, fire protection, etc. Water plays a very important role in agriculture too requiring irrigation throughout the crop season to ensure proper plant growth.

As water was available in plenty, it was considered a free resource for generations. With growing demand and depletion of the available water, assured supply of good quality water is becoming the biggest challenge facing the globe into the future.

Rallis India Limited

Our country is blessed with good rainfall well distributed over 5-6 months in the year. The average annual rainfall in the country is 1,170 mm with a wide range between 100 mm in desert areas of Rajasthan and 10,000 mm in Cherapunji. It is disturbing though only 18% of the rainwater is used effectively while 48% enters the river and most of which reaches the ocean. Added to this is the challenge that we often have drought years, and even in periods of good monsoon the spatial distribution has been lately uneven. Water consumed during the year 2006 in India was 829 billion m^3 which is likely to increase to 1,093 billion m^3 in 2025 as estimated by the Government of India (2009). As the potential for increasing the volume of utilization of water is hardly 5-10%, India stares at facing severe scarcity of water in future.

While water for consumption is most crucial, it is equally important to provide water for irrigation to increase the food production and livestock husbandry, to ensure food security for the increasing population. The per capita water availability in 1951 was 5,177 m^3 per year which by 2025 will drop down to 1,341 m^3, thereby moving from water stress to a water scarcity scenario (*Source: Government of India, 2009*).

In India, out of the total cultivable area of 182 m ha, only 140 m ha are under net cultivation and of this, around 44% area is under irrigation. It is estimated that effective area under irrigation by 2025 will go up to 54% though the Government's intent is to take it up further. Ground water is the major source of irrigation and this trend is likely to continue. Farmers in India have been traditionally practicing flow irrigation which results in extensive usage of water apart from other issues such as soil erosion, leaching of fertilizers, increasing the infestation of pests, affecting crop yields, etc. Global warming is posing a further challenge, as the water requirement for crops will increase due to higher evapo-transpiration.

To deal with this challenge it will be necessary to tap all the possible water resources and make them available for sustainable use, while improving the water use efficiency. This can be done by addressing various concerns and initiating suitable actions for development of new water resources, augmentation of available resources, prevention of water pollution and improving the efficiency of water use in all the sectors. For creating additional water resources, activities such as increasing water storage capacity, efficient irrigation practices, watershed development, etc. should be undertaken.

RALLIS RESPONSE

I am happy to share that your Company seized of the above issues has been systematically working across several dimensions to contribute to alleviating the water usage efficiency and rain water conservation measures. This is being done by working with farmers to promote sustainable agriculture practices, reconfiguring manufacturing operations and engaging in active community initiatives under our CSR interventions. I give below a flavour of the key interventions:

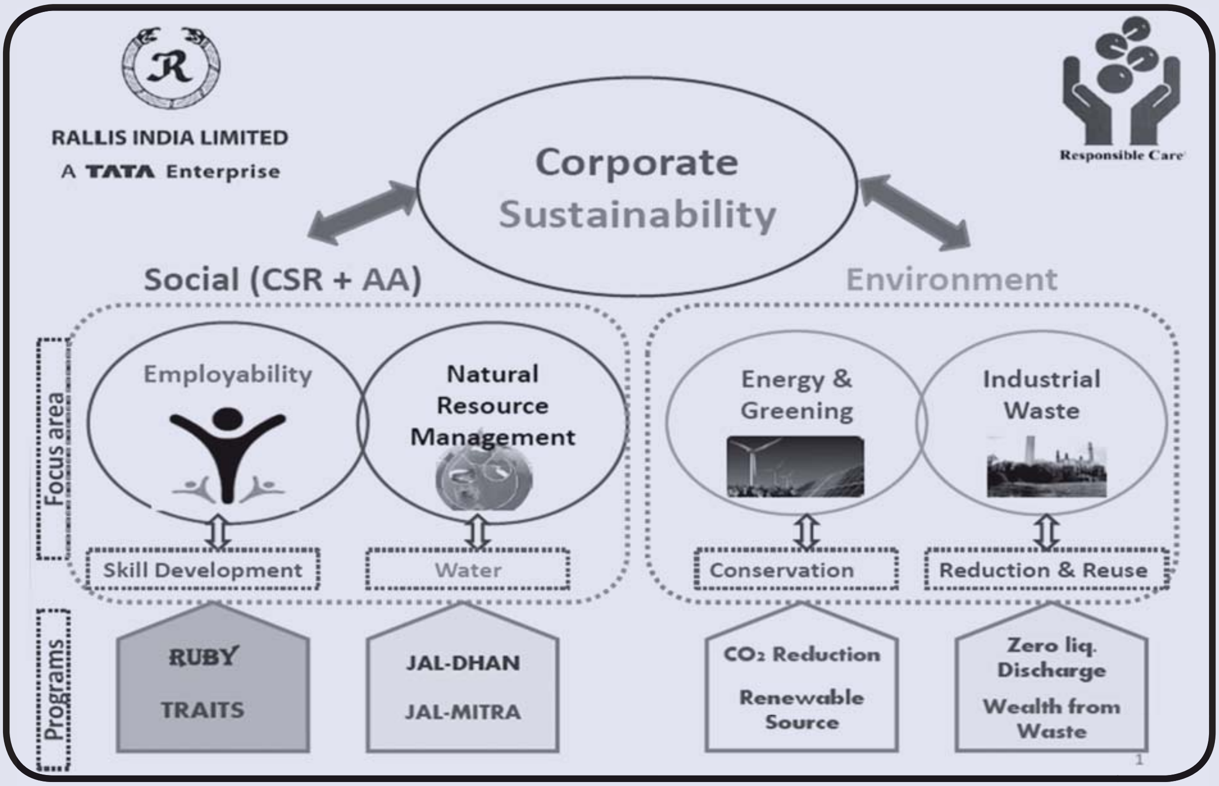
Rallis Samrudh Krishi®

Over the past few years, your Company has been actively engaging with the farming community on providing end-to-end Agri Solutions in line with its Mission.

Pulses was chosen as the first crop where the country faced a shortage and this crop also requires less water. The Rallis More Pulses (MoPu) programme in partnership with the Government now covers several States benefitting a large number of farmers by improving their productivity. This initiative was then extended to the Grapes crop which has also seen immense value for the farmers. During the year, your Company did extensive experimentation of such Agri Solutions branded as **Rallis Samrudh Krishi®** covering the entire country across twelve crops. Our experience has been that with this initiative of extending GAP the farmers have not only experienced improved productivity but also better netbacks due to optimized costs and better quality of produce. Your Company plans to roll out **Rallis Samrudh Krishi®** pan India this year to touch a million farmers. Our Subsidiary, Metahelix is also engaging in developing drought tolerant seeds across various crops.

Jal Dhan and Jal Mitra

Water is a focus area for your Company under its Corporate Sustainability initiatives. This is explicit in our Integrated Sustainability model developed to deploy the various interventions in this regard.



Our water management "Jal Dhan" and "Jal Mitra" project started from Lote (Chiplun), Maharashtra in 2013-14. The project was aimed at increasing water availability for Agriculture of small and marginal farmers through watershed interventions. In the said rain water harvesting project we focused on constructing various temporary and permanent structures like loose boulder, Diversion dam, Check dam etc. These structures were initially created with the help of Rallis employee volunteers and villagers from selected villages through *shram daan* i.e. providing ones' service for community work. Looking at the response and impact in the first year we have intensified the watershed project in 2014-15 and increased the number of check dams, loose boulders, trenches, Vanarai bandhara, desilting of existing structures etc. By these interventions we have harvested 140 million litres of water.

As a part of integrated approach we focused on enhancing livelihood of small and marginal farmers by providing them knowledge of modern and improved techniques of farming. As Paddy is the major crop in this region, Rallis introduced SRI technique under "Jal Mitra" (S R I – System of Rice Intensification - Improved method) for Paddy cultivation. This has resulted in improving crop yields by 25% while reducing labor cost by 50% with lower seed cost and reduced water requirement compared to normal method.

Your Company has now expanded its Jal Dhan programme to 20 villages of Ratnagiri, Vidarbha, Marathwada and Raigadh regions covering 64,978 villagers including 22,639 Affirmative Action (AA) population. With the good rainfall during 2016 South West monsoon, 493.23 million litres of water was harvested through Rallis Jal Dhan intervention.

Rallis India Limited

Water Neutral

Being water neutral is one of the key objectives of your Company's Sustainability model. To achieve this laudable task, your Company has been working on adoption of new technologies in effluent treatment. In the last few years all the Units have piloted and then successfully implemented processes such as special microbes biological treatment, Membrane Bio Reactor, Multiple Effect Evaporator, Aqueous thin film dryer, Reverse Osmosis, etc. Our continuous effort in this direction has resulted in total recycling of treated water in Ankleshwar Unit. Other Units are well on track to follow suit this year.

With a combination of the in-house endeavour in recycling treated water and the Jal Dhan projects we are recharging more water than what we use in our operations, thereby making us *Water Neutral*.

Way Forward

As per our long term plan, in the year 2017-18 we have already started work in 8 more villages in Latur, Maharashtra to intensify our Jal Dhan intervention and impact 1 lakh people with 25,000 AA population. This will be our continuing support to TATA Group's initiative towards water management and the National Water Mission.

RETURNS TO SHAREHOLDERS

Your Board is pleased to recommend a special one-time dividend of ₹ 1.25 per share out of the profit on assignment of leasehold rights in the Turbhe land. If approved by the shareholders, the total dividend payout for the year will be ₹ 3.75 per share, including the one-time special dividend. The Total Shareholder Return (TSR) of an investment made in your Company in March 2008, kept till the last trading day of March 2017 works out to be a healthy 35% per annum.

BOARD OF DIRECTORS

Mr. E. A. Kshirsagar and Mr. B. D. Banerjee have retired as Non-Executive, Independent Directors of your Company, on reaching the retirement age as per the Governance Guidelines adopted by the Board. Your Board has placed on record its sincere appreciation of the significant contribution made by Mr. Kshirsagar and Mr. Banerjee as Directors, especially on the Committees which they chaired.

Dr. C. V. Natraj and Mrs. Padmini Khare Kaicker have joined the Board as Non-Executive, Independent Directors with effect from 22nd July, 2016. The Board has also approved the re-appointment of Mr. V. Shankar as the Managing Director of the Company, for a further term with effect from 13th March, 2017 upto 30th September, 2021, when he attains the retirement age. Their appointments come up for shareholder approval at the Annual General Meeting, and your Board commends the same for your approval.

ACKNOWLEDGEMENT

I would like to express my sincere appreciation for the continued support of the shareholders, Tata Group, suppliers and commercial partners during the year. I would like to thank Mr. V. Shankar, Managing Director & CEO who, with his top management team and the employees of the Company, have navigated Rallis through uncertainties during the year gone by. I would also like to thank my colleagues on the Board for their invaluable support and guidance to the Company's management, which goes a long way in meeting the challenges in the Company's growth journey.

Chairman

Mumbai
May 20, 2017

RALLIS INDIA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the 69th Annual General Meeting of Rallis India Limited will be held at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Friday, the 23rd June, 2017 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended 31st March, 2017 together with the Report of the Auditors thereon.
3. To declare dividend, including special dividend, for the financial year 2016-17 on Equity Shares.
4. To appoint a Director in place of Mr. Bharat Vasani (DIN: 00040243) who retires by rotation and being eligible offers himself for re-appointment.
5. **To appoint Statutory Auditors of the Company and fix their remuneration.**

   To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), be and is hereby appointed as Auditors of the Company in place of the retiring auditors Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the Seventy Fourth (74th) AGM to be held in 2022 (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

6. **Appointment of Dr. C. V. Natraj (DIN: 07132764) as Independent Director.**

   To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   RESOLVED THAT Dr. C. V. Natraj (DIN: 07132764), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd July, 2016 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ('the Act') and Article 116 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, appointment of Dr. C. V. Natraj, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 years, with effect from 22nd July, 2016 up to 21st July, 2021, be and is hereby approved.

Rallis India Limited

7. **Appointment of Mrs. Padmini Khare Kaicker (DIN: 00296388) as Independent Director.**

   To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   RESOLVED THAT Mrs. Padmini Khare Kaicker (DIN: 00296388), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd July, 2016 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ('the Act') and Article 116 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, appointment of Mrs. Padmini Khare Kaicker, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 years, with effect from 22nd July, 2016 up to 21st July, 2021, be and is hereby approved.

8. **Re-appointment of Mr. V. Shankar (DIN: 01385240) as Managing Director and CEO.**

   To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Mr. V. Shankar (DIN: 01385240) as the Managing Director & CEO of the Company with effect from 13th March, 2017 (the date of appointment) up to 30th September, 2021 (till he attains the retirement age), upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Shankar.

   RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

9. **Ratification of Cost Auditors' remuneration.**

   To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 4 lakhs plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, payable to D. C. Dave & Co. (Firm Registration No.000611), who are appointed as Cost Auditors of the Company to conduct Cost Audits relating to Insecticides (Liquid, Solid and Technical Grade), Fertilizers and Chemicals (Plastics and Polymers) of the Company for the financial year ending 31st March, 2018.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

Notes:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the business under Item Nos.5 to 9 above is annexed hereto. The relevant details of the Directors seeking re-appointment/ appointment under Item Nos.4 and 6 to 8, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization.

   Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. If a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. A route map giving directions to reach the venue of the 69th Annual General Meeting is given at the end of the Notice.

4. **Process and manner for Members opting to vote through electronic means:**

   In compliance with the provisions of Section 108 of the Act, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, Members are provided with the facility to exercise their right to vote electronically on all resolutions set forth in the Notice of the 69th Annual General Meeting ('AGM'). Members may cast their votes by using the e-voting services provided by National Securities Depository Ltd. ('NSDL'), i.e. facility of casting votes by using an electronic voting system from a place other than the venue of the AGM ('remote e-voting'). Instructions for remote e-voting are as under:

   A. In case of Members receiving an email from NSDL (for Members whose email addresses are registered with the Company/ Depository Participants):

      (i) Open the email and open pdf file "Rallis India e-voting.pdf" with your Client ID or Folio No. as password. The pdf file contains your user ID and password/ PIN for remote e-voting. Please note that this password is an initial password.

      (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

      (iii) Click on "Shareholder – Login".

      (iv) Insert User ID and password as initial password/ PIN noted in step (i) above. Click Login.

      (v) You will now reach Password Change Menu, wherein you are required to mandatorily change your password/ PIN with new password of your choice, comprising of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). On first login, the system will prompt you to change your password and update your contact details like mobile number, email address, etc. in the user profile details of the folio, which may be used for sending future communications. You will also need to enter a secret question and answer of your choice to retrieve your password in case you forget it. Note your new password. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

      (vi) You need to login again with the new credentials. Home page of e-voting will open. Click on "e-voting: Active Voting Cycles".

      (vii) Select the "EVEN" (Electronic Voting Event Number) of Rallis India Limited. Now you are ready for e-voting as Cast Vote page opens.

(viii) On the voting page, you may cast your vote by selecting an appropriate option "For" or "Against" and click "**SUBMIT**". A confirmation box will be displayed. Click "**OK**" to confirm or "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote. Upon confirmation, the message "Vote Cast Successfully" will be displayed.

(ix) You can similarly vote in respect of all other resolutions forming part of the Notice of the AGM. During the voting period, Members can login any number of times till they have voted on all the Resolutions.

(x) If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "**RESET**" for those resolutions for which you have not yet cast the vote.

(xi) Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at the email address: navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in. The scanned image of the above mentioned documents should be in the naming format: Corporate Name_EVEN NO.

B. In case of Members whose email addresses are not registered with the Company/ Depository Participants, their User ID and initial password/ PIN is provided on the Attendance Slip sent with the AGM Notice.

Please follow all steps from Sr. No. (ii) to (xi) as mentioned in A above, to cast your vote.

C. Members who are already registered with NSDL for remote e-voting can use their existing User ID and password/ PIN for casting their votes.

D. Members holding shares in either physical or dematerialized form as on the Cut-Off Date of 16th June, 2017, may cast their votes electronically. The e-voting period for the Members who hold shares as on the cut-off date commences on **Tuesday, 20th June, 2017 (9.00 am)** and ends on **Thursday, 22nd June, 2017 (5.00 pm)**. The e-voting module shall be disabled by NSDL for voting thereafter.

E. In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of https://www.evoting.nsdl.com or call on toll free No.:1800 222 990. Any query or grievance connected with the remote e-voting may be addressed to the Company Secretary, Mrs. P. S. Meherhomji at 2nd Floor, Sharda Terraces, Plot No.65, Sector 11, CBD Belapur, Navi Mumbai 400 614, Tel: +91 22 6776 1657, Fax: +91 22 6776 1775, Email: pmeherhomji@rallis.co.in

5. **General instructions/ information for Members for voting on the Resolutions:**

(a) Facility of voting through Poll paper shall be made available at the AGM. Members attending the AGM, who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.

(b) Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to vote again at the AGM.

(c) The voting rights of the shareholders (for voting through remote e-voting or by Poll paper at the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on **16th June, 2017 ('Cut-Off Date')**. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or of voting at the AGM.

(d) Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 16th June, 2017, may obtain the login Id and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com.

(e) Mr. N. L. Bhatia (Membership No. FCS 1176/ CP No. 422) or failing him, Mr. Bhaskar Upadhyay (Membership No. FCS 8663/ CP No. 9625) of N L Bhatia & Associates, Practicing Company Secretaries have been appointed by the Board of Directors of the Company as Scrutinizer for scrutinizing the remote e-voting process as well as voting through Poll paper at the AGM, in a fair and transparent manner.

(f) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company.

(g) The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, not later than twenty four hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

(h) The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the result of the voting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.rallis.co.in and on the website of NSDL immediately after their declaration, and communicated to the Stock Exchanges where the Company's shares are listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.

(i) Subject to the receipt of requisite number of votes, the Resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM, i.e. Friday, 23rd June, 2017.

6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.

7. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.

8. **Book Closure and Dividend:**

(a) **The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 13th June, 2017 to Friday, 23rd June, 2017 (both days inclusive).**

(b) If dividend on Equity Shares, as recommended by the Board, is approved at the AGM, it will be paid on 28th June, 2017 as under:

(i) To all Beneficial Owners in respect of shares held in electronic form, as per details furnished by the Depositories for this purpose as on the beginning of 13th June, 2017.

(ii) To all Members in respect of shares held in physical form, whose names are on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on 12th June, 2017.

9. **Payment of dividend through electronic means:**

(a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in their bank accounts through electronic means. The facility is available at all bank branches which have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrars and Transfer Agents, TSR Darashaw Ltd. ('TSRDL'). Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.

(b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

10. Members holding shares in physical form are requested to advise any change of address immediately to TSRDL. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or TSRDL.

11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or TSRDL for assistance in this regard.

12. **Nomination Facility:**

    As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Both Forms can be downloaded from TSRDL's website www.tsrdarashaw.com or from the Company's website www.rallis.co.in under the "Investor Relations" section. Members holding shares in physical form are requested to submit the forms to TSRDL. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

13. **Unclaimed Dividends/ Sale proceeds of fractional shares:**

    (a) **Transfer to Investor Education and Protection Fund:**

    Members are hereby informed that after the amendment of the erstwhile Companies Act, 1956 w.e.f. 31st October, 1998, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ('the Fund') established by the Central Government. Sections 124 and 125 of the Companies Act, 2013 ('the Act'), read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), applicable w.e.f. 7th September, 2016, also make similar provisions for transfer of unclaimed/ unpaid dividend to the Fund.

    As per the above provisions, unclaimed/ unpaid dividend from the financial year ended 31st March, 1996 up to the financial year ended 31st March, 2009 has been transferred by the Company to the Fund. Members who have not yet encashed their dividend warrant(s) for any subsequent financial years are requested to make their claims to the Company without any delay.

    Pursuant to Section 125 of the Act, any amount pertaining to the sale proceeds of fractional shares arising out of issue of bonus shares and remaining unclaimed is also required to be transferred by the Company to the Fund. Members who have not yet encashed their warrants for the same are also requested to make their claims to the Company without any delay.

    It may be noted that unclaimed dividend for the financial year 2009-10 declared on 15th June, 2010, can be claimed by the Members by 14th June, 2017. Amount pertaining to the sale proceeds of fractional shares arising out of issue of bonus shares can be claimed by the Members by 7th July, 2017. Unclaimed Interim Dividend declared on 19th October, 2010, can be claimed by the Members by 18th October, 2017.

    Pursuant to Section 125 of the Act, all unclaimed/ unpaid dividends up to the financial year ended 31st March, 1995, transferred by the Company to the General Revenue Account of the Central Government, shall also be credited by the Central Government to the Fund.

    Members are also requested to note that, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, the Company is obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to an IEPF Demat Account.

Members/ claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

(b) **Details of Unclaimed Dividend on Website:**

In order to help Members to ascertain the status of unclaimed dividends, the Company has uploaded the information in respect of unclaimed dividends for the financial year ended 31st March, 2010 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under "Investor Relations" Section on the website of the Company, www.rallis.co.in.

14. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or TSRDL.

15. **Updation of Members' Details:**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Share Registrars and Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or TSRDL. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

16. Electronic copy of the Annual Report for 2016-17 is being sent to all Members whose email addresses are registered with the Company/ Depository Participants for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report for 2016-17 are being sent in the permitted mode.

17. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with TSRDL/ their Depository Participants, in respect of shares held in physical/ electronic mode respectively.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 24th April, 2017

Registered Office:

Rallis India Limited
156/157 15th Floor Nariman Bhavan
227 Nariman Point Mumbai 400 021
CIN: L36992MH1948PLC014083
Tel. No.: 91 22 6665 2700
Fax No.: 91 22 6665 2827
E-mail address: investor_relations@rallis.co.in
Website: www.rallis.co.in

Rallis India Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 9 of the accompanying Notice dated 24th April, 2017.

Item No. 5:

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins & Sells LLP (DHS), Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W/W-100018) have been the Auditors of the Company since FY 2007-08 and have completed a term of ten years. Prior to this, Messrs S. B. Billimoria & Co. (SBB), Chartered Accountants were the Auditors of the Company since 2000. SBB was an associate of DHS.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. In view of the above, DHS's term as auditors of the Company is up to the conclusion of the forthcoming Annual General Meeting ('AGM').

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 24th April, 2017, proposed the appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the Seventy Fourth (74th) AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if required under the Act.

B S R & Co. LLP have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.5 of the Notice.

Item No.6:

Dr. C. V. Natraj (DIN: 07132764) was appointed as an Additional Director of the Company with effect from 22nd July, 2016, pursuant to Section 161 of the Act and Article 116 of the Articles of Association of the Company. As such, Dr. Natraj holds office as Director up to the date of the forthcoming Annual General Meeting ('AGM') and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member indicating his intention to propose Dr. Natraj for the office of Director at the forthcoming AGM.

Dr. C. V. Natraj holds a Ph.D. degree in Chemistry from the Indian Institute of Science, Bangalore and has more than 30 years of experience in research. He also has post-doctoral research experience in Biochemistry from the University of Michigan, Ann Arbor.

Dr. Natraj joined Hindustan Lever Limited ('HLL') in their Research Centre, where he gained experience working in a number of scientific disciplines, eventually getting to head the function as Director on the Board of HLL. He went on to lead the Corporate Research function for Unilever as Senior Vice President and was responsible for the global exploratory research in Unilever. He is currently serving on the Science and Engineering Research Board of the Department of Science and Technology. He is also the Technical Advisor to the Indian Institute of Science ('IISC'), where he helps in setting up a technology transfer process that will take the inventions in IISC to the market.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Dr. C. V. Natraj has consented to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Dr. Natraj fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The Board, based on the recommendation of the Nomination and Remuneration Committee, commends his appointment as Independent Director for a period of five years from 22nd July, 2016 up to 21st July, 2021.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. C. V. Natraj as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Dr. Natraj, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Dr. C. V. Natraj is interested and concerned in the Resolution mentioned at Item No.6 of the Notice. Other than Dr. Natraj, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice

Item No.7:

Mrs. Padmini Khare Kaicker (DIN: 00296388) was appointed as an Additional Director of the Company with effect from 22nd July, 2016, pursuant to Section 161 of the Act and Article 116 of the Articles of Association of the Company. As such, Mrs. Kaicker holds office as Director up to the date of the forthcoming Annual General Meeting ('AGM') and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member indicating her intention to propose Mrs. Kaicker for the office of Director at the forthcoming AGM.

Mrs. Padmini Khare Kaicker is the Managing Partner of B. K. Khare & Co., one of the leading and respected Indian Accounting Firms, serving the profession for almost five decades. She joined the accountancy profession in 1990 after completing her B. Sc. Degree in Mathematics. She is also a Certified Public Accountant (USA) and a Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India. She has over 24 years of experience serving large and mid-sized clients in several sectors in areas of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management and Corporate Governance. She has been involved in Corporate Advisory, M&A and restructuring initiatives and has also been serving on the Boards of some Companies, including being Chairperson of Audit Committee.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mrs. Padmini Khare Kaicker has consented to act as Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mrs. Kaicker fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management. The Board, based on the recommendation of the Nomination and Remuneration Committee, commends her appointment as Independent Director for a period of five years from 22nd July, 2016 up to 21st July, 2021.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Padmini Khare Kaicker as Independent Director is now being placed before the Members in General Meeting for their approval.

Rallis India Limited

The terms and conditions of appointment of Mrs. Kaicker, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mrs. Padmini Khare Kaicker is interested and concerned in the Resolution mentioned at Item No.7 of the Notice. Other than Mrs. Kaicker, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

Item No.8:

The Board of Directors ('the Board') of your Company has, at its meeting held on 20th January, 2017, re-appointed Mr. V. Shankar (DIN: 01385240) as Managing Director & CEO of the Company with effect from 13th March, 2017 upto 30th September, 2021 (till he attains the retirement age). The re-appointment is subject to the approval of the Members of the Company. The re-appointment was made based on recommendation by the Nomination and Remuneration Committee (NRC) comprising Dr. C. V. Natraj (Chairman), Mr. Bhaskar Bhat, Mr. Prakash R. Rastogi and Mr. R. Mukundan.

Mr. V. Shankar joined Rallis India Limited ('Rallis') on 1st December, 2005 as Chief Operating Officer. He was appointed as Executive Director of the Company with effect from 13th March, 2007, and subsequently as Managing Director with effect from 15th January, 2009. As Managing Director, Mr. Shankar exercises substantial powers of management over the Company, subject to the superintendence, control and directions by the Board of Directors.

Prior to joining Rallis, Mr. Shankar had worked with Tata Chemicals Ltd. as Chief Operating Officer, Phosphates Business, before which, he was with Hindustan Lever Ltd. from 1986 to 2004. He served in various capacities in the Unilever Group of Companies and was responsible for the Seeds business and later Fertilizers Business. Mr. Shankar is a Chartered Accountant, Cost & Management Accountant, Company Secretary and a Law Graduate. He is a University and CA Institute Rank Holder.

Under Mr. Shankar's leadership, Rallis set out on its *Rallis Poised* growth agenda, moving from strength to strength as it changed from being a predominantly India centric, crop protection and insecticides dominated Company to having a healthy mix of insecticides, fungicides and herbicides in its portfolio, besides a robust second pillar of non-pesticides portfolio (NPP) of seeds, plant growth nutrients, soil health, contract manufacturing and agri services. About a third of its revenues now come from international markets. After due consolidation of its performance, Rallis has been on its *Rallis Poised* growth journey steadily under the stewardship of Mr. Shankar, to a position of a composite business portfolio spread across India and International markets and a NPP portfolio including contract manufacturing moving towards contributing to 40% of the turnover.

Some significant investments driving these strategies include commissioning of its new manufacturing facility at Dahej during 2010-11 and the acquisition of majority stakes in Metahelix Life Sciences Ltd., a research based Seeds Company and Zero Waste Agro Organics Ltd., which manufactures organic manure. Both Metahelix and Zero Waste are now wholly owned subsidiaries of Rallis. All these investments are beginning to bear fruits and contributing well to the profitable growth of Rallis.

The Company's Rallis Kisan Kutumb platform now reaches more than one million farmers. Its R&D capabilities aim to introduce new and greener products at regular intervals, as well as expand in contract manufacturing services. Its MoPu (More Pulses) and **Rallis Samrudh Krishi®** initiatives providing end-to-end solutions are the next level differentiators now set to transform the Company's offering to its customers.

Under Mr. Shankar, Environment, Health and Safety (EHS) are prime focus areas and the Company has been recognized by the Indian Chemical Council in 2012-13, by permitting it to use the Responsible Care logo, which permission was extended for a further three years during 2015-16. The Company's manufacturing Units have won several environment and safety awards over the years.

During Mr. Shankar's tenure, operational and business excellence has also received due recognition, with the Company winning the JRD QV Award for Business Excellence 2011, the CII-EXIM Prize for excellence in 2012 and again in 2015 and the Porter Prize in 2012. The Company also received the Certificate of Recognition from the Institute of Company Secretaries of India in 2015, for adopting Exemplary Corporate Governance Practices.

Employee Engagement scores at Rallis have consistently out-performed industry benchmarks and have been above the scores for similar Companies in India.

The community focused activities also led by Mr. Shankar have been useful to a large number of beneficiaries with the Jal-Dhan intervention on water being specially acknowledged by the State.

On a consolidated basis, the Company's operating revenues have steadily grown from ₹ 659 crores in FY07 to ₹ 1,783 crores in FY 17 despite the back-to-back period of two years of drought. Its operating profits (before exceptional items) from existing assets also grew from ₹ 55.48 crores in FY07 to ₹ 221.56 crores in FY 17. Over a 10 year period, the CAGR on revenues have been 10%, and profits grew at a CAGR of 15%.

The Company issued bonus shares in 2009, in the ratio of one equity share for every two equity shares held. The Total Shareholder Return, i.e. the yearly rate of return of an investment made, considering capital appreciation plus dividends over time, is 36% per annum, for an investment made in the Company in March 2007, kept till the last trading day of March 2017. Rallis' share price has significantly out-performed the BSE Sensex over the years.

The appointment and terms of remuneration of Mr. Shankar as the Managing Director are pursuant to the provisions of Article 135 of the Company's Articles of Association and Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time. Mr. Shankar shall not, while he continues to be the Managing Director, be subject to retirement by rotation pursuant to the provisions of Section 152 of the Act and Article 135 of the Company's Articles of Association.

The principal terms and conditions of appointment of Mr. V. Shankar as Managing Director & CEO (hereinafter referred to as 'Mr. Shankar' or 'Managing Director & CEO') and the main clauses of the Agreement to be executed between the Company and Mr. Shankar are as follows:

1. **Term and Termination:**

    1.1 With effect from 13th March, 2017 (the date of appointment) upto 30th September, 2021 (till he attains the retirement age).

    1.2 The Agreement may be terminated earlier, without any cause, by Mr. Shankar or the Company by giving six months' notice of such termination to the other party or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

2. **Duties and Powers:**

    2.1. The Managing Director & CEO shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/ or subsidiaries, including performing duties as assigned to the Managing Director & CEO by the Board from time to time by serving on the boards of such associated companies and/ or subsidiaries or any other executive body or any committee of such a company.

Rallis India Limited

2.2 The Managing Director & CEO shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.

2.3 The Managing Director & CEO undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

2.4 Mr. Shankar shall undertake his duties from such location as may be directed by the Board.

3. **Remuneration:**

3.1 So long as the Managing Director & CEO performs his duties and conforms to the terms and conditions contained in the Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force:

A. Salary: Basic Salary of ₹ 5,50,000 per month, upto a maximum of ₹ 10,00,000 per month, with authority to the Board to fix the salary within the said maximum amount from time to time. The annual increments, which will be effective 1st April each year, will be decided by the Board, based on recommendation of the NRC, and will be merit-based and take into account the Company's performance as well.

B. Benefits, Perquisites and Allowances:

In addition to the Salary referred to in (A) above, the Managing Director & CEO shall be entitled to:

a. Rent free residential accommodation (furnished or otherwise), the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

If accommodation is not provided by the Company, House Rent, House Maintenance and Utility Allowances aggregating 85% of the basic salary.

b. Hospitalization, Transport, Telecommunication and other facilities in accordance with the Rules of the Company:

(i) Hospitalization and major medical expenses for self, spouse and dependent (minor) children;

(ii) Car, with driver provided, maintained by the Company, for official and personal use;

(iii) Telecommunication facilities including broadband, internet and fax;

(iv) Housing Loan facility.

c. Other perquisites and allowances, subject to a maximum of 55% of the basic salary, as follows:

(i) Allowances – 33.34% of basic salary

(ii) Leave Travel Concession/ Allowance – 8.33% of basic salary

(iii) Medical Allowance – 8.33 % of basic salary

(iv) Personal accident insurance and Club Membership fees at actuals, subject to a cap of 5% of basic salary.

d. Company's contribution to Provident Fund, Superannuation or Annuity Fund and Gratuity Fund as per the Rules of the Company.

e. The Managing Director & CEO shall be entitled to leave in accordance with the Rules of the Company. Privilege leave not availed by him is encashable in accordance with the Rules of the Company.

C. Commission: Such remuneration by way of commission, in addition to the salary and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceiling stipulated in Section 197 of the Act. The specific amount payable will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Financial Statements have been adopted by the Board.

D. Incentive remuneration: In cases where the net profits of the Company are inadequate for payment of profit linked commission, incentive remuneration, not exceeding 200% of the annual basic salary, to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

An indicative list of factors that may be considered for determination of the extent of Commission/ Incentive Remuneration by the Board (as recommended by the NRC) are:

- o The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time.
- o Industry benchmarks of remuneration.
- o Performance of the individual.

3.2. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of salary, benefits, perquisites and allowances and incentive remuneration as specified above.

4. The terms and conditions of the appointment of the Managing Director & CEO and/ or the Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.

5. The Managing Director & CEO, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/ or children, in any selling agency of the Company.

6. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.

7. The employment of the Managing Director & CEO may be terminated by the Company without notice or payment in lieu of notice:

   a. if the Managing Director & CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

   b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director & CEO of any of the stipulations contained in the Agreement; or

   c. in the event the Board expresses its loss of confidence in the Managing Director & CEO.

8. In the event the Managing Director & CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

Rallis India Limited

9. Upon the termination by whatever means of his employment under the Agreement:

   (i) The Managing Director & CEO shall immediately cease to hold offices held by him in any holding Company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.

   (ii) The Managing Director & CEO shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

10. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Shankar will cease to be the Managing Director & CEO and also cease to be a Director of the Company. If at any time, the Managing Director & CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO and the Agreement shall forthwith terminate. If at any time, the Managing Director & CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director & CEO of the Company.

11. The terms and conditions of the appointment of the Managing Director & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, maintenance of confidentiality, non-competition and non-solicitation.

12. For all intents and purposes, Mr. Shankar's date of joining will be the date on which he joined the Group and he will also enjoy all benefits of continuity with regard to Gratuity and other benefits.

13. Remuneration paid/ payable to the Managing Director & CEO for FY 2016-17 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them. The table below illustrates the comparative data:

(Amount in ₹ crores)

Market - CTC with long term incentives				
Benchmark Position	**No. of observations from Market**	**P25**	**P50**	**P75**
CEO	24 Companies	2.30	3.39	5.97

Note:

i) Based on Executive Compensation Study conducted by AON Hewitt in April 2017.

ii) Market data is for Companies with revenue size between ₹ 1,000 crores to ₹ 4,000 crores.

iii) CTC includes basic salary, benefits, perquisites & allowances, commission/ performance linked bonus and long term incentives and housing.

The remuneration of Mr. Shankar for FY 2016-17 was ₹ 3.74 crores, including commission for 2015-16, paid during FY 2016-17.

Rallis is a major player in the agrochemicals industry and its Seeds entity Metahelix has emerged to be amongst the leading Seed Companies within a short period of time. The Company is now embarking on its next transformation journey to move from an agri products major to an agri solutions based Company, with its **Rallis Samrudh Krishi®** initiative. This will make it a composite business solution provider for its customers and create a differentiated position in the market place. The Directors are of the view that the re-appointment of Mr. V. Shankar as Managing Director & CEO leading all of these will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly, commend Resolution No.8 of the accompanying Notice for approval by the Members of the Company.

Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Mr. V. Shankar is concerned and interested in the Resolution mentioned at Item No.8 of the Notice. Other than Mr. Shankar, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

Mr. Shankar is not related to any other Director or Key Managerial Personnel of the Company.

Item No.9:

Pursuant to Section 148 of the Act, read with The Companies (Cost Records and Audit) Rules, 2014 ('the Rules'), as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of D. C. Dave & Co. (Firm Registration No.000611) as the Cost Auditors of the Company to conduct Cost Audits relating to Insecticides (Liquid, Solid and Technical Grade), Fertilizers and Chemicals (Plastics and Polymers) of the Company for the year ending 31st March, 2018, at a remuneration of ₹ 4 lakhs plus applicable taxes and out-of-pocket expenses.

D. C. Dave & Co. have the necessary experience in the field of cost audit, and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

The Board commends the remuneration of ₹ 4 lakhs plus applicable taxes and out-of-pocket expenses to D. C. Dave & Co. as the Cost Auditors and the approval of the Shareholders is sought for the same by an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.9 of the Notice.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 24th April, 2017

Registered Office:

Rallis India Limited
156/157 15th Floor Nariman Bhavan
227 Nariman Point
Mumbai 400 021
CIN: L36992MH1948PLC014083
Tel. No.: 91 22 6665 2700
Fax No.: 91 22 6665 2827
E-mail address: investor_relations@rallis.co.in
Website: www.rallis.co.in

Rallis India Limited

Details of Directors seeking appointment/ re-appointment at the AGM
[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards - 2 on General Meetings]

Name of Director	Mr. Bharat Vasani	Dr. C. V. Natraj
Director Identification Number (DIN)	00040243	07132764
Date of Birth/ Age	24.08.1958/ 58	31.07.1953/ 63
Date of first appointment	13.03.2007	22.07.2016
Qualifications	B. Com., L.L.B. and Member of the Institute of Company Secretaries of India.	Ph.D. in Chemistry from the Indian Institute of Science, Bangalore. Post-doctoral research experience in Biochemistry from the University of Michigan, Ann Arbor.
Expertise in specific functional areas	Mr. Vasani is the Chief, Legal and Group General Counsel for the Tata Group and has been with Tata Sons Ltd. since December 2000. He has over 37 years' experience as a corporate lawyer and has worked with Phillips India Ltd., NOCIL and Dow Chemical International Ltd.	Dr. Natraj has more than 30 years of experience in research. He headed the Research function as Director on the Board of Hindustan Lever Ltd. and later went on to lead the Corporate Research function for Unilever as Senior Vice President, responsible for global exploratory research. He is currently serving on the Science and Engineering Research Board of the Department of Science and Technology. He is also the Technical Advisor to the Indian Institute of Science.
Terms and conditions of appointment/ re-appointment	Appointed as Non-Executive Director liable to retire by rotation	Refer Item No.6 of the Notice
Details of remuneration last drawn (2016-17) *	₹ 20.95 lakhs	₹ 12.45 lakhs
No. of Board Meetings attended during the year	7	5
Relationships between Directors inter-se	None	None
No. of shares held in the Company: (a) Own (b) For other persons on a beneficial basis	 NIL NIL	 4,831 NIL
List of Companies in which Directorship held as on 31.03.2017 (excluding foreign, private and Section 8 Companies)	1. Rallis India Ltd. # 2. Tata Communications Ltd. # 3. Tata Sky Ltd.	1. Rallis India Ltd. # 2. Metahelix Life Sciences Ltd. 3. Advinus Therapeutics Ltd.
Chairperson/ Member of the Mandatory Committees of the Board of the Companies on which he/ she is a Director as on 31.03.2017	Nil	1. Metahelix Life Sciences Ltd. - Audit Committee 2. Advinus Therapeutics Ltd. - Audit Committee

* Includes commission for 2016-17 payable in 2017-18
# Listed Entities (including entities whose debt is listed on a Stock Exchange)

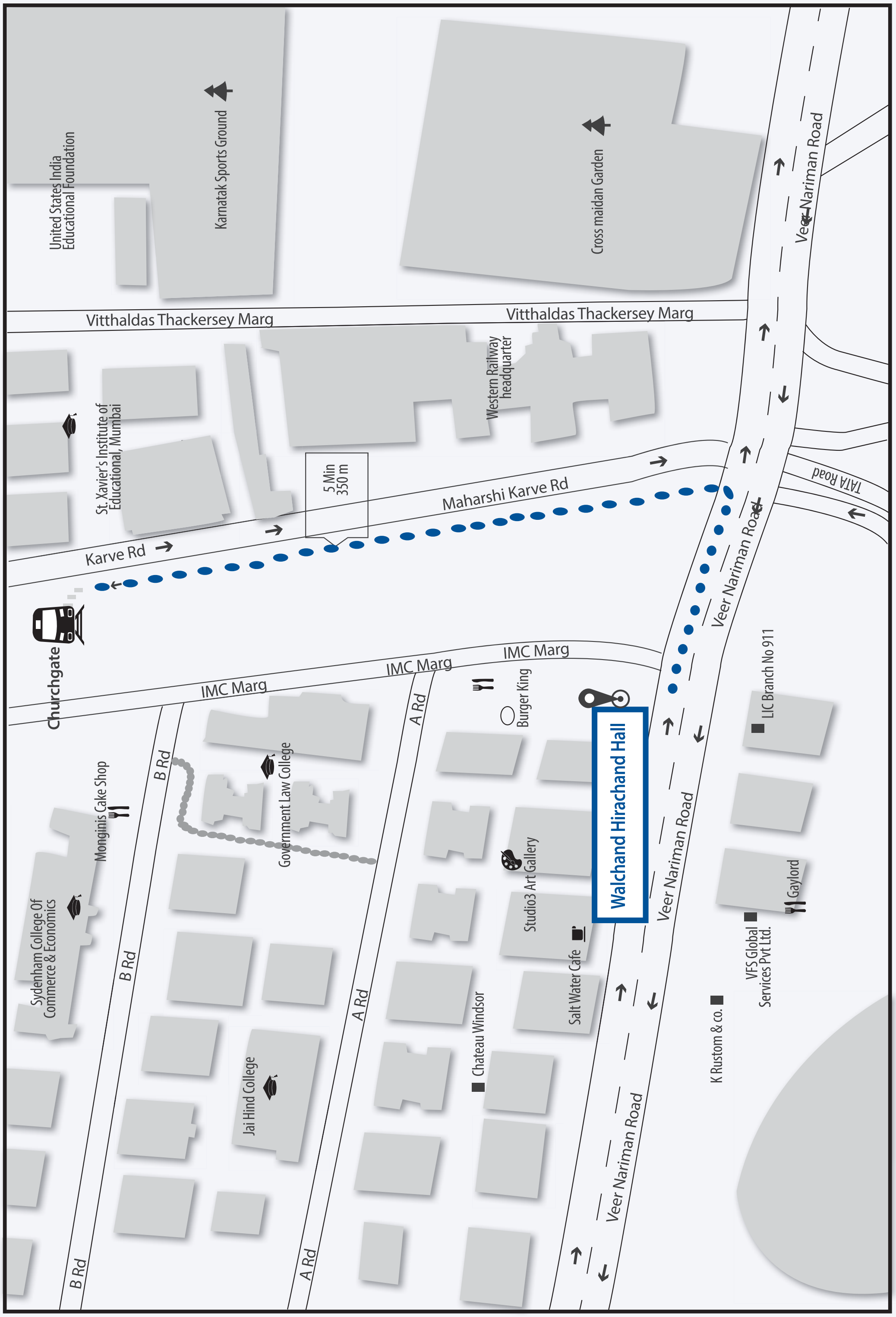
Name of Director	Mrs. Padmini Khare Kaicker	Mr. V. Shankar
Director Identification Number (DIN)	00296388	01385240
Date of Birth/ Age	15.04.1965/ 52	18.09.1956/ 60
Date of first appointment	22.07.2016	13.03.2007
Qualifications	B. Sc. in Mathematics, Certified Public Accountant (USA) and Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India.	B.Com (Honours), FCA, ACMA, ACS, LL.B
Expertise in specific functional areas	Mrs. Kaicker is the Managing Partner of B. K. Khare & Co., one of the leading and respected Indian Accounting Firms. She has over 24 years of experience serving large and mid-sized clients in several sectors in areas of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management and Corporate Governance. She has been involved in Corporate Advisory, M&A and restructuring initiatives.	Mr. V. Shankar joined the Company on 1st December, 2005 as Chief Operating Officer and was appointed as Executive Director with effect from 13th March, 2007 and subsequently as Managing Director from 15th January, 2009. Prior to joining the Company, he had worked with Tata Chemicals Ltd. as Chief Operating Officer, Phosphates Business, before which, he was with Hindustan Lever Ltd. from 1986 to 2004. He served in various capacities in the Unilever Group of Companies and was responsible for the Seeds business and later Fertilisers Business.
Terms and conditions of appointment/ re-appointment	Refer Item No.7 of the Notice	Refer Item No.8 of the Notice
Details of remuneration last drawn (2016-17) *	₹ 24.95 lakhs	₹ 4.24 crores
No. of Board Meetings attended during the year	5	7
Relationships between Directors inter-se	None	None
No. of shares held in the Company: (a) Own (b) For other persons on a beneficial basis	 NIL NIL	 NIL NIL
List of Companies in which Directorship held as on 31.03.2017 (excluding foreign, private and Section 8 Companies)	1. Rallis India Ltd. # 2. Tata Cleantech Capital Ltd. # 3. Maharashtra Natural Gas Ltd. 4. TAL Manufacturing Solutions Ltd. 5. Kotak Mahindra Investments Ltd. #	1. Rallis India Ltd. (Managing Director)# 2. Metahelix Life Sciences Ltd. (Chairman) 3. Zero Waste Agro Organics Ltd. (Chairman) 4. Rallis Chemistry Exports Ltd. (Chairman)
Chairperson/ Member of the Mandatory Committees of the Board of the companies on which he/ she is a Director as on 31.03.2017	1. Rallis India Ltd. - Audit Committee (Chairperson) 2. Tata Cleantech Capital Ltd. - Audit Committee (Chairperson) 3. Maharashtra Natural Gas Ltd. - Audit Committee (Chairperson) 4. TAL Manufacturing Solutions Ltd. - Audit Committee (Chairperson) 5. Kotak Mahindra Investments Ltd. - Audit Committee (Chairperson)	1. Rallis India Ltd. - Stakeholders Relationship Committee

* Includes commission for 2016-17 payable in 2017-18

Listed Entities (including entities whose debt is listed on a Stock Exchange)

Rallis India Limited

ROUTE MAP to the Venue of the 69th Annual General Meeting



BOARD'S REPORT

TO THE MEMBERS OF RALLIS INDIA LIMITED

The Directors hereby present their Sixty-ninth Annual Report on the business and operations of the Company and the financial statements for the year ended 31st March, 2017.

FINANCIAL RESULTS

₹ in crores

	Standalone		Consolidated	
	2016-17	*2015-16*	**2016-17**	*2015-16*
Revenue from operations	**1,505.17**	*1,386.72*	**1,782.98**	*1,627.79*
Other Income	**10.51**	*4.66*	**12.79**	*14.28*
	1,515.68	*1,391.38*	**1,795.77**	*1,642.07*
Profit/ (-) Loss before Finance cost, Depreciation and Tax	**245.55**	*210.93*	**276.16**	*243.31*
Finance Costs	**(2.67)**	*(7.92)*	**(7.29)**	*(13.59)*
Depreciation	**(41.94)**	*(37.83)*	**(47.31)**	*(43.61)*
Profit before exceptional items and tax	**200.94**	*165.18*	**221.56**	*186.11*
Exceptional items	**158.39**	-	**158.39**	-
Profit before Tax	**359.33**	*165.18*	**379.95**	*186.11*
Provision for Tax	**(79.26)**	*(35.75)*	**(83.90)**	*(39.58)*
Deferred Tax	**(14.04)**	*(3.27)*	**1.02**	*0.56*
Profit for the year	**266.03**	*126.16*	**297.07**	*147.09*
Profit for the year attributable to:				
Owners of the Company	**266.03**	*126.16*	**297.46**	*143.39*
Non-controlling interests	-	-	**(0.39)**	*3.70*
Other comprehensive income (net of taxes)	**(0.46)**	*0.32*	**(0.51)**	*0.10*
Total comprehensive income	**265.57**	*126.48*	**296.56**	*147.19*
Profit for the year	**265.57**	*126.48*	**296.95**	*143.49*
Balance of Profit brought forward from previous year	**540.51**	*461.63*	**510.60**	*478.03*
	806.08	*588.11*	**807.55**	*621.52*
Appropriations				
Transfer to General Reserve	-	*(12.60)*	-	*(12.60)*
Equity Dividend	**(48.62)**	*(29.17)*	**(48.62)**	*(29.17)*
Income tax on Equity Dividend	**(9.90)**	*(5.83)*	**(9.90)**	*(5.83)*
Post acquisition Goodwill	-	-	**(15.70)**	*(63.32)*
Balance Profit carried forward to Balance Sheet	**747.56**	*540.51*	**733.33**	*510.60*

Footnotes:
1. Figures have been rounded off to ₹ crores.
2. Exceptional item comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai. The profit is net of costs, including a premium levied under the repealed Urban Land (Ceiling and Regulation) Act, 1976, which has been paid under protest

Rallis India Limited

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 2.50 per share (250%) on the Equity Shares of the Company (*Previous year ₹ 2.50 per share*). The Directors are also pleased to recommend a one-time special dividend of ₹ 1.25 per share (125%), out of the profit on assignment of leasehold rights in the Turbhe land. If the dividend and special dividend, as recommended above, is declared by the Members at the Annual General Meeting, the total outflow towards dividend on Equity Shares for the year would be ₹ 87.77 crores (including dividend tax) (*Previous Year ₹ 58.51 crores*).

DIVIDEND DISTRIBUTION POLICY

Securities and Exchange Board of India ('SEBI'), by its notification dated 8th July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A mandating the top 500 listed entities, based on market capitalization calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites.

Accordingly, the Board of the Company has adopted a Dividend Distribution Policy, which is attached as Annexure A. The Policy is also available on the website of the Company under the "Investor Relations" section.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was ₹ 19.45 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. 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.

COMPANY PERFORMANCE

The Company's consolidated revenues during the year are ₹ 1,782.98 crores, as compared to ₹ 1,627.79 crores in the previous year. The Company's profit before exceptional items and tax on a consolidated basis is ₹ 221.56 crores during the year, as compared to ₹ 186.11 crores in the previous year, an increase of 19.0% over the previous year. Exceptional item of ₹ 158.39 crores for year ended 31st March, 2017 comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai. The Company earned a net profit of ₹ 170.22 crores (excluding exceptional item ₹ 126.85 crores), higher by 15.7%, as against a net profit of ₹ 147.09 crores in the previous year, on a consolidated basis.

OPERATIONS

1. **CROP PROTECTION**

   Indian Agriculture in 2016-17 started on an optimistic note, on account of better monsoon forecast followed by good initial rainfall. The year did mark an increase in acreages as well as production, as compared to the previous year, with an encouraging effect on the Agri input industry as well. However, growth was not uniform across India due to various factors. Some areas experienced delayed onset of monsoon or dry spells, whereas there was excess rainfall in some areas. Absence of the North East monsoon had a severe impact in the southern States.

   The year also saw lower crop pest pressure in many areas, impacting the insecticides segment to a certain extent. Inventory levels of crop protection products in the industry remains high due to poor liquidation in the Rabi season.

   Major crops impacted due to North East monsoon: The North East monsoon, which sweeps across the Southern States between October and December, ended with a deficit of 60%. This resulted in a drastic fall in the acreage of key crops in these States during the Rabi season, impacting sales of the Company's products in these States.

New Products introduced during the year: Domestic Formulations Business achieved a revenue growth of 8% during the year with a higher increase in the underlying volume growth. There is a rising demand for advanced chemistries and farmers are readily adopting new technologies. As a response to market changes and in order to meet farmers' expectations, your Company has launched three new products during the year:

Epic: Epic is an improved and advanced WDG formulation of Hexaconazole, with lowest formulation dose of fungicide in Indian history. It was launched in the main market of paddy.

Summit: An advanced new generation insecticide based on Spinetoram, Summit is effective against thrips and almost all caterpillar pests.

Neonix: Neonix is the first ever seed treatment product in India, which controls both soil insects and soil borne diseases in groundnut and wheat crops.

Your Company has taken various initiatives to bring meaningful changes in the life of the Agri community. The key initiatives of the Company are:

Agri-Solution: The Mission of your Company is to provide agri solutions enhancing value for customers. To this effect, the Company has been working on several crops such as pulses, grapes, chilli, etc. over last few years, adding value to farmers by improving productivity. During the year, the Company experimented on Agri Solutions across the country on various crops, which gave further learning on deploying this to all our farmers. This initiative is called **Rallis Samrudh Krishi®**.

Digital Initiatives: The Company is progressing well on its ICT initiatives, which will enable it to more effectively provide necessary services to the agri community. With an aim to be a partner in the digitization of Indian agriculture, Rallis has undertaken "Project Udaan". One of the most critical needs of the farming community is availability of predictive advisory services, which the Company provides through its digital platform, Drishti.

The Company is also digitally aligning its channel partners and sales team to stay connected with the farmers. The launch of Vistaar, a Geospatial Analytics engine, is intended to help the sales and marketing team in effective planning based on real time data, thus improving overall efficiency. These are all intended to be key enablers to our **Rallis Samrudh Krishi®** programme.

Customer Promise: In addition to providing new, safer products, your Company is also committed to providing quality service to the farmers. The Company has enunciated its "Customer Promise", which is aimed at "Enhancing farm prosperity and building customer relationship".

Fruits and Vegetables: Fruits & Vegetables are considered high potential crops, capable of increasing farm prosperity. Rallis has developed and implemented customized Package of Practices for key fruits and vegetable crops to increase productivity and harvest of residue free produce. It is efficiently utilizing its resources to increase its business from this key crop segment.

Global crop protection sales declined by 2.5% to reach US$ 49.9 billion at the distributor level in 2016 as against US$ 51.2 billion in 2015. The key factors leading to the decline of revenue included high distributor inventory in many countries, strengthening of the US dollar against local currencies, weak crop prices for all major commodities and weak prices of Glyphosate. The market was further weakened by low pest/ disease pressure.

Asian markets benefitted from an improved but still not optimal monsoon, weather conditions in Western Australia improved but the market was affected by low crop prices. El Niño weather patterns affected many countries in 2016. European market benefitted from a mild winter and early spring. However, summer in Northern Europe was cool and dry with sporadic heavy rainfall affecting crop production. US market benefitted from better growing conditions and

Rallis India Limited

improved water availability in California, although this depressed early season of mite pressure. Brazil was again affected by El Niño dry weather, although conditions in Argentina were less negative.

The global planted areas of maize, rice, soybean and sunflower rose, while wheat, cotton and oilseed rape experienced a decline. Wheat and oilseed rape planting areas marginally declined, while areas under cotton suffered a greater fall. Except for oilseed rape, production increased ahead of acreage growth, indicating yield improvement at a global level. There was high adoption of Xtend cotton (USA) and Intacta soybeans (Brazil).

The International Business Division achieved a revenue growth of 10% during the current year, growing to ₹ 441 crores, as against ₹ 401 crores during 2015-16. Ten new registrations were obtained during the year and the Company commercialized three products in different geographies.

During 2017-18, the Company is expecting registration approvals in 8 to 9 countries and also several product launches around the globe, while it will continue to focus on key geographies in Latin America, South East Asia and European markets.

2. **NON-PESTICIDE PORTFOLIO (NPP)**

Your Company's aim to create value for farmers through an end-to-end solutions based approach is reflected through its Non-Pesticide Portfolio (NPP), which serves emerging needs of the farming community. This enables the farmers to look at the Company as a solution provider for all their agriculture related needs. NPP continues to be a focus area for the Company, and its sales during the year was 31% of the total revenue.

Seeds and Plant Growth Nutrients:

During the year, the Company made progress to establish the cotton seeds portfolio and grew revenues. One new product was launched, viz. cotton Akshada for Maharashtra and in the coming year the business will focus on growing its market presence in cotton seeds.

The Company launched Surplus, a multi micro nutrient, nano technology based liquid fertilizer in Maharashtra and plans to launch it in other States in the coming year. The plant growth nutrients segment registered good growth during the year and the Company plans to build Ralligold as a major brand in the next 3-5 years.

Agri Services:

Agri Services portfolio comprises the organic manure product GeoGreen, Grapes Samrudh Krishi (SK) initiative and MoPu (More Pulses) programme. During the year, GeoGreen sales increased by about 10% over the previous year. A new product Geo Green P plus was introduced during the year, which has been well accepted by the market. Sales were impacted in Southern India due to severe drought conditions in that region. Grapes SK initiative was stabilized over technology platform and the MoPu initiative continued to make good progress in Madhya Pradesh and Maharashtra.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

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.

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The annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

The consolidated financial results reflect the operations of the following subsidiaries: Metahelix Life Sciences Ltd. ('Metahelix'), PT Metahelix Lifesciences Indonesia (subsidiary of Metahelix), Zero Waste Agro Organics Ltd. and Rallis Chemistry Exports Ltd.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website.

PERFORMANCE OF SUBSIDIARIES

(1) **Metahelix Life Sciences Ltd.**

During the year, Metahelix became a material, unlisted subsidiary, as defined in Regulation 16(1)(c) of the Listing Regulations, with its income exceeding 20% of the consolidated income in the immediately preceding accounting year.

Revenue from operations of Metahelix increased from ₹ 252.92 crores in the previous year, to ₹ 286.55 crores during 2016-17, registering a growth of 13.3% over the previous year. Its net profit during the year is ₹ 32.34 crores, as compared to ₹ 20.85 crores in the previous year, an increase of 55.1%.

Consolidated revenues of Metahelix were ₹ 286.34 crores and its consolidated net profit during the period was ₹ 31.73 crores.

Metahelix continued its impressive performance with growth in volumes and market shares in all crops. With significant improvement in market shares, it has narrowed the gap with the second largest player in hybrid rice and retained the second position in millet. In maize, it has significantly improved its position, with a growth of 35% in sales volumes over the previous year. In addition to strong business performance, Metahelix during the year further strengthened its brand presence, helping it to realize better prices in the market. On the seed production front, it strengthened its supply capabilities with the addition of newer locations. During the year, Metahelix launched 11 new products.

(2) **PT Metahelix Lifesciences Indonesia**

During the year, Metahelix has invested USD 1,22,500 for 1,22,500 Equity shares of USD 1 each, with 65.77% shareholding in an Indonesian Joint Venture (JV). Mr. Suresh Vaswani, the JV partner has invested his share of USD 1,27,500 for 63,750 Equity Shares of USD 2 each, with 34.23% shareholding. The JV Company PT Metahelix Lifesciences Indonesia, has initiated seed production operations in March 2017. Testing and evaluation of new products in Maize and Rice in Indonesia shall be initiated during 2017-18.

(3) **Zero Waste Agro Organics Ltd.**

During the year, the Company has acquired the balance Equity Shares in Zero Waste Agro Organics Ltd. (ZWAOL). Consequently, the shareholding of the Company in ZWAOL has increased from 73.63% to 100%, making it a wholly owned subsidiary of your Company.

Revenue from operations of ZWAOL during the year were ₹ 7.55 crores, as against ₹ 11.45 crores in the previous year. Net profit during the period is ₹ 0.07 crores, as compared to ₹ 0.25 crores in the previous year.

During the year, ZWAOL has completely moved to a comprehensive efficient model of turnkey manufacture, while having stringent quality assurance processes. It also commenced trials in defined geographies for use of herbal probiotics as chicken feed in poultry farms for healthy growth of chickens and in aqua business for fisheries. Trial results have so far showed a positive response.

Rallis India Limited

(4) **Rallis Chemistry Exports Ltd.**

The Company is yet to commence commercial activities and currently is not operational.

During the year under review, PT Metahelix Lifesciences Indonesia has become a subsidiary of the Company's wholly owned subsidiary, Metahelix Life Sciences Ltd., and thus, an indirect subsidiary of the Company. No Company has ceased to be a subsidiary of the Company. The Company does not have any associate or joint venture companies. A statement in Form AOC.1, containing the salient features of the financial position of the subsidiary companies, is attached as Annexure B.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has made an investment during the year in acquiring an additional 19,421 Equity Shares in its subsidiary, Zero Waste Agro Organics Ltd., for a total consideration of ₹ 19.49 crores.

During the year, the Company has issued a Corporate Guarantee in respect of credit facilities of up to ₹ 270 crores availed by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total obligations of Advinus under such borrowings.

The Company has not given any loans or provided any security during the year.

FIXED DEPOSITS

Your Company has not accepted any public deposits during the financial period under review.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website.

Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC.2

RISK MANAGEMENT

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.

Although not mandatory, as a measure of good governance, the Company has constituted a Risk Management Committee of the Board. The Committee reviews the Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect the Company's overall risk exposure and reviews the Risk Management Policy and structure.

This robust Risk Management framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

The Internal Audit Department is responsible for facilitating coordination with the heads of various Departments, with respect to the process of identifying key risks associated with the business, manner of handling risks, adequacy of mitigating factors and recommending corrective action. The major risks forming 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.

The Company has adopted a Risk Management Policy pursuant to Section 134 of the Act.

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Board's Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment and Retirement:

During the year, Mr. E. A. Kshirsagar and Mr. B. D. Banerjee retired as Non-Executive, Independent Directors of the Company, on reaching the retirement age as per the Governance Guidelines adopted by the Board. Mr. Kshirsagar as Chairman of the Audit Committee and Mr. Banerjee as Chairman of the Nomination and Remuneration Committee, as well as of the Property Committee, provided valuable guidance and direction to the Company. The Directors wish to place on record their sincere appreciation of the significant contribution made by Mr. Kshirsagar and Mr. Banerjee during their tenure as Directors of the Company.

Dr. C. V. Natraj and Mrs. Padmini Khare Kaicker have been appointed as Additional Directors on the Board of the Company with effect from 22nd July, 2016. Pursuant to the provisions of Section 161 of the Act and Article 116 of the Articles of Association of the Company, Dr. Natraj and Mrs. Kaicker vacate office and are eligible for appointment as Non-Executive, Independent Directors of the Company. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. Natraj and Mrs. Kaicker as Independent Directors for a term of five years, is being placed before the Members in General Meeting for their approval. As per the provisions of Section 149 of the Act, they will not be liable to retire by rotation. Members are requested to refer to Item Nos.6 and 7 of the Notice of the Annual General Meeting (AGM) and the Explanatory Statement for details of their qualifications and experience.

All 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 Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

The Board of Directors, at its meeting held on 20th January, 2017, subject to the approval of the Members at the AGM, re-appointed Mr. V. Shankar as the Managing Director & CEO of the Company, for a further term with effect from 13th March, 2017 up to 30th September, 2021 (till he attains the retirement age). Members are requested to refer to Item No. 8 of the Notice of the AGM and the Explanatory Statement for the terms of re-appointment and remuneration of Mr. Shankar.

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. Bharat Vasani retires and is eligible for re-appointment.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

Mr. V. Shankar, Managing Director & CEO

Mr. Ashish Mehta, Chief Financial Officer

Mrs. P. S. Meherhomji, Company Secretary

Rallis India Limited

Apart from Mr. V. Shankar who is re-appointed as Managing Director & CEO, no other KMP has been appointed or has retired or resigned during the year.

Governance Guidelines:

The Board of the Company has adopted Governance Guidelines on Board Effectiveness. The Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

Procedure for Nomination and Appointment of Directors:

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

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs 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, is communicated to the appointee.

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 of the Listing Regulations.

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

<u>Qualifications</u>: 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.

<u>Positive Attributes</u>: 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 behavior, strong interpersonal and communication skills and soundness of judgment. 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 of Directors:

Pursuant to the applicable provisions of the Act and the 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 Board's functioning was evaluated on various aspects, including *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.

Directors were evaluated on 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 was 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.

Areas on which the Committees of the Board were assessed included 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 performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The NRC also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

REMUNERATION POLICY

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and the Listing Regulations. The Remuneration Policy is attached as Annexure C.

BOARD AND COMMITTEE MEETINGS

A calendar of Board and Committee Meetings to be held during the year was circulated in advance to the Directors. Seven Board Meetings were convened and held during the year.

The Board has constituted an Audit Committee with Mrs. Padmini Khare Kaicker as Chairperson and Mr. Prakash R. Rastogi and Dr. Y. S. P. Thorat as Members. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed 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 effective during the financial year 2016-17.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

Rallis India Limited

(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;

(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.

CORPORATE SOCIAL RESPONSIBILITY

At Rallis, Corporate Social Responsibility (CSR) is an integral part of our Sustainability Model. Your Company strongly believes in the Tata ethos of "what comes from the community should go back many times". One of the key features of our CSR projects is focus on participatory and collaborative approach with the community. The Company continues to emphasize on implementation of key areas denoted and chosen in its Sustainability Model which was developed two years ago. The model primarily covers Social and Environment aspects.

The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Bharat Vasani as Chairman, with Dr. Y. S. P. Thorat and Mr. V. Shankar as Members. The Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Act.

Majority of our interventions are weaved around key CSR focus areas, including Natural Resource Management (NRM), Employability, Education and Affirmative Action initiatives. Under NRM, focus is on water conservation through rain water harvesting ('Jal Dhan') and improving soil health. Other focus area under NRM is 'Greening', majorly through afforestation and tree plantation drives.

Under Education, focus is on Science, English and Information Technology, along with support for infrastructure and capacity building. Educational interventions are branded as 'RUBY' (Rallis Ujjwal Bhavishya Yojana).

Under Employability, focus is on skill development especially for women and tribals. Women empowerment programmes are branded 'TARA', symbolizing 'Star', which has its own light and lights the world around with its presence.

The Company, under its Affirmative Action programme, focuses on converting a backward Tribal village into a Model Tribal village. This initiative is focused on tribal areas around Mumbai in Maharashtra.

The above projects are in accordance with Schedule VII of the Act. The Company has spent ₹ 3.95 crores towards the CSR projects during the current Financial Year 2016-17.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years was ₹ 195.5 crores. It was hence required to spend ₹ 3.91 crores on CSR activities during the Financial Year 2016-17, being 2% of the average net profits of the three immediately preceding financial years.

The Annual Report on CSR activities is attached as Annexure D.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted Internal Committees at all its locations, known as the Prevention of Sexual Harassment (POSH) Committees, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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.

AUDITORS

(1) **Statutory Auditors:**

Deloitte Haskins & Sells LLP (DHS), Chartered Accountants, have been the Auditors of the Company since FY 2007-08 and have completed a term of ten years. Their term as auditors is up to the conclusion of the forthcoming AGM. In accordance with the provisions of Section 139 of the Act, B S R & Co. LLP, Chartered Accountants (BSR) (Firm Registration No. 101248W/W-100022) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 74th AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if so required under the Act.

BSR have consented to their appointment as Statutory Auditors and have confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act. Members are requested to approve the appointment of BSR and authorize the Board of Directors to fix their remuneration.

(2) **Cost Auditors:**

M/s. N. I. Mehta & Co., Cost Accountants have been conducting cost audit for the Company for the past several years. On retirement of Mr. N. I Mehta, Senior Partner of the Firm, the Company has appointed D. C. Dave & Co., Cost Accountants, to conduct Cost Audits relating to Insecticides (Liquid, Solid and Technical Grade), Fertilizers and Chemicals (Plastics and Polymers) of the Company for the year ending 31st March, 2018. Pursuant to the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, Members are requested to consider ratification of the remuneration payable to D. C. Dave & Co.

The due date for filing of the Cost Audit Report for the financial year 2015-16 was 30th September, 2016. The Company has filed the Report with the Ministry of Corporate Affairs on 26th September, 2016.

Rallis India Limited

(3) **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2017. The Secretarial Audit Report is annexed as Annexure E.

The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March, 2017 do not contain any qualification, reservation, adverse remark or disclaimer.

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 F.

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 G.

The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT.9 is attached as Annexure H.

MANAGEMENT DISCUSSION AND ANALYSIS, BUSINESS RESPONSIBILITY REPORT AND CORPORATE GOVERNANCE

The Management Discussion and Analysis Report, the Business Responsibility Report and the Report on Corporate Governance, as required under the Listing Regulations, forms part of the Annual Report.

ACKNOWLEDGEMENT

Your Directors acknowledge the dedicated service of the employees of the Company during the year. They 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, business partners and other stakeholders.

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 24th April, 2017

ANNEXURE A TO THE BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

1. **ABOUT THE COMPANY**

   Rallis India Limited (hereinafter referred to as "the Company" or "Rallis") is a Company incorporated under the Indian Companies Act, 1913. It has its Registered Office at Mumbai and is a Tata Enterprise, engaged in the business of providing crop care solutions and agri services to the farming community. It is a subsidiary of Tata Chemicals Limited and is listed on BSE Ltd. and The National Stock Exchange of India Ltd.

2. **OBJECTIVES OF THE POLICY**

   2.1 Securities and Exchange Board of India (hereinafter referred to as "SEBI") has, by its Notification dated July 8, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations").

   2.2 Regulation 43A of the Listing Regulations requires the Company to formulate a Dividend Distribution Policy which shall be disclosed in the Annual Report and on the website of the Company.

   2.3 In view of the above, the Company has framed this Dividend Distribution Policy (hereinafter referred to as "the Policy") to determine the parameters on the basis of which the Company may or may not declare dividend.

   2.4 The Policy seeks to balance the objectives of rewarding the shareholders through dividends and retaining capital to invest in the growth of the Company, while ensuring fairness, sustainability and consistency in distributing profits to the shareholders.

3. **PAYMENT FREQUENCY**

   The dividend shall, subject to the parameters hereinafter described, be payable annually and shall be declared at the Annual General Meeting of the Company, based on the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board"). The Board may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which the interim dividend is sought to be declared. The Board may recommend special dividend in years of exceptional gains or on occasions of significance.

4. **DECLARATION OF DIVIDEND**

   It is the intention of the Board of Directors, subject to applicable laws, to pay dividend on the Company's outstanding Equity shares. The Company does not have any class of Shares other than Equity Shares.

5. **PARAMETERS FOR DISTRIBUTION OF DIVIDEND**

   5.1 Your Company has a track record of steady dividend declaration and payment over its history. The Board considers the yearly dividend based on the Net Profit After Tax (PAT) available for distribution. In addition, the Board reviews the capital expenditure needs, cash requirements for investments in capability enhancements and future non organic growth initiatives.

   5.2 As in the past, subject to the provisions of the applicable law, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Based on the above, the Company will endeavour to maintain the steady level of dividend per share over the medium term.

5.3 **Circumstances under which the shareholders of the Company may or may not expect dividend:**

The Shareholders may ordinarily expect dividend if the Company has made profits during the current year. Recommending dividend out of profits of previous financial years or out of retained earnings shall be at the discretion of the Board, subject to the compliance with the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time. The Board may not recommend a dividend if:

o Proposed expansion plans require higher allocation of capital; or

o Significantly higher working capital requirements adversely impact free cash flow; or

o The Company undertakes any acquisitions or investments including in joint ventures, new product launches, etc., requiring significant capital outflow; or

o In case of proposal for buyback of shares; or

o In the event of inadequacy of profits.

If the Board proposes not to distribute profit, the grounds thereof and information on utilization of undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

5.4 **Financial Parameters for declaring dividend:**

The Board shall consider the following financial parameters while declaring dividend:

o the Company's Financial results of operations and earnings;

o working capital requirements for the operations and growth of the Company and its subsidiaries;

o quantum of profits and liquidity position;

o future fund requirements, including for brand building, business acquisitions, business expansion, modernization of existing business;

o level of debt;

o providing for unforeseen events and contingencies;

o any other financial factor as the Board may deem fit.

5.5 **Internal and External Factors for declaring dividend:**

The Board may consider the following internal and external factors while declaring dividend:

Internal Factors:

o the level of dividends paid historically;

o contractual restrictions and financing agreement covenants;

o likelihood of crystallization of contingent liabilities, if any.

External Factors:

o general business conditions, risk and uncertainties;

o industry outlook and business cycles for underlying businesses;

o prevailing economic, competitive and regulatory environment;

o tax law and the Company's taxpayer status;

o capital market.

This is not intended to be an all-inclusive list, but rather a representative list of factors which may be considered while declaring dividend.

5.6 **Manner in which the retained earnings shall be utilised:**

Retained earnings are the sum of the Company's profits after dividend payments, since the Company's inception. The retained earnings of the Company will be utilised in one or more of the following manner:

- o for expansion and growth of business;
- o for contributing towards the fixed as well as working capital needs of the Company;
- o major repairs and maintenance, including replacement of old assets which have become obsolete;
- o renovation/ modernization for improving working efficiency of plants and equipments and for capacity enhancements;
- o to make the Company self dependent of finance from external sources;
- o for redemption of loans and debentures (if any);
- o for upgradation of technical knowhow;
- o non organic growth initiatives, including acquisition of brands/ businesses;
- o for issuing fully paid-up bonus shares to the Shareholders.

6. REVIEW OF POLICY

This Policy has been adopted by the Board of Directors of the Company and the Board may review and amend the Policy from time to time, pursuant to any change in law or otherwise.

7. DISCLOSURES

Rallis shall disclose the Dividend Distribution Policy in the Board's Report forming part of the Annual Report. This Policy shall also be disclosed on the website of the Company at www.rallis.co.in. Any changes in the Policy, along with the rationale for the same, shall also be disclosed in the Annual Report and on the website of the Company.

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 24th April, 2017

Rallis India Limited

ANNEXURE B TO THE BOARD'S REPORT

FORM AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

₹ in crores

Sl. No.	Particulars	Name of the Subsidiary			
		Metahelix Life Sciences Ltd.	Zero Waste Agro Organics Ltd.	Rallis Chemistry Exports Ltd.	PT Metahelix Lifesciences Indonesia
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency: INR Exchange Rate: 1	Reporting Currency: INR Exchange Rate: 1	Reporting Currency: INR Exchange Rate: 1	Reporting Currency: IDR Exchange Rate: 0.004900
3.	Share Capital	0.11	0.07	0.05	1.69
4.	Reserves & Surplus	85.58	14.18	(0.22)	(0.84)
5.	Total Assets	288.76	15.71	0.02	1.08
6.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	203.07	1.46	0.19	0.23
7.	Investments	0.82	10.95	-	-
8.	Turnover	288.55	7.55	-	0.03
9.	Profit before taxation	21.92	0.36	(0.01)	(0.84)
10.	Provision for taxation	(10.42)	0.30	-	-
11.	Profit after taxation	32.34	0.07	(0.01)	(0.84)
12.	Proposed Dividend	-	-	-	-
13.	% of shareholding	100.00%	100.00%	100.00%	65.77%

Notes:

1. Rallis Chemistry Exports Ltd. is yet to commence commercial activities and currently is not operational.
2. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary Companies, are based on the exchange rates as on 31.03.2017.
3. Reporting period of the above subsidiaries is the same as that of the Company.
4. Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on 31st March, 2017.

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 24th April, 2017

ANNEXURE C 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 recognized 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 (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

Rallis India Limited

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

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
  - Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent).
  - Driven by the role played by the individual.
  - Reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay.
  - Consistent with recognized best practices and
  - Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
  - The Company provides retirement benefits as applicable.
  - In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
  - The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

Remuneration payable to Director for services rendered in other capacity

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

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, 24th April, 2017

ANNEXURE D TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	Rallis is committed to improve quality of lives of people in the community it serves through long term stakeholder value creation, with special focus on empowerment of communities in rural India. Our CSR initiatives focus on Natural Resources Management (Water, Soil Health, Public Healthcare and Sanitation), Employability through skills building and education, and Road Safety. CSR activities at Rallis are implemented by the in-house CSR team, through Participatory Approach involving beneficiaries, through NGOs or through Tata Group Focus Initiatives. The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the weblink: http://www.rallis.co.in/CSR_Policy.htm The Overview of CSR projects and programmes are available at: http://www.rallis.co.in/CSRProjects.htm
2.	The Composition of the CSR Committee.	1. Mr. Bharat Vasani (Chairman) 2. Dr. Y. S. P. Thorat 3. Mr. V. Shankar
3.	Average net profit of the Company for last three financial years.	₹ 195.5 crores
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 3.91 crores
5.	Details of CSR spent for the financial year. (a) Total amount to be spent for the financial year: (b) Amount unspent, if any: (c) Manner in which the amount spent during the financial year is detailed below:	 ₹ 3.91 crores (The Company has spent ₹ 3.95 crores during financial year 2016-17) Nil The manner in which the amount is spent is annexed.
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

V. SHANKAR
Managing Director & CEO

BHARAT VASANI
Chairman - CSR Committee

Mumbai, 24th April, 2017

Rallis India Limited

Annexure to CSR Report (Point 5 (c) of the CSR Report)

₹ in lakhs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (a) Local area or other (b) Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs (a) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**	**Details of implementing agency if engaged**
1	Jal Dhan (Watershed project, Water Harvesting and Roof top harvesting)	1. Rural development 2. Ensuring Environment sustainability	Watershed program in Maharashtra. Villages covered from Ratnagiri, Latur, Beed, Akola, Raigad, Palghar and Thane districts	185.00	191.19	191.19	Direct	
2	RUBY project Education (Career guidance, Soft skill training, IT interventions, Science interventions, English intervention, Educational support to unprivileged students, Skill training to Shenva students as per need). Road safety Programs	1. Promoting Education, enhancing vocational skills 2. Road safety programs	Various interventions for students from 1st to 12th std. at Mumbai, Lote and Akola in Maharashtra and Dahej and Ankleshwar in Gujarat and through volunteering across locations	103.00	96.98	98.11	Direct	
			Road safety interventions across locations		1.13			
3	TARA Project Skill Development	1. Enhancing vocational skills 2. Empowering Women 3. Rural development	Imparting various skill trainings and motivating women and youths to be financial independent at Lote, Akola and Mumbai in Maharashtra and Dahej and Ankleshwar in Gujarat	11.20	2.80	2.80	Direct	

Annexure to CSR Report (Point 5 (c) of the CSR Report)

₹ in lakhs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (a) Local area or other (b) Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs (a) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**	**Details of implementing agency if engaged**
4	Greening Project Afforestation (Conserving soil and water, increasing ground water level, green cover)	1. Ensuring environment sustainability	Planting 5,000 new trees and maintaining 27,627 trees planted earlier in deforested land near Mumbai (Anegaon), Lote (Songaon) and Akola (Shivar, Malkapur Khadan and Shivani) in Maharashtra. Tree plantation at Dahej (Gujarat) and across all locations.	11.10	11.09	11.09	Direct, except through NGO at Anegaon	A K Rural Development Trust
5	Agri interventions for small and marginal farmers	1. Rural development 2. Capacity building of Farmers 3. Livelihood enhancement projects	SRI Technique for paddy cultivation and vegetable cultivation as second crop at Lote, Mumbai (Maharashtra).	1.00	0.01	0.01	Direct	
6	Rural Development, Healthcare and Sanitation	Healthcare and sanitation Rural development	Developing model village, focusing on non conventional energy projects like hydro power, solar and wind power, construction of toilets	60.00	72.45	72.45	Direct, except Jawhar project	All India Institute of Local Self Governance
7	Salary and admin cost	5% of total expenditure		19.70	19.70	19.70	–	–
			GRAND TOTAL	**391.00**	**395.35**	**395.35**		

Rallis India Limited

ANNEXURE E TO THE BOARD'S REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

(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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, 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 31st March, 2017 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, 2009 and amendments from time to time;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies 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, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) Other laws specifically applicable to the Company namely:-

a) Insecticides Act, 1968 read with Insecticide Rules, 1971;

b) Fertilizer Control Order 1985;

c) Seeds Act, 1966 read with Seeds Rules, 1968.

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 National Stock Exchange of India Limited and BSE 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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, 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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: 24th April, 2017

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511

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.

Rallis India Limited

'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. Where ever 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
Company Secretaries

Place: Mumbai
Date: 24th April, 2017

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511

ANNEXURE F TO THE BOARD'S REPORT

[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:**

The Company has continued its efforts to improve energy efficiency with more vigor and depth. Steps taken during the year to conserve energy include:

1. Installation of dry vacuum system in place of steam jets.
2. Replacement of reciprocating compressors with screw compressors (compressed air).
3. Installation of various energy efficient equipment, including VFD for chilled water sec pump, Star Delta converter, motor protection relay for plant motors, timer and human sensor for lighting load, capacitor bank for compressor motor and harmonic controller installation for P.F maintenance.
4. Use of solar water heater to heat water used for melting technicals for charging.
5. Replacement of old equipment with energy efficient equipment, such as gas burners on thermo packs and IE 3 motors, steam driven pump instead of electrical driven pump and energy efficient pump motor in plants.

Your Company's energy efficiency related efforts are acknowledged by the International certification ISO-50001 on energy management for two of its Units i.e. Dahej and Ankleshwar. This is an exceptional achievement as far as chemical industries are concerned.

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

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

- The Company has installed 4 MW Solar power plant at its Unit in Dahej, Gujarat. The electrical energy generated from the solar power saves 2,898 tons of carbon dioxide against DGVCL power generation.
- An 8 TPH Briquette fire boiler has been commissioned successfully at Dahej SEZ plant. Expected reduction in carbon dioxide emission due to this will be approximately 7,546 MT as compared to usage of furnace oil.
- Solar water heater is installed for employees in the amenity building bathrooms.
- The Company's Ankleshwar Administrative building has been successfully converted into Green building. Our application for Green building certification from Indian Green Building Council is under process.

(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 recognizes that investment in energy conservation offers significant economic benefits in addition to climate change benefits. In last few years, we have tried to improve energy efficiency significantly by investing in energy conservation equipment.

Rallis India Limited

During the year, the Company has invested ₹ 3.08 crores as capital investment on energy conservation equipment, including among others, screw compressor replacing reciprocating compressors, solar street lights, energy efficient motors, solar melter and LED lights.

In addition, the Company has installed a biomass boiler at the Dahej SEZ Plant, on a BOO (Build, Operate, Own) basis at a total cost of ₹ 13.5 crores, of which the Company has invested ₹ 5.5 crores, while ₹ 8 crores were spent by the vendor.

(B) TECHNOLOGY ABSORPTION

(i) **Efforts made towards Technology Absorption:**

(a) Continued process improvements and improved formulation types/ strengths will result in improving the efficacy, productivity and profitability of the Company.

(b) Special focus has been given for the development of safer formulations.

(c) Recommendations were obtained from State Agricultural University/ Indian Council of Agricultural Research for 8 products on 5 crops for inclusion in the Package of Practices. This will help in participating in Government subsidy business.

(d) The Innovation Turnover Index (revenues from products newly introduced in the last four years to total turnover) was around 7%.

(ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**

(a) New process development will benefit potential Contract Manufacturing projects.

(b) Ten products were registered in the international market. Ten registration dossiers were submitted in various international markets.

(c) A total of five products were registered in India for the domestic/ export market and label claim expansion approval obtained on 3 products with 8 crops. A total of 7 dossiers were submitted under various categories of new registration.

(d) Dossier has been submitted to Central Insecticides Board and Registration Committee for leading products like Neon on cotton; Zeeny on rice crop; Takumi on sugarcane and Nagata on chillies as label expansion.

(e) Four products were commercialized during 2016-17:

1. **Epic 75% WG:** It is a non-solvent based Water Dispersible Granular broad spectrum systemic fungicide for the management of major fungal diseases on paddy. It is highly effective against sheath blight and sheath rot. Feedback from framers and channel partners is very positive in terms of superior efficacy on the target diseases on paddy, with quick action, long duration control, safe for the crop and higher yield, with reasonable cost of application.
2. **Summit 120 SC:** It is a broad spectrum insecticide for the management of caterpillar pests, thrips and serpentine leaf miners on cotton and chillies. It provides faster effect on insects and is relatively safe to beneficial insects. It is a water based formulation thus, it is eco- friendly. Summit is very well accepted by both cotton and paddy farmers for clean control of all target insects with long duration control and crop safety.
3. **Neonix:** This is a novel seed treatment product developed and manufactured by Rallis for the first time in India as a pre-mix of insecticide and fungicide, as a solution for the management of both soil insect pests and fungus diseases, which attack at the early stage of groundnut and wheat crops. It is an eco-friendly

formulation, has low particle size with better spreading quality, results in uniform coverage and complete transfer of formulation on the seed surface and hence, will not contaminate the environment. Neonix is a blue triangle product, having no adverse effect to beneficial insects, and provides better crop health, resulting in higher yield.

4. **Surplus:** Surplus is a multi micro nutrient, nano technology based liquid fertilizer, launched in Maharashtra during the year, with plans to launch it in other States in the coming year.

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

(a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

(b) **the year of import:** Not applicable

(c) **whether the technology has been fully absorbed:** Not applicable

(d) **if not fully absorbed, areas where absorption has not taken place, and the reason thereof:** Not applicable

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

₹ in crores

	2016-17	*2015-16*
Capital expenditure	**0.85**	*1.50*
Revenue expenditure *	**20.82**	*19.43*
	21.67	*20.93*
Total R&D expenditure as a percentage of net sales (excluding excise duty)	**1.55%**	*1.62%*

* Included in the above is an amount of ₹ 0.78 crores (*Previous year ₹ 0.77 crores*) paid to an external agency.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

₹ in crores

	2016-17	*2015-16*
1. Foreign Exchange Earned	**426.81**	*392.20*
2. Outgo of Foreign Exchange	**293.50**	*290.35*

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 24th April, 2017

Rallis India Limited

ANNEXURE G TO THE BOARD'S REPORT

[Pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

   (**Explanation:** (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

   The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2016-17 are given below:

Non-Executive Directors	Ratio to Median	Percentage Increase in Remuneration
Mr. R. Gopalakrishnan*	3.4:1	-40.1
Mr. Bhaskar Bhat	1.8:1	1155.0
Mr. B. D. Banerjee*	5.1:1	-21.7
Mr. E. A. Kshirsagar*	5.7:1	-25.7
Mr. Prakash R. Rastogi	3.1:1	-22.7
Mr. Bharat Vasani	2.4:1	-18.5
Dr. Y. S. P. Thorat	3.6:1	-7.4
Dr. (Mrs.) Punita Kumar-Sinha	2.4:1	34.9
Dr. C. V. Natraj*	0.2:1	NA
Mrs. Padmini Khare Kaicker*	0.3:1	NA

* Part year

Managing Director & CEO	Ratio to Median	Percentage Increase in Remuneration
Mr. V. Shankar	54.4:1	-1.6

The percentage increase in remuneration of the Chief Financial Officer is 9.4% and of the Company Secretary is 16.7%.

3. The percentage increase in the median remuneration of employees in the financial year: 10%

4. The number of permanent employees on the rolls of the Company: 952.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 9% on a cost to Company basis, as against a decrease of 1.6% in the salary of the Managing Director (managerial personnel as defined under the Act). The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

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

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 24th April, 2017

Rallis India Limited

ANNEXURE H TO THE BOARD'S REPORT

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L36992MH1948PLC014083
Registration Date	23rd August, 1948
Name of the Company	Rallis India Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered Office and contact details	156/ 157 15th Floor Nariman Bhavan 227 Nariman Point Mumbai 400 021 Tel. No.: 91 22 6665 2700 Fax No.: 91 22 6665 2827 E-mail: investor_relations@rallis.co.in Website: www.rallis.co.in
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agents, if any	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 Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

S. No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1.	Agri Inputs	3808	98.55

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Tata Chemicals Limited Bombay House 24 Homi Modi Street Fort Mumbai 400 001	L24239MH1939PLC002893	Holding Company	50.06	2(46)
2.	Metahelix Life Sciences Limited Plot No 3 KAIAD 4th Phase Bommasandra Industrial Estate Bangalore 560 099	U73100KA2000PLC028246	Subsidiary Company	100	2(87)(ii)

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
3.	PT Metahelix Lifesciences Indonesia* Rukan Thamrin Residence RB/15F, Jl. Kebon Kacang Raya, Kel. Kebon Melati Kec. Tanah abang, Jakarta Pusat	Not applicable	Subsidiary Company	65.77	2(87)(ii)
4.	Zero Waste Agro Organics Limited Kapil Towers, First Floor, S. No. 40-1/B Near Sagam Bridge, Dr. Ambedkar Road, Pune 411 001	U01400PN2011PLC141307	Subsidiary Company	100	2(87)(ii)
5.	Rallis Chemistry Exports Limited 156/ 157 15th Floor Nariman Bhavan, 227 Nariman Point, Mumbai 400 021	U74990MH2009PLC193869	Subsidiary Company	100	2(87)(ii)

* Metahelix Life Sciences Limited is holding 65.77%

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	9,74,16,610	0	9,74,16,610	50.09	9,74,16,610	0	9,74,16,610	50.09	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other….	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	**9,74,16,610**	**0**	**9,74,16,610**	**50.09**	**9,74,16,610**	**0**	**9,74,16,610**	**50.09**	**0**
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other….	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**9,74,16,610**	**0**	**9,74,16,610**	**50.09**	**9,74,16,610**	**0**	**9,74,16,610**	**50.09**	**0**

Rallis India Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	2,07,43,072	3,360	2,07,46,432	10.67	1,92,07,558	3,360	1,92,10,918	9.88	-0.79
b) Banks / FI	2,35,945	40,500	2,76,445	0.14	6,52,932	40,500	6,93,432	0.36	0.21
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	8,01,150	8,01,150	0.41	0	8,01,150	8,01,150	0.41	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	27,30,330	0	27,30,330	1.40	61,85,497	0	61,85,497	3.18	1.78
g) FIIs	73,60,506	0	73,60,506	3.78	2,29,822	0	2,29,822	0.12	-3.67
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify) Foreign Portfolio Investors (Corporate)	73,49,483	0	73,49,483	3.78	84,54,196	0	84,54,196	4.35	0.57
Sub-Total (B)(1):	**3,84,19,336**	**8,45,010**	**3,92,64,346**	**20.18**	**3,47,30,005**	**8,45,010**	**3,55,75,015**	**18.29**	**-1.89**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1,43,12,197	74,850	1,43,87,047	7.40	1,65,06,324	74,850	1,65,81,174	8.53	1.13
ii) Overseas	0	3,900	3,900	0	0	3,900	3,900	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1,64,94,478	17,88,560	1,82,83,038	9.40	1,92,22,790	17,35,100	2,09,57,890	10.78	1.38
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	2,51,04,549	0	2,51,04,549	12.91	2,30,50,866	0	2,30,50,866	11.85	-1.06
c) Others (specify)									
i) Trusts	9,400	0	9,400	0	8,83,435	0	8,83,435	0.45	0.45
Sub-Total (B)(2):	**5,59,20,624**	**18,67,310**	**5,77,87,934**	**29.72**	**5,96,63,415**	**18,13,850**	**6,14,77,265**	**31.61**	**1.89**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**9,43,39,960**	**27,12,320**	**9,70,52,280**	**49.91**	**9,43,93,420**	**26,58,860**	**9,70,52,280**	**49.91**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**19,17,56,570**	**27,12,320**	**19,44,68,890**	**100.00**	**19,18,10,030**	**26,58,860**	**19,44,68,890**	**100.00**	**0**

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Tata Chemicals Limited	9,73,41,610	50.06	0	9,73,41,610	50.06	0	0
2	Ewart Investments Limited	75,000	0.04	0	75,000	0.04	0	0
Total		**9,74,16,610**	**50.09**	**0**	**9,74,16,610**	**50.09**	**0**	**0**

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	9,74,16,610	50.09	9,74,16,610	50.09
2	Date wise Increase/ Decrease in Promoters' Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No change during the year			
3	At the end of the year	9,74,16,610	50.09	9,74,16,610	50.09

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Rakesh Jhunjhunwala	2,01,05,820	10.34					2,01,05,820	10.34
				08.04.2016	Sale of shares	7,50,000	0.39	1,93,55,820	9.95
				22.04.2016	Sale of shares	1,00,000	0.05	1,92,55,820	9.90
				16.09.2016	Purchase of shares	1,00,000	0.05	1,93,55,820	9.95
				23.09.2016	Purchase of shares	13,50,000	0.69	2,07,05,820	10.64
				23.09.2016	Sale of shares	13,50,000	0.69	1,93,55,820	9.95
				07.10.2016	Purchase of shares	6,40,000	0.33	1,99,95,820	10.28
				07.10.2016	Sale of shares	6,40,000	0.33	1,93,55,820	9.95
				20.01.2017	Purchase of shares	2,00,000	0.10	1,95,55,820	10.05
				20.01.2017	Sale of shares	2,20,000	0.11	1,93,35,820	9.94
				31.03.2017	At the end of the year	-	-	1,93,35,820	9.94

Rallis India Limited

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	ICICI Prudential (various accounts)	1,53,33,781	7.88					1,53,33,781	7.88
				08.04.2016	Purchase of shares	1,12,960	0.06	1,54,46,741	7.94
				15.04.2016	Sale of shares	1,17,750	0.06	1,53,28,991	7.88
				15.04.2016	Purchase of shares	10	0.00	1,53,29,001	7.88
				22.04.2016	Sale of shares	15,25,430	0.78	1,38,03,571	7.10
				22.04.2016	Purchase of shares	14,56,522	0.75	1,52,60,093	7.85
				29.04.2016	Sale of shares	79,125	0.04	1,51,80,968	7.81
				06.05.2016	Sale of shares	3,98,209	0.20	1,47,82,759	7.61
				13.05.2016	Purchase of shares	29,32,007	1.51	1,77,14,766	9.12
				13.05.2016	Sale of shares	32,56,830	1.67	1,44,57,936	7.45
				20.05.2016	Sale of shares	3,47,609	0.18	1,41,10,327	7.27
				27.05.2016	Sale of shares	4,518	0.00	1,41,05,809	7.27
				03.06.2016	Sale of shares	45,480	0.02	1,40,60,329	7.25
				10.06.2016	Sale of shares	2,19,407	0.11	1,38,40,922	7.14
				08.07.2016	Sale of shares	66,115	0.03	1,37,74,807	7.11
				05.08.2016	Sale of shares	98,246	0.05	1,36,76,561	7.06
				12.08.2016	Sale of shares	4,01,754	0.21	1,32,74,807	6.85
				02.09.2016	Sale of shares	4,229	0.00	1,32,70,578	6.85
				16.09.2016	Sale of shares	25,595	0.01	1,32,44,983	6.84
				23.09.2016	Sale of shares	5,29,177	0.27	1,27,15,806	6.57
				30.09.2016	Purchase of shares	5,28,367	0.27	1,32,44,173	6.84
				07.10.2016	Sale of shares	98,904	0.05	1,31,45,269	6.79
				21.10.2016	Sale of shares	34,273	0.02	1,31,10,996	6.77
				28.10.2016	Sale of shares	2,52,909	0.13	1,28,58,087	6.64
				04.11.2016	Sale of shares	1,03,503	0.05	1,27,54,584	6.59

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	ICICI Prudential (various accounts)			11.11.2016	Sale of shares	72,228	0.04	1,26,82,356	6.55
				25.11.2016	Purchase of shares	9,560	0.00	1,26,91,916	6.55
				09.12.2016	Sale of shares	27,480	0.01	1,26,64,436	6.54
				16.12.2016	Sale of shares	34,637	0.02	1,26,29,799	6.52
				23.12.2016	Sale of shares	69,424	0.04	1,25,60,375	6.48
				31.12.2016	Sale of shares	1,32,933	0.07	1,24,27,442	6.41
				06.01.2017	Sale of shares	3,98,295	0.20	1,20,29,147	6.21
				13.01.2017	Sale of shares	2,87,577	0.15	1,17,41,570	6.06
				20.01.2017	Sale of shares	2,13,372	0.11	1,15,28,198	5.95
				27.01.2017	Sale of shares	10,83,775	0.56	1,04,44,423	5.39
				03.02.2017	Sale of shares	81,202	0.04	1,03,63,221	5.35
				10.02.2017	Sale of shares	1,50,886	0.08	1,02,12,335	5.27
				17.02.2017	Sale of shares	1,43,092	0.07	1,00,69,243	5.20
				24.02.2017	Sale of shares	12,35,516	0.64	88,33,727	4.56
				24.03.2017	Purchase of shares	48,44,133	2.49	1,36,77,860	7.05
				24.03.2017	Sale of shares	48,79,192	2.51	87,98,668	4.53
				31.03.2017	Sale of shares	1,79,395	0.09	86,19,273	4.43
				31.03.2017	At the end of the year	-	-	86,19,273	4.43
3	Prazim Trading And Investment Company Private Limited	0	0.00					0	0.00
				31.12.2016	Purchase of shares	12,85,272	0.66	12,85,272	0.66
				24.03.2017	Purchase of shares	48,72,993	2.51	61,58,265	3.17
				31.03.2017	At the end of the year	-	-	61,58,265	3.17
4	HDFC Trustee Company Ltd. (various accounts)	30,07,873	1.55					30,07,873	1.55
				22.07.2016	Sale of shares	20,300	0.01	29,87,573	1.54
				30.09.2016	Sale of shares	2,00,000	0.10	27,87,573	1.44
				31.03.2017	Purchase of shares	1,49,100	0.08	29,36,673	1.52
				31.03.2017	At the end of the year	-	-	29,36,673	1.52

Rallis India Limited

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	SBI Magnum (various accounts)	0	0.00					0	0.00
				13.05.2016	Purchase of shares	2,00,000	0.10	2,00,000	0.10
				15.07.2016	Sale of shares	2,00,000	0.10	0	0.00
				27.01.2017	Purchase of shares	3,85,000	0.20	3,85,000	0.20
				24.02.2017	Purchase of shares	12,38,239	0.64	16,23,239	0.84
				10.03.2017	Purchase of shares	7,76,761	0.40	24,00,000	1.24
				31.03.2017	At the end of the year	-	-	24,00,000	1.24
6	Government Pension Fund Global	21,89,792	1.13					21,89,792	1.13
				22.04.2016	Purchase of shares	1,76,000	0.09	23,65,792	1.22
				31.03.2017	At the end of the year	-	-	23,65,792	1.22
7	HDFC Standard Life Insurance Company Limited	0	0.00					0	0.00
				10.03.2017	Purchase of shares	11,76,000	0.60	11,76,000	0.60
				17.03.2017	Purchase of shares	8,00,000	0.41	19,76,000	1.02
				24.03.2017	Purchase of shares	59,427	0.03	20,35,427	1.05
				31.03.2017	Purchase of shares	81,616	0.04	21,17,043	1.09
				31.03.2017	At the end of the year	-	-	21,17,043	1.09
8	Azim Premji Trust	0	0.00					0	0.00
				31.03.2017	Purchase of shares	18,95,988	0.97	18,95,988	0.97
				31.03.2017	At the end of the year	-	-	18,95,988	0.97
9	ICICI Prudential Life Insurance Company Limited	7,83,068	0.40					7,83,068	0.40
				08.04.2016	Purchase of shares	205	0.00	7,83,273	0.40
				19.08.2016	Sale of shares	560	0.00	7,82,713	0.40
				26.08.2016	Purchase of shares	3,48,651	0.18	11,31,364	0.58
				07.10.2016	Purchase of shares	73,696	0.04	12,05,060	0.62
				21.10.2016	Purchase of shares	3,59,045	0.18	15,64,105	0.80

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	ICICI Prudential Life Insurance Company Limited			04.11.2016	Purchase of shares	2,85,600	0.15	18,49,705	0.95
				11.11.2016	Purchase of shares	1,32,839	0.07	19,82,544	1.02
				18.11.2016	Purchase of shares	1,50,000	0.08	21,32,544	1.10
				20.01.2017	Purchase of shares	2570	0.00	21,35,114	1.10
				17.02.2017	Sale of shares	21,35,114	1.10	0	0
				17.02.2017	Purchase of shares	21,35,114	1.10	21,35,114	1.10
				03.03.2017	Sale of shares	38,350	0.02	20,96,764	1.08
				10.03.2017	Purchase of shares	38,044	0.02	21,34,808	1.10
				24.03.2017	Sale of shares	1,35,915	0.07	19,98,893	1.03
				31.03.2017	Sale of shares	1,24,105	0.06	18,74,788	0.97
				31.03.2017	At the end of the year	-	-	18,74,788	0.97
10	Lok Prakashan Ltd.	13,71,180	0.71					13,71,180	0.71
				31.03.2017	At the end of the year	-	-	13,71,180	0.71
11.	UTI Mutual Fund (various accounts)	13,22,471	0.68					13,22,471	0.68
				30.06.2016	Purchase of shares	2,47,611	0.13	15,70,082	0.81
				01.07.2016	Purchase of shares	1,19,442	0.06	16,89,524	0.87
				11.11.2016	Sale of shares	3,85,993	0.20	13,03,531	0.67
				18.11.2016	Sale of shares	2,59,989	0.13	10,43,542	0.54
				25.11.2016	Sale of shares	59,663	0.03	9,83,879	0.51
				16.12.2016	Sale of shares	2,74,355	0.14	7,09,524	0.36
				31.03.2017	At the end of the year	-	-	7,09,524	0.36
12.	Vidya Investment And Trading Company Pvt. Ltd.	7,35,000	0.38					7,35,000	0.38
				07.10.2016	Purchase of shares	97,645	0.05	8,32,645	0.43
				31.12.2016	Sale of shares	7,35,000	0.38	97,645	0.05
				31.03.2017	At the end of the year	-	-	97,645	0.05

Rallis India Limited

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
13.	FIL Investments (Mauritius) Ltd	26,35,136	1.36					26,35,136	1.36
				08.04.2016	Purchase of shares	7,85,492	0.40	34,20,628	1.76
				15.04.2016	Purchase of shares	2,69,380	0.14	36,90,008	1.90
				21.10.2016	Sale of shares	3,22,880	0.17	33,67,128	1.73
				28.10.2016	Sale of shares	93,744	0.05	32,73,384	1.68
				04.11.2016	Sale of shares	84,439	0.04	31,88,945	1.64
				11.11.2016	Sale of shares	6,99,603	0.36	24,89,342	1.28
				18.11.2016	Sale of shares	1,20,338	0.06	23,69,004	1.22
				25.11.2016	Sale of shares	62,406	0.03	23,06,598	1.19
				10.03.2017	Sale of shares	17,92,102	0.92	5,14,496	0.26
				17.03.2017	Sale of shares	5,14,496	0.26	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
14.	Hasham Investment And Trading Company Private Limited	48,72,993	2.51					48,72,993	2.51
				24.03.2017	Sale of shares	48,72,993	2.51	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
15.	M/s Regal Investment And Trading Co Pvt Ltd	31,81,260	1.64					31,81,260	1.64
				31.12.2016	Sale of shares	12,85,272	0.66	18,95,988	0.97
				10.03.2017	Sale of shares	18,95,988	0.97	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
16.	Franklin Templeton Investment Funds	26,70,000	1.37					26,70,000	1.37
				24.06.2016	Sale of shares	1,65,837	0.09	25,04,163	1.29
				30.06.2016	Sale of shares	3,77,600	0.19	21,26,563	1.09
				01.07.2016	Sale of shares	80,000	0.04	20,46,563	1.05
				08.07.2016	Sale of shares	54,184	0.03	19,92,379	1.02
				15.07.2016	Sale of shares	81,600	0.04	19,10,779	0.98
				22.07.2016	Sale of shares	1,18,100	0.06	17,92,679	0.92
				29.07.2016	Sale of shares	7,76,000	0.40	10,16,679	0.52
				05.08.2016	Sale of shares	2,37,400	0.12	7,79,279	0.40
				12.08.2016	Sale of shares	2,91,200	0.15	4,88,079	0.25
				19.08.2016	Sale of shares	2,22,200	0.11	2,65,879	0.14
				26.08.2016	Sale of shares	2,65,879	0.14	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00

(v) **Shareholding of Directors and Key Managerial Personnel:**

For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Dr. C. V. Natraj, Non-Executive, Independent Director (Appointed w.e.f. 22nd July, 2016)				
At the beginning of the year	0	0.00	0	0.00
Purchase of shares on 20.05.2016	4,831	0.002	4,831	0.002
At the end of the year	4,831	0.002	4,831	0.002

* None of the Directors, other than Dr. C.V. Natraj, holds any shares in the Company.

For Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mrs. P. S. Meherhomji, Company Secretary				
At the beginning of the year	3,000	0.002	3,000	0.002
Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
At the end of the year	3,000	0.002	3,000	0.002
Mr. Ashish Mehta, Chief Financial Officer				
At the beginning of the year	0	0	0	0
Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
At the end of the year	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

₹ in crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2.08	27.88	-	29.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.25	-	**0.25**
Total (i+ii+iii)	**2.08**	**28.13**	**-**	**30.21**
Change in Indebtedness during the financial year				
Addition	-	0.39	-	0.39

Rallis India Limited

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Reduction	(1.98)	(13.21)	-	(15.19)
Net Change	**(1.98)**	**(12.82)**	-	**(14.80)**
Indebtedness at the end of the financial year				
i) Principal Amount	0.10	15.19	-	15.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.12	-	0.12
Total (i+ii+iii)	**0.10**	**15.31**	-	**15.41**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. **Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Mr. V. Shankar Managing Director & CEO
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,52,02,440
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	21,64,787
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0
2	Stock Options	0
3	Sweat Equity	0
4	Commission	
	- as % of profit	0
	- others, specify….(Performance based) (Refer Note)	2,00,00,000
5	Others, please specify	0
Total		**3,73,67,227**
Ceiling as per the Act		**10,40,49,680**

B. **Remuneration to other Directors:**

1. **Independent Directors**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. B. D. Banerjee (up to 31.10.2016)	Mr. E. A. Kshirsagar (up to 30.09.2016)	Mr. Prakash R. Rastogi	Dr. Y. S. P. Thorat	Dr. Punita Kumar-Sinha	
1	Fee for attending Board/ Committee Meetings	2,50,000	2,10,000	4,20,000	4,20,000	2,00,000	**15,00,000**
2	Commission	32,55,000	36,75,000	16,90,000	20,80,000	14,80,000	**1,21,80,000**
3	Others, please specify	-	-	-	-	-	
Total (B1)							**1,36,80,000**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr. C.V. Natraj (w.e.f. 22.07.2016)	Mrs. Padmini Khare Kaicker (w.e.f. 22.07.2016)	
1	Fee for attending Board/ Committee Meetings	1,40,000	2,00,000	**3,40,000**
2	Commission	NA	NA	-
3	Others, please specify	-	-	-
Total (B2)				**3,40,000**

2. **Other Non Executive Directors**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. R. Gopalakrishnan (up to 24.12.2015)	Mr. Bhaskar Bhat	Mr. R. Mukundan	Mr. Bharat Vasani	
1	Fee for attending Board/ Committee Meetings	NA	2,20,000	-	1,90,000	**4,10,000**
2	Commission	23,45,000	10,35,000	-	14,40,000	**48,20,000**
3	Others, please specify	-	-	-	-	
Total (B3)						**52,30,000**
Total Managerial Remuneration (B1)+ (B2) +(B3)						**1,92,50,000**
Total Sitting Fees						22,50,000
Total Commission (Refer Note)						1,70,00,000
Overall Ceiling as per the Act for payment of commission to Non Executive Directors						**2,08,09,936**

Notes: 1. Commission is for the year 2015-16, paid in the year 2016-17.

2. Ceiling limits are for the year 2016-17. Commission approved for the year 2016-17 and payable in 2017-18 is within the ceiling limits and is given in the Corporate Governance Report.

C. **Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mrs. P. S. Meherhomji (Company Secretary)	Mr. Ashish Mehta (Chief Financial Officer)	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	49,55,304	56,74,339	**1,06,29,643**
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	3,60,385	4,68,549	**8,28,934**

Rallis India Limited

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mrs. P. S. Meherhomji (Company Secretary)	Mr. Ashish Mehta (Chief Financial Officer)	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify….	-	-	-
5	Others, please specify	-	-	-
	Total	**53,15,689**	**61,42,888**	**1,14,58,577**

VII. **PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

On behalf of the Board of Directors

BHASKAR BHAT
Chairman

Mumbai, 24th April, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE

India is the fourth largest global producer of agrochemicals after USA, Japan and China. The industry size was to the tune of USD 4.4 billion in FY15 and is expected to grow at 7.5% per annum to reach USD 6.3 billion by FY20. Approximately 50% of the demand comes from domestic consumers and the rest from exports. While the domestic demand is expected to grow at 6.5% per annum, exports are estimated to grow at 9% per annum during the same period, as per a report on Indian Agrochemical Industry published by FICCI in July, 2016.

Global population is expected to cross 9 billion by 2050. Rising population has led to increasing food demand. India is the second most populous country in the world, with its population estimated to grow over time.

To meet the food and nutrition needs of a growing population requires a sustainable approach that puts thrust on increasing productivity against a background of lower yields and decreasing farm sizes. It requires a push from all stakeholders – the farmer, the government and the industry collectively, so that the changing needs of the nation are met. Approximately 25% of the global crop output is lost due to attacks by pests, weeds and diseases, says the FICCI report cited above. Agrochemicals can play a major role in enhancing productivity and protection of crop post-harvest. Insecticides are the largest sub-segment of agrochemicals with 60% market share, whereas herbicides with 16% market share are the fastest growing segment in India.

Increasing demand of food grains for the growing population and declining farmlands have intensified pressure for improving farm yields and reducing crop losses due to pest attacks. Yields in India stand at 3 tons/ha compared to the global average of 4 tons/ha. Developed countries like USA (7), UK (7), France (7.5) and Germany (7) are able to achieve higher per hectare yields than India due to better farming practices. Current low consumption of crop protection products in India, at 0.6 kg/ ha compared to the world average of 3 kg/ ha, offers opportunities for increased usage to drive up farm productivity.

Current year's budget allocation and initiatives aspire to double agriculture income in five years. Government's support, with increased funds for irrigation, crop insurance and credit facilities to help the farmers deal with weather-related risk, income security, increase their production and productivity and to deal with post-harvest challenges, have raised the prospects of growth of the Agriculture sector.

Indian agrochemicals market will be driven by growth in herbicides and fungicides, increasing awareness towards judicious use of agrochemicals, contract manufacturing and export opportunities. Challenges such as non-genuine products, appropriate focus on R&D, inefficiencies in the supply chain etc. need to be addressed on priority. In addition to the use of crop protection chemicals, Indian agriculture needs to focus on specific solutions to enhance crop productivity. It is imperative for us to adopt efficient agronomy practices, fertigation, seed treatment, biotechnology and integrated pest management to reduce wastage and attain self-sufficiency in agricultural output.

The total number of pests attacking major crops has increased significantly from 1940s. For instance, the number of pests which are harmful for crops such as rice has increased from 10 to 17 whereas for wheat they have increased from 2 to 19. Increased damage to crops from pests and subsequent losses poses a serious threat to food security and further underscores the importance of agrochemicals. The most recent example is the large scale whitefly infestation of Bt cotton crop in North India last year. Due to this, cotton area in Punjab and Haryana has declined by 27% to 7.56 lakh hectares in the FY 17 crop year, as farmers shifted to other crops after incurring losses owing to whitefly pest attack.

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Agriculture is of prime importance to the socio-economic fabric of India. The sector has remained the backbone of the Indian economy and presently accounts for ~15% of the country's GDP. Nearly 58% of rural households rely on agriculture as their principal means of livelihood. Being a source of livelihood and food security of the nation, higher growth in agriculture assumes great importance and is a matter of priority for the economy.

Your Company's Vision and business strategy are aligned with the needs of Indian Agricultural Economy.

INDIAN MARKETS

Crop protection:

A pick-up in agricultural growth on the back of an improved South West monsoon followed the two previous years of drought. The agrochemicals market in 2016-17 is estimated to have grown by 8-10% over the previous year. Growth has come from the Northern, Eastern and Western parts of India, while South India suffered severe drought conditions because of the failure of North East monsoon.

Kharif Paddy segment showed promise, with slightly increased growth facilitated by availability of water unlike in the previous year. Pulses segment recorded higher growth rate compared to the previous year. Cotton segment remained in de-grown state due to last year's whitefly infestation and other issues.

The year started on a positive note, with a forecast of a normal monsoon and good initial rainfall. Growth of agriculture and allied sectors has improved in 2016-17, with an increase in acreages and production. The area sown under Kharif and Rabi crops during 2016-17 was 3.5% and 5.9% higher respectively compared to 2015-16. Production of Kharif food-grains is estimated at 135.0 million tonnes for the year, as compared to 124.1 million tonnes in the previous year.

Growth was however not uniform across India. Delayed onset of monsoon, excess rainfall in certain geographies and dry spells in some areas, especially in the southern States due to absence of the North East monsoon, impacted cropping.

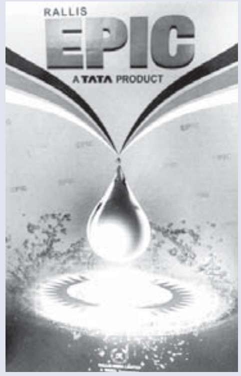
The North East monsoon, which covers Tamil Nadu, coastal Andhra Pradesh, south interior Karnataka and Kerala between October and December, ended with a deficit of 60%. This was the worst North East monsoon recorded in the country since 1876. This severely impacted the acreage of key crops like rice, vegetables, spices and pulses in the southern States during the Rabi season.

During the Rabi season, area sown under wheat rose by 7.9% over the year-ago period, pulses rose by 11.4%, while area under oilseeds increased by 6.7%. On the other hand, area sown under rice decreased by 15.1% and that under coarse cereals declined by 5.5% over the previous year.

Lower crop pest pressure was reported in many areas, such as brown plant hopper in paddy in South India, whitefly on cotton, pest load on pulses and vegetables. This resulted in limited growth in the insecticides segment. However, herbicides segment received a good response from the market, whereas normal growth in fungicide use was reported. Business was impacted by poor cash flow rotation, which was also contributed by low prices of key crops during the year. Overall pipeline stock of crop protection chemicals in the market for the industry is very high due to poor liquidation in the Rabi season.

Despite challenges, your Company achieved a revenue growth of 8% in the Domestic Formulations Business over the previous year with a higher increase in the underlying volume growth. Your Company introduced three new products during the year, in response to market changes and to meet farmers' expectations for advanced chemistries and new technologies. These are **Epic**, an improved and advanced WDG formulation of Hexaconazole, launched in paddy; **Summit**, an advanced new generation insecticide, effective against thrips and almost all caterpillar pests; and **Neonix**, the first ever seed treatment product in India to control both soil insects and soil borne diseases in groundnut and wheat crops.

Epic is a versatile broad spectrum fungicide developed by Rallis indigenously in the form of WG (water dispersible granule) for effective management of large number of fungal diseases of multiple crops. It is a highly powerful fungicide, which acts very quickly against diseases with a very low dose. It is an eco-friendly formulation, as it is free from solvents, recommended at very low dose, low particle size, quickly absorbed by the plant system, with hardly any quantity going to the environment. Epic is used as both preventive and curative applications, as well as providing long duration of control, hence it can increase the spray intervals and reduce the number of sprays. It can offer better crop health and higher yield.



Summit is a broad spectrum insecticide for the management of caterpillar pests, thrips and serpentine leaf miners on cotton and chillies. It provides faster effect on insects and is relatively safe to beneficial insects. It is a water based formulation thus, it is eco- friendly. Summit is very well accepted by both cotton and paddy farmers for clean control of all target insects with long duration control and crop safety.

Neonix is a novel seed treatment product developed and manufactured by Rallis for the first time in India as a pre-mix of insecticide and fungicide, as a one-shot solution for the management of both soil insect pests (termites, root grubs etc.) and fungus diseases (collar rot, stem rot, leaf spot, rust, smut, etc.), which attack at the early stage of groundnut and wheat crops, and also avoids the sprays which are given at the early stages. An eco-friendly formulation, since it goes as seed treatment, it has low particle size with better spreading quality, results in uniform coverage and complete transfer of formulation on the seed surface and hence, will not contaminate the environment. Neonix is a blue triangle product, having no adverse effect to beneficial insects like predators, parasitoids and honey bees. It provides better crop health, resulting in higher yield.

Other Agri inputs:

The global market for seeds is estimated to have grown at a rate of 4% annually in last 5 years (Global Seed Market Industry Developments, Philip McDougall). Indian seed industry is estimated to have grown at 11% for the past five years with the future projection also showing a healthy trend.

Seed being a basic and critical input for sustainable agriculture, with the quality of seeds determining the quality of the crop output to a large extent, your Company is focusing on providing quality seeds to the farming community. Along with its wholly owned subsidiary, Metahelix Life Sciences Ltd., it is establishing its own seed brands in various segments of cotton, rice, maize, millet, wheat and mustard. High potential segments and geographies have been identified and suitable products selected to establish the Company's seed brands, with the support of consistent, strong and extensive field activities.

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During 2016-17, revenues in seeds grew well over the previous year. The Company launched a new product, Akshada for cotton in Maharashtra. In the coming years, plans are set to launch more products in cotton, rice and wheat segments. Product development initiatives are also planned at various locations, with focus on cotton hybrids.

Sub-optimal agricultural practices in many parts of the country over the years have led to depleting micronutrients from the soil and multiple nutrient deficiencies. This has become a major constraint in increasing agricultural productivity on our farms. There is an urgent need to promote balanced use of fertilization and educating the Indian farmer about the deficiencies of secondary and micronutrients in the soil.

To support sustainable agriculture, your Company is increasing its focus on plant growth nutrients. Rallis has a wide range of specialty nutrient products and is focused on greener and cleaner products to address sustainable agriculture. These products are geared to address the concerns of deteriorating soil health and crop health concerns, and also serve the needs of small and marginal farmers.

Revenues in plant growth nutrients increased by 15% during 2016-17 over the previous year. The Company launched Surplus, a multi micro nutrient, nano technology based liquid fertilizer in Maharashtra. It will be launched in other States in the coming year. Going forward, focus will be on product development activities and building Ralligold as a major brand in the next 3-5 years.

During the year, sales for GeoGreen, the organic manure brand of the Company, were higher by about 10% over previous year. However, severe drought in Southern India impacted sales to some extent. A new product, Geo Green P plus was introduced during the year and has been well accepted by the market.

GeoGreen is a scientifically enriched eco-friendly organic soil conditioner, based on sugarcane baggase and enriched with beneficial microbes, to restore the soil health. It is one of the best alternatives for farm yard manure and other composts due to its extraordinary character of biological stability and maturity. It can be used on a variety of crops as a supplement, with reduced dose of inorganic fertilizers for effective Integrated Nutrient Management (INM), giving improved yield and sustaining soil health, improving soil productivity and resulting in higher yield. GeoGreen is approved by National Organic Certification Agency (NOCA) and is considered to be the best tool for Organic farming.

There was a good increase in enrolments in the Company's Grapes Samrudh Krishi programme. This is an advisory with knowledge intensive, service oriented initiative to increase farm productivity. Services like weather and pest forecasting by SMS, weekly visit by advisory expert, query call answers, soil and water testing, crop seminar and field days are provided to the registered farmers.

MoPu (More Pulses) initiative continues to make good progress in Madhya Pradesh and Maharashtra and adds significant value for farmers who are covered under this programme.

AGRI SOLUTIONS

Your Company's Mission is to create value for farmers by enhancing productivity and farm income through end to end Agri Solutions. This initiative has been branded as **Rallis Samrudh Krishi**®. Beginning with understanding the complete needs and expectations of Indian farmers, your Company offers complete Package of Practices (PoP) for major crops, comprising agri inputs (crop protection, plant growth nutrients, seeds and organic fertilizer) at the right time and place. The Integrated Crop Management initiative provides complete solution from land preparation to harvesting to address production constraints viz., insect pests, diseases & weeds, nutritional disorders, labour scarcity, increased fertilizer use in major crops viz., rice, cotton, grape, soybean, groundnut, potato, etc. **Rallis Samrudh Krishi®** demonstrates cultivation practices in the form of PoPs across the country, as one-stop solution for farmers to get maximum yield with reduced cost of cultivation.

Important concerns viz., soil health management, nutrient use efficiency, water management, plant nutrient management, effective management of pests and diseases with need based applications are addressed with Rallis' key interventions, starting from sowing to harvesting, which will reflect in terms of higher yields with reduced cost of cultivation.

The Company also offers agronomic practices and procedures, information and pest and weather forecast services using e-interventions and building relationship with farmers and channel partners through experience sharing. This friendly and consultative approach demonstrated to the farmer helps him to consider us as his best friend and guide to enhance his productivity and net farm income.

Rallis Samrudh Krishi® - Agri solutions, as a concept, is principally aimed at creating value for the farmer through improving the quality and yield of their existing crops, enabling him to add one more crop/ harvest and helping him with crop rotation/ mix change to deliver higher value. It also creates value for the Company through higher sales of both crop protection and non pesticide products.

<u>Key Enablers</u>: Your Company has identified the following key enablers to achieve its aim of being an end to end Agri Solutions provider to the Indian farmer:

1. Package of Practices (PoP): Customized and dynamic PoP are designed and developed for key crops such as paddy, cotton and tomato. Innovative solutions for inputs and practices are also developed. The aim is yield enhancement of target crops.
2. Digital initiatives: The Company's ICT initiatives are aimed at more effectively providing necessary services to the agri community through -
   a. Predictive and advisory services covering critical pests, weather, output and price trends.
   b. Access to apps such as Rallis Krishi Samadhan app for farmers for information on the go and Sampark app for field force to complement their competency.

   Digital interventions also play a key role in the capability enhancement of the sales team through regular training programmes.
3. Channel relationship and alignment, through timely support of inputs and agri solutions to channel community.
4. Capability building and cultural transformation by developing customized knowledge and skills and through timely intervention.

During 2016-17, **Rallis Samrudh Krishi®** approach has been tested and tried in 200+ locations, covering 17 crops in Kharif and Rabi seasons. The results achieved are very encouraging and farmers are satisfied with the approach and execution of the concept. Key learnings from these experiments will help the Company in building the knowledge and skill of the implementing team, enable timely interventions at critical crop stages, ensure timely availability of required agri inputs, execution of agronomic and other practices as per PoP and allow differentiation through introduction of unique products which enhance value for the farmers through improvement in the quality of their produce. Engagement and alignment of dealers with **Rallis Samrudh Krishi®** will also be an area of continuous focus. Going forward, these learnings will help the Company in scaling up the concept in the coming years. During 2017-18, the Company aims to cover all 250 territories with focus on key crops, with an aim to reach 1 million farmers through institutional and retail models.

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INTERNATIONAL MARKETS

Most leading agrochemical companies recorded lower sales in dollar terms in 2016. Sales of crop protection products declined in almost all regions, with the highest fall of 5.5% occurring in Latin America (LATAM). In terms of real growth, NAFTA recorded a modest growth of +0.9%, while Europe and Asia declined by 1.6% and 2.6% respectively. Economic weakness continued to affect Russia and Ukraine. Canada benefitted due to improved rainfall over the previous year. Season in LATAM was characterized by further shift of maize acres into soybean due to depressed crop prices.

At the start of the year, there was some optimism for a more positive market environment in 2016. However, as the year progressed, this potential weakened, mainly due to high distributor inventories affecting ex-manufacturer sales. Low crop prices also affected farm profitability, resulting in restrained purchasing by farmers, notably in the USA. Brazil continued to be depressed by dry conditions and a weak economy, whilst some recovery was seen in Argentina with the new Government removing export tax on maize and wheat and reducing it for soybeans. The European Union was affected by the full impact of the 2015 CAP reform, a poor farm economy and adverse weather. Asia was more positive due to a better monsoon, although many of the major markets in the region suffered a decline. Weather conditions in Western Australia improved, but the market was affected by low crop prices. The Chinese market suffered due to the 'zero growth' policy. Rice prices generally improved as de stocking by Thailand appears to be complete, with developing East Asian markets performing strongly.

Various factors like variable weather patterns, drought/ El Niño phenomenon, lower prices of agricultural commodities, high inventory at distributor level in many countries, strengthening of US dollar and a weak monsoon lead to the decline in global crop protection market of 2016 to 49.9 billion USD.

Despite adverse conditions, your Company achieved revenues of ₹ 441 crores in its international business, registering a growth of 10% over the previous year. The Company is also focusing on building a business platform on Contract Manufacturing for leading global players. During the year, discussion and activities with some leading Companies progressed well. There are several projects which are at various phases of evaluation, with a couple of these being qualified for commercial orders going forward.

RALLIS' OVERALL PERFORMANCE

Consolidated Results:

Your Company's revenue from operations for the year 2016-17 were ₹ 1,782.98 crores, reflecting an increase of 9.5% over the previous year. The Company's profit before exceptional items and tax during the year, at ₹ 221.56 crores, grew by 19%. Exceptional item of ₹ 158.39 crores for the year ended 31st March, 2017 comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai. Total comprehensive income was ₹ 296.56 crores.

Standalone Results:

Revenue from operations for the year 2016-17, at ₹ 1,505.17 crores, were 8.6% higher than the previous year. Profit before exceptional items and tax was higher by 21.6% at ₹ 200.94 crores, while total comprehensive income for the year stood at ₹ 265.56 crores. Exceptional item of ₹ 158.39 crores for the year ended 31st March, 2017 comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai.

OPPORTUNITIES AND OUTLOOK

Indian agricultural industry is on the growth path. To achieve robust crop production and productivity, infusion of both public and private support is extended in rural areas to tackle farm level distress. The Government has taken bold steps to support the farm sector by means of extended credit facilities, dedicated micro and macro irrigation fund, post-harvest support, market reforms, crop insurance and basic infrastructure facilities. These will lead to positive sentiments in the farming community to bring more area under cultivation.

Per hectare consumption of agrochemicals in India is much lower than the global average; the journey of bridging this gap will create huge opportunities in coming years. To meet the demand for food grains production (both at domestic and international level) from limited arable land demands productivity improvement, which will further create opportunities for high quality agricultural inputs. Furthermore, about 15-25% potential crop production in India is lost due to insects, pests, weeds and diseases. A UN study on global population trends predicts that India will surpass China to become the most populous nation in the world by 2022. With a size of 1.32 billion, India currently supports nearly 17.84% of the world population, with 2.4% land resources and 4% of water resources. Keeping pace with the growing population and their changing demand for quality food, the country will need to raise the quantity and quality of agricultural production as also productivity, to ensure food and nutrition security of the nation. Crop protection chemicals, agronomy, fertigation, seed treatment, bio-technology development, etc. are some of the emerging solutions.

Food inflation is a persistent problem in Indian economy. While demand patterns in food category are more predictable; estimating supply is a bit of a challenge. Consumers often see more price volatility in perishable crops like potato, tomato, coriander and onion. In recent times, staples like oilseeds and pulses have also shown sharp price variations, both on the upside and downside.

The solution to this problem is timely availability of data for sowing, harvesting and production. Indian agriculture is silently but steadily embracing IT tools, which will bring the biggest change in the future as an opportunity. Indian farm economy can benefit enormously by availability of timely, accurate and actionable data. Investment in ag-data will benefit the farmer by making agriculture more predictable and remunerative for him.

Current forecasting methods include time-series analysis for predicting crop output. Past data will become less relevant for future predictions in the context of climate change and fast changing weather patterns across the globe. The need of the hour is to have tools to get the data on a real-time basis.

Soil fertility and productivity can be improved with data application. Poor productivity in India in most crops can be largely attributed to lack of soil fertility. Soil fertility in India is deteriorating due to erroneous application of fertilizers (more Nitrogen (N) and less of Phosphorus (P) and Potash (K) than the recommended mix). NPK mapping at each field is necessary for the right prescription, including type of seed, seed rate, irrigation, plant growth regulators, fertilizers, etc. Data obtained from a combination of on-field devices and satellite imagery can estimate nutrient value of soil at a given point of time. This can be complemented with data obtained from soil health cards.

Apart from agriculture, the animal husbandry industry can also benefit by use and application of data. Data from RFID tags can track cow movement and data from collar tags can be used to monitor body/ neck movement which can help in heat detection and understand cow health. The data can be used to improve feed intake, lactation cycles and ultimately increase milk productivity.

Financing to farmers is another challenge which data can solve. Lending to farmers can become very efficient, logical and data-driven, if bankers have access to data on likely crop output from the farmer's field. Likewise, insurance companies can ascertain risk premium if they have access to weather, soil, pest and output data.

Thus, use of IT and data has the potential to solve most ag-supply-chain problems. "Green revolution" in the sixties and seventies in the last century made our country self-sufficient in food. Indian population has more than doubled since then.

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Time is now ripe for a "Data revolution", which can make Indian agriculture more efficient to cater to growing food demand for the country.

Your Company is also gearing up to avail of the opportunities through **Rallis Samrudh Krishi®**, its end to end agri solutions approach. It is also leveraging the opportunities arising out of the IT revolution, by more effectively providing necessary services to the agri community through its digital interventions.

RISKS, CONCERNS AND THREATS

Although yield per hectare has doubled in the past years, Indian agriculture is still grappling with challenges such as high dependence on monsoon, unpredictable weather patterns, reduction in arable land, decreasing farm sizes, low per hectare yield and increase in pest attacks. To add to the complexity, the agricultural workforce in India is expected to reduce by 50% in the coming decade due to better remuneration and growth opportunities in other sectors. These factors pose a challenge for the Agrochemicals Industry as well.

Agrochemical industry works under stringent regulatory environment, wherein chances of frequent changes in regulatory guidelines are very high. This could lead to delays in obtaining necessary approvals.

Dependency on global economy, business environment, fluctuation in currency, global logistics and socio-political environment have direct or indirect impact on the Agrochemicals Industry and can lead to disruption of business in specified products.

RESEARCH & DEVELOPMENT (R&D)

Rallis Research Centre (RRC) provides potential solutions in various areas across the Company, by developing and implementing latest cutting edge technologies. This facilitates introduction of new products in the country and overseas, as well as expansion in Contract Manufacturing services. Many multinational companies have visited our R&D facility for potential contract manufacturing and alliance opportunities.

This year, contract manufacturing was carried out for two products on pilot and commercial level at the Company's Dahej manufacturing facility. One product has shown potential; further work is in progress to increase our production capacity.

Process Chemistry, along with engineering, is focused on developing efficient and robust processes for molecules in areas of crop protection that have good market potential. Process improvement projects of existing products have been instrumental in improving product quality, yields and productivity of manufacturing processes. Process developments for many contract manufacturing opportunities were also taken up as a major activity. Environment, Health and Safety (EHS) considerations were given prime importance. The developed processes are tested at the state-of-the-art Pilot Plant facility at Dahej to ensure robustness and adoptability for effective commercialization.

Research development activities also focused on the development of newer and safer formulations to meet the needs of the farmers and environment for better efficacy, improved value and services. Special emphasis is given for the development of solvent free water based formulations as well as dust free granular formulations. A number of registration dossiers have been submitted during the year for supporting domestic and international business.

Product development of new formulations in areas of Crop Protection, Plant Growth Promoters (PGPs) and Plant Growth Nutrients (PGNs) was also undertaken with the help of field trials on different crops and in different agro climatic areas to assess their bio efficacy and ensuring that these formulations are safe to use.

Joint Research and Development activities between RRC and the Innovation Centre, TCL, Pune continued to make good progress. A novel technology based liquid micronutrient formulation is ready for launch in 2017-18 on fruits and vegetable crops. Similarly, a plant based extract for the management of mite pests on plantation crops is at an advanced stage of development and field trials.

For the first time in India, registration of a combination of an Insecticide and a Fungicide for seed treatment was obtained to offer a superior solution to the farmer.

The Company's initiative of New Solution Development and Introduction (NSDI) process has identified several new products to be developed over the next 5 years. Several products are at various stages of development. Improvement plans for existing products are also underway with an objective of cost reduction and being competitive in the market. Process Development for contract manufacturing opportunities is also undertaken and some of these are being scaled up for commercialization shortly.

The Company has also initiated a few product safety studies under the advice of Central Insecticides Board and Registration Committee, which will continue in the coming year.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Safety and Health:

Your Company is committed to strengthening the health and safety of its employees and associates over the years. Improving health and safety culture in the Organization through adoption of various benchmark practices such as Behavior Based Safety (BBS) and Process safety Management (PSM) is a way of life in Rallis. This inspires confidence in employees and associates and gives positive results on key performance measures of safety. The Company's Value of "Care" is clearly visible in its approach and drive towards safety, considering "Safety as a condition of Employment", rather than as a choice. This emphasizes our commitment towards the non-negotiable attribute of health and safety practices and standards. Our leadership team is fully committed to adhere to and further improve the health and safety standards across the Organization, through adoption of best practices with national and international benchmarks to raise the bar on safety.

During the year, your Company has implemented various health and safety measures to further enhance the safety culture of the Organization, including:

- Safety Gallery with audio visual features at the entrance of all four manufacturing units. This is to sensitize our employees and associates while entering or leaving the premises.
- Audio visual Visitors Safety Induction software, followed by a test at all four manufacturing units to create safety awareness among visitors, before allowing them to enter the premises.
- The Company has worked on four additional PSM elements, including mechanical integrity. This will help in further improving mechanical integrity and maintenance system at all Units.
- The Company has reviewed and updated the Work permit systems to incorporate new legislation and best practices.
- The Company has also reviewed Material Safety Data sheets for all products and raw materials as per Globally Harmonized system.
- To further strengthen the safety induction system, induction manual for new employees was reviewed and re-launched as "Environment Health and Safety Induction Model". Written commitment is obtained from new entrants to adhere to the safety guidelines and rules.

Rallis India Limited

As part of a special focus on electrical safety, your Company has engaged an electrical safety expert agency for carrying out Specific Electrical Safety Audit at all its Units. The outcome of the Audits have been used to further improve safety of existing electrical installations and practices. The Company continued to engage Road Safety Foundation, an NGO for enhancing road safety awareness across our Rallis team. As a part of our Corporate Social Responsibility, we have conducted more than 30 Road Safety Awareness training programmes for schools, colleges and industries.

Environment Footprint and Climate change:

Going beyond regulations in Environment Sustainability continues to be an area of utmost importance. This is one of the key elements in our corporate sustainability model which drives business sustainability. Your Company has, through the years, endeavored to use more renewable sources of energy, reduction and reutilization of industrial wastes, water conservation through internal and external initiatives to become water neutral and reducing our carbon footprint. This has happened due to various initiatives, including rain water harvesting projects in the community and installation of 4.0 MW of solar plant at Dahej.

As a part of our commitment towards greening, Rallis is continually working on developing green products, water based formulations and organic fertilizers. At Rallis, we monitor carbon dioxide emissions in terms of carbon footprint as per International standards ISO 14064 covering all three scopes i.e. Scope-1, Scope-2 and Scope-3.

Green Building at Ankleshwar Unit

Ankleshwar plant administration building has been renovated and constructed as per Indian Green Building Council (IGBC) requirements, considering various aspects such as water savings, energy savings, zero discharge of waste water, onsite solid waste disposal treatment, rain water harvesting, use of eco-friendly construction material etc. We have applied for green building certification by IGBC.

Your Company has laid out a system, going beyond regulations, by continuously working on different technologies in effluent management to upgrade waste water treatment in all its manufacturing units.

Successful completion of Bio-Briquette Boiler at Dahej SEZ

As a part of its greening initiative, the Company has installed an 8.0 TPH briquettes boiler at its Dahej SEZ plant. This will fulfill the entire steam requirement of the plant and reduce the use of furnace oil substantially, thereby reducing the carbon footprint of the Company. Briquette boiler uses biomass as a fuel, which is a greener fuel and replaces the use of fossil fuel.

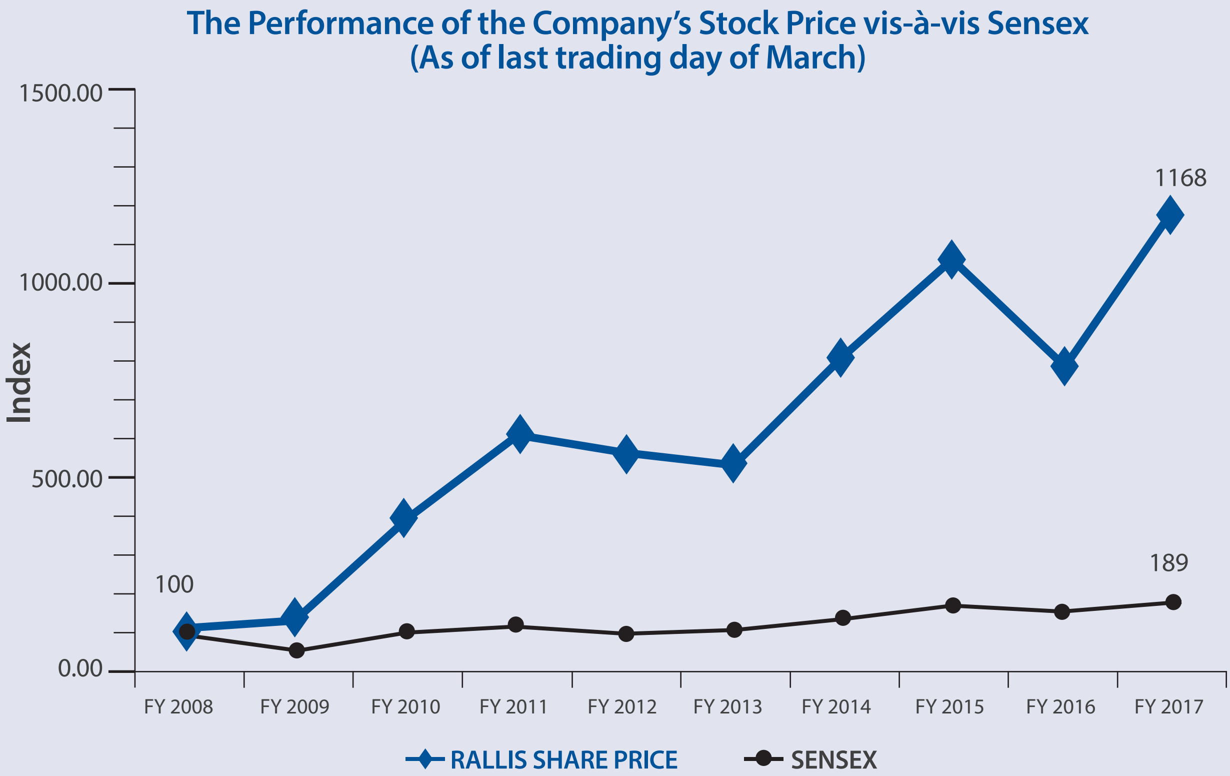
TOTAL SHAREHOLDER RETURN

Total Shareholder Return (TSR) is the yearly rate of return of an investment made, considering capital appreciation plus dividends over time. Your Company has enhanced shareholder value through increase in investor returns, which is reflected in a healthy TSR for our Shareholders over the years.

The TSR of an investment made in your Company in March 2008, kept till the last trading day of March 2017 works out to be 35% per annum. This means that if one had invested ₹ 100 in Rallis' stock in March 2008, the total value that the investment would have earned would be ₹ 1,145, if one had sold the stock on the last trading day of March 2017.

The dividend payout of the Company has seen a steady improvement over the same period. From ₹ 16/- per share in 2008 (on Equity Shares of ₹ 10/- each), dividend increased to ₹ 2.50 per share in 2016 (on Equity Shares of ₹ 1/- each). If the recommended dividend is approved by the Shareholders, the dividend payout of the Company in 2017 will be ₹ 3.75 per share, including a one-time special dividend of ₹1.25 per share. The EVA (Economic Value Added) of the Company is ₹ 21crores during 2016-17, as compared to ₹ 22 crores during 2015-16.

Rallis' stock price has significantly out-performed the BSE Sensex during the past 10 years. If both the Rallis stock price and Sensex were indexed to 100 as on the last trading day of March 2008, the y-o-y performance of the Rallis stock and Sensex till FY 2017 is shown in the chart.



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Rallis Share Price	335	392	1,255	1,321	121	115	173	226	170	261
Sensex	15,644	9,709	17,528	19,445	17,404	18,836	22,386	27,957	25,342	29,621

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

Your Company is committed to ensuring an effective internal control environment that provides reasonable assurance regarding the effectiveness and efficiency of operations, adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and regulations. For this, the Company has laid down standard operating procedures and policies to guide the operations of the business.

The internal audit processes, both at the business and corporate levels provide reasonable assurance on the adequacy and effectiveness of such internal controls and compliances, through the reviews of the functions and processes, as per the annual audit plan agreed with the Audit Committee. A risk control mapping is in place for each audit unit. To maintain independence, the internal audit function reports to the Chairperson of the Audit Committee of the Board.

Further, in order to foster an improved internal control culture in the Company, wherein every employee is fully aware of all the major risks/ controls faced in his work sphere and assumes responsibility for the controls performed therein, the Company has *inter alia* implemented the concept of Control Self-Assessment on a quarterly and annual basis. This also helps to identify focus audit areas, design and modify the audit plan and support compliance certification of internal controls by the CEO and CFO.

Additionally, there has been a continued focus on IT enablement and computerisation of key process controls through the ERP systems to maximise automated control transactions across key functions. IT enabled controls are verified as part of the review of functions and processes undertaken under annual internal audit plan. Also, a new IT workflow tool is in place in the Internal Audit Department to enable the audit team to make meaningful contributions to the Organization's overall governance, risk management and internal controls.

HUMAN RESOURCES

People management is the backbone of your Company and it is regarded as one of the important resources for the success of Rallis. Over the years, your Company has strengthened its HR processes to ensure continual development and growth of its employees. HR processes are fine-tuned and updated to attract and recruit talent into the Company.

Though Rallis is an equal opportunity employer, special focus is given to enhance diversity and promote employment opportunities for under-privileged segments of society by way of affirmative action to ensure that these segments get their due in building Team Rallis.

The Company has well documented and updated policies in place to prevent any kind of discrimination and harassment, including sexual harassment. The Whistle Blower Policy plays an important role as a watchdog. The Company measures the satisfaction of internal customers through in-house ICSS (Internal Customer Satisfaction Survey) wherein it is seen that the satisfaction of internal customers of HR is as high as 75%.

The Company participates in external assessment by various expert bodies to measure the effectiveness of HR related matters. Last year, Rallis participated in the assessment under the Tata Affirmative Action Programme (TAAP) wherein significant progress was observed by the assessors over the last assessment. The Company runs a scheme called Tata Rallis Agri Input Training Scheme (TRAITS) for providing training to rural youths in agri marketing to make them employable in agri inputs industry in rural India.

CAD (Competency Assessment and Development), which is a continuous process to build functional competencies, has been taken to a higher level, involving more departments and roles as per plan. Several skill development programmes such as RISE (Rise Initiative for Skill Enrichment), Gyanpeeth (Train the Trainer), Mentoring and Arjun were also undertaken.

The Ankleshwar Unit of the Company has 67 non-management employees. The overall relations with these employees at Ankleshwar continued to be cordial and harmonious during the year 2016-17. As on 31st March, 2017, the employee strength of the Company was 952, as compared to 957 as on 31st March, 2016 (excluding trainees).

BUSINESS EXCELLENCE

The year 2016-17 witnessed several key events and initiatives at Rallis. After winning the prestigious JRD QV Award in 2011, your Company has continued the journey of excellence in the Tata Business Excellence Model (TBEM) and worked for strengthening its operational excellence. During the year, the Company participated in National Excellence competition organized by CII and won in the regional round in the manufacturing sector.

Being a gap year for TBEM assessment, your Company strengthened its excellence journey through intensive internal assessment ROCK (Ralli*ites* on Continuous Karma) covering all locations and functions. Within the Company, a group of excellence assessors have been developed, who are able to assess the Company across functions and locations. Feedback on improvement is shared across Departments and high scoring functions and locations recognized.

As a part of its excellence journey, the Company has an online digital platform for employees to register their innovative thoughts. The Company also participated in the Tata Group Innovation Forum, Tata Innovista with 53 entries this year.

Learning and sharing of knowledge is leveraged through Knowledge Management on the Company's intranet. To strengthen manufacturing, DWM (Daily Work management), a visual management concept based on Statistical Quality Control (SQC) is implemented in all areas of importance and significant results are achieved in terms of process control. More than 80% of people in factories are trained on DWM principles.

The Company will continue to progress in its journey of excellence through some focus areas such as customer centricity, sustainability and operational excellence.

INFORMATION TECHNOLOGY

Information Technology continues to be integral to the Company's processes, improvement and transformational initiatives. Your Company continues to explore and implement new emerging technologies on predictive analytics, farmer advisory and industrial automations to leverage ICT for enabling Agri Solutions business. During the year, the Company has strengthened its core ERP and BW systems with upgrades and enhancements, implemented geo-special analytics system, embarked on a journey on mobility initiatives, thereby helping the Company align business segments and simplify business processes. Investments also continue to be made in IT infrastructure to support the various business applications.

The Company is working on a well-defined IT Strategy and roadmap to leverage ICT for enhancing customer reach and operational efficiency. ICT is one of the key pillars of the Company's growth strategy. Its key business enablement initiatives are gaining grounds and will continue to support its growth strategy in the years to come.

CORPORATE SUSTAINABILITY AND AFFIRMATIVE ACTION

Sustainable way of doing business is deeply entrenched in the Company's business strategy. This is achieved through alignment of long term sustainability plans with business strategy. Long term sustainability plans of the Company include:

- No Red Triangle product in the portfolio and shifting from Yellow to safer Blue and Green Triangle products.
- All Units to achieve total recycling of treated water by 2017-18 and be water neutral by 2016-17.
- 10% reduction in specific energy consumption by 2020-21, from base year 2013-14. 50% energy to come from renewable sources by 2020-21.
- At least two water based formulation products every year.
- Impacting more than 1 lakh people through our CSR projects by year 2020-21, out of which 25% will be from communities requiring affirmative action.

Integrated Approach:

The integrated Sustainability Model adopted by the Company focuses on Social and Environment issues. Social issues are covered under Corporate Social Responsibility (CSR) and Affirmative Action (AA) initiatives. Key focus areas under CSR and AA are Natural Resource Management, Education and Tribal Model Village development. CSR and AA initiatives are planned, implemented and monitored by the Company's CSR team at the corporate level and Sustainability Champions across locations drive the implementation at their respective locations. The CSR Committee monitors and reviews the progress of CSR projects at regular intervals, including through site visits at the project locations. Highlights of the Company's CSR programmes are given below:

Rallis India Limited

Natural Resource Management: Project "Jal Dhan":

The Company focuses on water management to address the severe water crisis issue facing the country. Its flagship programme under water management is named "Jal Dhan".

Jal Dhan was started four years ago in Lote (Konkan region in Maharashtra), which inspite of being blessed with heavy rainfall during monsoons, experiences water scarcity during summer due to inadequate conservation measures. Based on assessment and survey, rain water harvesting project was designed and implemented. The impact was encouraging, which led to the Company scaling-up the project in 8 villages of drought prone areas of Latur and Beed in Maharashtra. The impact was overwhelming in the first year itself. Rain water harvested through the Jal Dhan project has lasted for the entire year, making the villages tanker free from July and receiving water once in 7 days, instead of once in 45 days earlier. Ground water levels have also increased due to the project. Availability of water for domestic and agriculture use has also enabled farmers to opt for a second crop.

Increase in water availability has also encouraged one village to convert stored water into hydro power with support from the Company, enabling it to install street lights for the first time in the village.

In Latur, the project is being converted into an integrated project, covering water, education and support in establishing linkage for small and marginal farmers with the State and Central Government projects and schemes. Rallis has also initiated Jal Dhan in Akola in Vidarbha region, which also faces water crisis every year.

In the current year, the Company has been able to harvest 0.521 MCM water, covering 20 villages and more than 64,000 beneficiaries, of which over 22,000 are from the AA community. Going forward, the Company plans to cover 50 more villages in Marathwada region in the coming years.

Along with rain water harvesting, the Company has also initiated soil conservation projects, with 5,724 new saplings being planted in the current year and maintaining 39,007 trees with 90% survival rate. Mix forest species and horticulture plants are planted, to increase bio diversity and villagers and tribals are encouraged to take care of the planted species.

Education: "RUBY" (Rallis Ujjwal Bhavishya Yojana):

Your Company's CSR intervention for educational programmes, branded as RUBY (Rallis Ujjwal Bhavishya Yojana), is aimed at encouraging children to opt for formal education through various educational programmes. For holistic development of students, the programme focuses on improving quality of education, teachers' training, support for infrastructure development in schools and providing educational aids to needy students.

Science, English and Information Technology have been emphasized, to improve the academic performance of students. The Company supports conversion of Government schools into "Digital schools" by providing Smart boards and e-learning materials. Rallis has started science sessions for 5th to 8th standard students and has revived the science stream at Dahej village in Gujarat, as also provided one science teacher for the school in Lote in Maharashtra.

Under infrastructure support, the Company analyzes needs and provides science laboratory, classroom construction, roof water harvesting structures, toilet blocks, drinking water facilities, etc.

In the current year, Rallis has worked with 28 schools across Maharashtra and Gujarat, benefiting 8,731 students of which 4,193 belong to the Affirmative action group.

Tribal Model School intervention:

Under RUBY, the Company has identified a tribal school near Dahej in Gujarat, and since 2015-16, is working on converting it into a Model Tribal school. In the current year, the school was supported academically by initiating various educational interventions from Fun with Learn concept, teachers' training and experts' interactions. Rallis has also supported its infrastructure enhancement by providing smokeless chulla, water filter, developing kitchen garden, constructing new classroom, etc. Going forward, the Company is planning to identify two new schools and convert them into Model schools.

Tribal Model Village project:

As a Tata Group Company, Rallis works for the betterment of Affirmative Action community, especially tribals. Since 2015-16, the Company has started working for converting a tribal village into a Model Village. In the current year, we are working with five tribal villages near Mumbai.

Model village concept focuses on basic amenities, Government entitlements, health, education, capacity building and economic empowerment for tribals. Based on need assessment report, various interventions were planned and implemented. Rallis is associated with TISS (Tata Institute of Social Sciences) and All India Institute of Local Self Governance to sustain the project in the long run.

The Model village project started with basic amenities like water and is now focusing on enhancing livelihood opportunities for the tribal population. For empowering women, various skills were imparted, including tailoring, beautician course, cloth bag making and toran making by inviting experts to train the women. During the current year, 220 women from Maharashtra have been trained. Many of them have initiated home based businesses and have started earning.

Going forward, these projects will be further intensified in terms of impact and area of operation across Maharashtra and Gujarat.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's and its direct and indirect subsidiaries' objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among others, climatic conditions, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Rallis India Limited

BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

INTRODUCTION

Rallis believes that sustainable business is founded on good Corporate Governance (business principles), with triple bottom line i.e. economic, environmental and social performance creating value for all stakeholders, driven by robust business processes and continued growth. The Company focuses on efficient deployment of resources, including people, processes and materials, for the production of safe and eco-efficient products, with a view to creating value for all its stakeholders. This ensures that we embed balance in our engagement with all stakeholders, keeping the community at the core of whatever we do.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L36992MH1948PLC014083
2. **Name of the Company:** Rallis India Limited
3. **Registered address:** 156/157 15th Floor Nariman Bhavan 227 Nariman Point Mumbai 400 021
4. **Website:** www.rallis.co.in
5. **E-mail id:** investor_relations@rallis.co.in
6. **Financial Year reported:** 2016-17
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
   Agri-Inputs; National Industrial Classification (NIC) Code: 3808
8. **Three key products/ services that the Company manufactures/ provides (as in balance sheet):**
   (i) The Company principally manufactures “agri inputs”, comprising crop protection products, plant growth nutrients, organic compost and seeds and provides agri-solutions.
   (ii) It also manufactures polymers, which is about 2% of the turnover.
9. **Total number of locations where business activity is undertaken by the Company:**
   (a) **Number of International Locations (5 major):** Nil
   (b) **Number of national locations:** The Company’s manufacturing operations are situated at four locations, viz. Ankleshwar and Dahej in Gujarat and at Lote and Akola in Maharashtra.
10. **Markets served by the Company:** The markets for the Company’s products are across India. Globally, it serves markets in Asia, Latin America and Africa, with some sales in Europe.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (₹):** 19.45 crores
2. **Total Turnover (Revenue from operations) (₹):** 1,505.17 crores (standalone)
3. **Total profit after taxes (₹):** 266.03 crores (standalone)
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** ₹ 3.95 crores, which is 2.02% of the average net profit of the Company for the last three financial years.

5. **List of activities in which expenditure in 4 above has been incurred:**

   (a) Water Harvesting (Jal Dhan)

   (b) Model Village development (Rural development)

   (c) Education (RUBY)

   (d) Livelihood

   (e) Environment (Greening)

   (f) Skill development (TARA)

Tata Group Affirmative Action (AA) Policy: Rallis works towards inclusion of socially disadvantaged and marginalized sections of society (Scheduled Castes and Scheduled Tribes). The AA interventions focus on Education, Employment, Employability, Entrepreneurship and Essential Amenities.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, the Company has 4 subsidiaries as on 31st March, 2017, of which three are direct subsidiaries and one is an indirect subsidiary (i.e. subsidiary of the Company's subsidiary).

2. **Do the Subsidiary Company/ Companies participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company (ies).**

   The subsidiary, Metahelix Life Sciences Ltd. (Metahelix) has its own CSR activities in its area of operations. The other two Indian subsidiaries' operations are not at a scale that can support CSR activities. The indirect subsidiary (i.e. subsidiary of Metahelix) is a foreign subsidiary.

3. **Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [<30%, 30-60%, > 60%]**

   Yes, a few of our distributors continued their participation in Jal Dhan initiatives in Maharashtra. They participate and help in identifying the location, interaction with the community people, monitoring the progress of the project and provide their valuable feedback to further strengthen the project. (Less than 30%).

SECTION D: BR INFORMATION

1. **Details of Director/ Directors responsible for BR:**

   (a) **Details of Director/ Directors responsible for implementation of the BR policy/ policies:**

   1. **DIN Number**: 01385240
   2. **Name**: Mr. V. Shankar
   3. **Designation**: Managing Director & CEO

   (b) **Details of the BR head:**

   1. **Name**: Mr. Alok Chandra
   2. **Designation**: Head - Human Resources & Corporate Sustainability
   3. **Telephone Number**: 91 22 6776 1674
   4. **E-mail id**: alok.chandra@rallis.co.in

Rallis India Limited

2. Principle-wise (as per NVGs) BR Policy/ policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) **Details of compliance (Reply in Y/N):**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and intent of the Tata Code of Conduct (TCoC) and all applicable national laws are captured in the policies articulated by Rallis. In addition, they reflect the purpose and intent of the United Nations Global Compact, international standards such as Responsible Care Logo, ISO 14001 and OHSAS 18001.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, Signed by MD & CEO								
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								

6	Indicate the link for the policy to be viewed online?	The Tata Code of Conduct is available at: http://www.rallis.co.in/TCoC.htm Rallis Environment Health & Safety Policy is available at: http://www.rallis.co.in/EHS_Policy.htm Rallis Quality Policy is available at: http://www.rallis.co.in/QualityPolicy.htm Rallis CSR Policy is available at: http://www.rallis.co.in/CSR_Policy.htm Rallis Whistle Blower Policy is available at: http://www.rallis.co.in/WhistleblowerPolicy.htm
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all internal stakeholders. Tata Code of Conduct and other policies are communicated to suppliers, vendors, dealers and channel partners based on their relevance to these external stakeholders.
8	Does the Company have in-house structure to implement the policy/ policies?	The Company has established in-house structures to implement these policies.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Whistle Blower Policy provides a mechanism to employees to report any concerns or grievances pertaining to any potential or actual violation of Tata Code of Conduct, which covers all aspects of BR. An Investor grievance mechanism is in place to respond to investor grievances. The Customer Complaints mechanism records the grievances of customers on product and service quality and other issues of interest to them. The supplier, vendor, dealer and channel partner forums and ongoing communication captures their concerns and grievances. The continual community engagement, needs assessments, impact assessments serve as means for communities to represent their concerns and grievances.
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the Tata Code of Conduct and other policies are reviewed through Internal Audit function/ Ethics Counsellor. External assessment of Tata Business Excellence Model (TBEM) covers the review of implementation of all Company policies. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of different certification processes, including ISO-9001, ISO-14001 and OHSAS-18001. In addition to this, there are audits from statutory authorities, customers and experts from TATA Group.

Rallis India Limited

(b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles.	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The Company does not have financial or manpower resources available for the task.									
4	It is planned to be done within next 6 months.									
5	It is planned to be done within the next 1 year.									
6	Any other reason (please specify).									

3. **Governance related to BR:**

   (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within three months, 3-6 months, annually, more than 1 year:**

   3-6 Months

   (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   This BR Report is uploaded on the Company's website at the web link: http://www.rallis.co.in/BRR17.htm

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others? -**

   Yes, the Policy covers not only the Company but also its Associates. The Tata Code of Conduct (TCoC) (available on http://www.rallis.co.in/TCoC.htm) serves as the ethical roadmap for all Tata companies. All suppliers, partners and joint ventures are expected to adopt TCoC or a joint code of conduct incorporating all elements of the TCoC. TCoC is imbibed in all aspects of the business and its dealing with various stakeholders. Training and awareness on TCoC is provided to all employees and other stakeholders are also made aware of the same from time to time.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.**

   A total of 5 stakeholder complaints were received in the Financial Year 2016-17. All of them have been satisfactorily resolved during the year.

Stakeholder wise Concerns received during FY 2016-17	
Anonymous	2
Contract Employee	1
Employee	0
Non-Employee	2
Vendor	NIL

Concern Analysis		
Status	2015-16 - We received and addressed all 6 concerns. No TCoC violation was detected.	In 2016-17 - We received and addressed all 5 concerns. No TCoC violation was detected.
Open	NIL	NIL

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   Neonix: Neonix a novel seed treatment product, is an eco-friendly formulation with low particle size and better spreading quality, resulting in uniform coverage and complete transfer of formulation on the seed surface. It is a blue triangle product, providing better crop health and higher yield, does not contaminate the environment and has no adverse effect to beneficial insects like predators, parasitoids and honey bees.

   Epic: Epic, a fungicide, is an eco-friendly formulation as it is free from solvents, recommended at very low dose, low particle size, quickly absorbed by plant system, with hardly any quantity going to the environment. It offers better crop health and higher yield.

   GeoGreen: Scientifically enriched eco-friendly organic soil conditioner, GeoGreen gives improved yield, sustains soil health, improves soil productivity and results in higher yield. It is approved by National Organic Certification Agency (NOCA) and is considered to be the best tool for Organic farming.

   Customer centric initiatives - Rallis Samrudh Krishi® (RSK) and Package of practices (PoPs):

   Rallis Samrudh Krishi®: RSK is the Agri Solutions platform engaged by your Company working with farmers to create value through advisory intervention with knowledge intensive, service oriented initiatives to increase farm productivity. RSK provides services such as weather and pest forecasting, weekly visit by advisory expert, query call answers, soil and water testing, crop seminar and field days to the farmers.

   PoPs: The Company also demonstrates cultivation practices in the form of PoPs across the country, as one-stop solution for farmers to get maximum yield with reduced cost of cultivation.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   (a) **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?**

   The Company has taken up energy conservation programmes involving our own team and experts from outside. After successful implementation of recommendations, every manufacturing Unit has registered savings in terms of KWh and utility specific consumptions.

   (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   One initiative of the Company, "SRI" (System for Rice Intensification) started under CSR at Songaon, Lote (Chiplun), Aghai (Thane District) and Kelcha Mal (Raigad) and as business initiative to educate farmers in Kolkata Zone has not only improved the productivity of rice, but it has saved almost 50% water in rice production.

Rallis India Limited

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   As a Responsible Care Company, sourcing is covered under distribution code which addresses efforts towards sustainable sourcing. The Company has initiated many efforts in reducing the carbon footprint in sourcing and supply chain. Few examples are:

   ✓ Developing local suppliers instead of importing raw materials. During the year, import substitute suppliers have been developed for products such as MAHCL, 4NOX, MNS 90, etc.

   ✓ Our products are exported in bulk packing rather than small bags or drums, thus increasing volume per trip, resulting in carbon reduction.

   ✓ We have collaborated with packaging suppliers and encouraged some of them to have warehouse near our and other customers' premises. This will help them in combining their customers' requirements rather than catering to every customer's small requirements individually. We have jointly developed some packaging suppliers near our job workers' factory to reduce lead time and ultimately carbon footprint.

   ✓ We are also planning to have a few dedicated nominated suppliers who will consolidate our requirements and supply our total requirements for particular SKUs.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes, the Company has a vendor development programme, which encourages local contractors and service providers and offers them opportunities. Additionally, the Company has also promoted skills and livelihood development in the neighboring community through various training and community development programmes. Under TATA Affirmative Action programme, the Company provides support to people from socially backward community background, including from the SC/ ST communities.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   One of the focus areas under the Company's Corporate Sustainability Model is "Waste reduction and reuse". One of the long term plans is to make all Units Zero liquid discharge Units. In this direction, substantial work has been done in all the Units, by adoption of newer technologies and processes. The Ankleshwar Unit has achieved 100% recycling of treated water on consistent basis. The Company is working towards achieving this at the Dahej Plant too.

Principle 3 - Businesses should promote the well-being of all employees.

1. **Please indicate the total number of employees:** 952, as on March 31, 2017.
2. **Please indicate the total number of employees hired on temporary/ contractual/ casual basis:** 890, as on March 31, 2017.
3. **Please indicate the number of permanent women employees:** 39, as on March 31, 2017.
4. **Please indicate the number of permanent employees with disabilities:** None, as on March 31, 2017.
5. **Do you have an employee association that is recognized by management:** Yes, Rasayanki Kamdar Sangh, Ankleshwar.
6. **What percentage of your permanent employees are members of this recognized employee association:** 7.04%, as on March 31, 2017.
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

   (i) Child labour/ forced labour/ involuntary labour: No complaints, as on March 31, 2017.

   (ii) Sexual harassment: No complaints, as on March 31, 2017.

   (iii) Discriminatory employment: No complaints, as on March 31, 2017.
8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

   100% employees were covered for various safety trainings, as on March 31, 2017.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the Company mapped its internal and external stakeholders?**

   Yes. The Company has mapped its stakeholders as part of its stakeholder engagement process.
2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes.
3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   While developing our CSR strategy, we have ensured that all communities benefit from our CSR activities, with special focus on groups that are socially and economically marginalized, including rural unemployed youth, women, scheduled castes and tribes. We focus on Affirmative Action (AA) initiatives, with 25% of total CSR budget allocated to AA action, with emphasis on Employability through Skill development and Education. Based on need assessment in the AA community, it was felt that basic needs like potable water, water for irrigation, electricity, sanitation, etc. need immediate attention. Hence this year onwards, we will focus on **Essential amenities**, in addition to **Employability** and **Education**.

Rallis India Limited

Principle 5 - Businesses should respect and promote human rights.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

   The Company follows the principles of the International Declaration of Human Rights. Its policies support, respect and protect the human rights of its direct as well as indirect employees. The TCoC, adopted by Rallis, which covers our Associates as well, addresses these aspects. All suppliers, partners and joint ventures are expected to adhere to these principles covered under the TCoC.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   None pertaining to human rights violation.

Principle 6 - Business should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.**

   The Company's EHS Policy focuses on preventing/ minimizing adverse environmental impacts, so far as is reasonably practicable, through continual improvements in environment management systems, processes, practices and effective environment management and mitigation strategies, responding sensitively to the environmental concerns of the communities and taking necessary measures for implementing product stewardship practices. While the EHS Policy is applicable to the Company and its employees, the Company is committed to enhance awareness on Environment sustainability, focusing on the 3 Rs, i.e. Reduce, Reuse and Recycle amongst its employees, associates and supply chain partners through effective engagement, communication, consultation and training.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.**

   Yes. The Company has adopted Tata Group's Climate Change Policy to guide Organizational efforts towards mitigating and adapting to climate change. The Company is aligning itself with India's commitment to combating Climate Change, i.e. Intended Nationally Determined Contributions (INDC) and Tata Group climate change initiatives. In this direction, the Company has a long term plan to achieve following:

   - 50% energy from renewable sources by year 2020.
   - 10% reduction in energy consumption by 2019-20. Base year 2013-14.
   - Planting two lakh saplings on 100% survival basis by year 2020.
   - At least 50% thermal energy from bio mass in each Unit by year 2020.

   The Tata Group's Climate Change Policy is available at: http://www.rallis.co.in/Climate_Change_Policy.htm

3. **Does the Company identify and assess potential environmental risks? Y/N**

   The Company makes all efforts to identify environment aspects and manage its environmental impact and continually improve its environmental performance, driven by its Environment Health & Safety Policy. All our manufacturing plants are certified to ISO 14001 Environmental Management Systems (EMS) standard. Two of our manufacturing Units at Gujarat (Ankleshwar and Dahej) are certified for ISO-50001. As part of EMS implementation, potential environmental risks are identified and appropriate mitigation strategies to reduce the risks are in place.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   The Company has not registered any projects under Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page, etc.**

   Yes, under its long term Sustainability plans, the Company has initiated a number of green initiatives, including setting up solar power generation, moving to biomass fueled boilers, etc. For more information, visit http://www.rallis.co.in/Greening.htm

Sunshine (Solar) Plant at Dahej is part of our long term Sustainability plan of "50% power generation using renewable source of energy". We have set up a 4.4 MWp Solar Power Plant at Dahej that established connectivity with the national grid on 24th December, 2015. The project was completed in a record 70 working days.

Entire power generated from the solar plant is meant for captive consumption at Ankleshwar and Dahej Units. Based on the climatic simulation data, "Sunshine" is expected to generate around 7.5 million units per annum. The solar plant is a humble contribution to the commitment of the Government of India towards scale up plan of 1,00,000 MW of Grid Connected Solar Power by the year 2022.

6. **Are the emissions/ waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**

   Yes. All manufacturing plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal as per their Regulatory Consents/ Authorizations.

Rallis India Limited

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

As on 31st March, 2017, there is no pending show cause or legal notice received from CPCB or SPCB, to the best of the Company's knowledge and understanding. There is no show cause/ legal notice pending resolution by CPCB/ SPCB.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

   Yes. Rallis is part of:

   i. CropLife India

   ii. Crop Care Federation of India

   iii. Pesticides Manufacturers & Formulators Association of India

   iv. Confederation of Indian Industry (CII)

   v. Federation of Indian Chambers of Commerce & Industry (FICCI)

   vi. Indian Chemical Council (ICC)

   vii. Bombay Chambers of Commerce and Industry (BCCI)

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**

   Yes, we do from time to time take up issues through the Associations on matters of public interest.

Principle 8 - Businesses should support inclusive growth and equitable development.

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   As per the Company's Sustainability Model, we have taken Employability embedded with Education as the major focus area. Under Employability, the Company has two programmes, namely TATA Rallis Agri Input Training Scheme (TRAITS) and Fixed Term Trainees (FTT) to have a visible impact on society. This intervention nurtures and equips youth and gives them an opportunity in the Company and elsewhere, with skill sets that are in demand across Organizations.

The Company implements Education interventions under its RUBY (Rallis Ujjwal Bhavishya Yojana) initiative, where focus is on improving the quality of education and soft skill building by imparting training, exposure and informal education to students, with a view to enhancing employability.

Under CSR initiatives, various educational activities have been taken up across locations, focusing on holistic development of students and providing educational aids to deprived students. The Company is also engaged in developing a tribal school at Dahej into a Model School.

During 2016-17, we have covered 28 schools under our Education projects, benefiting over 8,731 students, of which 4,193 were from among background deserving Affirmative Action.

2. **Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?**

   Rallis is committed to improve quality of lives of people in the community it serves through long term stakeholder value creation, with special focus on empowerment of communities in rural India. CSR activities at Rallis are implemented by the in-house CSR team, through Participatory Approach involving beneficiaries, involving NGOs, experts or through Tata Group Focus Initiatives. Volunteering by the employees is focused on and this is engrained into the team at Rallis.

3. **Have you done any impact assessment of your initiative?**

   Yes, the Company has done impact assessment for the following projects, involving Delhi based NGO Development Professionals' Group (DPG):

   (i) Livelihood Interventions at Lote, Maharashtra

   (ii) Ruby (Education Intervention) at Lote, Maharashtra

   (iii) Ruby (Education Intervention) at Tribal Ashram School, Shenva (Maharashtra)

4. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

   The Company has spent ₹ 3.95 crores, which is 2.02% of the average net profit of the Company for the last three financial years. Our key CSR projects are focused on the following:

   i. Natural Resource Management (Rain Water harvesting and conservation)

   ii. Education

   iii. Model Tribal Village

   iv. Environment

   v. Skill

   Tata Group Affirmative Action (AA) Policy: Rallis works towards inclusion of socially disadvantaged and marginalized sections of society (Scheduled Castes and Scheduled Tribes). The AA interventions focus on Education, Employment, Employability, Entrepreneurship and Essential Amenities

   Under Natural Resource Management projects, the main thrust is to combat the impact of climate change in rain-fed areas, through activities relating to rainwater harvesting, soil conservation, land shaping, pasture development, vegetative bunding and water resources conservation on the basis of the entire compact micro-watershed, which would include both cultivated and uncultivated lands. This intervention was started in Lote (Konkan Region of Maharashtra), where the Company's manufacturing Unit is located. An Integrated Watershed Project was designed, focusing on harvesting rain water to make villagers water sufficient, motivate small farmers to opt for second crop from available water and focusing on overall development of villagers. Water conservation work focuses on desilting, deepening and repairing existing structures and creating new structures like check dams. This year, impact assessment was done in Lote region by DPG. Since 2015-16, Rallis has also scaled-up its water conservation project in Marathwada region of Maharashtra and has added four more villages in Latur during 2016-17.

Under the Jal Dhan project across Maharashtra, 64,978 people from 20 villages were benefited, out of which 22,639 belong to Affirmative community. The positive impact has been seen by way of increase in ground water levels, water availability throughout the year, sparing time and efforts of women spent in fetching water, enabling farmers to go for second and third crops, thus increasing incomes and improving livelihoods.

Along with water conservation, the Company has also focused on afforestation, to increase ground water level and soil conservation. In the last 5 years, Rallis has planted 39,007 trees with 90% survival rate.

For empowering women, various skills training were imparted like beautician, tailoring, cloth bag making, etc. by inviting experts. To support the women and encourage them to initiate home based business, support like providing raw materials, exposure visits, business planning skills were provided by the Company. Under TARA project, 220 women from Maharashtra were covered, out of which 83 belong to the AA community.

Under Model tribal village initiative, in 2016-17, Rallis has added 4 new Tribal villages/ wadi. The Company is now working in 5 villages to convert them into model villages. Tribal model village concept focuses on basic amenities, capacity building, education, economic empowerment, health and entitlements. Similarly, in Gujarat near our Dahej factory, an Ashram school at Atali has been identified to develop as a Model school, by improving the school infrastructure, along with educational interventions.

Going forward, these projects will be further intensified by covering additional areas in Maharashtra, Gujarat and other States.

5. **Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.**

Yes. Most of our programmes are participatory in nature and focus on institution development and capacity building. For example, Jal Dhan Project under Integrated Resource Management project, in which we have constructed rain water harvesting structures and planted tree saplings, has enabled the community by providing sustainable water solutions for irrigation and producing hydro power for street lighting. By involving community based institutions in construction of water harvesting structures, the community members have developed a sense of ownership as they are involved in planning and implementation of the Projects.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

   Product and packaging related customer complaints are listed below. All complaints are resolved and addressed, none are pending for resolution.

Complaint Type	DF	IBD	Total	% Resolution
External	55	7	62	100
Internal	6	-	6	100
Total	**61**	**7**	**68**	**100**

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

   We display what is required as per regulatory requirements. We comply with Insecticides Act, 1968; Insecticide Rules, 1971, Fertiliser (Control) Order 1985; Seeds Act, 1966; Seeds Rules, 1968; Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 on respective product labels.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   In the last five years, no case has been filed against the Company, and there is no pending case as on end of the financial year, regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company carries out Farmer and Channel partners' satisfaction survey once in every two years. Last survey was done in 2016-17.

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.

Rallis India Limited

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.

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

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

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 during2016-17	:	₹ 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 Committe. ₹ 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:

Rallis India Limited

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.

- 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 advice 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

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_SubsidiariesPolicy.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.

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.

Financial Calendar :	April to March
Date of book closure:	13th June, 2017 to 23rd June, 2017 (both days inclusive)
Dividend payment date:	28th June, 2017
Listing on Stock Exchanges:	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.

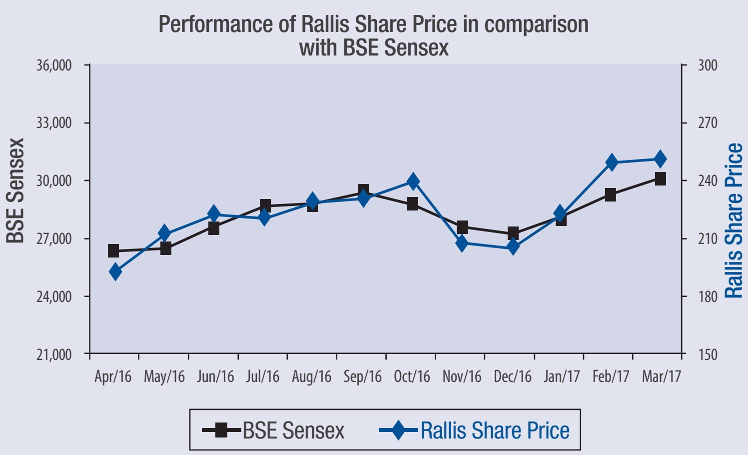
Stock Code on BSE Ltd.	:	500355
Stock Code on the National Stock Exchange of India Ltd.	:	RALLIS EQ
Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares	:	INE613A01020

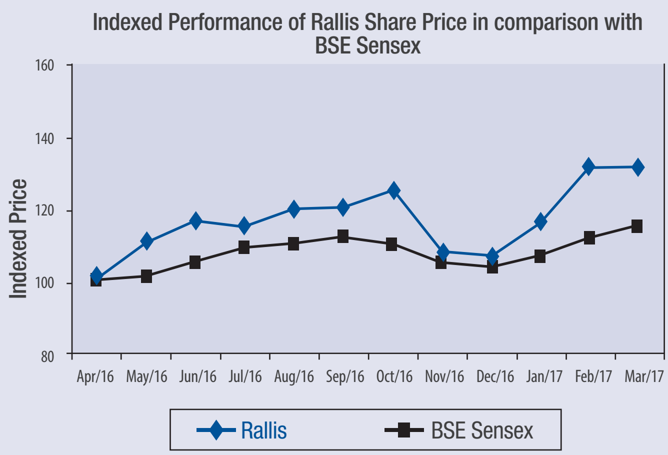
Rallis India Limited

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





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
Website: 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: tsrdlbang@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

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

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

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

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
Total		**19,44,68,890**	**19,44,68,890.00**	**100.00**	**38,039**	**100.00**

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
Total		**19,44,68,890**	**100.00**

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.

V. Shankar
Mumbai, 24th April, 2017 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
MUMBAI, 24th April, 2017 (Membership No.39826)

STANDALONE FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RALLIS INDIA LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Rallis India Limited (the "Company"), which comprise the Balance Sheet as at 31 March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except in cases wherein disputes relating to the ownership of the underlying shares have remained unresolved;

   iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)

Place: Mumbai
Date: 24 April, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Rallis India Limited (the "Company") as of 31 March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Rallis India Limited

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our opinion is not modified in respect of this matter.

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For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)

Place: Mumbai
Date: 24 April, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company as at the balance sheet date, except the following:

Land / Building	**No of cases**	**Leasehold / Freehold**	***Gross block* ₹ in lac**	***Net block* ₹ in lac**	**Remark**
Building	12	Freehold	2.83	0.94	The original agreements were not available for verification.
Building	2	Freehold	57.35	26.59	The Company has filed a declaration suit with regards to the title and awaiting a decree certificate in share held in the Cooperative Housing Society have been verified.
Land	7	Leasehold	4,801.53	4,223.78	1. In 5 cases, the original agreements were not available for verification. 2. In 2 cases, while the plots have been allotted and are in the possession of the Company, the lease deeds have not yet been executed by lessors. 3. In 1 case, copy of lease deed was available and has been verified.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order under aforesaid section has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in respect of the respective entities.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for fertilizers, insecticides and polymers. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March, 2017 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved (₹ lac)	Amount Unpaid (₹ lac)
Sales Tax/VAT Laws	Sales Tax/VAT (including interest and payment)	Joint Commissioner (Appeals)	2000-01, 2001-02, 2005-06 to 2010-11, 2012-13 to 2014-15	606.53	519.65
		Additional Commissioner	1990-91, 2000-01, 2001-02, 2006-07 to 2013-14	285.95	275.37
		Deputy Commissioner	1983-84, 1992-93, 1994-95, 1996-97 to 2001-02, 2003-04 to 2012-13	798.85	545.72
		Assistant Commissioner	1993-94, 1998-99, 1999-00, 2001-02, 2003-04, 2004-05, 2007-08 to 2009-10, 2014-15	111.42	65.84
		Tribunal	1992-93, 1995-96 to 1999-2000, 2001-02, 2003-04,2009-10, 2011-12, 2012-13, 2015-16	495.35	428.07
		Commercial Tax Officer	1990-91, 1996-97, 1997-98, 2001-02, 2002-03	70.68	28.16
Finance Act, 1994	Service Tax	Assistant Commissioner	2007-08, 2010-11	6.74	6.74
		Superintendent of Excise and Custom	2007-08 to 2015-16	186.71	186.71
		Joint Commissioner	2005-06 to 2009-10	10.23	10.23
		Tribunal	2007-08	2.66	1.33
Customs Act, 1962	Customs Duty	High Court	1999-00	144.10	144.10
Central Excise Act, 1994	Excise Duty (including penalty and interest)	Joint Commissioner (Appeals)	1999-2001, 2016-17	105.52	105.52
		Deputy Commissioner	1999-00, 2001-02, 2006-07, 2011-15	111.94	86.79
		Tribunal	1986-87, 1990-91, 1996 - 97 to 2001-02	573.59	433.14

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government. The Company has not obtained any loan from financial institutions and debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)

Place: Mumbai
Date: 24 April, 2017

Rallis India Limited

All amounts are in ₹ lac unless otherwise stated

BALANCE SHEET AS AT 31 MARCH, 2017

	Notes	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
ASSETS				
Non-current assets				
a) Property, plant and equipment	5	**32,894.01**	*33,282.79*	*31,235.36*
b) Capital work in progress	5	**1,195.86**	*1,303.51*	*771.99*
c) Intangible assets	6	**593.15**	*929.76*	*1,303.78*
d) Intangible assets under development	6	**1,113.77**	*1,092.25*	*665.86*
e) Financial assets				
i) Investments	7	**32,446.07**	*30,496.85*	*23,161.89*
ii) Other financial assets	8	**434.06**	*460.92*	*386.34*
f) Non-current tax assets (Net)	9	**6,429.22**	*6,801.02*	*7,824.94*
g) Other non-current assets	13	**5,112.18**	*6,539.20*	*6,617.97*
Total non-current assets		**80,218.32**	*80,906.30*	*71,968.13*
Current assets				
a) Inventories	10	**24,448.87**	*25,750.10*	*27,659.27*
b) Financial assets				
i) Investments	7	**20,957.36**	-	-
ii) Trade receivables	11	**22,583.75**	*18,279.14*	*22,422.74*
iii) Cash and cash equivalents	12.1	**392.94**	*262.06*	*99.29*
iv) Bank balances other than (iii) above	12.2	**320.37**	*335.14*	*409.85*
v) Other financial assets	8	**73.76**	*58.54*	*199.18*
c) Other current assets	13	**5,503.44**	*5,167.27*	*4,407.20*
		74,280.49	*49,852.25*	*55,197.53*
Assets classified as held for sale	14	**576.30**	*237.19*	-
Total current assets		**74,856.79**	*50,089.44*	*55,197.53*
Total assets		**155,075.11**	*130,995.74*	*127,165.66*
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	15	**1,944.71**	*1,944.71*	*1,944.71*
b) Other equity	16	**110,595.01**	*89,889.94*	*80,742.11*
Total equity		**112,539.72**	*91,834.65*	*82,686.82*
Liabilities				
Non-current liabilities				
a) Financial liabilities - long term borrowings	17	**2,117.26**	*2,107.13*	*1,944.57*
b) Provisions	22	**1,764.27**	*1,663.19*	*1,804.64*
c) Deferred tax liabilities (Net)	19	**4,982.42**	*3,578.83*	*3,252.05*
Total non-current liabilities		**8,863.95**	*7,349.15*	*7,001.26*
Current liabilities				
a) Financial liabilities				
i) Short term borrowings	18	**9.82**	*208.37*	*4,277.07*
ii) Trade payables	20	**22,950.64**	*19,144.61*	*20,524.89*
iii) Other financial liabilities	21	**6,656.06**	*8,530.65*	*7,538.51*
b) Provisions	22	**917.26**	*818.64*	*747.37*
c) Current tax liabilities (Net)	9	**389.93**	*611.13*	*1,552.19*
d) Other current liabilities	23	**2,747.73**	*2,498.54*	*2,837.55*
Total current liabilities		**33,671.44**	*31,811.94*	*37,477.58*
Total liabilities		**42,535.39**	*39,161.09*	*44,478.84*
Total equity and liabilities		**155,075.11**	*130,995.74*	*127,165.66*
See accompanying notes to the financial statements				

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
SANJIV V. PILGAONKAR
Partner

Mumbai, 24 April, 2017

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
PADMINI KHARE KAICKER

BHASKAR BHAT *Chairman*

V. SHANKAR *Managing Director & Chief Executive Officer*

ASHISH MEHTA *Chief Financial Officer*

P. S. MEHERHOMJI *Company Secretary*

All amounts are in ₹ lac except for earning per share information

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

		Notes	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
I	Revenue from operations	24	**150,517.27**	*138,672.32*
II	Other income	25	**1,050.81**	*466.06*
III	**Total Income (I+II)**		**151,568.08**	*139,138.38*
IV	**Expenses**			
	Cost of materials consumed	26	**65,015.23**	*61,816.68*
	Purchases of stock in trade	27	**12,483.87**	*12,129.97*
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	**3,514.18**	*(244.39)*
	Excise duty on sale of goods		**10,467.88**	*9,867.97*
	Employee benefits expense	29	**11,400.76**	*10,245.14*
	Finance costs	30	**266.63**	*791.62*
	Depreciation and amortisation expense	31	**4,194.12**	*3,782.66*
	Other expenses	32	**24,131.83**	*24,230.80*
	Total expenses (IV)		**131,474.50**	*122,620.45*
V	**Profit before exceptional items and tax (III -IV)**		**20,093.58**	*16,517.93*
VI	Exceptional items	47	**15,839.16**	*-*
VII	**Profit before tax (V+VI)**		**35,932.74**	*16,517.93*
VIII	**Tax expense**			
	(1) Current tax	9	**7,925.75**	*3,574.94*
	(2) Deferred tax	9	**1,403.59**	*326.78*
	Total tax expense (VIII)		**9,329.34**	*3,901.72*
IX	**Profit for the year (VII-VIII)**		**26,603.40**	*12,616.21*
X	**Other comprehensive income**			
	Item that will not to be reclassified to profit or loss :			
	a) Remeasurement of the employee defined benefit plans		**(63.27)**	*41.73*
	b) Equity instrument through other comprehensive income		**0.38**	*0.01*
	c) Income tax relating to item that will not be reclassified to profit or loss		**16.01**	*(9.85)*
	Total other comprehensive income (net of taxes)		**(46.88)**	*31.89*
XI	**Total comprehensive income for the year (IX + X)**		**26,556.52**	*12,648.10*
	Earnings per equity share (of ₹ 1 each)	34		
	(1) Basic (in ₹)		**13.68**	*6.49*
	(2) Diluted (In ₹)		**13.68**	*6.49*

See accompanying notes to the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
SANJIV V. PILGAONKAR
Partner

Mumbai, 24 April, 2017

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
PADMINI KHARE KAICKER

BHASKAR BHAT *Chairman*

V. SHANKAR *Managing Director & Chief Executive Officer*

ASHISH MEHTA *Chief Financial Officer*

P. S. MEHERHOMJI *Company Secretary*

Rallis India Limited

All amounts are in ₹ lac unless otherwise stated

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2017

		For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
A	<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
	Profit for the year	**26,603.40**	*12,616.21*
	Adjustments for :		
	Income tax expense	**9,329.34**	*3,901.72*
	Finance costs	**266.63**	*791.62*
	Depreciation and amortisation expense	**4,194.12**	*3,782.66*
	Interest income	**(39.00)**	*(70.86)*
	Dividend income	**(567.69)**	*(24.11)*
	Credit balances written back	**(1,063.28)**	*(206.44)*
	Provision for doubtful debts (net)	**28.25**	*134.34*
	Provision/(reversal) for supplemental payments on retirement	**45.14**	*(31.89)*
	Provision/(reversal) for gratuity	**6.29**	*(79.62)*
	Provision for compensated absences	**101.01**	*73.22*
	Net foreign exchange (gain) / loss	**(233.96)**	*68.34*
	(Gain)/loss on disposal of property, plant and equipment	**70.18**	*(3.40)*
		38,740.43	*20,951.79*
	Movements in working capital:		
	(Increase)/decrease in trade receivables	**(4,441.80)**	*3,890.50*
	(Increase)/decrease in inventories	**1,301.23**	*1,909.17*
	(Increase)/decrease other financial assets	**10.28**	*69.67*
	(Increase)/decrease other assets	**600.15**	*(652.88)*
	Increase/(decrease) trade payables	**5,212.21**	*(1,123.42)*
	Increase/(decrease) in other financial liabilities	**(173.48)**	*603.31*
	Increase/(decrease) in other liabilities	**249.19**	*(339.01)*
	CASH GENERATED FROM OPERATIONS	**41,498.21**	*25,309.13*
	Income taxes paid	**(7,775.15)**	*(3,492.08)*
	NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**33,723.06**	*21,817.05*
B	<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
	Interest received	**40.36**	*67.25*
	Dividend received	**567.69**	*24.11*
	Purchase of current investments	**(55,966.07)**	*(8,522.76)*
	Payment for purchase of additional investment in a subsidiary	**(1,948.84)**	*(7,334.95)*
	Proceeds from sale of current investments	**35,008.71**	*8,522.76*
	Payments for purchase of property, plant and equipment	**(3,787.48)**	*(5,736.07)*
	Payments for intangible assets	**(193.20)**	*(559.64)*
	Proceeds from disposal of property, plant and equipment	**269.76**	*37.57*
	Investments in bank deposits	**14.77**	*77.21*
	NET CASH (USED IN) INVESTING ACTIVITIES (B)	**(25,994.30)**	*(13,424.52)*

All amounts are in ₹ lac unless otherwise stated

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2017

		For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long-term borrowings	-	*1,500.00*
	Repayment of long-term borrowings (including current maturities)	**(1,279.59)**	*(1,374.24)*
	Repayment of short-term borrowings	-	*(1,000.00)*
	Dividends paid on equity shares (including dividend distribution tax)	**(5,839.74)**	*(3,497.77)*
	Interest paid	**(280.00)**	*(789.05)*
	NET CASH (USED IN) FINANCING ACTIVITIES (C)	**(7,399.33)**	*(5,161.06)*
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**329.43**	*3,231.47*
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash in hand	**2.73**	*2.65*
	Balances with banks in current account and deposit account	**259.33**	*96.64*
	Bank overdrafts and cash credit facility (secured)	**(208.37)**	*(3,277.07)*
	CASH AND CASH EQUIVALENTS AS PER NOTE 12	**53.69**	*(3,177.78)*
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in hand	**2.55**	*2.73*
	Balances with banks in current account and deposit account	**390.39**	*259.33*
	Bank overdrafts and cash credit facility (secured)	**(9.82)**	*(208.37)*
	CASH AND CASH EQUIVALENTS AS PER NOTE 12	**383.12**	*53.69*

See accompanying notes to the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
SANJIV V. PILGAONKAR
Partner

Mumbai, 24 April, 2017

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
PADMINI KHARE KAICKER

BHASKAR BHAT *Chairman*

V. SHANKAR *Managing Director & Chief Executive Officer*

ASHISH MEHTA *Chief Financial Officer*

P. S. MEHERHOMJI *Company Secretary*

Rallis India Limited

All amounts are in ₹ lac unless otherwise stated

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017

Particulars	Equity share capital	Other Equity						Total other equity	Total equity
		Reserves & Surplus					Other Comprehensive Income		
		Securities premium reserve	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Equity instrument through OCI		
As at 1 April, 2015	*1,944.71*	*8,793.88*	*46,163.63*	*1,243.10*	*8,151.77*	*16,389.73*	-	*80,742.11*	*82,686.82*
Profit for the year	-	-	*12,616.21*	-	-	-	-	*12,616.21*	*12,616.21*
Other Comprehensive Income	-	-	*31.88*	-	-		*0.01*	*31.89*	*31.89*
Total Comprehensive Income	-	-	*12,648.09*	-	-	-	*0.01*	*12,648.10*	*12,648.10*
Payment of dividends	-	-	*(2,917.03)*	-	-	-	-	*(2,917.03)*	*(2,917.03)*
Payment of dividend distribution tax	-	-	*(583.24)*	-	-	-	-	*(583.24)*	*(583.24)*
Transfer to general reserve	-	-	*(1,260.20)*	-	-	*1,260.20*	-	-	-
At 31 March, 2016	*1,944.71*	*8,793.88*	*54,051.25*	*1,243.10*	*8,151.77*	*17,649.93*	*0.01*	*89,889.94*	*91,834.65*
Profit for the year	-	-	**26,603.40**	-	-	-	-	**26,603.40**	**26,603.40**
Other Comprehensive Income	-	-	**(47.26)**	-	-	-	**0.38**	**(46.88)**	**(46.88)**
Total Comprehensive Income	-	-	**26,556.14**	-	-	-	**0.38**	**26,556.52**	**26,556.52**
Payment of dividends	-	-	**(4,861.72)**	-	-	-	-	**(4,861.72)**	**(4,861.72)**
Payment of dividend distribution tax	-	-	**(989.73)**	-	-	-	-	**(989.73)**	**(989.73)**
Transfer to general reserve	-	-	-	-	-	-	-	-	-
At 31 March, 2017	**1,944.71**	**8,793.88**	**74,755.94**	**1,243.10**	**8,151.77**	**17,649.93**	**0.39**	**110,595.01**	**112,539.72**

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
SANJIV V. PILGAONKAR
Partner

Mumbai, 24 April, 2017

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT — *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
PADMINI KHARE KAICKER

BHASKAR BHAT — *Chairman*

V. SHANKAR — *Managing Director & Chief Executive Officer*

ASHISH MEHTA — *Chief Financial Officer*

P. S. MEHERHOMJI — *Company Secretary*

1. Corporate Information

Rallis India Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It has been engaged primarily in the business of manufacture and marketing of Agri Inputs. The Company has its manufacturing facilities in India and sells both in India and across the globe. The Company's registered office is at 156/157, 15th Floor, Nariman Bhavan, 227 Nariman Point, Mumbai 400 021.

Tata Chemicals Limited ("Tata Chemicals") owns 50.06% of the Company's equity share capital.

The financial statements for the year ended 31 March, 2017 were approved by the Board of Directors and authorised for issue on 24 April, 2017.

2. Recent accounting pronouncement

2.1 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1 April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Company.

3. Significant accounting policies

3.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31 March, 2016, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. Refer note 4 for the details of first time adoption exemptions availed by the Company.

3.2 Basis of preparation and measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.3 Foreign currency translation

The functional currency of Rallis India Limited is Indian rupee (₹).

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss

3.4 Property plant and equipment (PPE)

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM"). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Type/Category of Asset	Useful live
Buildings including factory buildings	3-60 years
General Plant and Machinery	2-30 years
Electrical Installations and Equipments	10-15 years
Furniture and Fixtures	3-10 years
Office Equipments	3-10 years
Vehicles	8 years
Computer and Data Processing Units	3-10 years
Laboratory Equipments	10-15 years
Leasehold improvements	shorter of lease period and above estimated useful life

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

3.5 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Asset	Useful life
Product registrations	4 years
Licenses and commercial rights	4 years
Computer software	3-8 years

The estimated useful life is reviewed annually by the management.

3.6 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

3.7 Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.8 Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the each category of investments in subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

3.9 Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

3.10 Impairment

Financial assets (other than at fair value)

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

PPE and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e.

higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

3.11 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.12 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.12.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.12.2 Rendering of services

Income recognition for services takes place as and when the services are performed.

3.12.3 Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

3.12.4 Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

3.12.5 Insurance claims

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

3.12.6 Royalty on trademark license arrangements

Royalty revenue is recognised on an accrual basis (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Such arrangements are based on sales made by the licensee and are recognised by reference to the compensation terms under the underlying arrangement.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017

3.13 Research and development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.14 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

(ii) Finance Lease:

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

3.15 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.16 Employee benefit expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences and supplemental pay.

3.16.1 Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

The Company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Rallis India Limited Provident Fund. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the

Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency as at the year end.

Defined benefit plans

The Company operates various defined benefit plans- gratuity fund and supplemental pay.

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3.16.2 Short term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

3.17 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

3.18 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director & CEO.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

3.19 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

3.20 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.21 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

3.22 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

3A Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

Critical Judgements

In the process of applying the Company`s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Discount rate used to determine the carrying amount of the Company`s defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described in Note 3, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company`s liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

4. Explanation of transition to Ind AS

As stated in Note 2, the Company's financial statements for the year ended 31 March, 2017 are the first annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April, 2015 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The accounting policies as stated above in Note 3 have been applied in preparing the financial statements for the year ended 31 March, 2017, the financial statements for the year ending 31 March, 2016 and the preparation of an opening Ind AS statement of financial position as at 1 April, 2015. In preparing its opening Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP

An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables.

i. Reconciliations of equity:

₹ lac

Particulars	As at 31 March, 2016	As at 1 April, 2015
Equity as per Previous GAAP	**86,546.04**	**79,795.52**
Dividend and tax on dividend	5,851.45	3,500.27
Difference on account of revenue recognition net of related costs	(562.72)	(608.74)
Others	(0.12)	(0.23)
Equity as per Ind AS	**91,834.65**	**82,686.82**

ii. Reconciliation of total comprehensive income:

₹ lac

Particulars	For the year ended 31 March, 2016
Profit as per Previous GAAP	**12,601.97**
Difference on account of revenue recognition net of related costs	61.80
Actuarial (gain)/loss on employee defined benefit plans recognised in Other Comprehensive Income (net of taxes)	(31.89)
Others	0.11
Income tax adjustments on the above adjustments	(15.78)
Net profit after tax as per Ind AS	**12,616.21**
Other Comprehensive Income (net of taxes)	31.89
Total Comprehensive income as per Ind AS	**12,648.10**

iii. Explanation of material adjustments to Statement of Cash Flows for the year ended 31 March, 2016:

The transition from Previous GAAP to Ind AS has no material impact on the Statement of Cash Flows except bank overdraft which has been considered as part of cash & cash equivalent.

5: Property, plant and equipment and capital work-in-progress

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Carrying amounts of:			
Freehold land	**244.91**	*251.68*	*251.68*
Leasehold improvements	**121.34**	*143.23*	*165.11*
Buildings	**12,105.75**	*11,988.99*	*12,110.48*
Plant and equipment	**20,057.04**	*20,453.44*	*18,162.46*
Furniture and fixtures	**228.73**	*311.26*	*333.83*
Vehicles	**12.33**	*27.56*	*86.25*
Office equipments	**86.86**	*106.63*	*125.55*
Equipment under finance lease	**37.05**	-	-
	32,894.01	*33,282.79*	*31,235.36*
Capital work in progress	**1,195.86**	*1,303.51*	*771.99*
	34,089.87	*34,586.30*	*32,007.35*

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

5 Property, plant and equipment and capital work-in-progress (continued)

Cost or deemed cost	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Equipment under finance lease	Total
Balance at 1 April, 2015	*251.68*	*165.11*	*12,110.48*	*18,162.46*	*333.83*	*86.25*	*125.55*	-	*31,235.36*
Additions	-	-	*555.05*	*4,930.31*	*66.83*	*4.24*	*33.88*	-	*5,590.31*
Disposals	-	-	*0.45*	*4.48*	-	*55.27*	*0.39*	-	*60.59*
Reclassified as held for sale (w.e.f. 31 March, 2016)	-	-	*196.02*	*64.79*	-	-	-	-	*260.81*
Balance at 31 March, 2016	*251.68*	*165.11*	*12,469.06*	*23,023.50*	*400.66*	*35.22*	*159.04*	-	*36,504.27*
Additions	**-**	**-**	**760.84**	**2,519.59**	**21.27**	**-**	**57.69**	**38.11**	**3,397.50**
Disposals	**6.77**	**-**	**17.25**	**85.59**	**41.77**	**13.25**	**1.62**	**-**	**166.25**
Balance at 31 March, 2017	**244.91**	**165.11**	**13,212.65**	**25,457.50**	**380.16**	**21.97**	**215.11**	**38.11**	**39,735.52**

Accumulated depreciation	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Equipment under finance lease	Total
Balance at 1 April, 2015	-	-	-	-	-	-	-	-	-
Depreciation expense	-	*21.88*	*487.63*	*2,592.40*	*89.40*	*31.67*	*52.41*	-	*3,275.39*
Eliminated on disposal of assets	-	-	*0.11*	*1.31*	-	*24.01*	-	-	*25.43*
Eliminated on reclassification as held for sale	-	-	*7.45*	*21.03*	-	-	-	-	*28.48*
Balance at 31 March, 2016	-	*21.88*	*480.07*	*2,570.06*	*89.40*	*7.66*	*52.41*	-	*3,221.48*
Depreciation expense	**-**	**21.89**	**629.51**	**2,855.19**	**92.21**	**9.06**	**76.91**	**1.06**	**3,685.83**
Eliminated on disposal of assets	**-**	**-**	**2.68**	**24.79**	**30.18**	**7.08**	**1.07**	**-**	**65.80**
Balance at 31 March, 2017	**-**	**43.77**	**1,106.90**	**5,400.46**	**151.43**	**9.64**	**128.25**	**1.06**	**6,841.51**

5 Property, plant and equipment and capital work-in-progress (continued)

Carrying amount	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Equipment under finance lease	Total
Balance at 1 April, 2015	*251.68*	*165.11*	*12,110.48*	*18,162.46*	*333.83*	*86.25*	*125.55*	-	*31,235.36*
Additions	-	-	*555.05*	*4,930.31*	*66.83*	*4.24*	*33.88*	-	*5,590.31*
Disposals	-	-	*0.34*	*3.17*	-	*31.26*	*0.39*	-	*35.16*
Depreciation expense	-	*21.88*	*487.63*	*2,592.40*	*89.40*	*31.67*	*52.41*	-	*3,275.39*
Reclassified as held for sale (w.e.f. 31 March, 2016)	-	-	*188.57*	*43.76*	-	-	-	-	*232.33*
Balance at 31 March, 2016	*251.68*	*143.23*	*11,988.99*	*20,453.44*	*311.26*	*27.56*	*106.63*	-	*33,282.79*
Additions	**-**	**-**	**760.84**	**2,519.59**	**21.27**	**-**	**57.69**	**38.11**	**3,397.50**
Disposals	**6.77**	**-**	**14.57**	**60.80**	**11.59**	**6.17**	**0.55**	**-**	**100.45**
Depreciation expense	**-**	**21.89**	**629.51**	**2,855.19**	**92.21**	**9.06**	**76.91**	**1.06**	**3,685.83**
Balance at 31 March, 2017	**244.91**	**121.34**	**12,105.75**	**20,057.04**	**228.73**	**12.33**	**86.86**	**37.05**	**32,894.01**

footnotes:

1. Cost of buildings includes cost of 60 shares *(31 March, 2016 - 60 shares, 1 April, 2015 - 60 shares)* of ₹ 50 each fully paid and cost of 7 shares *(31 March, 2016 - 7 shares, 1 April, 2015 - 7 shares)* of ₹ 100 each fully paid in respect of ownership flats in 8 *(31 March, 2016 - 8, 1 April, 2015 - 8)* Co-operative Societies.
2. Buildings include assets carried at ₹ 0.94 lac *(31 March, 2016 ₹ 1.07 lac, 1 April, 2015 ₹ 1.12 lac)* where the conveyance in favor of the Company has not been completed.
3. Plant and equipment includes general plant and machinery, electrical installations and equipments, laboratory equipments and computers and data processing units. In addition, the Company's obligations under finance leases are secured by the lessor's title to the leased assets.
4. The figures in italics are for the previous year.

6 Intangible assets

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Carrying amount of:			
Product registrations	**298.69**	*466.67*	*713.83*
Licences and commercial rights	**236.02**	*415.09*	*536.99*
Computer software	**58.44**	*48.00*	*52.96*
	593.15	*929.76*	*1,303.78*
Intangible assets under development	**1,113.77**	*1,092.25*	*665.86*
	1,706.92	*2,022.01*	*1,969.64*

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

6 Intangible assets (continued)

Cost or deemed cost	Product registrations	Licences and commercial rights	Computer software	Total
Balance at 1 April, 2015	*713.83*	*536.99*	*52.96*	*1,303.78*
Additions	*48.20*	*72.71*	*12.34*	*133.25*
Disposals	-	-	-	-
Balance at 31 March, 2016	*762.03*	*609.70*	*65.30*	*1,437.03*
Additions	**140.71**	-	**30.97**	**171.68**
Disposals	-	-	-	-
Balance at 31 March, 2017	**902.74**	**609.70**	**96.27**	**1,608.71**

Accumulated amortisation	Product registrations	Licences and commercial rights	Computer software	Total
Balance at 1 April, 2015	-	-	-	-
Amortisation expense	*295.36*	*194.61*	*17.30*	*507.27*
Eliminated on disposal of assets	-	-	-	-
Balance at 31 March, 2016	*295.36*	*194.61*	*17.30*	*507.27*
Amortisation expense	**308.69**	**179.07**	**20.53**	**508.29**
Eliminated on disposal of assets	-	-	-	-
Balance at 31 March, 2017	**604.05**	**373.68**	**37.83**	**1,015.56**

Carrying amount	Product registrations	Licences and commercial rights	Computer software	Total
Balance at 1 April, 2015	*713.83*	*536.99*	*52.96*	*1,303.78*
Additions	*48.20*	*72.71*	*12.34*	*133.25*
Disposals	-	-	-	-
Amortisation expense	*295.36*	*194.61*	*17.30*	*507.27*
Balance at 31 March, 2016	*466.67*	*415.09*	*48.00*	*929.76*
Additions	**140.71**	-	**30.97**	**171.68**
Disposals	-	-	-	-
Amortisation expense	**308.69**	**179.07**	**20.53**	**508.29**
Balance at 31 March, 2017	**298.69**	**236.02**	**58.44**	**593.15**

7 Investments

	Nominal value (in ₹)	Quantity	As at 31 March, 2017	*Quantity*	*As at 31 March, 2016*	*Quantity*	*As at 1 April, 2015*
Non-current							
Quoted equity instruments (all fully paid)							
a) Investments carried at fair value through other comprehensive income (FVTOCI)							
Spartek Ceramics India Ltd.	10	7,226	-	*7,226*	*-*	*7,226*	*-*
Nagarjuna Finance Ltd.	10	400	-	*400*	*-*	*400*	*-*
Pharmaceuticals Products of India Limited	10	10,000	-	*10,000*	*-*	*10,000*	*-*
Balasore Alloys Ltd.	5	504	**0.35**	*504*	*0.08*	*504*	*0.07*
J.K. Cement Ltd.	10	44	**0.41**	*44*	*0.30*	*44*	*0.30*
Total aggregate quoted investments		A	**0.76**	*A*	*0.38*	*A*	*0.37*
Unquoted equity instruments (all fully paid)							
a) Investment in subsidiaries at cost							
Zero Waste Agro Organics Ltd.	10	73,645	**6,134.39**	*54,224*	*4,185.55*	*54,198*	*4,183.55*
Rallis Chemistry Exports Ltd.	10	50,000	**5.00**	*50,000*	*5.00*	*50,000*	*5.00*
Metahelix Life Sciences Ltd.	10	1,07,502	**24,436.62**	*1,07,502*	*24,436.62*	*86,549*	*17,103.67*
		B	**30,576.01**	*B*	*28,627.17*	*B*	*21,292.22*
b) Investments carried at fair value through other comprehensive income (FVTOCI)							
Gk Chemicals and Fertilizers Limited (formerly known as Aich Aar Chemicals Pvt. Ltd.)	10	1,24,002	-	*1,24,002*	*-*	*1,24,002*	*-*
Biotech Consortium India Ltd.	10	50,000	**5.00**	*50,000*	*5.00*	*50,000*	*5.00*
Indian Potash Ltd.	10	54,000	**0.90**	*54,000*	*0.90*	*54,000*	*0.90*
Bharuch Enviro Infrastructure Ltd.	10	36,750	**3.68**	*36,750*	*3.68*	*36,750*	*3.68*
Narmada Clean Tech Ltd. (formerly known as Bharuch Eco-Aqua Infrastructure Ltd.)	10	3,00,364	**30.04**	*3,00,364*	*30.04*	*3,00,364*	*30.04*
Cuddalore SIPCOT Industries Common Utilities Ltd.#	100	113	-	*113*	*-*	*113*	*-*
Patancheru Enviro-Tech Ltd.	10	10,822	**1.08**	*10,822*	*1.08*	*10,822*	*1.08*
Advinus Therapeutics Ltd.	10	18,286,000	**1,828.60**	*182,86,000*	*1,828.60*	*18,286,000*	*1,828.60*
Amba Trading & Manufacturing Company Private Ltd.	10	130,000	-	*130,000*	*-*	*130,000*	*-*
Associated Inds. (Assam) Ltd.#	10	30,000	-	*30,000*	*-*	*30,000*	*-*
Uniscans & Sonics Ltd.#	10	96	-	*96*	*-*	*96*	*-*
Caps Rallis (Private) Ltd. (Nominal value of Zim. $ 2 each)		2,100,000	-	*2,100,000*	*-*	*2,100,000*	*-*
		C	**1,869.30**	*C*	*1,869.30*	*C*	*1,869.30*
Total aggregate unquoted investments		(B+C)	**32,445.31**	*(B+C)*	*30,496.47*	*(B+C)*	*23,161.52*
Total non-current investments		(A+B+C)	**32,446.07**	*(A+B+C)*	*30,496.85*	*(A+B+C)*	*23,161.89*

footnote:
Amount is less than ₹ 0.01 lac.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

	Units	As at 31 March, 2017	Units	As at 31 March, 2016	Units	As at 1 April, 2015
Current						
Investment in mutual funds - unquoted						
Investments carried at fair value through profit and loss (FVTPL)						
Tata Money Market Fund - Regular Plan - Daily Dividend	383,314.57	**3,838.96**	-	-	-	-
Tata Liquid Fund - Regular Plan - Daily Dividend	296,505.10	**3,304.61**	-	-	-	-
HDFC Liquid Fund - Regular Plan - Dividend - Daily Reinvestment	237,121.57	**2,418.21**	-	-	-	-
HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	1,977.39	**21.03**	-	-	-	-
Birla Sunlife Cash Plus - Daily Dividend - Regular Plan - Reinvestment	2,289,713.15	**2,294.18**	-	-	-	-
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	604,003.60	**6,059.67**	-	-	-	-
UTI Money Market Fund - Institutional Plan - Daily Dividend Reinvestment	301,051.04	**3,020.70**	-	-	-	-
Total current investments	**D**	**20,957.36**	*D*	-	*D*	-
Aggregate book value of quoted investments		**0.76**		*0.38*		*0.37*
Aggregate market value of quoted investments		**0.76**		*0.38*		*0.37*
Aggregate carrying value of unquoted investments	**(B+C+D)**	**53,402.67**	*(B+C+D)*	*30,496.47*	*(B+C+D)*	*23,161.52*
Aggregate amount of impairment in value of investments		-		-		-

8 Other financial assets (at amortised cost)*

(Unsecured, considered good unless otherwise stated)	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
(i) Non-current			
Security deposits	**434.06**	*460.92*	*386.34*
Total	**434.06**	*460.92*	*386.34*
(ii) Current			
a) Unbilled revenue	**29.09**	*12.51*	*190.63*
b) Advances/deposits considered doubtful of recovery (refer footnote)	**3,930.68**	*3,903.68*	*3,903.68*
Less: Provision for doubtful loans and advances	**(3,930.68)**	*(3903.68)*	*(3903.68)*
c) Interest accrued on fixed deposit with bank	**10.80**	*12.16*	*8.55*
d) Others	**33.87**	*33.87*	-
Total	**73.76**	*58.54*	*199.18*

*There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

footnote:

Includes a sum of ₹ 18.61 lac *(as at 31 March, 2016 ₹ 18.61 lac, as at 1 April, 2015 ₹ 18.61 lac)* being amount due from Rallis Chemistry Exports Ltd., a wholly owned subsidiary. The maximum amount outstanding during the year was ₹ 18.61 lac *(as at 31 March, 2016 ₹ 18.61 lac, as at 1 April, 2015 ₹ 18.61 lac)*.

9 Income Taxes

9.1 Current tax assets and liabilities

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Non current tax assets			
Advance income tax (Net of provisions)	**6,429.22**	6,801.02	7,824.94
	6,429.22	6,801.02	7,824.94
Current tax liabilities			
Provision for current tax (Net of advance tax)	**389.93**	611.13	1,552.19
	389.93	611.13	1,552.19

9.2 Income tax recognised in profit or loss

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Current tax:		
Current income tax charge	**8,092.02**	3,703.94
Adjustments in respect of current income tax of prior years	**(166.27)**	(129.00)
Total (A)	**7,925.75**	3,574.94
Deferred tax:		
In respect of current year	**569.60**	326.78
Adjustments in respect of prior years	**833.99**	-
Total (B)	**1,403.59**	326.78
Income tax expense recognised in the Statement of Profit and Loss (A+B)	**9,329.34**	3,901.72

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Profit before tax	**35,932.74**	16,517.93
Income tax expense calculated @34.608%	**12,435.60**	5,716.53
Effect of income that is exempt fom taxation	**(700.40)**	(924.67)
Effect of expenses that are not deductible in determining taxable profit	**249.72**	140.25
Effect of concessions (research & developments and others allowances)	**(789.62)**	(884.81)
Effect of lower tax rates for the long term capital gain	**(2,327.23)**	-
Others	**(206.45)**	(16.58)
	8,661.62	4,030.72
Adjustments recognised in the current year in relation to the current tax of prior years	**(166.27)**	(129.00)
Adjustments for changes in estimates of deferred tax assets	**833.99**	-
Income tax expense recognised in the Statement of Profit and Loss	**9,329.34**	3,901.72

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

10 Inventories (at lower of cost and net realisable value)

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
a. Raw materials	**7,915.72**	*5,760.96*	*8,110.69*
b. Work-in-progress (including intermediate goods)	**3,353.22**	*3,042.91*	*2,923.60*
c. Finished goods	**10,008.58**	*12,027.65*	*11,927.38*
d. Stock in trade (in respect of goods acquired for trading)	**2,473.44**	*3,924.76*	*3,755.74*
e. Stores and spares	**221.49**	*192.89*	*146.38*
f. Packing materials	**476.42**	*800.93*	*795.48*
Total	**24,448.87**	*25,750.10*	*27,659.27*

footnotes:

(i) The cost of inventories recognised as an expense during the year was ₹ 80,660.81 lac *(Previous year: ₹ 73,445.50 lac)*

(ii) The cost of inventories recognised as an expense includes ₹ 733.68 lac *(Previous year: ₹ 583.84 lac)* in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 381.49 lac *(Previous year: ₹ 326.34 lac)* in respect of reversal of such write-downs.

(iii) The mode of valuation of inventories has been stated in note 3.11

(iv) Loans are secured by first paripassu charge on stock (including raw material, finished goods and work in progress) and book debts (refer note 11 and 18).

11 Trade receivables

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Current			
Secured, considered good	**474.43**	*408.89*	*410.30*
Unsecured, considered good	**22,109.32**	*17,870.25*	*22,012.44*
Doubtful	**408.46**	*380.21*	*245.87*
Allowance for doubtful debts (expected credit loss allowance)	**(408.46)**	*(380.21)*	*(245.87)*
Total	**22,583.75**	*18,279.14*	*22,422.74*

footnotes:

(i) The credit period ranges from 15 days to 180 days.

(ii) Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. Of the trade receivable balance as at 31 March, 2017 ₹ 3,819.27 lac is due from one customer *(as at 31 March, 2016 ₹ 3,543.14 lac are due from two customers, as at 1 April, 2015 ₹ 4,917.10 lac is due from one cutomer)*. The credit risk in respect of these customers is mitigated by export credit guarantee. There are no other customer who represent more than 5% of the total balance of trade receivable.

(iii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iv) Movement in the expected credit loss allowance

Particulars	**As at 31 March, 2017**	*As at 31 March, 2016*
Balance at the beginning of the year	**380.21**	*245.87*
Less: amount collected and hence reversal of provision	**44.14**	*43.97*
Add: provision made during the year	**72.39**	*178.31*
Balance at the end of the year	**408.46**	*380.21*

(v) Loans are secured by first paripassu charge on stock (including raw material, finished goods and work in progress) and book debts (refer note 10 and 18).

12 Cash and bank balances

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
12.1 Cash and cash equivalents			
a. Balances with banks in current accounts	**390.39**	*152.01*	*90.15*
b. Cash on hand	**2.55**	*2.73*	*2.65*
c. Term deposits with original maturity of less than 3 months	**-**	*107.32*	*6.49*
Total cash and cash equivalents as per Balance Sheet	**392.94**	*262.06*	*99.29*
Bank overdrafts and cash credit facility (secured)	**(9.82)**	*(208.37)*	*(3277.07)*
Total cash and cash equivalents as per Statement of Cash Flows	**383.12**	*53.69*	*(3,177.78)*
12.2 Other bank balances			
a. In other deposit accounts - original maturity more than 3 months and less than 12 months	**4.17**	*1.86*	*28.92*
b. In other deposit accounts - original maturity more than 12 months	**51.66**	*49.89*	*40.07*
c. In earmarked accounts:			
i. Balances held for unpaid / unclaimed dividend accounts	**146.21**	*134.82*	*132.32*
ii. Bank deposits as margin money against bank guarantees	**118.33**	*148.57*	*208.54*
Total other bank balances	**320.37**	*335.14*	*409.85*

Non-cash transactions

During the current year,the Company acquired ₹ 38.11 lac of equipment under a finance lease.

13 Other assets

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Non-current			
Capital advances	**84.59**	*232.32*	*200.02*
Deposit with public bodies	**96.57**	*140.09*	*153.02*
Value Added Tax (VAT) credit receivable	**460.97**	*1,228.81*	*1,211.48*
Claims receivable	**529.70**	*323.19*	*388.13*
Prepaid lease rental (refer footnote)	**3,818.66**	*4,508.57*	*4,643.03*
Prepaid expenses	**121.69**	*106.22*	*22.29*
Total	**5,112.18**	*6,539.20*	*6,617.97*
Current			
Statutory dues receivable from government authorities			
Service tax credit receivable	**263.68**	*282.65*	*382.57*
Cenvat credit receivable	**188.46**	*150.14*	*437.15*
Others (custom duty)	**12.74**	*5.43*	*14.66*
Export benefit receivable	**1,051.22**	*395.35*	*132.37*
Inventory recoverable	**1,653.82**	*2,007.92*	*2,152.12*
Advances recoverable			
Advances to suppliers	**1,798.70**	*1,841.01*	*916.20*
Advances to employees	**129.56**	*116.95*	*96.94*
Others	**184.95**	*148.54*	*90.86*
Prepaid lease rental (refer footnote)	**113.61**	*134.46*	*102.33*
Prepaid expenses	**106.70**	*84.82*	*82.00*
Total	**5,503.44**	*5,167.27*	*4,407.20*

footnote:
Prepaid lease rental include assets carried at ₹ 990.49 lac *(as at 31 March, 2016 ₹ 1,583.59 lac, as at 1 April, 2015 ₹ 1,600.22 lac)* for which the Company has sought an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

14 Assets classified as held for sale

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Leasehold land and other assets held for sale	576.30	237.19	-
Total	**576.30**	237.19	-

footnote:

The Company intends to dispose of assets relating to a non current asset it no longer utilises in the next 12 months. The Company is currently in negotiation with some potential buyers. No impairment loss was recognised on reclassification of the assets as held for sale nor as at reporting date as the management of the Company expect that the fair value (estimated based on the recent market prices of similar assets in similar locations) less costs to sell is higher than the carrying amount.

15 Share Capital

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Equity share capital	1,944.71	1,944.71	1,944.71
	1,944.71	1,944.71	1,944.71
Authorised share capital :			
500,000,000 equity shares of ₹ 1 each with voting rights	5,000.00	5,000.00	5,000.00
150,000,000 preference shares of ₹ 10 each	15,000.00	15,000.00	15,000.00
Issued and subscribed capital comprises:			
Issued shares			
194,470,890 equity shares of ₹ 1 each	1,944.71	1,944.71	1,944.71
Subscribed and fully paid up			
194,468,890 equity shares of ₹ 1 each	1,944.69	1,944.69	1,944.69
Forfeited shares			
2,000 equity shares of ₹ 1 each	0.02	0.02	0.02
	1,944.71	1,944.71	1,944.71

footnotes:

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Fully paid equity shares

	Number of shares	Share capital
Balance at 1 April, 2015	194,468,890	1,944.69
Movements	-	-
Balance at 31 March, 2016	194,468,890	1,944.69
Movements	-	-
Balance at 31 March, 2017	**194,468,890**	**1,944.69**

b. The Company has issued one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of shares held by the Holding Company:

	Number of fully paid equity shares	Share capital
Tata Chemicals Limited (Holding Company)		
As at 1 April, 2015	*97,341,610*	*973.42*
As at 31 March, 2016	*97,341,610*	*973.42*
As at 31 March, 2017	**97,341,610**	**973.42**

d. Details of shares held by each shareholder holding more than 5% shares in the Company:

	Number of fully paid equity shares	% holding of equity shares
Tata Chemicals Limited (Holding Company)		
As at 1 April, 2015	*97,341,610*	*50.06%*
As at 31 March, 2016	*97,341,610*	*50.06%*
As at 31 March, 2017	**97,341,610**	**50.06%**
Rakesh Jhunjhunwala		
As at 1 April, 2015	*20,105,820*	*10.34%*
As at 31 March, 2016	*20,105,820*	*10.34%*
As at 31 March, 2017	**19,335,820**	**9.94%**
ICICI Prudential Mutual Fund		
As at 1 April, 2015	*4,433,565*	*2.28%*
As at 31 March, 2016	*15,333,781*	*7.88%*
As at 31 March, 2017	**8,619,273**	**4.43%**

e. As per records of the Company as at 31 March, 2017, no calls remain unpaid by the directors and officers of the Company.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

16 Other equity

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
General reserve	17,649.93	17,649.93	16,389.73
Securities premium reserve	8,793.88	8,793.88	8,793.88
Retained earnings	74,755.94	54,051.25	46,163.63
Capital redemption reserve	8,151.77	8,151.77	8,151.77
Capital reserve	1,243.10	1,243.10	1,243.10
Reserve for equity instruments through Other Comprehensive Income	0.39	0.01	-
	1,10,595.01	89,889.94	80,742.11

16.1 General reserve

	As at 31 March, 2017	As at 31 March, 2016
Balance at beginning of year	17,649.93	16,389.73
Additions during the year	-	1260.20
Balance at end of year	17,649.93	17,649.93

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income , items included in the general reserve will not be reclassified subsequently to profit or loss.

16.2 Securities premium reserve

	As at 31 March, 2017	As at 31 March, 2016
Balance at beginning of year	8,793.88	8,793.88
Balance at end of year	8,793.88	8,793.88

Amount received on issue of shares in excess of the par value has been classified as security share premium

16.3 Retained earnings

	As at 31 March, 2017	As at 31 March, 2016
Balance at beginning of year	54,051.25	46,163.63
Other Comprehensive Income arising from remeasurement of defined benefit obligation net of income tax	(47.26)	31.88
Profit for the year	26,603.40	12,616.21
Payment of dividend on equity shares- Final	(4,861.72)	(2,917.03)
Payment of dividend distribution tax on equity shares	(989.73)	(583.24)
Transfer to general reserves	-	(1,260.20)
Balance at the end of year	74,755.94	54,051.25

16.4 Capital redemption reserve

	As at 31 March, 2017	As at 31 March, 2016
Balance at beginning of year	8,151.77	8,151.77
Balance at end of year	8,151.77	8,151.77

Capital redemption reserve is created out of profits on redemption of capital.

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

16.5 Capital reserve

	As at 31 March, 2017	*As at 31 March, 2016*
Balance at beginning of year	**1,243.10**	*1,243.10*
Balance at end of year	**1,243.10**	*1,243.10*

Capital reserve includes profit on amalgamation of entities.

16.6 Reserve for equity instruments through Other Comprehensive Income

	As at 31 March, 2017	*As at 31 March, 2016*
Balance at beginning of year	**0.01**	-
Additions during the year	**0.38**	*0.01*
Balance at end of year	**0.39**	*0.01*

17 Long term borrowings

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Secured - at amortised cost			
Finance lease obligation (refer note (iii))	**38.55**	-	-
Unsecured - at amortised cost			
Term loan from bank (refer note (ii))	**1,500.00**	*1,500.00*	*1,250.00*
Loan from the Council of Scientific and Industrial Research (refer note(ii))	-	*18.83*	*37.66*
Sales Tax deferral under a state government scheme (refer note(i))	**578.71**	*588.30*	*656.91*
Total	**2,117.26**	*2,107.13*	*1,944.57*

Summary of borrowing arrangements

(i) Sales tax deferral scheme:

The loan is repayable in annual installments which range from a maximum of ₹ 113.37 lac to a minimum of ₹ 7.78 lac over the period stretching from 1 April, 2016 to 31 March, 2027. The amount outstanding is free of interest.

The balance outstanding as at 31 March, 2017 is ₹ 588.18 lac *(as at 31 March, 2016 ₹ 598.94 lac, as at 1 April, 2015 ₹ 704.35 lac)* of which ₹ 9.47 lac *(as at 31 March, 2016 ₹ 10.64 lac, as at 1 April, 2015 ₹ 47.44 lac)* has been grouped under note 21- other current financial liabilities.

(ii) The terms of repayment of term loans and other loans are stated below

As at 31 March, 2017

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Unsecured term loan from bank	1,500.00	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lac falls due in May 2018.	9.30%

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

As at 31 March, 2016

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Unsecured term loan from bank	*1,500.00*	The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lac falls due in May 2018.	*9.50%*
Loan from the Council of Scientific and Industrial Research	*18.83*	The loan is repayable in 2 annual installments of ₹ 18.83 lac (of which ₹ 18.83 lac has been grouped under note 21 other financial liabilities)	*3.00%*

As at 1 April, 2015

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Unsecured Term loan from bank	*1,250.00*	The loan is repayable in 8 quarterly installments. The repayment begins after a moratorium of 12 months from March 2014. The first repayment of ₹ 312.50 lac falls due in June 2015.	*9.90%*
Loan from the Council of Scientific and Industrial Research	*37.66*	The loan is repayable in 3 annual installments of ₹ 18.83 lac (of which ₹ 18.83 lac has been grouped under note 21 other financial liabilities)	*3.00%*

(iii) Long term maturities of finance lease obligation:

Secured by the assets leased. The borrowing is fixed interest rate debt (7.05%) with repayment periods not exceeding 6 years.

18 Short term borrowings

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Secured - at amortised cost			
Loans repayable on demand from banks (refer footnote)			
Bank overdrafts & cash credit facility	**9.82**	*208.37*	*3,277.07*
Term loan from bank	-	-	*1,000.00*
Total	**9.82**	*208.37*	*4,277.07*

footnotes:

(i) These loans are secured by first paripassu charge on stock (including raw material, finished goods and work in progress) and book debts (refer note 10 and 11).

(ii) The weighted average effective interest rate on the bank loans is 9.86% p.a. *(for 31 March, 2016 9.27% p.a. ; for 1 April, 2015 10.14% p.a.)*

19 Deferred tax balances

The following is the analysis of deferred tax liabilities/(assets) presented in the Balance sheet

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Deferred tax liabilities	**5,862.82**	*5,561.99*	*5,301.15*
Deferred tax assets	**(880.40)**	*(1,983.16)*	*(2,049.10)*
Total	**4,982.42**	*3,578.83*	*3,252.05*

2016-17 -Deferred tax liabilities/(assets) in relation to:	**Opening balance**	**Recognised in Statement of Profit and Loss**	**Closing balance**
Provision for doubtful debts and advances	**(1,474.49)**	**814.64**	**(659.85)**
Defined benefit obligation	**(210.61)**	**(9.94)**	**(220.55)**
Provision for sales return	**(297.81)**	**297.81**	**-**
Property, plant and equipment	**5,561.99**	**273.23**	**5,835.22**
Others	**(0.25)**	**27.85**	**27.60**
Total	**3,578.83**	**1,403.59**	**4,982.42**

2015-16 -Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in Statement of Profit and Loss	Closing balance
Provision for doubtful debts and advances	(1,436.08)	(38.41)	(1,474.49)
Defined benefit obligation	(155.61)	(55.00)	(210.61)
Voluntary retirement scheme	(118.99)	118.99	-
Provision for sales return	(313.90)	16.09	(297.81)
Property, plant and equipment	5,301.15	260.84	5,561.99
Others	(24.52)	24.27	(0.25)
Total	3,252.05	326.78	3,578.83

20 Trade payables

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 44)	**783.92**	433.73	701.28
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**18,037.94**	14,768.12	15,664.82
Other payables (includes accrued expenses and amount due to employees)	**4,128.78**	3,942.76	4,158.79
Total	**22,950.64**	19,144.61	20,524.89

footnote:

The average credit period on purchases of goods and services are within 120 days. The trade payables are non-interest bearing.

21 Other financial liabilities

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Current			
(a) Current maturity of long term borrowings			
Term loan from bank (Unsecured) (refer note 17)	-	1,250.00	1,250.00
Others (Unsecured) (refer note 17)	**28.30**	29.47	66.27
(b) Interest accrued but not due on borrowings	**12.13**	25.50	22.93
(c) Unclaimed dividends	**146.53**	134.82	132.32
(d) Others			
Creditors for capital purchases	**175.81**	624.09	206.03
Customer deposits	**1,250.66**	1,142.56	1,010.16
Amounts due to customers	**5,042.63**	5,324.21	4,850.80
Total	**6,656.06**	8,530.65	7,538.51

footnote:

All amounts required to be transferred to the Investor Education and Protection Fund by the Company have been transferred within the time prescribed for the same, except in cases of disputes relating to the ownership of the underlying shares that have remained unresolved amounting to ₹ 0.19 lac *(as at 31 March, 2016 ₹ 0.13 lac, as at 1 April, 2015 ₹ Nil).*

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

22 Provisions

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Employee benefits (see footnote below)			
Non current			
Supplemental pay	1,542.22	1,494.69	1,524.63
Gratuity	222.05	168.50	280.01
Total	1,764.27	1,663.19	1,804.64
Current			
Supplemental pay	196.09	198.48	200.43
Compensated absences	721.17	620.16	546.94
Total	917.26	818.64	747.37

footnote:

The provision for employee benefits includes gratuity, supplemental pay on retirement and compensated absences. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year. For other disclosures, refer note 36.

23 Other current liabilities

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Provident fund and other employee deductions	133.33	149.22	129.93
Excise duty payable	208.14	267.67	637.24
Value Added Tax / Central Sales Tax payable	224.23	209.94	302.25
Other taxes (other than income tax payable)	211.68	184.43	178.84
Tax deducted at source	142.44	136.09	276.09
Advance received from customers	1,595.47	1,352.85	1,305.22
Other liabilities	232.44	198.34	7.98
Total	2,747.73	2,498.54	2,837.55

24 Revenue from operations

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Sale of products	1,47,691.10	1,37,226.75
Sale of services	69.83	40.56
Other operating income	2,756.34	1,405.01
Total	1,50,517.27	1,38,672.32

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

25 Other income

		For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
a)	**Interest income**		
	Interest Income on bank deposits carried at amortised cost	**21.43**	*22.79*
	Interest income on security deposits carried at amortised cost	**17.57**	*52.31*
b)	**Dividend income**		
	Dividend on current investment in mutual fund carried at FVTPL	**566.07**	*22.76*
	Dividend from equity instruments measured at FVTOCI	**1.62**	*1.35*
c)	**Other non-operating income**		
	Insurance claim	**16.69**	*33.39*
	Rental income	**111.72**	*80.65*
	Miscellaneous income	**315.71**	*249.41*
d)	**Other gains and losses**		
	Profit on disposal of property, plant and equipment	**-**	*3.40*
	Total	**1,050.81**	*466.06*

26 Cost of material consumed

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Inventory at the beginning of the year	**5,760.96**	*8,110.69*
Add: Purchases	**61,498.67**	*54,136.31*
	67,259.63	*62,247.00*
Less: Inventory at end of year	**7,915.72**	*5,760.96*
Cost of raw material and components consumed	**59,343.91**	*56,486.04*
Packing material consumed	**5,671.32**	*5,330.64*
Total	**65,015.23**	*61,816.68*

27 Purchases of stock in trade

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Agri Inputs	**12,483.87**	*12,129.97*
Total	**12,483.87**	*12,129.97*

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

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Opening stock		
Finished goods - own manufactured	**12,027.65**	*11,927.38*
Finished goods - traded	**3,924.76**	*3,755.74*
Work in progress (including intermediate goods)	**3,042.91**	*2,923.61*
	18,995.32	*18,606.73*
Closing stock		
Finished goods - own manufactured	**10,008.58**	*12,027.65*
Finished goods - traded	**2,473.44**	*3,924.76*
Work in progress (including intermediate goods)	**3,353.22**	*3,042.91*
	15,835.24	*18,995.32*
Movement in inventory recoverable	**354.10**	*144.20*
Net decrease/(increase)	**3,514.18**	*(244.39)*

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

29 Employee benefits expense

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries, wages and bonus	9,857.72	8,732.94
Contribution to provident and other funds (refer note 36)	563.27	541.52
Staff welfare expenses	979.77	970.68
Total	**11,400.76**	10,245.14

30 Finance costs

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Interest on bank overdrafts and loans	266.63	791.62
Total	**266.63**	791.62

31 Depreciation and amortisation expense

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Depreciation of property, plant and equipment (refer note 5)	3,685.83	3,275.39
Amortisation of intangible assets (refer note 6)	508.29	507.27
Total	**4,194.12**	3,782.66

32 Other expenses

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Freight, handling and packing	4,285.11	4,387.53
Changes in excise duty on inventory of finished goods	65.70	(22.27)
Travelling and conveyance	1,053.18	1,043.71
Power and fuel	4,083.70	4,637.31
Brand equity contribution	197.12	180.02
Repairs and maintenance		
Plant and equipment	679.60	737.44
Property	165.14	183.45
Others	367.05	382.64
Stores and spares consumed	463.22	483.11
Rates and taxes	686.47	440.12
Commission	44.94	106.16
Insurance charges	238.13	221.29
Rent	1,533.75	1,465.35
Bank charges	182.31	234.99
Director fees & commission	392.50	393.90
Provision for doubtful debt (net)	28.25	134.34
Loss on sale of fixed asset (net)	70.18	-
Selling expenses	2,593.62	2,339.66
Legal and professional fees	909.92	729.87
Net loss on foreign currency transactions and translation	354.82	490.36
Other expenses (refer note 43)	5,737.12	5,661.82
Total	**24,131.83**	24,230.80

33 Segment information

Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resources allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Company.

The Company has determined its business segment as "Agri -Inputs" comprising of Pesticides, Plant Growth Nutrients, Organic Compost and Seeds. The other segment comprises "Polymer" and other non reportable elements.

Segment revenue and results

The following is an analysis of the Company's revenue and results from operations by reportable segment

Segment	Segment revenue		Segment profit	
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Agri Inputs	**1,45,512.75**	*1,34,714.52*	**19,766.55**	*17,115.04*
Others	**2,178.35**	*2,512.23*	**133.56**	*238.14*
Total	**1,47,691.10**	*1,37,226.75*	**19,900.11**	*17,353.18*

Other income	**1,050.81**	*466.06*
Exceptional items	**15,839.16**	-
Central administration cost and director fees & commission	**(590.71)**	*(509.69)*
Finance cost	**(266.63)**	*(791.62)*
Profit before tax	**35,932.74**	*16,517.93*

Notes:

(i) Segment revenue consist of sales of products including excise duty.

(ii) Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2015-16 ₹ Nil) The accounting policies of the reportable segments are the same as described in note 3.18.

(iii) Segment profit represents the profit before tax earned by each segment without allocation of central administration cost and directors fees and commission, other income, as well as finance cost. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

Particulars	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
Segment assets			
Agri Inputs	**91,868.59**	*90,724.21*	*93,442.30*
Others	**2,032.34**	*1,820.93*	*1,925.29*
Total segment assets	**93,900.93**	*92,545.14*	*95,367.59*
Asset held for sale	**576.30**	*237.19*	-
Unallocated	**60,597.88**	*38,213.41*	*31,798.07*
Total assets	**1,55,075.11**	*1,30,995.74*	*1,27,165.66*

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Segment liabilities			
Agri Inputs	**33,000.26**	*29,465.45*	*29,829.35*
Others	**110.41**	*57.22*	*427.02*
Total segment liabilities	**33,110.67**	*29,522.67*	*30,256.37*
Unallocated	**9,424.73**	*9,638.43*	*14,222.47*
Total liabilities	**42,535.40**	*39,161.10*	*44,478.84*

For the purpose of monitoring segment performance and allocation resources between segments:

- All assets are allocated to reportable segments other than investments, other financial assets, non current tax assets, fixed deposits and interest accrued thereon.
- All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, interest accrued on loans, provision for supplemental pay, unpaid dividend, current and deferred tax liabilities.

Geographical information

The company operates in two principal geographical areas - India and outside India

The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below:

Particulars	Revenue from external customers		Non-current assets*		
	For the year ended 31 March, 2017	For the year ended 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
India	**1,03,608.13**	*97,222.15*	**47,338.19**	*49,948.53*	*48,419.90*
Asia (Other than India)	**33,645.91**	*30,561.55*	-	-	-
North America	**3,157.47**	*5,223.19*			
South America	**2,678.16**	*491.40*			
Africa	**2,524.32**	*1,632.80*			
Europe	**1,509.26**	*1,101.38*			
Australia	**567.85**	*994.28*			
	1,47,691.10	*1,37,226.75*	**47,338.19**	*49,948.53*	*48,419.90*

* Non-current assets exclude those relating to financial assets.

Information about major customers

No single customer contributed 10% or more to the Company's revenue for both 2016-17 and 2015-16.

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

34 Earnings per share

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Basic /diluted earnings per share	**13.68**	*6.49*

Basic /diluted earnings per share

The earnings and weighted average number of equity share used in the calculations of basic/diluted earnings per share are as follows.

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Profit for the year used in the calculation of basic/diluted earnings per share	**26,603.40**	*12,616.21*

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Weighted average number of equity shares for basic/diluted earnings per share	**19,44,68,890**	*19,44,68,890*

35 Lease arrangements

Operating lease arrangements:

Company as Lessee

The Company has procured motor vehicles and computer network under non-cancellable operating leases. Lease rent charged to the Statement of Profit and Loss during the year is ₹ 620.61 lac *(Previous Year ₹ 605.09 lac)* net of amount recovered from employees ₹ 16.73 lac *(Previous Year ₹ 26.73 lac)*. Disclosures in respect of non-cancellable leases are given below:

Payments recognised as an expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Minimum lease payments	**620.61**	*605.09*
Total	**620.61**	*605.09*

Non-cancellable operating lease commitments

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Not later than 1 year	**615.41**	*477.57*	*490.47*
Later than 1 year and not later than 5 years	**864.43**	*782.05*	*538.55*
Later than 5 years	-	-	-
Total	**1,479.84**	*1,259.62*	*1,029.02*

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Finance lease arrangements:

Company as Lessee

The Company has finance lease for office equipments. The Company's obligation under finance lease are secured by lessors title to the leased assets. Future minimum lease payment under finance lease with the present value of the net minimum lease payments are as follows:-

Particulars	Minimum Lease Payments			Present value of Minimum Lease Payments		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*	**As at 31 March, 2017**	**As at 31 March, 2016**	**As at 1 April, 2015**
Not Later than one year	**11.41**	-	-	**11.36**	-	-
Later than one year and not later than five years	**31.12**	-	-	**25.54**	-	-
Later than five years	**2.44**	-	-	**1.65**	-	-
	44.97	-	-	**38.55**	-	-
Less: future finance charges	**(6.42)**	-	-	**-**	-	-
Present value of Minimum Lease Payments	**38.55**	-	-	**38.55**	-	-

36 Employee benefit plans

Defined contribution plans

The Company makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company in case of certain locations and government authorities (PF commissioner) at other locations. The Company is liable for contributions and any deficiency compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

As at 31 March, 2017, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 6,306.63 lac and ₹ 5,849.88 lac respectively. In accordance with an assets and liability study, there is no deficiency as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

Amount recognised as expense and included in the Note 29 - in the head "Contribution to provident and other funds" for 31 March, 2017 ₹ 563.27 lac (*for 31 March, 2016 ₹ 541.52 lac*).

Defined benefit plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) and a supplemental pay scheme (a life long pension). The gratuity scheme covers substantially all regular employees, while supplemental pay plan covers certain former executives. In the case of the gratuity scheme, the Company contributes funds to Gratuity Trust, which is irrevocable, while the supplemental pay scheme is not funded. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method.

These plans typically expose the Company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purpose of actuarial valuation were as follows.

Particulars	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*	*For the year ended 31 March 2015*
Discount rates	**7.29% p.a.**	*8.04% p.a.*	*7.97% p.a.*
Expected rate of salary increase	**8.00% p.a.**	*8.00% p.a.*	*8.00% p.a.*
Average longevity at retirement age for current beneficiaries of the plan (years)*	**8.86 Years**	*8.54 Years*	*8.91 Years*
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	**15 Years**	*15 Years*	*14 Years*

Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Amount recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows

Particulars	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Service cost:		
Current service cost	**206.25**	*185.72*
Net interest expense	**149.68**	*158.37*
Components of defined benefit costs recognised in profit or loss	**355.93**	*344.09*
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	**(83.15)**	*(25.38)*
Actuarial (gain)/losses arising from changes in demographic assumptions	-	*5.90*
Actuarial (gain)/loss arising from changes in financial assumptions	**240.30**	*(21.07)*
Actuarial (gain)/losses arising from experience adjustments	**(93.88)**	*(1.18)*
Components of defined benefit costs recognised in Other Comprehensive Income	**63.27**	*(41.73)*
Total	**419.20**	*302.36*

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/ asset is included in Other Comprehensive Income

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Present value of funded defined benefit obligations	**4,236.51**	*3,871.80*	*3,690.26*
Fair value of plan assets	**2,276.14**	*2,010.13*	*1,703.26*
Funded status [Deficit/(Surplus)]	**1,960.37**	*1,861.67*	*1,987.00*
Restrictitions on assets recognised	-	-	-
Net liability arising from defined benefit obligation	**1,960.37**	*1,861.67*	*1,987.00*

Movements in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March, 2017	*As at 31 March, 2016*
Opening defined benefit obligation	**3,871.80**	*3,690.26*
Current service cost	**206.25**	*185.72*
Interest cost	**311.29**	*294.12*
Remeasurement (gain)/loss:		
Actuarial (gain)/loss arising from changes in demographic assumptions	-	*5.90*
Actuarial (gain)/loss arising from changes in financial assumptions	**240.30**	*(21.07)*
Actuarial (gain)/loss arising from experience adjustments	**(93.88)**	*(1.18)*
Benefits paid	**(299.25)**	*(281.95)*
Closing defined benefit obligation	**4,236.51**	*3,871.80*

Movements in the fair value of the plan assets are as follows:

Particulars	As at 31 March, 2017	*As at 31 March, 2016*
Opening fair value of the plan assets	**2,010.13**	*1,703.26*
Interest income	**161.61**	*135.75*
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	**83.15**	*25.38*
Contributions from the employer	**167.35**	*280.01*
Benefits paid	**(146.10)**	*(134.27)*
Closing fair value of plan assets	**2,276.14**	*2,010.13*

The plan assets are managed by the Gratuity Trust formed by the Company. The management of funds is entrusted with the Life Insurance Corporations of India ("LIC") and HDFC Standard Life Insurance Company Limited ("HSLIC")

The fair value of the plan assets at the end of the reporting period for each category, are as follow:

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Cash and cash equivalents	**2.57**	*2.97*	*3.44*
Equity investments categorised by industry type:			
Consumer industry	**0.13**	*0.30*	*0.60*
Manufacturing industry	**1.61**	*0.48*	*0.64*
Energy and utilities	**-**	*0.18*	*-*
Financial institutions	**0.57**	*0.52*	*0.66*
Health and care	**-**	*0.14*	*0.18*
IT and telecom	**0.15**	*0.27*	*0.13*
Subtotal	**2.46**	*1.89*	*2.21*
Debt investments categorised by issuers credit rating:			
Sovereign	**766.36**	*1,014.48*	*923.52*
AAA	**1,243.94**	*747.61*	*490.39*
AA+ and below	**31.64**	*26.06*	*63.10*
Subtotal	**2,041.94**	*1,788.15*	*1,477.01*
Others - LIC managed fund	**229.17**	*217.12*	*220.60*
Total	**2,276.14**	*2,010.13*	*1,703.26*

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

1. If the discounting rate is 100 basis point higher (lower), the defined benefit obligation would decrease by ₹ 315.12 lac (increase by ₹ 362.08 lac) *(as at 31 March, 2016: decrease by ₹ 280.31 lac (increase by ₹ 321.27 lac)) (as at 1 April, 2015 : decrease by ₹ 274.46 lac (increase by ₹ 315.14 lac)).*

2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 235.13 lac (decrease by ₹ 207.85 lac) *(as at 31 March, 2016: increase ₹ 201.94 lac (decrease by ₹ 178.76 lac)) (as at 1 April, 2015 : increase by ₹ 189.64 lac (decrease by ₹ 167.62 lac)).*

3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 41.03 lac (decrease by ₹ 41.55 lac) *(as at 31 March, 2016: increase ₹ 36.96 lac (decrease by ₹ 37.58 lac)) (as at 1 April, 2015 : increase by ₹ 36.95 lac (decrease by ₹ 37.68 lac)).*

The sensitivity analysis presented above may not representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to make a contribution of ₹ 222.05 lac *(as at 31 March, 2016 ₹ 168.50 lac, as at 1 April, 2015 ₹ 280.01 lac)* to the defined benefit plans during the next financial year.

The defined benefit obligations shall mature after year ended 31 March, 2017 as follows:

Particulars	Defined benefit obligation
As at 31 March	
2018	**367.78**
2019	**240.33**
2020	**267.01**
2021	**348.41**
2022	**343.93**
Thereafter	**1,951.06**

37 Financial instruments

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 17, 18 and 21 offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Debt (i)	**2,155.38**	*3,594.97*	*7,537.91*
Cash and bank balances	**(713.31)**	*(597.20)*	*(509.14)*
Net debt	**1,442.07**	*2,997.77*	*7,028.77*
Total equity	**1,12,539.72**	*91,834.64*	*82,686.82*
Net debt to equity ratio	**1.28%**	*3.26%*	*8.50%*

(i) Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings (excluding financial guarantee contracts and contingent consideration), as described in notes 17,18 and 21.

Categories of financial instruments

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Financial assets			
Measured at amortised cost			
(a) Cash and bank balances	**713.31**	*597.20*	*509.14*
(b) Other financial assets at amortised cost	**23,091.57**	*18,798.60*	*23,008.26*
Measured at fair value through Other Comprehensive Income (FVTOCI)			
(a) Investment in equity instruments designated upon initial recognition	**1,870.06**	*1,869.68*	*1,869.67*
Measured at fair value through profit or loss (FVTPL)			
(a) Other financial assets (Investment in mutual funds)	**20,957.36**	-	-
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	**2,155.38**	*3,594.97*	*7,537.91*
(b) Other financial liabilities at amortised cost	**29,578.40**	*26,395.79*	*26,747.13*

The above excludes investment in equity instrument of subsidiaries.

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial assets that are measured at fair value or where fair value disclosure is required as at 31 March, 2017:

Particulars	Total	Fair value measurement using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments				
Quoted equity shares	**0.76**	**0.76**	-	-
Unquoted equity shares	**1,869.30**	-	**1,828.60**	**40.70**
FVTPL financial investment				
Investment in mutual fund - unquoted	**20,957.36**	**20,957.36**	-	-

There have been no transfers amount Level 1, Level 2 and Level 3 during the year.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

The following table provides the fair value measurement hierarchy of the Company's financial assets that are measured at fair value or where fair value disclosure is required as at 31 March, 2016:

Particulars	Total	Fair value measurement using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
FVTOCI financial investments				
Quoted equity shares	*0.38*	*0.38*	-	-
Unquoted equity shares	*1,869.30*	-	*1,828.60*	*40.70*

There have been no transfers amount Level 1, Level 2 and Level 3 during the year.

The following table provides the fair value measurement hierarchy of the Company's financial assets that are measured at fair value or where fair value disclosure is required as at 1 April, 2015:

Particulars	Total	Fair value measurement using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments				
Quoted equity shares	*0.37*	*0.37*	-	-
Unquoted equity shares	*1,869.30*	-	*1,828.60*	*40.70*

There have been no transfers amount Level 1, Level 2 and Level 3 during the year.

Reconciliation of fair value measurement of investment in unquoted equity instrument classified as FVTOCI (Level 3):

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Opening balance	**40.70**	*40.70*	*40.70*
Remeasurement recognised in OCI	-	-	-
Purchases	-	-	-
Sales	-	-	-
Closing balance	**40.70**	**40.70**	**40.70**

The Company determined the fair value measurements of investment - unquoted categorised in Level 2 based on price agreed in a sale transaction between unrelated parties.

Financial risk management objectives

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk including:

Forward foreign exchange contracts to hedge the exchange rate risk arising on imports and exports.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (Foreign currency)			Assets (Foreign currency)		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
In US Dollars (USD)	**122.44**	*82.61*	*132.30*	**117.25**	*116.97*	*161.14*
In Euro (EUR)	**-**	*0.03*	*0.01*	**0.46**	*0.64*	*0.26*
In Japanese Yen (JPY)	**1,120.50**	*2,559.01*	*800.01*	**-**	*-*	*-*
In Great Britain Pound (GBP)	**-**	*-*	*-*	**0.06**	*-*	*-*

Particulars	Liabilities (INR)			Assets (INR)		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
In US Dollars (USD)	**7,940.23**	*5,472.84*	*8,268.83*	**7,603.84**	*7,750.14*	*10,071.27*
In Euro (EUR)	**-**	*2.26*	*0.67*	**31.87**	*48.25*	*17.47*
In Japanese Yen (JPY)	**649.92**	*1,509.43*	*417.01*	**-**	*-*	*-*
In Great Britain Pound (GBP)	**-**	*-*	*-*	**4.85**	*-*	*-*

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD, EUR, JPY and GBP.

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit or loss and total equity

Particulars	USD impact		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Increase in exchange rate by 5%	**(16.82)**	*113.83*	*90.13*
Decrease in exchange rate by 5%	**16.82**	*(113.83)*	*(90.13)*

Particulars	EUR impact		
	As at 31 March, 2017	***As at 31 March, 2016***	***As at 1 April, 2015***
Increase in exchange rate by 5%	**1.59**	*2.30*	*0.84*
Decrease in exchange rate by 5%	**(1.59)**	*(2.30)*	*(0.84)*

Particulars	JPY impact		
	As at 31 March, 2017	***As at 31 March, 2016***	***As at 1 April, 2015***
Increase in exchange rate by 5%	**(32.50)**	(75.47)	(20.85)
Decrease in exchange rate by 5%	**32.50**	75.47	20.85

Particulars	GBP impact		
	As at 31 March, 2017	***As at 31 March, 2016***	***As at 1 April, 2015***
Increase in exchange rate by 5%	**0.24**	-	-
Decrease in exchange rate by 5%	**(0.24)**	-	-

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and four years. The above sensitivity does not include the impact of foreign currency forward contracts which largly mitigate the risk.

Derivative instruments:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	**As at 31 March, 2017**			*As at 31 March, 2016*			*As at 31 March, 2015*		
	Number of contracts	**₹ lac**	**Foreign currency in lac**	*Number of contracts*	*₹ lac*	*Foreign currency in lac*	*Number of contracts*	*₹ lac*	*Foreign currency in lac*
Payable	**2**	**649.91**	**JPY 1,120.50**	2	1,405.30	JPY 2,532.00	3	404.49	JPY 776.00

Note: JPY = Japanese Yen.

The line item in the Balance Sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

Equity risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 7 "Other investments". The Company's equity investments majorly comprises of strategic investments rather than trading purposes.

Interest risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 17, 18 and 21.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own trading records to evaluate the credit worthiness of its customers. The Company's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 11 - Trade receivable).

The credit risk on investment in mutual funds and derivative financial instruments is limited because the counter parties are reputed banks or funds sponsored by reputed bank.

In addition, during the year, the Company has issued a corporate guarantee to debenture trustee in respect of issuance of debentures of ₹ 27,000.00 lac by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total subscription of debentures issued by Advinus. The Company's maximum exposure in this respect is of ₹ 4,560.30 lac at 31 March, 2017 *(31 March, 2016: ₹ Nil, 1 April, 2015: ₹ Nil)* as disclosed in contingent liabilities (refer note 39).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in note no. 17.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Liquidity risk table

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial laibilities based on the earliest date on which the company can be required to pay.

Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying amount
As at 31 March, 2017					
Borrowings	49.48	1,332.35	773.54	2,155.38	2,155.38
Other financial liabilities at amortised cost	29,578.40	-	-	29,578.40	29,578.40
	29,627.88	1,332.35	773.54	31,733.78	31,733.78
As at 31 March, 2016					
Borrowings	1,487.84	981.53	1,125.60	3,594.97	3,594.97
Other financial liabilities at amortised cost	26,395.79	-	-	26,395.79	26,395.79
	27,883.63	981.53	1,125.60	29,990.76	29,990.76
As at 1 April, 2015					
Borrowings	5,593.34	1,385.88	558.69	7,537.91	7,537.91
Other financial liabilities at amortised cost	7,537.91	-	-	7,537.91	7,537.91
	13,131.25	1,385.88	558.69	15,075.82	15,075.82

38 Related party transactions

Details of transactions between the Company and other related party are disclosed below.

1. List of subsidiaries

Name of subsidiaries	Country	Holding		
		As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Direct				
Rallis Chemistry Exports Ltd.	India	**100.00%**	*100.00%*	*100.00%*
Metahelix Life Science Ltd.	India	**100.00%**	*100.00%*	*80.51%*
Zero Waste Agro Organics Ltd.	India	**100.00%**	*73.63%*	*73.59%*
Indirect				
PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-17)	Indonesia	**65.77%**	-	-

2. Trading transactions

During the year, Company entered into following trading transactions with related parties:

Particulars	Sales of goods		Purchases of goods	
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Holding Company				
Tata Chemicals Ltd.	**1,443.03**	*2474.33*	**574.17**	*579.49*
Subsidiary of Tata Sons Ltd.				
Tata Africa Services (Nigeria) Ltd.	**564.04**	*158.64*	-	-
Subsidiaries of the Company				
Metahelix Life Science Ltd.	**139.57**	*201.88*	**732.71**	*982.44*
Zero Waste Agro Organics Ltd.	-	-	**775.96**	*1,145.61*

Sale of goods to related parties were made at the Company's usual list prices, less average discounts. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationship between the parties.

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

3. Service transactions

Particulars	Services rendered		Services received	
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Holding Company				
Tata Chemicals Ltd.	-	-	-	*15.81*
Investor of Holding Company				
Tata Sons Ltd.	-	-	**354.02**	*217.30*
Subsidiaries of the Company				
Metahelix Life Science Ltd.	-	-	**41.54**	*65.72*
Zero Waste Agro Organics Ltd.	**96.09**	*109.94*	**85.95**	*68.94*
Rallis Chemistry Exports Ltd.	**0.12**	*0.11*	-	-
Subsidiaries of Tata Sons Ltd.				
Tata AIG General Insurance Co. Ltd.	-	-	**19.77**	*16.79*
Tata Consultancy Services Ltd.	-	-	**187.82**	*102.98*
Advinus Therapeutics Ltd.	**12.97**	-	**95.99**	*203.59*
TC Travels & Services Ltd.	-	-	-	*0.12*
Tata Capital Financial Services Ltd.	-	-	**11.67**	*21.56*
Tata Capital Forex Ltd.	-	-	**4.91**	*6.60*
Tata South East Asia Ltd.	-	-	-	*0.07*
Infiniti Retail Ltd.	-	-	**4.59**	*1.94*

4. Other -Dividend payments

Particulars	Dividend payments	
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Holding Company		
Tata Chemicals Ltd.	**2,433.54**	*1,460.12*

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

The following balances were outstanding at the end of the reporting period:

Particulars	Amounts owned by related parties			Amounts owned to related parties		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
Holding Company						
Tata Chemicals Ltd.	**40.85**	*10.22*	*278.56*	-	*4.28*	*13.16*
Investor of Holding Company						
Tata Sons Ltd.	-	-	-	**198.18**	*179.23*	*206.00*
Subsidiaries of the Company						
Metahelix Life Science Ltd.	**1,246.91**	*459.19*	*430.17*	**5.97**	-	-
Zero Waste Agro Organics Ltd.	-	-	-	**47.19**	*113.34*	*286.83*
Subsidiaries of Tata Sons Ltd.						
Tata Africa Services (Nigeria) Ltd.	**177.05**	*158.36*	-	-	-	-
Tata AIG General Insurance Co. Ltd.	**0.73**	*1.24*	*0.72*	-	-	-
Tata Consultancy Services Ltd.	-	-	-	**29.18**	*32.47*	*2.70*
Advinus Therapeutics Ltd.	**12.97**	*0.70*	*25.18*	-	-	-
Infiniti Retail Ltd.	-	*2.58*	*0.05*	-	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken other than guarantee disclosed below. No expense has been recognised in the current or prior years for bad & doubtful debts in respect of the amounts owed by related parties.

During the year, the Company has issued a corporate guarantee to debenture trustee in respect of issuance of debentures of ₹ 27,000.00 lac by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total subscription of debentures issued by Advinus. The Company's maximum exposure in this respect is of ₹ 4,560.30 lac as at 31 March, 2017 *(as at 31 March, 2016: ₹ Nil, as at 1 April, 2015: ₹ Nil)* as disclosed in contingent liabilities (refer note 39).

5. Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

Particulars	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Short term Benefits	**405.85**	*338.92*
Post-Employment benefits (PF + Superannuation)	**17.82**	*15.88*

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. The same excludes gratuity and compensated abscence.

39 Contingent liabilities

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Company in respect of these cases have been summarised below.

Guarantees

During the year, the Company has issued a corporate guarantee to debenture trustee in respect of issuance of debentures of ₹ 27,000.00 lac by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total subscription of debentures issued by Advinus. The Company's maximum exposure in this respect is of ₹ 4,560.30 lac as at 31 March, 2017 *(as at 31 March, 2016: ₹ Nil, as at 1 April, 2015: ₹ Nil)*.

Tax contingencies

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of tax	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Sales tax	**1,950.30**	*1,868.71*	*1,836.30*
Excise duty	**433.03**	*369.31*	*360.84*
Customs duty	**144.10**	*144.10*	*144.10*
Income tax	**6,619.06**	*6,764.94*	*6,904.98*
Service tax	**90.81**	*81.06*	*113.06*
Property cases	**47.36**	*47.36*	*47.36*

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

Amount in respect of other claims

Nature of claim	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Matters relating to employee benefits	**103.11**	*103.11*	*103.26*
Others (claims related to contractual disputes)	**55.07**	*55.07*	*68.50*

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
(ii) the proceedings are in early stages;
(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
(iv) there are significant factual issues to be resolved; and/or
(v) there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

40 Commitments

i) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 301.15 lac as at 31 March, 2017 *(as at 31 March, 2016: ₹ 298.55 lac, as at1 April, 2015: ₹ 774.96 lac)* and Intangible assets is ₹ 48.28 lac as at 31 March, 2017 *(as at 31 March, 2016: ₹ 105.00 lac, as at 1 April, 2015: ₹ 274.27 lac)* against which advances paid aggregate ₹ 84.59 lac as at 31 March, 2017 *(as at 31 March, 2016: ₹ 232.32 lac, as at 1 April, 2015: ₹ 200.02 lac)*.

ii) During the year, the Company exercised its call option on 19,421 equity shares of Zero Waste Agro Organics Limited ("ZWAOL") on 23 November, 2016, at an aggregate cost of ₹ 1,948.84 lac. The commitments in the form of put option granted to the erstwhile owners of 73,645 equity shares in ZWAOL stand extinguished.

iii) During the year 2015-16, the Company exercised its call option on 20,953 equity shares of Metahelix Life Sciences Limited ("Metahelix") on 15 February, 2016 at an aggregate cost of ₹ 7,332.95 lac. The commitments in the form of put option granted to the erstwhile owners of 6,895 equity shares in Metahelix stand extinguished.

iv) During the year 2015-16, the Company had agreed to assign its leasehold rights in a property at Turbhe Navi Mumbai, for a gross consideration of ₹ 21,393.00 lac to Ikea India Private Limited. The arrangement was subject to the Company obtaining necessary approvals under various regulations in respect of which the Company was liable to make payment aggregating to ₹ 9,778.19 lac against which the Company was entitled to be reimbursed of ₹ 4,400.19 lac.

v) For lease commitments refer note no 35.

41 Research and development expenditure

The Company has incurred the following expenses on research and development activity:

Particulars (refer footnote)	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
On tangible fixed assets	**85.01**	*150.02*
On items which have been expensed during the year		
- Materials	**264.49**	*243.29*
- Employee benefits expense	**905.27**	*813.36*
- Professional fees	**35.64**	*35.63*
- Consumables	**25.57**	*37.58*
- Finance costs	**0.14**	*1.80*
- Travelling expenses	**67.21**	*63.17*
- Rent	**39.78**	*35.19*
- Depreciation and amortisation expense	**468.90**	*460.85*
- Others	**197.50**	*175.59*
Expenses - External agency	**77.89**	*76.72*
Total	**2,167.40**	*2,093.20*

During the year the Company has also incurred ₹ 102.92 lac *(Previous Year ₹ 543.73 lac)* towards capital development expenditure which is included under intangible assets under development. The total amount included in Intangible assets under development as at 31 March, 2017 is ₹ 1,113.77 lac *(as at 31 March, 2016 ₹ 1,092.25 lac, as at 1 April, 2015 ₹ 665.86 lac)*.

footnote:
The above figures include the amounts based on separate accounts for the Research and Developments ("R&D") Centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (consonance with the DSIR guidelines for in-house R & D Centre will be evaluated at the time of filing the return with DSIR).

42 Other current liabilities include provision held in respect of indirect tax matters in dispute : (refer note 23)

While denying liabilities, on an evaluation of each of its disputed claims, the Company holds an overall provision for contingency in respect of certain indirect tax matters in dispute which, as at the year-end, aggregates ₹ 193.82 lac *(as at 31 March, 2016 ₹ 193.82 lac, as at ₹ 1 April, 2015 193.82 lac)*. The movement during the year is as under:

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Opening Balance as at 1 April	**193.82**	*193.82*	*193.82*
Additional provisions made during the year	-	-	-
Total	**193.82**	*193.82*	*193.82*
Payments made adjusted against above sum	-	-	-
Closing Balance as at 31 March	**193.82**	*193.82*	*193.82*

Due to the numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The Company regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, may change its estimates significantly. However, no estimate of the range of any such change can be made at this time.

43 Other expenses include Auditors' Remuneration as under:

Particulars	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
(a) To statutory auditors		
For audit	**75.20**	*55.20*
For taxation matters	**23.00**	*50.00*
For other services *	**95.35**	*62.50*
Reimbursement of expenses	**3.22**	*1.46*
(b) To cost auditors for cost audit	**7.00**	*7.00*

Service tax which is being claimed for set-off as input credit has not been included in the expenditure above.
*excludes ₹ 4.00 lac *(Previous Year ₹ 33.00 lac)* paid to network firms.

44 Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year*	**783.92**	*433.73*	*701.28*
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	*0.22*
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**0.01**	*0.34*	*0.12*
(iv) The amount of interest due and payable for the year	**0.01**	*0.12*	*0.34*
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

* out of above amount overdue is ₹ Nil *(Previous year: ₹ Nil)*
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Rallis India Limited

Notes to the financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

45 The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 391.00 lac *(Previous Year ₹ 388.40 lac)*. Amount spent during the year on CSR activities (included in Note 29 and Note 32 of the Statement of Profit and Loss) as under.

Particulars	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Employee benefits expense	**19.70**	*19.40*
Other expenses (for healthcare, education, women empowerment, skill development , disaster relief, etc.)	**375.65**	*379.32*
	395.35	*398.72*

46 During the year, the Company had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of SBN held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	**SBNs**	***Other Demonetisation Notes***	***Total***
Closing Cash in Hand as on 8 November, 2016*	4.68	1.41	6.09
(+) Permitted receipts	-	9.28	9.28
(-) Permitted payments	-	8.16	8.16
(-) Amount deposited in Banks	4.68	0.01	4.69
Closing Cash in Hand as on 30 December, 2016	-	2.52	2.52

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India,in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated the 8 November, 2016.

*The above balance includes cash in hand of ₹ 2.25 lac relates to SBN, held by employees as at 8 November, 2016 which was accounted and deposited on 19 November, 2016.

47 Exceptional item comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai. The profit is net of costs including a premium levied, under the repealed Urban Land (Ceiling and Regulation) Act, 1976 which has been paid under protest.

48 **Subsequent event**

The Board of Directors at its meeting held on 24 April, 2017 has recommended a dividend of ₹ 2.50 per equity share. The Board has also recommended a one-time special dividend of ₹ 1.25 per equity share, out of the profit on assignment of leasehold rights in the Turbhe land.

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
PADMINI KHARE KAICKER

BHASKAR BHAT *Chairman*

V. SHANKAR *Managing Director & Chief Executive Officer*

ASHISH MEHTA *Chief Financial Officer*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 24 April, 2017

CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RALLIS INDIA LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Rallis India Limited (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), comprising the Consolidated Balance Sheet as at 31 March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 1,378.36 lac as at 31 March, 2017, total revenues of ₹ 70.30 lac and net cash inflows amounting to ₹ 3.74 lac for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The comparative financial information for the year ended 31 March, 2016 and the transition date opening balance sheet as at 1 April, 2015 in respect of two subsidiaries included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent and subsidiary company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies except in cases wherein disputes relating to the ownership of the underlying shares have remained unresolved.

Rallis India Limited

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and other auditors by the managements of the respective Group entities.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)

Place: Mumbai
Date: 24 April, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2017, we have audited the internal financial controls over financial reporting of Rallis India Limited (hereinafter referred to as the "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Rallis India Limited

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)

Place: Mumbai
Date: 24 April, 2017

Rallis India Limited

All amounts are in ₹ lac unless otherwise stated

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2017

	Notes	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
ASSETS				
Non-current assets				
a) Property, plant and equipment	5	**35,167.32**	*35,572.02*	*33,537.18*
b) Capital work in progress	5	**1,198.74**	*1,408.76*	*773.26*
c) Goodwill	6.1	**19,582.31**	*19,582.31*	*19,582.31*
d) Other intangible assets	6.2	**1,105.39**	*1,286.09*	*1,673.78*
e) Intangible assets under development	6.2	**3,016.40**	*2,640.40*	*1,873.27*
f) Financial assets				
i) Investments	7	**1,870.06**	*1,869.68*	*1,869.67*
ii) Other financial assets	8	**802.93**	*806.92*	*736.18*
g) Non-Current tax assets	9	**7,163.83**	*7,226.09*	*8,072.44*
h) Deferred tax assets (net)	21	**2,364.98**	*859.21*	*476.21*
i) Other non-current assets	13	**5,131.80**	*6,579.15*	*6,686.78*
Total non-current assets		**77,403.76**	*77,830.63*	*75,281.08*
Current Assets				
a) Inventories	10	**39,437.56**	*40,271.17*	*39,247.55*
b) Financial assets				
i) Investments	7	**22,052.25**	*941.95*	*552.07*
ii) Trade receivables	11	**25,957.93**	*22,784.36*	*27,091.57*
iii) Cash and cash equivalents	12.1	**523.27**	*277.30*	*151.86*
iv) Bank balances other than (iii) above	12.2	**466.05**	*490.99*	*564.79*
iv) Other financial assets	8	**73.76**	*118.64*	*199.18*
c) Other current assets	13	**6,363.93**	*6,312.37*	*4,964.96*
		94,874.75	*71,196.78*	*72,771.98*
Assets classified as held for sale	14	**576.30**	*237.19*	*-*
Total current assets		**95,451.05**	*71,433.97*	*72,771.98*
Total assets		**172,854.81**	*149,264.60*	*148,053.06*
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	15	**1,944.71**	*1,944.71*	*1,944.71*
b) Other equity	16	**109,171.71**	*86,898.30*	*82,380.91*
Equity attributable to owners of the Company		**111,116.42**	*88,843.01*	*84,325.62*
Non-controlling interest		**43.06**	*374.74*	*1,008.03*
Total equity		**111,159.48**	*89,217.75*	*85,333.65*
Liabilities				
Non-current liabilities				
a) Financial liabilities - long term borrowings	17	**2,439.93**	*2,620.28*	*2,680.70*
b) Other financial liabilities	19	**562.59**	*481.89*	*403.91*
c) Provisions	20	**1,764.27**	*1,694.92*	*1,839.91*
d) Deferred tax liabilities (net)	21	**4,982.42**	*3,579.25*	*3,251.91*
Total non-current liabilities		**9,749.21**	*8,376.34*	*8,176.43*
Current liabilities				
a) Financial liabilities				
i) Short term borrowings	18	**1,248.85**	*4,857.86*	*8,373.76*
ii) Trade payables	22	**33,019.31**	*27,369.78*	*28,643.45*
iii) Other financial liabilities	19	**7,328.34**	*9,490.94*	*8,281.70*
b) Provisions	20	**1,076.08**	*965.81*	*875.45*
c) Current tax liabilities (net)	9	**389.93**	*611.13*	*1,552.19*
d) Other current liabilities	23	**8,883.61**	*8,374.99*	*6,816.43*
Total current liabilities		**51,946.12**	*51,670.51*	*54,542.98*
Total liabilities		**61,695.33**	*60,046.85*	*62,719.41*
Total equity and liabilities		**172,854.81**	*149,264.60*	*148,053.06*
See accompanying notes to the financial statements				

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
SANJIV V. PILGAONKAR
Partner

Mumbai, 24 April, 2017

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT — *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
PADMINI KHARE KAICKER

BHASKAR BHAT — *Chairman*

V. SHANKAR — *Managing Director & Chief Executive Officer*

ASHISH MEHTA — *Chief Financial Officer*

P. S. MEHERHOMJI — *Company Secretary*

All amounts are in ₹ lac unless otherwise stated

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

		Notes	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
I	Revenue from operations	24	**178,298.26**	*162,779.56*
II	Other income	25	**1,279.32**	*1,427.57*
III	**Total Income (I+II)**		**179,577.58**	*164,207.13*
IV	**EXPENSES**			
	Cost of materials consumed	26	**81,096.92**	*77,618.01*
	Purchases of stock in trade	27	**10,996.48**	*9,800.04*
	Changes in inventories of finished goods, stock in trade and work-in-progress	28	**2,948.79**	*(1,553.01)*
	Excise duty on sale of goods		**10,467.88**	*9,867.97*
	Employee benefits expense	29	**14,639.59**	*13,261.88*
	Finance costs	30	**729.67**	*1,359.04*
	Depreciation and amortisation expense	31	**4,730.92**	*4,361.02*
	Other expenses	32	**31,811.94**	*30,881.01*
	Total expense (IV)		**157,422.19**	*145,595.96*
V	**Profit before exceptional items and tax (III -IV)**		**22,155.39**	*18,611.17*
VI	Exceptional items	47	**15,839.16**	*-*
VII	**Profit before tax (V+VI)**		**37,994.55**	*18,611.17*
VIII	**Tax expense**	9		
	(1) Current tax expense		**8,389.77**	*3,957.94*
	(2) Deferred tax		**(102.19)**	*(55.66)*
	Total tax expense		**8,287.58**	*3,902.28*
IX	**Profit for the year (VII-VIII)**		**29,706.97**	*14,708.89*
X	**OTHER COMPREHENSIVE INCOME**			
	Items not to be reclassified to profit or loss :			
	a) Remeasurements of the defined benefit plans		**(67.36)**	*20.26*
	b) Equity instruments through other comprehensive income		**0.38**	*0.01*
	c) Income tax relating to item that will not be reclassified to profit or loss		**16.01**	*(9.85)*
	Total other comprehensive income for the year		**(50.97)**	*10.42*
XI	**Total comprehensive income for the year**		**29,656.00**	*14,719.31*
XII	**Profit for the year attributable to:**			
	Owners of the Company		**29,745.77**	*14,339.03*
	Non-controlling interests		**(38.80)**	*369.86*
			29,706.97	*14,708.89*
XIII	**Other comprehensive income attributable to:**			
	Owners of the Company		**(50.97)**	*14.60*
	Non-controlling interests		**-**	*(4.18)*
			(50.97)	*10.42*
XIV	**Total comprehensive income attributable to:**			
	Owners of the Company		**29,694.80**	*14,353.63*
	Non-controlling interests		**(38.80)**	*365.68*
			29,656.00	*14,719.31*
	Earnings per share (of ₹1 each)	34		
	(1) Basic (in ₹)		**15.30**	*7.37*
	(2) Diluted (In ₹)		**15.30**	*7.37*

See accompanying notes to the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
SANJIV V. PILGAONKAR
Partner

Mumbai, 24 April, 2017

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT — *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
PADMINI KHARE KAICKER

BHASKAR BHAT — *Chairman*
V. SHANKAR — *Managing Director & Chief Executive Officer*
ASHISH MEHTA — *Chief Financial Officer*
P. S. MEHERHOMJI — *Company Secretary*

Rallis India Limited

All amounts are in ₹ lac unless otherwise stated

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2017

		For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit for the year	**29,706.97**	*14,708.89*
	Adjustments for :		
	Income tax expense recognised in profit or loss	**8,287.58**	*3,902.28*
	Finance cost recognised in profit or loss	**729.67**	*1,359.04*
	Depreciation and amortisation of non current asset	**4,730.92**	*4,361.02*
	Interest income recognised in profit or loss	**(127.68)**	*(179.09)*
	Dividend Income recognised in profit or loss	**(567.69)**	*(24.11)*
	Credit balances written back	**(1,063.28)**	*(206.44)*
	Provision for doubtful debts (net)	**404.23**	*252.70*
	Provision/(reversal) for supplemental payments on retirement	**45.14**	*(31.89)*
	Provision/(reversal) for gratuity	**(29.15)**	*(104.63)*
	Provision for compensated absences	**112.66**	*92.31*
	Net foreign exchange (gain) / loss	**(231.92)**	*72.15*
	(Gain)/Loss on disposal of property, plant and equipment	**74.21**	*(6.84)*
		42,071.66	*24,195.39*
	Movements in working capital:		
	(Increase)/decrease in Trade and other receivables	**(3,847.22)**	*3,931.93*
	(Increase)/decrease in Inventories	**833.61**	*(1,023.62)*
	(Increase)/decrease other financial assets	**47.51**	*13.41*
	(Increase)/decrease other assets	**898.85**	*(1,200.24)*
	Increase/(decrease) trade payables	**7,213.78**	*(1,016.80)*
	Increase/(decrease) in other financial liabilities	**(284.01)**	*806.59*
	Increase/(decrease) in other liabilities	**508.62**	*1,558.56*
	CASH GENERATED FROM OPERATIONS	**47,442.80**	*27,265.22*
	Income taxes paid	**(8,549.12)**	*(4,052.65)*
	NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**38,893.68**	*23,212.57*
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Interest received	**129.04**	*175.48*
	Dividend received	**567.69**	*24.11*
	Payments for property , plant and equipment	**(3,932.51)**	*(6,070.06)*
	Payments for intangible assets	**(1,012.43)**	*(1,262.32)*
	Proceeds from disposal of property, plant and equipment	**265.73**	*93.76*

All amounts are in ₹ lac unless otherwise stated

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Purchase of current investments	**(56,119.01)**	*(9,462.64)*
Proceeds from sale of current investments	**35,008.71**	*9,072.76*
Net cash outflow on acquisition of subsidiaries	**(1,948.84)**	*(7,334.94)*
Investments in bank deposits	**24.94**	*73.80*
NET CASH (USED IN) INVESTING ACTIVITIES (B)	**(27,016.68)**	*(14,690.05)*
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	**-**	*1,500.00*
Repayment of long-term borrowings (including current maturities)	**(1,510.90)**	*(1,533.76)*
Contribution from non-controlling interest	**86.03**	*-*
Repayment of short-term borrowings	**-**	*(1,000.00)*
Dividends paid on equity shares (including dividend distribution tax)	**(5,839.74)**	*(3,497.77)*
Interest paid	**(757.41)**	*(1,349.65)*
NET CASH (USED IN) FINANCING ACTIVITIES (C)	**(8,022.02)**	*(5,881.18)*
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**3,854.98**	*2,641.34*
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash in hand	**5.07**	*8.92*
Balances with banks in current account and deposit account	**272.23**	*142.94*
Bank overdrafts and cash credit facility (secured)	**(3,857.86)**	*(6,373.76)*
	(3,580.56)	*(6,221.90)*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash in hand	**5.59**	*5.07*
Balances with banks in current account and deposit account	**517.68**	*272.23*
Bank overdrafts and cash credit facility (secured)	**(248.85)**	*(3,857.86)*
CASH AND CASH EQUIVALENTS AS PER NOTE 12.1	**274.42**	*(3,580.56)*

See accompanying notes to the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
SANJIV V. PILGAONKAR
Partner

Mumbai, 24 April, 2017

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT — *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
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Rallis India Limited

All amounts are in ₹ lac unless otherwise stated

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017

	Issued capital	Attributable to the equity holders of the parent							Non-controlling interests	Total
		Securities premium reserve	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Equity instrument through OCI	Total		
As at 1 April, 2015	*1,944.71*	*8,793.88*	*47,802.43*	*1,243.10*	*8,151.77*	*16,389.73*	-	*82,380.91*	*1,008.03*	*85,333.65*
Profit for the period	-	-	*14,339.03*	-	-	*1,260.20*	-	*15,599.23*	*369.86*	*15,969.09*
Other comprehensive income	-	-	*10.41*	-	-	-	*0 .01*	*10.42*	-	*10.42*
Total comprehensive income	-	-	*14,349.44*	-	-	*1,260.20*	*0.01*	*15,609.65*	*369.86*	*15,979.51*
Cash dividends	-	-	*(2,917.03)*	-	-	-	-	*(2,917.03)*	-	*(2,917.03)*
Dividend distribution tax on cash dividend	-	-	*(583.24)*	-	-	-	-	*(583.24)*	-	*(583.24)*
Transfer to General reserve	-	-	*(1,260.20)*	-	-	-	-	*(1,260.20)*	-	*(1,260.20)*
Acquisition of non-controlling interests	-	-	*(6,331.79)*	-	-	-	-	*(6,331.79)*	*(1,003.15)*	*(7,334.94)*
As at 31 March, 2016	*1,944.71*	*8,793.88*	*51,059.61*	*1,243.10*	*8,151.77*	*17,649.93*	*0.01*	*86,898.30*	*374.74*	*89,217.75*

	Issued capital	Attributable to the equity holders of the parent							Non-controlling interests	Total
		Securities premium reserve	*Retained earnings*	*Capital reserve*	*Capital redemption reserve*	*General reserve*	*Equity instrument through OCI*	Total		
As at 31 March, 2016	**1,944.71**	**8,793.88**	**51,059.61**	**1,243.10**	**8,151.77**	**17,649.93**	**0 .01**	**86,898.30**	**374.74**	**89,217.75**
Profit for the period	-	-	**29,745.77**	-	-	-	-	**29,745.77**	**(38.80)**	**29,706.97**
Other comprehensive income	-	-	**(51.36)**	-	-	-	**0.38**	**(50.97)**	-	**(50.97)**
Total comprehensive income	-	-	**29,694.41**	-	-	-	**0.38**	**29,694.80**	**(38.80)**	**29,656.00**
Cash dividends	-	-	**(4,861.72)**	-	-	-	-	**(4,861.72)**	-	**(4,861.72)**
Dividend distribution tax on cash dividend	-	-	**(989.73)**	-	-	-	-	**(989.73)**	-	**(989.73)**
Transfer to General reserve	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	**(1,569.93)**	-	-	-	-	**(1,569.93)**	**(292.88)**	**(1,862.81)**
As at 31 March, 2017	**1,944.71**	**8,793.88**	**73,332.64**	**1,243.10**	**8,151.77**	**17,649.93**	**0.39**	**1,09,171.71**	**43.06**	**1,11,159.48**

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
SANJIV V. PILGAONKAR
Partner

Mumbai, 24 April, 2017

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y.S.P. THORAT *Directors*
PUNITA KUMAR-SINHA
C.V. NATRAJ
PADMINI KHARE KAICKER

BHASKAR BHAT *Chairman*

V. SHANKAR *Managing Director & Chief Executive Officer*

ASHISH MEHTA *Chief Financial Officer*

P. S. MEHERHOMJI *Company Secretary*

1. Corporate Information

Rallis India Limited (the ''Company'') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its parent and ultimate holding company is Tata Chemicals Limited. The principal activities of the Company and its subsidiaries (hereinafter referred to as the "Group") is manufacture and marketing of Agri Inputs.

The Company's registered office is at 156/157, 15th Floor, Nariman Bhavan, 227 Nariman Point, Mumbai 400 021.

The financial statements for the year ended 31 March, 2017 were approved by the Board of Directors and authorised for issue on 24 April, 2017.

2. Recent accounting pronouncement

2.1 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based Payment. ' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1 April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Group.

Rallis India Limited

Notes to the Consolidated Financial Statements for the year ended 31 March, 2017

3. Significant accounting policies

3.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31 March, 2016, the Group prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. Refer note 4 for the details of first time adoption exemptions availed by the Group.

3.2 Basis of preparation and measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income •of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interests in the acquiree, and the fair value of the acquirer' s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Foreign currency translation

The functional currency of the Group is Indian rupee (₹).

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

3.7 Property plant and equipment (PPE)

On adoption of Ind AS, the Group retained the carrying value for all of its property, plant and equipment as recognised in the Consolidated Financial Statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM"). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Type/Category of Asset	**Useful live**
Rallis India Limited	
Buildings including factory buildings	3-60 years
General Plant and Machinery	2-30 years
Electrical Installations and Equipments	10-15 years
Furniture and Fixtures	3-10 years
Office Equipments	3-10 years
Vehicles	8 years
Computer and Data Processing Units	3-10 years
Laboratory Equipments	10-15 years
Leasehold improvement	shorter of lease period and above estimated useful life

Rallis India Limited

Notes to the Consolidated Financial Statements for the year ended 31 March, 2017

Metahelix Life Sciences Limited	
Factory building	25 years
Seed processing machine	15 years
Lab equipment	10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in consolidated financial statements.

3.8 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

The Group amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Asset	Useful life
Rallis India Limited	
Product registrations	4 years
Licenses and commercial rights	4 years
Computer software	3-8 years
Metahelix Life Sciences Limited	
Licenses and commercial riths	3 years
Computer software	1 year
Technical Knowhow	3 years

The estimated useful life is reviewed annually by the management.

3.9 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

3.10 Non-derivative financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in Consolidated Financial Statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.11 Derivative financial instruments

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

Rallis India Limited

Notes to the Consolidated Financial Statements for the year ended 31 March, 2017

3.12 Impairment

Financial assets (other than at fair value)

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

PPE and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

3.13 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.14.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.14.2 Rendering of services

Income recognition for services takes place as and when the services are performed.

3.14.3 Interest Income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

3.14.4 Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

3.14.5 Insurance claims

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

3.14.6 Royalty on trademark license arrangements:

Royalty revenue is recognised on an accrual basis (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Such arrangements are based on sales made by the licensee and are recognised by reference to the compensation terms under the underlying arrangement.

3.15 Research and development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.16 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Rallis India Limited

Notes to the Consolidated Financial Statements for the year ended 31 March, 2017

(ii) Finance Lease:

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

3.17 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.18 Employee benefit expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences and supplemental pay.

3.18.1 Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as defined contribution schemes as the Group does not carry any further obligations, apart from the contributions made.

The Group also makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Group in case of certain locations and government authorities (PF commissioner) at other locations. The Group is liable for contributions and any deficiency compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

Defined benefit plans

The Group operates various defined benefit plans- gratuity fund and supplemental pay.

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3.18.2 Short term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

3.19 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

3.20 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Managing Director & CEO.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Rallis India Limited

Notes to the Consolidated Financial Statements for the year ended 31 March, 2017

3.21 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

3.22 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the Sonsolidated Financial Statements unless an inflow of economic benefits is probable.

3.23 Dividend to Equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

3.24 Earnings per share (EPS)

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the Group by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

3A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Consolidated Financial Statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the consolidated financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Discount rate used to determine the carrying amount of the Group's defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the Consolidated Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

Rallis India Limited

Notes to the Consolidated Financial Statements for the year ended 31 March, 2017

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described in Note 3, the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Allowances for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the consolidated financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the Consolidated Financial Statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Group had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Group's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Group to be reliable estimate of future sales returns.

4. Explanation of transition to Ind AS

The Group's consolidated financial statements for the year ended 31 March, 2017 are the first annual Consolidated Financial Statements prepared by the Group in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April, 2015 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarised in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The accounting policies as stated above in Note 3 above have been applied in preparing the consolidated financial statements for the year ended 31 March, 2017, the consolidated financial statements for the year ending 31 March, 2016 and the preparation of an opening Ind AS statement of financial position as at 1 April, 2015. In preparing its opening Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2016, the Group has adjusted amounts reported in consolidated financial statements prepared in accordance with Previous GAAP.

An explanation of how the transition from Previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables.

i. Reconciliations of equity: **(₹ in lac)**

Particulars	As at 31 March, 2016	As at 31 March, 2015
Equity as per Previous GAAP	**90,277.71**	**82,459.71**
Adjustment relating to acquisition - post obtaining control	(6,331.79)	-
Dividend and tax on dividend	5,851.45	3,500.27
Difference on account of revenue recognition net of related costs	(562.72)	(608.74)
Capital subsidy	(15.85)	(17.36)
Others	(1.05)	(0.23)
Equity as per Ind AS	**89,217.75**	**85,333.65**

ii. Reconciliation of total comprehensive income: **(₹ in lac)**

Particulars	For the year ended 31 March, 2016
Profit after tax as per Previous GAAP	**14,672.60**
Difference on account of revenue recognition net of related costs	61.80
Actuarial (gain)/loss on employee defined benefit plans recognised in Other Comprehensive Income (net of taxes)	(10.42)
Other adjustments	0.69
Income tax adjustments on the above adjustments	(15.78)
Net profit after tax as per Ind AS	**14,708.89**
Other Comprehensive Income (net of taxes)	10.42
Total Comprehensive Income as per Ind AS	**14,719.31**

iii. Explanation of material adjustments to Statement of Cash Flow for the year ended 31 March, 2016:

The transition from Previous GAAP to Ind AS has no material impact on the Statement of Cash Flows except bank overdraft which has been considered as part of cash & cash equivalent.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

5 Property, plant and equipment and capital work-in-progress

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Carrying amount of:			
Freehold land	**431.92**	*438.69*	*438.69*
Leasehold improvements	**121.34**	*143.23*	*165.11*
Buildings	**12,926.71**	*12,756.56*	*12,910.75*
Plant and equipment	**21,286.97**	*21,762.84*	*19,442.53*
Furniture and fixtures	**240.84**	*316.68*	*339.53*
Vehicles	**12.22**	*27.45*	*86.14*
Office equipments	**110.27**	*126.57*	*154.43*
Equipment under finance lease	**37.05**	*-*	*-*
	35,167.32	*35,572.02*	*33,537.18*
Capital Work-in-progress	**1,198.74**	*1,408.76*	*773.26*
	36,366.06	*36,980.78*	*34,310.44*

Cost or deemed cost	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Equipment under finance lease	Total
Balance at 1 April, 2015	*438.69*	*165.11*	*12,910.75*	*19,442.53*	*339.53*	*86.14*	*154.43*	*-*	*33,537.18*
Additions	*-*	*-*	*566.89*	*5,156.42*	*70.18*	*4.24*	*34.50*	*-*	*5,832.23*
Disposals	*-*	*-*	*0.45*	*77.36*	*-*	*55.27*	*0.39*	*-*	*133.47*
Reclassified as held for sale (w.e.f. 31 March, 2016)	*-*	*-*	*196.02*	*64.79*	*-*	*-*	*-*	*-*	*260.81*
Balance at 31 March, 2016	**438.69**	**165.11**	**13,281.17**	**24,456.80**	**409.71**	**35.11**	**188.54**	**-**	**38,975.13**
Additions	**-**	**-**	**861.30**	**2,616.15**	**32.12**	**-**	**73.42**	**38.11**	**3,621.10**
Disposals	**6.77**	**-**	**17.25**	**122.72**	**41.77**	**13.25**	**5.77**	**-**	**207.53**
Balance at 31 March, 2017	**431.92**	**165.11**	**14,125.22**	**26,950.23**	**400.06**	**21.86**	**256.19**	**38.11**	**42,388.70**

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

5 Property, plant and equipment and capital work-in-progress (continued)

Accumulated depreciation	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Equipment under finance lease	Total
Balance at 1 April, 2015	-	-	-	-	-	-	-	-	-
Depreciation expense	-	*21.88*	*532.17*	*2,737.42*	*93.03*	*31.67*	*61.97*	-	*3,478.14*
Eliminated on disposal of assets	-	-	*0.11*	*22.43*	-	*24.01*	-	-	*46.55*
Eliminated on reclassification as held for sale (w.e.f. 31 March, 2016)	-	-	*7.45*	*21.03*	-	-	-	-	*28.48*
Balance at 31 March, 2016	**-**	**21.88**	**524.61**	**2,693.96**	**93.03**	**7.66**	**61.97**	**-**	**3,403.11**
Depreciation expense	**-**	**21.89**	**676.58**	**3,021.85**	**96.37**	**9.06**	**86.98**	**1.06**	**3,913.79**
Eliminated on disposal of assets	**-**	**-**	**2.68**	**52.55**	**30.18**	**7.08**	**3.03**	**-**	**95.52**
Balance at 31 March, 2017	**-**	**43.77**	**1,198.51**	**5,663.26**	**159.22**	**9.64**	**145.92**	**1.06**	**7,221.38**

Carrying Amount	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Equipment under finance lease	Total
Balance at 1 April, 2015	438.69	165.11	12,910.75	19,442.53	339.53	86.14	154.43	-	33,537.18
Additions	-	-	566.89	5,156.42	70.18	4.24	34.50	-	5,832.23
Disposals	-	-	0.34	54.93	-	31.26	0.39	-	86.92
Depreciation expense	-	21.88	532.17	2,737.42	93.03	31.67	61.97	-	3,478.14
Reclassified as held for sale (w.e.f. 31 March, 2016)	-	-	188.57	43.76	-	-	-	-	232.33
Balance at 31 March, 2016	**438.69**	**143.23**	**12,756.56**	**21,762.84**	**316.68**	**27.45**	**126.57**	**-**	**35,572.02**
Additions	**-**	**-**	**861.30**	**2,616.15**	**32.12**	**-**	**73.42**	**38.11**	**3,621.10**
Disposals	**6.77**	**-**	**14.57**	**70.17**	**11.59**	**6.17**	**2.74**	**-**	**112.01**
Depreciation expense	**-**	**21.89**	**676.58**	**3,021.85**	**96.37**	**9.06**	**86.98**	**1.06**	**3,913.79**
Balance at 31 March, 2017	**431.92**	**121.34**	**12,926.71**	**21,286.97**	**240.84**	**12.22**	**110.27**	**37.05**	**35,167.32**

footnotes:

1. Cost of buildings includes cost of 60 shares *(31 March, 2016 - 60 shares, 1 April, 2015-60 shares)* of ₹50 each fully paid and cost of 7 shares *(31 March, 2016- 7 shares, 1 April, 2015-7 shares)* of ₹100 each fully paid in respect of ownership flats in 8 *(31 March, 2016- 8, 1 April, 2015-8)* Co-operative Societies.
2. Buildings include assets carried at ₹0.94 lac *(31 March, 2016 ₹1.07 lac, 1 April, 2015 ₹1.12 lac)* where the conveyance in favor of the Company has not been completed.
3. Plant and equipment includes plant and machinery, electrical installations and equipments, laboratory equipments and computers and data processing units.The Groups's obligations under finance leases are secured by the lessor's title to the leased assets.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

4. Plant and equipment includes a unit having carrying cost of ₹ 794.82 lac *(31 March, 2016 ₹ 855.83 lac, 1 April, 2015 ₹ 920.33 lac)* and land and buliding with a carrying cost of ₹ 870.37 lac *(31 March, 2016 ₹ 946.74 lac, 1 April, 2015 ₹ 848.87 lac)* are subject to first charge to secure two of the Group's bank loans.
5. The figures in italics are for the previous year.

6 Intangible assets

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
6.1 Carrying amount of:			
Goodwill	**19,582.31**	*19,582.31*	*19,582.31*
	19,582.31	*19,582.31*	*19,582.31*

Goodwill includes amount of ₹ 16,522.26 lac *(as at 31 March, 2016 ₹ 16,522.26 lac; as at1 April, 2015 ₹ 16,522.26 lac)* allocated to the business of Metahelix Life Sciences Ltd. The estimated value-in-use of this "CGU" is based on the future cash flows using a 5.00 % annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 15.00 %.

Goodwill of ₹ 3,060.05 lac has been allocated to Zero Waste Agro Organics Ltd., an entity in the early stage of its development. The amount is not regarded as significant in comparison to the total carrying amount of the goodwill of the Group.

"An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
6.2 Carrying amount of:			
Other intangible assets			
Product Registrations	**298.69**	*466.69*	*713.85*
Licences and commercial Rights	**236.03**	*415.09*	*536.98*
Computer software	**62.92**	*65.28*	*65.02*
Technical knowhow	**507.75**	*339.03*	*357.93*
	1,105.39	*1,286.09*	*1,673.78*
Intangible assets under development	**3,016.40**	*2,640.40*	*1,873.27*
	4,121.79	*3,926.49*	*3,547.05*

6.2 Other intangible assets (continued)

Cost or deemed cost	Product registrations	Licences and commercial rights	Computer software	Technical knowhow	Total
Balance at 1 April, 2015	*713.85*	*536.98*	*65.02*	*357.93*	*1,673.78*
Additions	*48.20*	*72.72*	*48.29*	*325.98*	*495.19*
Disposals	-	-		-	-
Balance at 31 March, 2016	**762.05**	**609.70**	**113.31**	**683.91**	**2,168.97**
Additions	**140.68**	-	**42.62**	**453.13**	**636.43**
Disposals	-	-	-		-
Balance at 31 March, 2017	**902.73**	**609.70**	**155.93**	**1,137.04**	**2,805.40**

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

6.2 Other intangible assets (continued)

Accumulated amortisation	Product registrations	Licences and commercial rights	Computer software	Technical knowhow	Total
Balance at 1 April, 2015	-	-		-	-
Amortisation expense	*295.36*	*194.60*	*48.03*	*344.89*	*882.88*
Eliminated on disposal of assets	-	-	-		-
Balance at 31 March, 2016	**295.36**	**194.60**	**48.03**	**344.89**	**882.88**
Amortisation expense	**308.68**	**179.07**	**44.98**	**284.40**	**817.13**
Eliminated on disposal of assets	-	-	-		-
Balance at 31 March, 2017	**604.04**	**373.67**	**93.01**	**629.29**	**1,700.01**

Carrying amount	Product registrations	Licences and commercial rights	Computer software	Technical knowhow	Total
Balance at 1 April, 2015	*713.85*	*536.98*	*65.02*	*357.93*	*1,673.78*
Additions	*48.20*	*72.72*	*48.29*	*325.98*	*495.19*
Disposals	-	-	-	-	-
Amortisation expense	*295.36*	*194.60*	*48.03*	*344.89*	*882.88*
Balance at 31 March, 2016	**466.69**	**415.10**	**65.28**	**339.02**	**1,286.09**
Additions	**140.68**	-	**42.62**	**453.13**	**636.43**
Disposals	-	-	-		-
Amortisation expense	**308.68**	**179.07**	**44.98**	**284.40**	**817.13**
Balance at 31 March, 2017	**298.69**	**236.03**	**62.92**	**507.75**	**1,105.39**

7 Investments

	Nominal value (in ₹)	Quantity	As at 31 March, 2017	*Quantity*	*As at 31 March, 2016*	*Quantity*	*As at 1 April, 2015*
Non-current							
Quoted equity instruments (all fully paid)							
a) Investments carried at fair value through other comprehensive income (FVTOCI)							
Spartek Ceramics India Ltd.	10	7,226	-	*7,226*	-	*7,226*	-
Nagarjuna Finance Ltd.	10	400	-	*400*	-	*400*	-
Pharmaceuticals Products of India Limited	10	10,000	-	*10,000*	-	*10,000*	-
Balasore Alloys Ltd.	5	504	**0.35**	*504*	*0.08*	*504*	*0.07*
J.K.Cement Ltd.	10	44	**0.41**	*44*	*0.30*	*44*	*0.30*
Total aggregate quoted equity investments		**A**	**0.76**	*A*	*0.38*	*A*	*0.37*

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

7 Investments (continued)

	Nominal value (in ₹)	Quantity	As at 31 March, 2017	Quantity	As at 31 March, 2016	Quantity	As at 1 April, 2015
Unquoted equity instruments							
b) Investments carried at at fair value through other comprehensive income (FVTOCI)							
Gk Chemicals and Fertilizers Limited (formerly known as Aich Aar Chemicals Pvt. Ltd.)	10	124,002	-	*124,002*	*-*	*124,002*	*-*
Biotech Consortium India Ltd.	10	50,000	**5.00**	*50,000*	*5.00*	*50,000*	*5.00*
Indian Potash Ltd.	10	54,000	**0.90**	*54,000*	*0.90*	*54,000*	*0.90*
Bharuch Enviro Infrastructure Ltd.	10	36,750	**3.68**	*36,750*	*3.68*	*36,750*	*3.68*
Narmada Clean Tech Ltd. (formerly known as Bharuch Eco-Aqua Infrastructure Ltd.)	10	300,364	**30.04**	*300,364*	*30.04*	*300,364*	*30.04*
Cuddalore SIPCOT Industries Common Utilities Ltd.#	100	113	-	*113*	*-*	*113*	*-*
Patancheru Enviro-Tech Ltd.	10	10,822	**1.08**	*10,822*	*1.08*	*10,822*	*1.08*
Advinus Therapeutics Ltd.	10	18,286,000	**1,828.60**	*18,286,000*	*1,828.60*	*18,286,000*	*1,828.60*
Amba Trading & Manufacturing Company Private Ltd.	10	130,000	-	*130,000*	*-*	*130,000*	*-*
Associated Inds. (Assam) Ltd.#	10	30,000	-	*30,000*	*-*	*30,000*	*-*
Uniscans & Sonics Ltd.#	10	96	-	*96*	*-*	*96*	*-*
Caps Rallis (Private) Ltd. (Nominal value of Zim. $ 2 each)		2,100,000	-	*2,100,000*	*-*	*2,100,000*	*-*
Total aggregate unquoted investments		**B**	**1,869.30**	*B*	*1,869.30*	*B*	*1,869.30*
Total non-current investments		**(A+B)**	**1,870.06**	*(A+B)*	*1,869.68*	*(A+B)*	*1,869.67*

Amount is less than ₹0.01 lac.

	Units	As at 31 March, 2017	Units	As at 31 March, 2016	Units	As at 1 April, 2015
Current						
Investment in mutual funds - unquoted						
Investments carried at fair value through profit and loss (FVTPL)						
Tata Money Market Fund - Regular Plan - Daily Dividend	383,314.57	**3,838.96**	-	-	-	-
Tata Liquid Fund - Regular Plan - Daily Dividend	296,505.10	**3,304.61**	-	-	-	-
HDFC Liquid Fund - Regular Plan - Dividend - Daily Reinvestment	237,121.57	**2,418.21**	-	-	-	-
HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	1,977.39	**21.03**	-	-	-	-
Birla Sunlife Cash Plus - Daily Dividend - Regular Plan - Reinvestment	2,289,713.15	**2,294.18**	-	-	-	-
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	604,003.60	**6,059.67**	-	-	-	-
UTI Money Market Fund - Institutional Plan - Daily Dividend Reinvestment	301,051.04	**3,020.70**	-	-	-	-
HDFC Cash Management - Savings Plan Growth	32,400.82	**1,094.89**	*29,825.21*	*941.95*	*18,916.99*	*552.07*
Total current investments	**C**	**22,052.25**	**C**	*941.95*	*C*	*552.07*

7 Investments (continued)

	Units	As at 31 March, 2017	Units	As at 31 March, 2016	Units	As at 1 April, 2015
Aggregate book value of quoted investment		0.76		0.38		0.37
Aggregate market value of quoted investment		0.76		0.38		0.37
Aggregate carrying value of unquoted investment	(B+C)	23,921.55	(B+C)	2,811.25	(B+C)	2,421.37
Aggregate amount of impairment in value of investment		-		-		-

8 Other financial assets (at amortised cost)*

(Unsecured, considered good unless otherwise stated)

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
(i) Non-current			
Security deposits	802.93	806.92	736.18
Total	802.93	806.92	736.18
(ii) Current			
a) Unbilled revenue	29.09	12.51	190.63
b) Advances/Deposits considered doubtful of recovery			
Doubtful	3,930.68	3,903.68	3,903.68
Less: provision for doubtful loans and advances	(3,930.68)	(3,903.68)	(3,903.68)
c) Interest accrued on fixed deposit	10.80	12.16	8.55
d) Others	33.87	93.97	-
Total	73.76	118.64	199.18

* There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.

9 Income Taxes

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
9.1: Current tax assets and liabilities			
Non current tax assets			
Advance income tax (Net of provisions)	7,163.83	7,226.09	8,072.44
	7,163.83	7,226.09	8,072.44
Current tax liability			
Provision for current tax (Net of advance tax)	389.93	611.13	1,552.19
Total	389.93	611.13	1,552.19

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
9.2: Income tax recognised in profit or loss		
Current income tax:		
Current income tax charge	**8,556.04**	*4,086.94*
Adjustments in respect of prior year	**(166.27)**	*(129.00)*
Total (A)	**8,389.77**	*3,957.94*
Deferred tax:		
In respect of current year	**387.03**	*(55.66)*
Adjustments in respect of prior years	**833.99**	-
In respect of unused tax credit	**(1,323.21)**	-
Total (B)	**(102.19)**	*(55.66)*
Income tax expense recognised in the Statement of Profit and Loss in current year (A+ B)	**8,287.58**	3,902.28

The income tax expense for the year can be reconciled to the accounting profit as follows:-

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Profit before tax	**37,994.55**	*18,611.17*
Income tax expense calculated @34.608%	**13,149.15**	*6,440.95*
Effect of income that is exempt form taxation	**(700.92)**	*(1,160.97)*
Effect of expenses that are not deductible in determining taxable profit	**633.60**	*386.93*
Effect of expenses that are deductible in determining taxable profit	**(142.33)**	*(119.46)*
Effect of concessions (research & developments and others allowances)	**(1,857.04)**	*(1,841.81)*
Effect of lower tax rates for the long term capital gain	**(2,327.23)**	-
Others	**(187.84)**	*325.64*
	8,943.07	*4,031.28*
Adjustments recognised in the current year in relation to the current tax of prior years	**(166.27)**	*(129.00)*
In respect of unused tax credit	**(1,323.21)**	-
Adjustments for changes in estimates of deferred tax assets	**833.99**	-
Income tax expense recognised in Statement of Profit and Loss	**8,287.58**	*3,902.28*

10 Inventories (lower of cost and net realisable value)

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
a) Raw materials	**12,097.26**	*10,051.44*	*11,061.84*
b) Work in progress (including intermidate goods)	**3,458.39**	*3,136.79*	*3,028.03*
c) Finished goods	**20,224.20**	*21,642.78*	*20,023.51*
d) Stock-in-trade (in respect of goods acquired for trading)	**2,268.41**	*3,766.12*	*3,624.04*
e) Stores and spares	**221.49**	*192.89*	*146.38*
f) Packing materials	**1,167.81**	*1,481.15*	*1,363.75*
Total	**39,437.56**	*40,271.17*	*39,247.55*

footnote:

(i) The cost of inventories recognised as an expense during the year was ₹ 94,489.75 lac (*Previous year 31 March, 2016 ₹ 85,540.97 lac*)

(ii) The cost of inventories recognised as an expense includes ₹ 933.93 lac (*Previous year 31 March, 2016 ₹ 650.41 lac*) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by ₹ 381.49 lac (*Previous year 31 March, 2016 ₹ 326.34 lac*) in respect of reversal of such write-downs.

(iii) The mode of valuation of inventories has been stated in note 3.13

(iv) Loans are secured by first paripassu charge on stock (including raw material, finished goods and work-in-progress) and book debts (refer note 11 and 18).

11 Trade receivables

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Current			
Secured, considered good	**696.77**	*748.69*	*681.99*
Unsecured, considered good	**25,261.16**	22,035.67	26,409.58
Doubtful	**1,370.65**	966.42	713.72
Allowance for doubtful debts (expected credit loss allowance)	**(1,370.65)**	(966.42)	(713.72)
Total	**25,957.93**	22,784.36	27,091.57

footnotes:

(i) The average credit period ranges from 15 days to 180 days.

(ii) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. Of the trade receivable balance as at 31 March, 2017 ₹ 3,819.27 lac is due from one customer (as at 31 March, 2016 ₹ 3,543.14 lac are due from two cutomers, as at 1 April, 2015 ₹ 4,917.10 lac is due from one customer). The credit risk in respect of these customers is mitigated by export credit guarantee. There are no other customer who represent more than 5% of the total balance of trade receivable.

(iii) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iv) Movement in the expected credit loss allowance

Particulars	As at 31 March, 2017	*As at 31 March, 2016*
Balance at the beginning of the year	**966.42**	*713.72*
Less: amount collected and hence reversal of provision	**75.02**	53.93
Add: provision made during the year	**479.25**	306.63
Balance at the end of the year	**1370.65**	966.42

(v) Loans are secured by first paripassu charge on stock (including raw material, finished goods and work-in-progress) and book debts (refer note 10 and 18).

12 Cash and bank balances

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
12.1 Cash and cash equivalents			
a. Balances with banks in current accounts	**506.16**	*164.91*	*136.45*
b. Cash on hand	**5.59**	*5.07*	*8.92*
c. Term deposits with original maturity of less than 3 months	**11.52**	*107.32*	*6.49*
Total Cash and cash equivalents as per Balance Sheet	**523.27**	*277.30*	*151.86*
Bank overdrafts & cash credit facility	**(248.85)**	*(3,857.86)*	*(6,373.76)*
Cash and cash equivalents as per Statement of Cash Flows	**274.42**	*(3,580.56)*	*(6,221.90)*
12.2 Other bank balances			
a. In other deposit accounts - original maturity more than 3 months and less than 12 months	**149.85**	*157.71*	*183.86*
b. In other deposit accounts - original maturity more than 12 months	**51.66**	*49.89*	*40.07*
c. In earmarked accounts:			
i. Balances held for unpaid / unclaimed dividend accounts	**146.21**	*134.82*	*132.32*
ii. Bank deposits as margin money against bank guarantees	**118.33**	*148.57*	*208.54*
Total other bank balances	**466.05**	*490.99*	*564.79*

Non-cash transaction

During the current year the Group acquired ₹ 38.11 lac of equipemnt under a finance lease.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

13 Other assets

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Non-current			
Capital advances	**85.59**	*239.56*	*200.02*
Deposit with public bodies	**99.66**	*141.54*	*187.83*
Value Added Tax (VAT) credit receivable	**476.50**	*1,245.47*	*1,228.37*
Claims receivable	**529.70**	*323.19*	*388.13*
Prepaid lease rental (refer footnote)	**3,818.66**	*4,508.57*	*4,643.03*
Prepaid expenses	**121.69**	*120.82*	*39.40*
Total	**5,131.80**	*6,579.15*	*6,686.78*
Current			
Statutory dues receivable from government authorities			
Service tax credit receivable	**263.68**	*293.38*	*388.63*
Cenvat credit receivable	**188.46**	*150.25*	*436.97*
Others (custom duty)	**12.74**	*5.43*	*46.86*
Export benefit receivable	**1,051.22**	*395.35*	*132.37*
Inventory recoverable	**1,792.86**	*2,220.65*	*2,325.02*
Advances recoverable			
Advances to suppliers	**2,265.63**	*2,417.18*	*967.53*
Advances to employees	**228.07**	*265.22*	*200.01*
Others	**290.35**	*312.28*	*221.21*
Prepaid lease rental (refer footnote)	**113.61**	*134.46*	*102.33*
Prepaid expenses	**157.31**	*118.17*	*144.03*
Total	**6,363.93**	*6,312.37*	*4,964.96*

footnote:
Prepaid lease rental include assets carried at ₹ 990.29 (*as at 31 March, 2016 ₹ 1,583.59 lac, as at 1 April, 2015 ₹ 1,600.22 lac*) for which the Company has sought an extension for the fulfilment of pre-conditions of lease upon expiry of timeline.

14 Assets classified as held for sale

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Leasehold land and other assets held for sale	**576.30**	*237.19*	-
	576.30	237.19	-

footnote:
The Group intends to dispose of assets relating to a non current assets it no longer utilises in the next 12 months. The Company is currently in negotiation with some potential buyers. No impairment loss was recognised on reclassification of the assets as held for sale nor as at reporting date as the directors of the Company expect that the fair value (estimated based on the recent market prices of similar assets in similar locations) less costs to sell is higher than the carrying amount.

15 Share capital

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Equity share capital	**1,944.71**	*1,944.71*	*1,944.71*
	1,944.71	1,944.71	1,944.71
Authorised share capital :			
500,000,000 equity shares of ₹ 1 each with voting rights	**5,000.00**	5,000.00	5,000.00
150,000,000 preference shares of ₹ 10 each	**15,000.00**	15,000.00	15,000.00
Issued and subscribed capital comprises:			
Issued shares			
194,470,890 equity shares of ₹ 1 each	**1,944.71**	1,944.71	1,944.71
Subscribed and fully paid up			
194,468,890 equity shares of ₹ 1 each	**1,944.69**	1,944.69	1,944.69
Forfeited shares			
2,000 equity shares of ₹ 1 each	**0.02**	0.02	0.02
	1,944.71	1,944.71	1,944.71

footnotes :

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Fully paid equity shares

	Number of shares	Share capital
Balance at 1 April, 2015	*194,468,890*	*1,944.69*
Movements	-	-
Balance at 31 March, 2016	*194,468,890*	*1,944.69*
Movements	-	-
Balance at 31 March, 2017	**194,468,890**	**1,944.69**

b. The Company has issued one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of shares held by the Holding Company

Out of total equity shares issued by the Company, shares held by its Holding Company are as below:

	Number of fully paid equity shares	Share capital
Tata Chemicals Limited (Holding Company)		
As at 1 April, 2015	*97,341,610*	*973.42*
As at 31 March, 2016	*97,341,610*	*973.42*
As at 31 March, 2017	**97,341,610**	**973.42**

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

d. Details of shares held by each shareholder holding more than 5% shares in the Company:

	Number of fully paid equity shares	% Holding
Tata Chemicals Limited (Holding Company)		
As at 1 April, 2015	*97,341,610*	*50.06%*
As at 31 March, 2016	*97,341,610*	*50.06%*
As at 31 March, 2017	**97,341,610**	**50.06%**
Rakesh Jhunjhunwala		
As at 1 April, 2015	*20,105,820*	*10.34%*
As at 31 March, 2016	*20,105,820*	*10.34%*
As at 31 March, 2017	**19,335,820**	**9.94%**
ICICI Prudential Mutual Fund		
As at 1 April, 2015	*4,433,565*	*2.28%*
As at 31 March, 2016	*15,333,781*	*7.88%*
As at 31 March, 2017	**8,619,273**	**4.43%**

e. As per records of the Company as at 31 March, 2017, no calls remain unpaid by the directors and officers of the Company.

16 Other equity

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
General reserve	**17,649.93**	*17,649.93*	*16,389.73*
Securities premium reserve	**8,793.88**	*8,793.88*	*8,793.88*
Retained earnings	**73,332.64**	*51,059.61*	*47,802.43*
Capital redemption reserve	**8,151.77**	*8,151.77*	*8,151.77*
Capital reserve	**1,243.10**	*1,243.10*	*1,243.10*
Reserve for equity instruments through Other Comprehensive Income	**0.39**	*0.01*	-
	109,171.71	*86,898.30*	*82,380.91*

16.1: General reserve

	As at 31 March, 2017	*As at 31 March, 2016*
Balance at beginning of year	**17,649.93**	*16,389.73*
Additions during year	-	*1,260.20*
Balance at the end of year	**17,649.93**	*17,649.93*

The general reserve is used for time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsquently to profit or loss.

16.2: Securities premium reserve

	As at 31 March, 2017	*As at 31 March, 2016*
Balance at beginning of year	**8,793.88**	*8,793.88*
Balance at the end of year	**8,793.88**	*8,793.88*

Amount received on issue of shares in excess of the par value has been classified as securities premium reserve.

16.3: Retained earnings

	As at 31 March, 2017	*As at 31 March, 2016*
Balance at beginning of year	**51,059.61**	*47,802.43*
Adjustment relating to acquisition - post obtaining control	**(1,569.93)**	*(6,331.79)*
Other comprehensive income net of income tax	**(51.36)**	*10.41*
Profit attributable to the owners of the Company	**29,745.77**	*14,339.03*
Payment of dividend on equity shares	**(4,861.72)**	*(2,917.03)*
Payment of distribution tax on equity shares	**(989.73)**	*(583.24)*
Transfer to General reserve	-	*(1,260.20)*
Balance at the end of year	**73,332.64**	*51,059.61*

16.4: Capital redemption reserve

	As at 31 March, 2017	*As at 31 March, 2016*
Balance at beginning of year	**8,151.77**	*8,151.77*
Balance at the end of year	**8,151.77**	*8,151.77*

Capital redemption reserve is created out of profits on redemption of capital.

16.5: Capital Reserve

	As at 31 March, 2017	*As at 31 March, 2016*
Balance at beginning of year	**1,243.10**	*1,243.10*
Balance at the end of year	**1,243.10**	*1,243.10*

Capital reserve includes profit on amalgamation of entities.

16.6: Reserve for equity instruments through Other Comprehensive Income

	As at 31 March, 2017	*As at 31 March, 2016*
Balance at beginning of year	**0.01**	-
Additions during year	**0.38**	*0.01*
Balance at the end of year	**0.39**	*0.01*

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

17 Long term borrowings

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Secured -at amortised cost			
Secured loan from banks (refer note (ii))	**211.17**	*383.50*	*588.33*
Secured loan from other corporate bodies (refer note (ii))	**69.86**	*79.69*	*89.51*
Finance lease obligation (refer note (iii))	**38.55**	-	-
Unsecured -at amortised cost			
Term loan from Bank	**1,500.00**	*1,500.00*	*1,250.00*
Loan from the Council of Scientific and Industrial Research (Refer note (ii))	**41.64**	*68.79*	*95.95*
Sales tax deferral under a state government scheme (Refer note(i))	**578.71**	*588.30*	*656.91*
Total long borrowings	**2,439.93**	*2,620.28*	*2,680.70*

Summary of borrowing arrangements

(i) Sales tax deferral scheme:

The loan is repayable in annual installments which range from a maximum of ₹113.37 lac to a minimum of ₹7.78 lac over the period stretching from 1 April, 2016 to 31 March, 2027. The amount outstanding is free of interest.

The balance outstanding as at 31 March, 2017 is ₹ 588.18 lac (*as at 31 March, 2016 ₹ 598.94 lac, as at 1 April, 2015 ₹ 704.35 lac*) of which ₹ 9.47 lac (*as at 31 March, 2016 ₹ 10.64 lac, as at 1 April, 2015 ₹ 47.44 lac)* has been grouped under note 19 other current financial liabilities.

(ii) The terms of repayment of term loans and other loans are stated below

As at March 31, 2017

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks			
Owed by Metahelix Life Sciences Limited	61.17	Term loan from Kotak Mahindra Bank - First and exclusive charge on plant and equipment of Unit 4 of the cob drying unit purchased out of the Bank's term loan. The balance outstanding as at 31 March, 2017 is ₹ 183.50 lac (of which ₹ 122.33 lac has been grouped under note 19 other current financial liabilities) which is repayable in balance 18 monthly installments.	9.75%
	150.00	Term loan from ICICI Bank - is secured by hypothecation of movable assets, both present and future including its movable plant and equipment, machinery spares, tools and accessories and other movables, both present and future all piece and parcel of the immovable agricultural property situated at Kokkanda village, Mulugu Mandal, Medak District.The balance outstanding as at March 31, 2017 is ₹ 200.00 lac (of which ₹ 50.00 lac has been classified under note 19 other current financial liabilities) repayable in balance 16 equated quarterly installments of ₹ 12.50 lac each.	7.50%
		The weighted average effective rate of interest on bank loan is 8.54% (PY 9.38%)	

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from other corporate bodies			
Owed by Metahelix Life Sciences Limited	69.86	Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of the Company, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. Term loan is repayable along with interest in 10 equal half yearly installments from December 2015 (Rice) and June, 2017 -(Maize). The balance payable as on 31 March, 2017 is ₹ 79.68 lac(of which ₹ 9.82 lac has been classified under note 19 Other current financial liabilities)	2.00%
Unsecured term loan from bank			
Owed by Rallis India Limited	1,500.00	The loan is repayable in 20 quarterly instalments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 75.00 lac falls due in May 2018.	9.30%
Loan from the Council of Scientific and Industrial Research			
Owed by Metahelix Life Sciences Limited	41.64	Term loan from Council of Scientific and Industrial Research: The balance payable as on 31 March, 2017 is ₹ 41.63 Lac. The same is repayable along with interest in 7 annual installments.	3.00%

As at March 31, 2016

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks			
Owed by Metahelix Life Sciences Limited	*183.50*	*Two term loans from Kotak Mahindra Bank – The loans are secured by first pari passu charge on movable assets funded by the bank and hypothecation of plant and machinery of the cob drying unit at Hyderabad. The balance outstanding as at 31 March, 2016 in respect of first loan amounts to ₹ 32.50 lac (of which ₹ 32.50 lac has been grouped under note 19 other financial liabilities) repayable in 10 equated monthly installments of ₹ 3.20 lac and in respect of second loan amounts to ₹ 305.83 lac (of which ₹ 122.33 lac has been grouped under note 19 other financial liabilities) repayable in 30 equated monthly installments respectively.*	*9.75%*
	200.00	*Term loan from ICICI Bank - The loan is secured by a first charge on entire movable fixed assets and agricultural property funded by the bank. The balance outstanding as at 31 March, 2016 is ₹ 250.00 lac (of which ₹ 50.00 lac has been grouped under note 19 other financial liabilities) repayable in 20 equated quarterly installments of ₹ 12.50 lac.*	*7.50%*
Secured loan from other corporate bodies			
Owed by Metahelix Life Sciences Limited	*79.69*	*Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of the Company, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on granting- aid till the full and final settlement of all dues. Term loan is repayable along with interest in 10 equal half yearly installments from December, 2015 (Rice) and June, 2017 -(Maize). The balance payable as at 31 March, 2016 is ₹ 89.51 lac (of which ₹ 9.82 lac has been classified under note 19 Other current financial liabilities)*	*2.00%*

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Unsecured Term loan from Bank			
Owed by Rallis India Limited	*1,500.00*	*The loan is repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February, 2018. The first repayment of ₹ 75.00 lac falls due in May 2018.*	*9.50%*
Loan from the Council of Scientific and Industrial Research			
Owed by Rallis India Limited	*18.83*	*The loan is repayable in 2 annual installments of ₹ 18.83 lac (of which ₹ 18.83 lacs has been grouped under note 19 other financial liabilities)*	*3.00%*
Owed by Metahelix Life Sciences Limited	*49.96*	*The loan is repayable in 7 annual installments of ₹ 8.33 lac (of which ₹ 8.33 lac has been grouped under note 19 other financial liabilities)*	*3.00%*

As at March 31, 2015

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Secured loan from banks			
Owed by Metahelix Life Sciences Limited	*338.33*	*Two term loans from Kotak Mahindra Bank – The loan are secured by first pari passu charge on movable assets funded by the bank and hypothecation of plant and machinery of the cob drying unit at Hyderabad. The balance outstanding as at 1 April, 2015. i.e. ₹ 71.50 lac (of which ₹ 39.00 lac has been grouped under note 19 other financial liabilities) repayable in 22 equated monthly installments of ₹ 3.25 lac and ₹ 367.00 lac (of which ₹ 61.17 lac has been grouped under note 19 other financial liabilities) repayable in 36 equated monthly installments respectively.*	*9.75%*
	250.00	*Term loan from ICICI Bank - The loan is secured by a first charge on entire movable fixed assets and agricultural property funded by the bank. The balance outstanding as at 1 April, 2015 is ₹ 300.00 lac (of which ₹ 50.00 lac has been grouped under note 19 other financial liabilities) repayable in 24 equated monthly installments of ₹ 12.50 lac.*	*7.50%*
Secured loan from other corporate bodies			
Owed by Metahelix Life Sciences Limited	*89.51*	*Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of a subsidiary, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. Term loan is repayable along with interest in 10 equal half yearly installments and shall commence either from one year from the date of completion of the project or 31 December, 2014 -(Rice) and 30 June, 2016 -(Maize) (being the cut off date of project completion). The balance payable as at 1 April, 2015 is ₹ 94.42 lac (of which ₹ 4.91 lac has been classified under note 19 Other current financial liabilities)*	*2.00%*

Particulars	Amount outstanding	Terms of Repayment	Rate of interest
Unsecured Term loan from Bank			
Owed by Rallis India Limited	*1,250.00*	*The loan is repayable in 8 quarterly installments. The repayment begins after a moratorium of 12 months from March, 2014. The first repayment of ₹ 312.50 lac falls due in June, 2015.*	*9.90%*
Loan from the Council of Scientific and Industrial Research			
Owed by Rallis India Limited	*37.66*	*The loan is repayable in 3 annual installments of ₹ 18.83 lac (of which ₹ 18.83 lac has been grouped under note 19 other financial liabilities)*	*3.00%*
Owed by Metahelix Life Sciences Limited	*58.29*	*The loan is repayable in 7 annual installments of ₹ 8.33 lac.*	*3.00%*

(iii) Long term maturities of finance lease obligation:

Secured by the assets leased. The borrowing is fixed interest rate debt (7.05%) with repayment periods not exceeding 6 years.

18 Short term borrowings

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Current interest - bearing loans and borrowings			
Secured - at amortised cost			
Loans repayable on demand from banks (refer footnote (i))			
Bank overdrafts and cash credit facility	**248.85**	*3,857.86*	*6,373.76*
Term loan from bank	-	-	*1,000.00*
Unsecured - at amortised cost			
Term loan from bank (refer footnote (ii))	**1,000.00**	*1,000.00*	*1,000.00*
Total short term borrowings	**1,248.85**	*4,857.86*	*8,373.76*

footnotes:

(i) These loans are secured by first paripassu charge on stock (including raw material, finished goods and work-in-progress) and book debts (refer note 10 and 11).

(ii) Term loan includes ₹ 1,000.00 lac owed by Metahelix Life Sciences Ltd. from HDFC Bank Ltd repayable on 14 May, 2017 which was obtained in 2016-17.

(iii) The weighted average effective interest rate on the bank loans is 8.14% p.a. (for 31 March, 2016 9.04% p.a.; for 1 April, 2015 10.17% p.a).

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Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

19 Other financial liabilities

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Non-current			
(a) Security deposit	**558.29**	*474.94*	*400.68*
(b) Interest accrued but not due on borrowings	**4.30**	*6.95*	*3.23*
Total	**562.59**	*481.89*	*403.91*
Current			
(a) Current maturity of long-term borrowings			
Secured - banks (refer note 17)	**172.33**	204.83	*154.61*
Secured - others (refer note 17)	**9.82**	9.82	*4.91*
Term loan from bank (Unsecured)	-	1,250.00	*1,250.00*
Unsecured - others	**28.30**	37.80	*66.27*
(b) Interest accured but not due on borrowings	**16.46**	41.55	*35.88*
(c) Unclaimed dividends (refer footnote below)	**146.53**	134.82	*132.32*
(d) Others			
Creditors for capital purchases and others	**188.64**	678.50	*236.42*
Customer deposits	**1,252.66**	1,142.56	*1,010.16*
Amount due to customers	**5,513.60**	5,991.06	*5,391.13*
Total	**7,328.34**	9,490.94	*8,281.70*

footnote:

All amounts required to be transferred to the Investor Education and Protection Fund by the Group have been transferred within the time prescribed for the same, except in cases of disputes relating to the ownership of the underlying shares that have remained unresolved amounting to ₹ 0.19 lac (as at 31 March, 2016 ₹ 0.13 lac ; as at 1 April, 2015 ₹ Nil) .

20 Provisions

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Employee benefits (See footnote below)			
Non Current			
(a) Supplemental pay	**1,542.22**	*1,494.69*	*1,524.63*
(b) Gratuity	**222.05**	*200.23*	*315.28*
Total	**1,764.27**	*1,694.92*	*1,839.91*
Current			
(a) Supplemental pay	**196.09**	*198.48*	*200.43*
(a) Compensated absences	**879.99**	*767.33*	*675.02*
Total	**1,076.08**	*965.81*	*875.45*

footnote:

The provision for employee benefits includes gratuity , supplemental payment on retirement and compensated absences. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year For other disclosures, refer note 37.

21 Deferred tax balances

The following is the analysis of deferred taxes presented in Balance sheet

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Reconciliation of deferred tax			
Deferred tax assets (refer footnote below)	**2,364.98**	*859.21*	*476.21*
Deferred tax assets (Net)	**2,364.98**	*859.21*	*476.21*
(a) Deferred tax liabilities	**5,862.82**	5,561.99	5,301.15
(b) Deferred tax assets	**880.40**	1,982.74	2,049.24
Deferred tax liabilities (Net) (a-b)	**4,982.42**	*3,579.25*	*3,251.91*

2016-17 -Deferred tax assets and liabilities in relation to:	As at 31 March, 2016	Recognised in Statement of Profit and Loss	As at 31 March, 2017
Deferred tax assets (Net)			
Provision for doubtful debts and advances	**202.12**	**130.89**	**333.01**
Defined benefit obligation	**61.61**	**(6.64)**	**54.97**
On unused tax losses	**1,437.98**	**229.99**	**1,667.97**
Property, plant and equipment	**(190.39)**	**9.57**	**(180.83)**
On intangible assets	**(652.11)**	**(181.25)**	**(833.35)**
Unused tax credit	**-**	**1,323.21**	**1,323.21**
	859.21	**1,505.77**	**2,364.98**
Deferred tax liabilities (Net) (a-b)			
Provision for doubtful debts and advances	**(1,474.49)**	**814.64**	**(659.85)**
Defined benefit obligation	**(210.61)**	**(9.94)**	**(220.55)**
Provision for sales return	**(297.81)**	**297.81**	**-**
Property, plant and equipment	**5,561.99**	**273.23**	**5,835.22**
Others	**0.17**	**27.43**	**27.60**
	3,579.25	**1,403.17**	**4,982.42**

2015-16 -Deferred tax assets and liabilities in relation to:	As at 1 April, 2015	Recognised in Statement of Profit and Loss	As at 31 March, 2016
Deferred tax assets (Net)			
Provision for doubtful debts and advances	*162.32*	*39.80*	*202.12*
Defined benefit obligation	*56.53*	*5.08*	*61.61*
On unused tax losses	*880.72*	*557.26*	*1,437.98*
Property, plant and equipment	*(82.37)*	*(108.02)*	*(190.39)*
On intangible assets	*(540.99)*	*(111.12)*	*(652.11)*
	476.21	*383.00*	*859.21*
Deferred tax liabilities (Net) (a-b)			
Provision for doubtful debts and advances	*(1,436.08)*	*(38.41)*	*(1,474.49)*
Defined benefit obligation	*(155.61)*	*(55.00)*	*(210.61)*
Voluntary retirement scheme	*(118.99)*	*118.99*	*-*
Provision for sales return	*(313.90)*	*16.09*	*(297.81)*
Property, plant and equipment	*5,301.15*	*260.84*	*5,561.99*
Others	*(24.66)*	*24.83*	*0.17*
	3,251.91	*327.34*	*3,579.25*

footnote:

There are no material deferred tax expense on unrecognised tax losses.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

22 Trade payables

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Trade payables	**28,855.37**	*21,497.76*	*24,460.81*
Other payables (includes accural expenses and amount due to employees)	**4,163.94**	*5,872.02*	*4,182.64*
	33,019.31	*27,369.78*	*28,643.45*

footnote:
The average credit period on purchases of goods and services are within 120 days. The trade payables are non-interest bearing.

23 Other current liabilities

	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Provident fund payable and other employee deductions	**159.75**	*175.16*	*149.35*
Excise duty payable	**208.14**	*267.67*	*637.24*
Value Added Tax/Central Sales Tax payable	**225.26**	*214.32*	*302.25*
Tax deducted at source	**184.85**	*178.05*	*305.36*
Other taxes (other than income tax payable)	**213.39**	*184.43*	*183.46*
Advance received from customers	**7,595.44**	*7,091.17*	*5,163.43*
Other liabilities	**296.78**	*264.19*	*75.34*
Total	**8,883.61**	*8,374.99*	*6,816.43*

24 Revenue from operations

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Sales of products	**175,434.31**	*161,299.75*
Sales of services	**69.83**	*40.56*
Other operating income	**2,794.12**	*1,439.25*
Total	**178,298.26**	*162,779.56*

25 Other income

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
a) **Interest income**		
Interest Income on bank deposits carried at amortised cost	**38.31**	*38.09*
Interest income on security deposits carried at amortised cost	**89.37**	*141.00*
b) **Dividend income**		
Dividend from current investment in mutual fund carried at FVTPL	**566.07**	*22.76*
Dividend from equity instruments measured at FVTOCI	**1.62**	*1.35*
c) **Other non-operating income**		
Insurance claim	**16.69**	*33.39*
Rental Income	**111.72**	*80.65*
Miscellaneous income (refer note 46)	**455.54**	*1,103.49*
d) **Other gains and losses**		
Profit on disposal of property, plant and equipment	-	*6.84*
Total	**1,279.32**	*1,427.57*

26 Cost of material consumed

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Inventory at the beginning of the year	**10,051.44**	*11,061.84*
Add: Purchases	**77,335.55**	*71,112.56*
	87,386.99	*82,174.40*
Less: Inventory at the end of the year	**12,097.26**	*10,051.44*
Cost of raw material and components consumed	**75,289.73**	*72,122.96*
Packing material consumed	**5,807.19**	*5,495.05*
Total	**81,096.92**	*77,618.01*

27 Purchases of stock in trade

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Agri Inputs	**10,996.48**	*9,800.04*
Total	**10,996.48**	*9,800.04*

28 Changes in Inventory of finished goods,stock-in-trade and work-in-progress

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Opening Stock		
Finished Goods - own manufactured	**21,642.78**	*20,023.51*
Finished Goods - traded	**3,766.12**	*3,624.04*
Work in progress (including intermediate goods)	**3,136.79**	*3,028.03*
	28,545.69	*26,675.58*
Closing Stock		
Finished Goods - own manufactured	**20,224.20**	*21,642.78*
Finished Goods - traded	**2,268.41**	*3,766.12*
Work in progress (including intermediate goods)	**3,458.39**	*3,136.79*
	25,951.00	*28,545.69*
Movement in inventory recoverable	**354.10**	*317.10*
Net decrease/ (increase)	**2,948.79**	*(1,553.01)*

29 Employee benefit expenses

	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Salaries, wages and bonus	**12,811.57**	*11,446.63*
Contribution to provident and other funds (refer note 37)	**745.86**	*738.14*
Staff welfare expenses	**1,082.16**	*1,077.11*
Total	**14,639.59**	*13,261.88*

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

30 Finance Costs

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Interest on bank overdrafts and loans	729.67	1,359.04
Total	**729.67**	*1,359.04*

31 Depreciation and amortisation expense

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Depreciation of property, plant and equipment (refer note 5)	3,913.79	3,478.14
Amortisation of intangible assets (refer note 6)	817.13	882.88
Total	**4,730.92**	*4,361.02*

32 Other expenses

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Freight, handling and packing	5,505.15	5,812.91
Changes in excise duty on inventory of finished goods	65.70	(22.27)
Travelling and conveyance	1,917.99	1,913.00
Power and fuel	4,276.41	4,790.24
Brand equity contribution	197.12	180.02
Repairs and maintenance		
Plant and equipment	687.03	748.37
Property	165.78	183.51
Others	479.59	470.50
Stores and spares consumed	464.74	483.53
Rates and taxes	785.36	520.07
Commission	44.94	106.16
Insurance charges	263.29	245.54
Rent	1,914.38	1,829.44
Bank charges	189.94	240.55
Director fees & commission	405.30	412.20
Provision for doubtful debt (Net)	404.23	252.70
Loss on sale of fixed asset (Net)	74.21	-
Selling expenses	3,243.68	2,671.39
Advertisement and promotion	3,034.29	2,995.39
Legal and professional fees	1,297.26	864.79
Net loss on foreign currency transactions and translation	357.22	490.36
Other expenses (refer note 36)	6,038.33	5,692.61
Total	**31,811.94**	*30,881.01*

33 Segment information

Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resources allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group has determined its business segment as "Agri -Inputs" comprising of Pesticides, Plant Growth Nutrients, Organic Compost and Seeds .The other segment includes "Polymer" and other non reportable elements.

Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable segment.

Segment	Segment revenue		Segment profit	
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Agri inputs	**1,73,255.96**	*1,58,787.52*	**22,075.70**	*18,832.50*
Others	**2,178.35**	*2,512.23*	**133.56**	*238.14*
Total for continuing operations	**1,75,434.31**	*1,61,299.75*	**22,209.26**	*19,070.64*

Other income	**1,279.32**	*1,427.57*
Exceptional items	**15,839.16**	-
Central administration cost and director fees & commission	**(603.52)**	*(528.00)*
Finance cost	**(729.67)**	*(1,359.04)*
Profit before tax	**37,994.55**	*18,611.17*

Notes:

(i) Segment revenue consist of sales of products including excise duty.

(ii) Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2015-16 ₹ Nil). The accounting policies of the reportable segments are the same as described in note 3.20.

(iii) Segment profit represents the profit before tax earned by each segment without allocation of central administration cost and director fees and commission, other income, as well as finance cost. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

Particulars	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
Segment assets			
Agri Inputs	**1,35,503.76**	*1,34,892.14*	*1,33,841.35*
Others	**2,032.34**	*1,820.93*	*1,925.29*
Total segment assets	**1,37,536.10**	*1,36,713.07*	*1,35,766.64*
Asset held for sale	**576.30**	*237.19*	-
Unallocated	**34,742.41**	*12,314.34*	*12,286.42*
Total assets	**1,72,854.81**	*1,49,264.60*	*1,48,053.06*

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Segment liabilities			
Agri inputs	**50,584.65**	*45,163.72*	*43,224.28*
Others	**110.41**	*57.22*	*427.02*
Total segment liabilities	**50,695.06**	*45,220.94*	*43,651.30*
Unallocated	**11,000.27**	*14,825.91*	*19,068.11*
Total liabilities	**61,695.33**	*60,046.85*	*62,719.41*

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than investments, other financial assets, non current tax assets, fixed deposits and interest accrued thereon.
- All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, interest accrued on loans , provision for supplemental pay, unpaid dividend , current and deferred tax liabilities.

Geographical information

The Group operates in two principal geographical areas - India and outside India
The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

Particulars	Revenue from external customers		Non-current assets*		
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
India	**131,249.16**	*121,295.15*	**72,365.79**	*74,294.82*	*72,199.02*
Asia (Other than India)	**33,748.09**	*30,561.56*	-	-	-
North America	**3,157.47**	*5,223.19*	-	-	-
South America	**2,678.16**	*491.40*	-	-	-
Africa	**2,524.32**	*1,632.79*	-	-	-
Europe	**1,509.26**	*1,101.38*	-	-	-
Australia	**567.85**	*994.28*	-	-	-
	175,434.31	*161,299.75*	**72,365.79**	*74,294.82*	*72,199.02*

*Non-current assets exclude those relating to financial assets and deferred tax assets.

Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2016-17 and 2015-16.

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

34 Earnings per share

Praticulars	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Basic /diluted earnings per share	**15.30**	*7.37*

Basic /diluted earnings per share

The earnings and weighted average number of equity share used in the calculations of basic/diluted earnings per share are as follows.

Praticulars	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Profit for the year attributable to owners of the Company used in the calculation of basic/diluted earnings per share	**29,745.77**	*14,339.03*

Praticulars	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Weighted average number of equity shares for basic/diluted earnings per share	**194,468,890**	*194,468,890*

35 Lease arrangements

Operating lease arrangements:

Group as lessee

The Group has procured motor vehicles and computer network under non-cancellable operating leases. Lease rent charged to the Statement of Profit and Loss during the year is ₹ 620.61 lac *(Previous Year ₹ 605.09 lac)* net of amount recovered from employees ₹ 16.73 lac *(Previous Year ₹ 26.73 lac)*. Disclosures in respect of non-cancellable leases are given below:

Payments recognised as an expense

Particulars	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Minimum lease payments	**620.61**	*605.09*
Total	**620.61**	*605.09*

Non-cancellable operating lease commitments

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Not later than 1 year	**615.41**	*477.57*	*490.47*
Later than 1 year and not later than 5 years	**864.43**	*782.05*	*538.55*
Later than 5 years	-	-	-
Total	**1,479.84**	*1,259.62*	*1,029.02*

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Finance lease arrangement:

Group as lessee

The Group has finance lease for office equipment. The Group's obligation under finance lease are secured by lessors title to the leased assets. Future minimum lease payment under finance lease with the present value of the net minimum lease payments are as follows:-

Particulars	Minimum lease payments			Present value fo minimum lease payments		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
Not Later than one year	**11.41**	-	-	**11.36**	-	-
Later than one year and not later than five years	**31.12**	-	-	**25.54**	-	-
Later than five years	**2.44**	-	-	**1.65**	-	-
	44.97	-	-	**38.55**	-	-
Less: Future finance charges	**(6.42)**	-	-	**-**	-	-
Present value of minimum lease payments	**38.55**	-	-	**38.55**	-	-

36 Other expenses include auditor's remuneration as under:

Particulars	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
(a) To statutory auditors		
For audit	**75.20**	*55.20*
For taxation matters	**23.00**	*50.00*
For other services *	**95.35**	*62.50*
Reimbursement of expenses	**3.22**	*1.46*
(b) To other auditors	**30.32**	*19.23*
(c) To cost auditors for cost audit	**7.00**	*7.00*

Service tax which is being claimed for set-off as input credit has not been included in the expenditure above.
*excludes ₹ 4.00 lac *(Previous year ₹ 33.00 lac)* paid to network firms.

37 Employee benefit plans

Defined contribution plans:

The Group makes provident fund contributions to defined contribution retirement benefit plans for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Group in case of certain locations and government authorities (PF commissioner) at other locations. The Group is liable for contributions and any deficiency compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

As at 31 March, 2017, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 6,306.63 lac and ₹ 5,849.88 lac respectively. In accordance with an assets and liability study, there is no deficiency as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

Amount recognised as expense and included in the note 29 in the head "Contribution to Provident and other funds" for 31 March,2017 ₹ 683.79 lac (for 31 March, 2016 ₹ 669.37 lac).

Defined benefit plans:

The Group offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) and a supplemental pay scheme (a life long pension). The gratuity scheme covers substantially all regular employees, while supplemental pay plan covers certain former executives. In the case of the gratuity scheme, the Group contributes funds to Gratuity Trust, which is irrevocable, while the supplemental pay scheme is not funded. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method.

These plans typically expose the Group to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan's assets.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The Present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purpose of actuarial valuation were as follows.

Particulars	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*	*For the year ended 31 March, 2015*
Discount rates	**7.00% to 7.29% p.a.**	*7.60% to 8.04% p.a.*	*7.80% to 7.97% p.a.*
Expected rate of salary increase	**8.00% p.a.**	*8.00% p.a.*	*8.00% p.a.*
Average longevity at retirement age for current beneficiaries of the plan (years)*	**8.86 Years**	*8.54 Years*	*8.91 Years*
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	**7 Years to 15 Years**	*7 Years to 15 Years*	*7 Years to 14 Years*

Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Amount recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Service cost:		
Current service cost	257.84	230.09
Net interest expense	156.23	161.30
Components of defined benefit costs recognised in profit or loss	414.07	391.39
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(88.44)	(21.79)
Actuarial (Gain)/Losses arising from changes in demographic assumptions	-	5.90
Actuarial (Gain)/Loss arising from changes in financial assumptions	252.53	(20.04)
Actuarial (Gain)/Losses arising from experience adjustments	(96.73)	15.67
Components of defined benefit costs recognised in Other Comprehensive Income	67.36	(20.26)
Total	481.43	371.13

The current service cost and the net interest expenses for the year are included in the employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Present value of funded defined benefit obligations	4,594.70	4,181.15	3,924.52
Fair value of plan assets	2,638.25	2,287.75	1,902.25
Funded Status [Deficit/(Surplus)]	1,956.45	1,893.40	2,022.27
Restrictions on asset recognised	-	-	-
Net liability arising from defined benefit obligation	1,956.45	1,893.40	2,022.27

Movements in the present value of the defined benefit obligation are as follows:

Particulars	**As at 31 March, 2017**	*As at 31 March, 2016*
Opening defined benefit obligation	**4,181.15**	*3,924.52*
Current service cost	**257.84**	*230.09*
Interest cost	**337.00**	*312.40*
Remeasurement (Gain)/Losses:		
Actuarial (Gain)/Losses arising from changes in demographic assumptions	-	*5.90*
Actuarial (Gain)/Loss arising from changes in financial assumptions	**253.03**	*(17.68)*
Actuarial (Gain)/Losses arising from experience adjustments	**(96.73)**	*15.67*
Benefits paid	**(337.59)**	*(289.75)*
Closing defined benefit obligation	**4,594.70**	*4,181.15*

Movements in the fair value of the plan assets are as follows:

Particulars	**As at 31 March, 2017**	*As at 31 March, 2016*
Opening fair value of the plan assets	**2,287.75**	*1,902.25*
Interest income	**180.77**	*151.10*
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	**88.44**	*21.79*
Actuarial gain/(loss)	**0.50**	*2.36*
Contributions from the employer	**265.23**	*352.32*
Benefits paid	**(184.44)**	*(142.07)*
Closing fair value of plan assets	**2,638.25**	*2,287.75*

The plan assets are managed by the Gratuity Trust formed by the Group. The management of funds is entrusted with the Life Insurance Corporation of India ("LIC") , HDFC Standard Life Insurance Company Limited ("HSLIC") and Kotak Life Insurance.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

The fair value of the plan assets at the end of the reporting period for each category are as follows:

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Cash and cash equivalents	**2.57**	*2.97*	*3.44*
Equity investments categorised by industry type:			
Consumer industry	**0.13**	*0.30*	*0.60*
Manufacturing industry	**1.61**	*0.48*	*0.64*
Energy and utilities	-	*0.18*	-
Financial institutions	**0.57**	*0.52*	*0.66*
Health and care	-	*0.14*	*0.18*
IT and telecom	**0.15**	*0.27*	*0.13*
Subtotal	**2.46**	*1.89*	*2.21*
Debt investments categorised by issuers credit rating:			
Sovereign	**766.37**	*1,014.48*	*923.52*
AAA	**1,243.94**	*747.61*	*490.39*
AA+ and below	**31.64**	*26.06*	*63.10*
Subtotal	**2,041.95**	*1,788.15*	*1,477.01*
Investment funds with insurance Group			
Unit linked	**282.44**	*200.72*	*143.86*
Traditional / non unit linked	**79.66**	*76.90*	*55.13*
	362.10	*277.62*	*198.99*
Others - LIC managed fund	**229.17**	*217.12*	*220.60*
Total	**2,638.25**	*2,287.75*	*1,902.25*

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. If the discounting rate is 100 basis point higher (lower), the defined benefit obligation would decrease by ₹ 337.33 lac *(increase by ₹ 386.80 lac) (as at 31 March, 2016: decrease by ₹ 296.71 lac (increase by ₹ 339.52 lac)) (as at 1 April, 2015: decrease by ₹ 286.64 lac (increase by ₹ 3128.72 lac))*.

2. If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 259.49 lac *(decrease by ₹ 230.06 lac) (as at 31 March, 2016: increase ₹ 219.88 lac (decrease by ₹ 195.16 lac)) (as at 1 April, 2015 : increase by ₹ 203.23 lac (decrease by ₹ 179.80 lac))*.

3. If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 41.03 lac (*decrease by ₹ 41.55 lac) (as at 31 March, 2016: increase ₹ 36.96 lac (decrease by ₹ 37.58 lac)) (as at 1 April, 2015: increase by ₹ 36.95 lac (decrease by ₹ 37.68 lac))*.

The sensitivity analysis presented above may not representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Group expects to make a contribution of ₹ 282.05 lac *(as at 31 March, 2016 ₹ 238.50 lac and as at 1 April, 2015 ₹ 350.01 lac)* to the defined benefit plans during the next financial year.

The defined benefit obligations (mainly related to Rallis India Limited) shall mature after year ended 31 March, 2017 as follows:

Particulars	Defined benefit obligations
As at March, 31	
2018	**367.78**
2019	**240.33**
2020	**267.01**
2021	**348.41**
2022	**343.93**
Thereafter	**1,951.06**

38 Financial instruments

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 17,18 and 19 offset by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Gearing ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Debt (i)	3,899.23	8,980.59	12,530.25
Cash and bank balances	(989.32)	(768.29)	(716.65)
Net debt	2,909.91	8,212.30	11,813.60
Total equity	111,159.48	89,217.75	85,333.65
Net debt to equity ratio	2.62%	9.20%	13.84%

(i) Debt is defined as long-term borrowings, short-term borrowings and current maturity of long-term borrowings (excluding financial guarantee contracts and contingent consideration), as described in notes 17,18 and 19.

Categories of financial instruments

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Financial assets			
Measured at amortised cost			
(a) Cash and bank balances	989.32	768.29	716.65
(b) Other financial assets at amortised cost	26,834.62	23,709.92	28,026.93
Measured at fair value through OCI			
(a) Investment in equity instruments designated upon intial recognition	1,870.06	1,869.68	1,869.67
Measured at fair value through profit or loss (FVTPL)			
(a) Other financial assets (investments in mutual funds)	22,052.25	941.95	552.07
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	3,899.23	8,980.59	12,530.25
(b) Other financial liabilities at amortised cost	40,699.79	35,840.16	35,853.27

In respect of financial instruments measured at amortised cost, the fair value approximates the amortised cost.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets that are measured at fair value or where fair value disclosure is required as at 31 March, 2017:

Particulars	Total	Fair value measurment using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments				
Quoted equity shares	**0.76**	**0.76**	**-**	**-**
Unquoted equity shares	**1,869.30**	**-**	**1,828.60**	**40.70**
FVTPL financial investment				
Investment in mutual fund - unquoted	**22,052.25**	**22,052.25**	**-**	**-**

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The following table provides the fair value measurement hierarchy of the Group's financial assets that are measured at fair value or where fair value disclosure is required as at 31 March, 2016:

Particulars	Total	Fair value measurment using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments				
Quoted equity shares	*0.38*	*0.38*	*-*	*-*
Unquoted equity shares	*1,869.30*	*-*	*1,828.60*	*40.70*
FVTPL financial investment				
Investment in mutual fund - unquoted	*941.95*	*941.95*	*-*	*-*

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The following table provides the fair value measurement hierarchy of the Group's financial assets that are measured at fair value or where fair value disclosure is required as at 1 April, 2015:

Particulars	Total	Fair value measurment using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments				
Quoted equity shares	*0.37*	*0.37*	*-*	*-*
Unquoted equity shares	*1,869.30*	*-*	*1,828.60*	*40.70*
FVTPL financial investment				
Investment in mutual fund - unquoted	*552.07*	*552.07*	*-*	*-*

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Reconciliation of fair value measurement of investment in unquoated equity instrument classified as FVTOCI (Level 3)

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Opening balance	**40.70**	*40.70*	*40.70*
Remeasurment recognised in OCI	-	-	-
Purchases	-	-	-
Sales	-	-	-
Closing balance	**40.70**	*40.70*	*40.70*

The Group determined the fair value measurements of investments –unquoted categorized in Level 2 based on price agreed in a sale transaction between unrelated parties.

Financial risk management objectives

The Group's corporate treasury function provides services to the business,co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk report which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk including:

Forward foreign exchange contracts to hedge the exchange rate risk arising on imports and exports.

Foreign Currency Risk Management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (foreign currency)			Assets (foreign currency)		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
In US Dollars (USD)	**122.44**	*82.61*	*132.30*	**117.49**	*116.97*	*161.14*
In Euro (EUR)	-	*0.03*	*0.01*	**0.46**	*0.64*	*0.26*
In Japanese Yen (JPY)	**1,120.50**	*2,559.01*	*800.01*	-	-	-
In Great Britain Pound (GBP)	-	-	-	**0.06**	-	-

Particulars	Liabilities (INR)			Assets (INR)		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
In US Dollars (USD)	**7,940.23**	*5,472.84*	*8,268.83*	**7,619.23**	*7,750.14*	*10,071.27*
In Euro (EUR)	**-**	*2.26*	*0.67*	**31.87**	*48.25*	*17.47*
In Japanese Yen (JPY)	**649.92**	*1,509.43*	*417.01*	**-**	-	-
In Great Britain Pound (GBP)	**-**	-	-	**4.85**	-	-

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency : USD; EUR; JPY and GBP.

The following table details the Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit or loss and total equity

Particulars	USD impact		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Increase in exchange rate by 5%	**(16.02)**	*113.83*	*90.13*
Decrease in exchange rate by 5%	**16.02**	*(113.83)*	*(90.13)*

Particulars	EUR impact		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Increase in exchange rate by 5%	**1.59**	*2.30*	*0.84*
Decrease in exchange rate by 5%	**(1.59)**	*(2.30)*	*(0.84)*

Particulars	JPY impact		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Increase in exchange rate by 5%	**(32.50)**	*(75.47)*	*(20.85)*
Decrease in exchange rate by 5%	**32.50**	*75.47*	*20.85*

Particulars	GBP impact		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Increase in exchange rate by 5%	**0.24**	-	-
Decrease in exchange rate by 5%	**(0.24)**	-	-

The Group, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and four years. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Derivative Instruments:

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	**As at 31 March, 2017**			*As at 31 March, 2016*			*As at 1 April, 2015*		
	Number of Contracts	**₹ lac**	**Foreign Currency in lac**	*Number of Contracts*	*₹ lac*	*Foreign Currency in lac*	*Number of Contracts*	*₹ lac*	*Foreign Currency in lac*
Payable	**2**	**649.91**	**JPY 1,120.50**	*2*	*1,405.30*	*JPY 2,532.00*	*3*	*404.49*	*JPY 776.00*
Foreign currency loan	-	-	-	*19*	*2,654.61*	*USD 37.62*	-	-	-

Note: USD = US Dollar; JPY = Japanese Yen.

The line item in the balance sheet that includes the above hedging instruments are "other financial assets and other financial liabilities".

Equity risk

There is no material equity risk relating to the Group's equity investments which are detailed in note 7. The Group equity investments majorly comprises of strategic investments rather than trading purposes.

Interest risk

There is no material interest risk relating to the Group's financial liability which are detailed in note note 17,18 and 19.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group. The Group uses its own trading records to evaluate the credit worthiness of its customers. The Group's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 11).

The credit risk on investment in mutual funds and derivative financial instruments is limited because the counter parties are reputed banks or funds sponsored by reputed bank.

In addition, during the year, the Group has issued a corporate guarantee to debenture trustee in respect of issuance of debentures of ₹ 27,000.00 lac by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total obligations of Advinus under such borrowings. The Group's maximum exposure in this respect is the outstanding borrowing amount unpaid to the extent of ₹ 4,560.30 lac at 31 March, 2017 (*31 March, 2016: ₹ NIL, 1 April, 2015: ₹ NIL*) as disclosed in contingent liabilities (refer note 40).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in note 17.

Liquidity risk table

The following table detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial laibilities based on the earliest date on which the Group can be required to pay.

Particulars	Less than 1 year	1-5 years	5+ years	Total	Carrying amount
As at 31 March, 2017					
Borrowings	**1,288.51**	**1,659.32**	**951.39**	**3,899.23**	**3,899.23**
Other financial liabilities at amortised cost	**40,137.20**	**-**	**562.59**	**40,699.79**	**40,699.79**
	41,425.71	**1,659.32**	**1,513.98**	**44,599.02**	**44,599.02**
As at 31 March, 2016					
Borrowings	*6,137.33*	*1,488.72*	*1,354.54*	*8,980.59*	*8,980.59*
Other financial liabilities at amortised cost	*35,358.27*	*-*	*481.89*	*35,840.16*	*35,840.16*
	41,495.60	*1,488.72*	*1,836.43*	*44,820.75*	*44,820.75*
As at 1 April, 2015					
Borrowings	*9,690.03*	*2,035.23*	*804.99*	*12,530.25*	*12,530.25*
Other financial liabilities at amortised cost	*35,449.36*	*-*	*403.91*	*35,853.27*	*35,853.27*
	45,139.39	*2,035.23*	*1,208.90*	*48,383.52*	*48,383.52*

39 Related party transactions

Details of transactions between the Group and other related party are disclosed below

1. List of subsidiaries

Name of subsidiaries	Country	Holding		
		As at 31 March, 2017	**As at 31 March, 2016**	**As at 31 April, 2015**
Rallis Chemistry Exports Ltd.	India	**100.00%**	100.00%	100.00%
Metahelix Life Science Ltd.	India	**100.00%**	100.00%	80.51%
Zero Waste Agro Organics Ltd	India	**100.00%**	73.63%	73.59%
PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-2017)	Indonesia	**65.77%**	-	-

2. Trading transactions

During the year, Group entered into following trading transactions with related parties:

Particulars	Sales of goods		Purchases of goods	
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Holding Company				
Tata Chemical Ltd.	**3,570.07**	*5,236.74*	**574.17**	*579.49*
Subsidiaries of Tata Sons Limited				
Tata Africa Services (Nigeria) Ltd.	**564.04**	*158.64*	**-**	*-*

Sale of goods to related parties were made at the Group's usual list prices, less average discounts. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationship between the parties.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

3. Service transactions

Particulars	Services rendered		Services rendered	
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Holding Company				
Tata Chemical Ltd.	**110.69**	*111.72*	-	*15.81*
Investor of Holding Company				
Tata Sons Ltd.	-	-	**354.02**	*217.30*
Subsidiaries Tata Sons Ltd				
Tata AIG General Insurance Co. Ltd	-	-	**19.77**	*16.79*
Tata Consultancy Services Ltd.	-	-	**187.82**	*102.98*
Advinus Therapeutics Ltd	**12.97**	-	**95.99**	*203.59*
TC Travels & Services Ltd	-	-	-	*0.12*
Tata Capital Financial Services Ltd.	-	-	**11.67**	*21.56*
Tata Capital Forex Ltd.	-	-	**4.91**	*6.60*
Tata South East Asia Ltd.	-	-	-	*0.07*
Infiniti Retail Ltd.	-	-	**4.59**	*1.94*

4. Other -Dividend payments

Particulars	Dividend payments	
	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
Holding Company		
Tata Chemical Ltd.	**2,433.54**	*1460.12*

The following balances were outstanding at the end of the reporting period:

Particulars	Amounts owned by related parties			Amounts owned to related parties		
	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
Holding Company						
Tata Chemical Ltd.	**112.05**	*431.10*	*471.47*	-	*462.28*	*13.16*
Investor of Holding Company						
Tata Sons Ltd.	-	-	-	**198.18**	*179.23*	*206.00*
Subsidiaries Tata Sons Ltd						
Tata Africa Services (Nigeria) Ltd.	**177.05**	*158.36*	-	-	-	-
Tata AIG General Insurance Co. Ltd.	**0.73**	*1.24*	*0.72*	-	-	-
Tata Consultancy Services Ltd.	-	-	-	**29.18**	*32.47*	*2.70*
Advinus Therapeutics Ltd.	**12.97**	*0.70*	*25.18*	-	-	-
Infiniti Retail Ltd.	-	*2.58*	*0.05*	-	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or taken other than guarantee disclosed below. No expense has been recognised in the current or prior years for bad & doubtful debts in respect of the amounts owed by related parties.

During the year, the Group has issued a corporate guarantee to debenture trustee in respect of issuance of debentures of ₹ 27,000 lac by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total subscription of debentures issued by Advinus. The Group's maximum exposure in this respect is of ₹ 4,560.30 lac at 31 March, 2017 (31 March, 2016: ₹ Nil, 1 April, 2015: ₹ Nil) as disclosed in contingent liabilities (refer note 40).

5. Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

Particulars	**For the year ended 31 March, 2017**	*For the year ended 31 March, 2016*
Short term benefits	**405.85**	*338.92*
Post-employment benefits (PF and Superannuation)	**17.82**	*15.88*

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.The same excludes gratuity and compensated absence.

40 Contingent liabilities

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Group in respect of these cases have been summarised below.

Guarantees

During the year, the Group has issued a corporate guarantee to debenture trustee in respect of issuance of debentures of ₹ 27,000 lac by Advinus Therapeutics Ltd. (Advinus), to the extent of 16.89% of the total subscription of debentures issued by Advinus. The Group's maximum exposure in this respect is of ₹ 4,560.30 lac at 31 March, 2017 *(31 March, 2016: ₹ Nil, 1 April, 2015: ₹ Nil).*

Tax contingencies

Amounts in respect of claims asserted by various revenue authorities on the Group, in respect of taxes, which are in dispute, have been tabulated below:

Nature of tax	**As at 31 March, 2017**	*As at 31 March, 2016*	*As at 1 April, 2015*
Sales tax	**1,950.30**	*1,868.71*	*1,836.30*
Excise duty	**433.03**	*369.31*	*360.84*
Customs duty	**144.10**	*144.10*	*144.10*
Income tax	**11,756.32**	*6,764.94*	*8,520.32*
Service tax	**90.81**	*81.06*	*113.06*
Property cases	**47.36**	*47.36*	*47.36*

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Group may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

Amount in respect of other claims

Nature of Claim	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Matters relating to employee benefits	**103.11**	*103.11*	*103.26*
Others (claims related to contractual disputes)	**456.91**	*387.71*	*320.56*

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or

(v) there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Group's financial condition, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period.

41 Commitments

(i) Estimated amount of contract with minimum commitment for plant activity ₹ 1,030.00 lac *(Previous year 31 March 2016 ₹ 1,955.00 lac; 1 April, 2015 ₹ 816.00 lac)*.

(ii) Estimated amount of contracts remaining to be executed on capital account of property, plant and equipment is ₹ 317.82 lac *(Previous year 31 March 2016 ₹ 317.00 lac; 1 April 2015 ₹ 862.60 lac)* and Intangible assets is ₹ 48.28 lac *(Previous year 31 March 2016 ₹ 105.00 lac; 1 April, 2015 ₹ 274.27 lac)* against which advances paid aggregate ₹ 82.83 lac *(Previous year 31 March 2016 ₹ 232.32 lac; 1 April, 2015 ₹ 200.02 lac)*.

(iii) Capital commitment towards investment in joint venture in Indonesia ₹ NIL *(Previous year 31 March, 2016 ₹ 81.16 lac (USD 1,22,500);1 April, 2015 ₹ 122.50 lac (USD 1,96,000))*.

(iv) During the year, the Company exercised its call option on 19,421 equity shares of Zero Waste Agro Organics Limited ("ZWAOL") on 23 November, 2016 at an aggregate cost of ₹ 1,948.84 lac. The commitments in the form of put option granted to the erstwhile owners of 73,645 equity shares in ZWAOL stand extinguished.

(v) During the year 2015-16, the Company exercised its call option on 20,953 equity shares of Metahelix Life Sciences Limited ("Metahelix") on 15 February, 2016 at an aggregate cost of ₹ 7,332.95 lac. The commitments in the form of put option granted to the erstwhile owners of 6,895 equity shares in Metahelix stand extinguished.

(vi) During the previous year 2015-16, the Company had agreed to assign its leasehold rights in a property at Turbhe Navi Mumbai, for a gross consideration of ₹ 21,393.00 lac to Ikea India Private Limited. The arrangement was subject to the Company obtaining necessary approvals under various regulations in respect of which the Company was liable to make payment aggregating to ₹ 9,778.19 lac against which the Company was entitled to reimbursed of ₹ 4,400.19 lac.

(vii) For lease commitments refer note no 35.

42 Research and development expenditure

The Group has incurred the following expenses on research and development activity:

Particulars (refer footnote)	For the year ended 31 March, 2017	*For the year ended 31 March, 2016*
On tangible fixed assets	**145.05**	*299.33*
On items which have been expensed during the year		
- Materials	**300.85**	*260.41*
- Employee benefits expense	**1,941.12**	*1,370.84*
- Professional fees	**526.87**	*35.63*
- Consumables	**111.74**	*96.25*
- Finance costs	**0.14**	*1.80*
- Travelling expenses	**183.52**	*90.69*
- Rent	**39.78**	*35.19*
- Depreciation and amortisation expense	**515.73**	*503.80*
- Others	**449.51**	*395.18*
Expenses - External agency	**77.89**	*76.72*
Total	**4,292.20**	*3,165.84*

During the year the Group has also incurred ₹ 1,047.85 lac *(Previous year 31 March, 2016 ₹ 1,365.10 lac; 1 April, 2015 ₹ 886.48 lac)* towards capital development expenditure which is included under intangible assets under development. The total amount included in Intangible Assets under Development as at 31 March 2017 is ₹ 3,016.38 lac *(Previous year 31 March, 2016 ₹ 2,640.40 lac; 1 April, 2015 ₹ 1,873.27 lac)*.

footnote:

The above figures include the amounts based on separate accounts for the Research and Developments ("R&D") Centre recognised by the Department of Scientific & Industrial Research ("DSIR"), Ministry of Science and Technology for in-house research (consonance with the DSIR guidelines for in-house R & D Centre will be evaluated at the time of filing the return with DSIR).

43 Other current liabilities includes (refer note 23)

(a) Provision held in respect of indirect tax matters in dispute

While denying liabilities, on an evaluation of each of its disputed claims, the Group holds an overall provision for contingency in respect of certain indirect tax matters in dispute which, as at the year-end, aggregates ₹ 193.82 lac *(as at 31 March, 2016 ₹ 193.82 lac; as at 1 April , 2015 ₹ 193.82 lac)*. The movement during the year is as under:

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Opening balance as at 1 April	**193.82**	*193.82*	*193.82*
Additional provisions made during the year	-	-	-
Total	**193.82**	*193.82*	*193.82*
Payments made adjusted against above sum	-	-	-
Closing balance as at 31 March	**193.82**	*193.82*	*193.82*

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

(b) Provision for contingencies for claims in business operation :

Particulars	As at 31 March, 2017	*As at 31 March, 2016*	*As at 1 April, 2015*
Opening balance as at 1 April	**50.00**	*50.00*	*50.00*
Additional provisions made during the year	-	-	-
Total	**50.00**	*50.00*	*50.00*
Payments made adjusted against above sum	-	-	-
Closing balance as at 31 March	**50.00**	*50.00*	*50.00*

Due to the numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The Group regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, may change its estimates significantly. However, no estimate of the range of any such change can be made at this time.

44 Additional information related to the subsidiaries considered in the preparation of consolidated financial statements.

a) As at and for the year ended 31 March, 2017

Name of the entity in the Group	As at 31 March, 2017		For the year ended 31 March, 2017		For the year ended 31 March, 2017		For the year ended 31 March, 2017	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent								
Rallis India Ltd.	91.18%	101,359.60	89.40%	26,557.03	91.96%	(46.87)	89.39%	26,510.16
Subsidiaries (Group's share)								
Metahelix Life Sciences Ltd.#	7.60%	8,452.56	10.77%	3,198.87	8.04%	(4.10)	10.77%	3,194.77
Zero Waste Agro Organics Ltd.	1.15%	1,279.81	0.12%	36.23	-	-	0.12%	36.23
Rallis Chemistry Exports Ltd.#	-0.02%	(16.92)	0.00%	(0.91)	-	-	0.00%	(0.91)
Foreign subsidiaries								
PT. Metahelix Lifesciences Indonesia (incorporated in the year 2016-2017)	0.04%	41.37	-0.14%	(41.28)	-	-	-0.14%	(41.28)
Non-controlling interests in all subsidiaries	0.04%	43.06	-0.14%	(42.97)	-	-	-0.14%	(42.97)
Consolidated net assets / Profit after tax	100.00%	111,159.48	100.00%	29,706.97	100.00%	(50.97)	100.00%	29,656.00

b) As at and for the year ended 31 March, 2016

Name of the entity in the Group	As at 31 March, 2016		For the year ended 31 March, 2016		For the year ended 31 March, 2016		For the year ended 31 March, 2016	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent								
Rallis India Ltd.	*92.65%*	*82,656.92*	*85.59%*	*12,589.27*	*305.95%*	*31.88*	*85.75%*	*12,621.15*
Subsidiaries (Group's share)								
Metahelix Life Sciences Ltd.	*5.98%*	*5,331.83*	*11.73%*	*1,725.23*	*-205.95%*	*(21.46)*	*11.58%*	*1,703.77*
Zero Waste Agro Organics Ltd.	*0.98%*	*870.31*	*0.20%*	*29.32*	-	-	*0.20%*	*29.32*
Rallis Chemistry Exports Ltd.#	*-0.02%*	*(16.05)*	*0.00%*	*(0.61)*	-	-	*0.00%*	*(0.61)*
Non-controlling interests in all subsidiaries	*0.42%*	*374.74*	*2.49%*	*365.68*	-	-	*2.48%*	*365.68*
Consolidated Net Assets / Profit after tax	*100.00%*	*89,217.75*	*100.00%*	*14,708.89*	*100.0%*	*10.42*	*100.00%*	*14,719.31*

*Net assets = total assets minus total liabilities
less than 0.01%

45 During the year, the Group had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of SBN held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Demonetisation Notes	Total
Closing Cash in Hand as on 08 November, 2016 *	**6.64**	**2.33**	**8.97**
(+) Permitted receipts	-	**11.65**	**11.65**
(-) Permitted payments	**0.04**	**10.73**	**10.77**
(-) Amount deposited in Banks	**6.60**	**0.01**	**6.61**
Closing cash in hand as on 30 December, 2016	-	**3.24**	**3.24**

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated the 8 November, 2016.

*The above balance includes cash in hand of ₹ 2.25 lac relates to SBN, held by employees as at 8 November, 2016 which was accounted and deposited on 19 November, 2016.

Rallis India Limited

Notes to the consolidated financial statements for the year ended 31 March, 2017
All amounts are in ₹ lac unless otherwise stated

46 During the previous year ending 31 March, 2016 the Group's subsidiary Metahelix Life Sciences Ltd. has received a sum of ₹ 681.26 lac towards compensation for extinguishment of rights.

47 Exceptional item comprises profit on assignment of leasehold rights to a plot of land in the MIDC Area, Turbhe, Navi Mumbai. The profit is net of costs including a premium levied, under the repealed Urban Land (Ceiling and Regulation) Act, 1976 which has been paid under protest.

48 Subsquent Event

The Board of Directors at its meeting held on 24 April, 2017 has recommended a dividend of ₹ 2.50 per equity share. The Board has also recommended a one-time special dividend of ₹ 1.25 per equity share, out of the profit on assignment of leasehold rights in the Turbhe land.

For and on behalf of the Board of Directors

PRAKASH R. RASTOGI		BHASKAR BHAT	*Chairman*
BHARAT VASANI		V. SHANKAR	*Managing Director & Chief Executive Officer*
R. MUKUNDAN			
Y.S.P. THORAT	*Directors*		
PUNITA KUMAR-SINHA		ASHISH MEHTA	*Chief Financial Officer*
C.V. NATRAJ		P. S. MEHERHOMJI	*Company Secretary*
PADMINI KHARE KAICKER			

Mumbai, 24 April, 2017

NOTES

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

Updation of Shareholder Information

I/ We request you to record the following information against our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder

RALLIS INDIA LIMITED

Corporate Identity No. L36992MH1948PLC014083
REGISTERED OFFICE 156/157 15TH FLOOR NARIMAN BHAVAN 227 NARIMAN POINT MUMBAI 400 021
Tel. No.: 91 22 6665 2700 Fax No.: 91 22 6665 2827 E-mail address: investor_relations@rallis.co.in Website: www.rallis.co.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	:
Registered Address	:
E-mail Id	:
Folio No./ DP ID-Client ID No.	:

I/ We, being the Member(s) of ___________shares of the above named Company, hereby appoint:

(1) Name: ___________________________ Address: ____

E-mail Id: __________________________ Signature: ______________________________or failing him;

(2) Name: ___________________________ Address: ____

E-mail Id: __________________________ Signature: ______________________________or failing him;

(3) Name: ___________________________ Address: ____

E-mail Id: __________________________ Signature: ____

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the SIXTY-NINTH ANNUAL GENERAL MEETING of the Company, to be held on Friday, the 23rd June, 2017 at 3.00 p.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolution
Ordinary Business	
1.	Adoption of Audited Financial Statements, Board's and Auditors' Reports for the financial year ended 31st March, 2017
2.	Adoption of Audited Consolidated Financial Statements and Auditors' Report for the financial year ended 31st March, 2017
3.	Declaration of dividend, including special dividend, for the year 2016-17 on Equity Shares
4.	Re-appointment of Mr. Bharat Vasani, who retires by rotation
5.	To appoint Statutory Auditors of the Company and fix their remuneration
Special Business	
6.	Appointment of Dr. C. V. Natraj as Independent Director
7.	Appointment of Mrs. Padmini Khare Kaicker as Independent Director
8.	Re-appointment of Mr. V. Shankar as Managing Director & CEO
9.	Ratification of Cost Auditors' remuneration

Signed this ____________________________ day of _________________________________2017

Signature of Shareholder: _________________________________

Affix Revenue Stamp

Signature of Proxy holder_________________________________

NOTES:

1. This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, at 156/157 15th Floor Nariman Bhavan 227 Nariman Point Mumbai 400 021, not less than FORTY-EIGHT (48) HOURS before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the SIXTY-NINTH ANNUAL GENERAL MEETING of the Company.

FINANCIAL STATISTICS

₹ Lacs

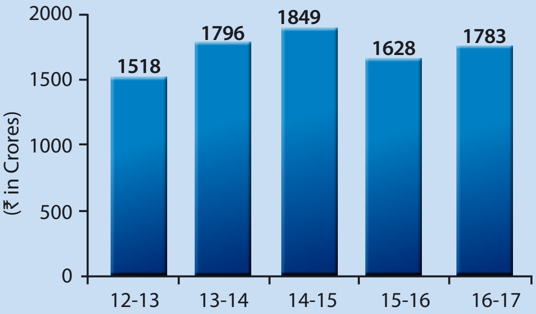
Year-end Financial Position	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net Fixed Assets	35,797	36,608	33,977	40,775	39,866	40,243	36,761	26,478	18,766	14,787
Deferred Tax Asset/(Liability)	(4,982)	(3,579)	(3,252)	(3,301)	(2,864)	(1,308)	(323)	535	1,016	1,323
Investments	53,403	30,497	23,162	21,878	19,348	18,094	15,193	14,028	13,615	5,551
Net Non current Assets	10,211	12,138	13,025	8,577	5,133	7,227	8,470			
Total	94,429	75,664	66,911	67,929	61,483	64,256	60,101	41,040	33,397	21,661
Current Assets	53,899	50,089	55,198	41,008	38,749	35,657	33,877	32,450	34,727	33,431
Current Liabilities	33,633	30,324	31,884	33,629	29,654	32,990	34,406	30,400	25,914	20,022
Net Current Assets	20,266	19,765	23,313	7,380	9,095	2,668	(529)	2,050	8,813	13,409
TOTAL CAPITAL EMPLOYED	114,695	95,430	90,225	75,308	70,578	66,924	59,572	43,090	42,210	35,070
Capital										
- Preference	-	-	-	-	-	-	-	-	8,800	8,800
- Equity	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,296	1,198	1,198
Total	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,296	9,998	9,998
Reserves	110,595	89,890	80,742	69,380	60,204	53,420	48,391	40,983	24,869	20,755
Less: Miscellaneous Expenditure	-	-	-	-	-	-	-	-	713	73
Net Worth	112,540	91,835	82,687	71,324	62,149	55,365	50,336	42,279	34,155	30,681
Borrowings										
- Short term	10	208	4,277	1,642	-	3,122	972	161	2,455	3,604
- Long term	2,146	3,387	3,261	2,341	8,429	8,437	8,265	650	5,600	786
Total	2,155	3,595	7,538	3,983	8,429	11,559	9,236	811	8,055	4,389
TOTAL SOURCES	114,695	95,430	90,225	75,308	70,578	66,924	59,572	43,090	42,210	35,070
Summary of Operations										
Revenue from operations	150,517	138,672	159,632	162,145	140,984	124,680	111,322	91,852	89,271	72,036
Other Income	1,051	466	172	576	1,145	750	3,436	2,882	2,262	11,163
Total Income	151,568	139,138	159,804	162,720	142,130	125,430	114,758	94,734	91,533	83,200
Expenses										
Materials consumed	81,013	73,702	88,453	93,334	83,419	70,893	62,824	50,339	50,557	40,844
Personnel cost	11,401	10,245	10,354	8,869	7,784	8,033	6,958	7,498	7,274	6,135
Excise duty	10,468	9,868	10,369	10,272	9,480	7,882	8,230	6,000	7,291	6,847
Finance Cost	267	792	479	805	1,251	1,037	332	267	326	409
Depreciation	4,194	3,783	4,459	3,597	2,881	2,711	1,716	1,831	2,295	2,007
Other expenses	24,132	24,231	25,116	24,938	19,979	18,146	16,340	13,580	13,190	12,340
Total	131,474	122,620	139,229	141,816	124,794	108,702	96,400	79,515	80,932	68,582
Profit before tax and prior year adjustment and exceptional item	20,094	16,518	20,575	20,904	17,335	16,728	18,357	15,219	10,601	14,617
Exceptional item:Cessation Cost	-	-	-	-	-	1,719	-	-	-	-
Exceptional item:Sale of Turbhe Plant	15,839	-	-	-	-	-	-	-	-	-
Profit before tax	35,933	16,518	20,575	20,904	17,335	15,009	18,357	15,219	10,601	14,617
Tax	9,329	3,902	6,034	6,268	5,397	4,870	5,736	5,116	3,472	2,098
Profit after tax	26,603	12,616	14,542	14,636	11,938	10,139	12,621	10,104	7,129	12,519
Other comprehensive income (net of taxes)	(47)	32	-	-	-	-	-	-	-	-
Total comprehensive income	26,557	12,648	14,542	14,636	11,938	10,139	12,621	10,104	7,129	12,519
IMPORTANT RATIOS										
Current Assets : Liabilities	1.6	1.7	1.7	1.2	1.3	1.1	1.0	1.1	1.3	1.7
Debt : Equity	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.0	0.2	0.1
PBT/Turnover %	13.3	11.9	12.9	12.9	12.3	13.4	16.5	16.6	11.9	20.3
Return (PBIT) on Capital Employed %	17.8	18.1	23.3	28.8	26.3	26.5	31.4	35.9	25.9	42.8
Dividend (per share)	3.8	2.5	2.5	2.4	2.3	2.2	20.0	18.0	16.0	16.0
Earnings (per share)*	14	6	7	8	6	5	65	52	53	22
Net Worth (per share)*	58	47	43	37	32	28	259	326	212	183

Previous years figures have been regrouped, wherever necessary.

* Earnings Per Share and Net Worth per share for 2012 is after stock split.

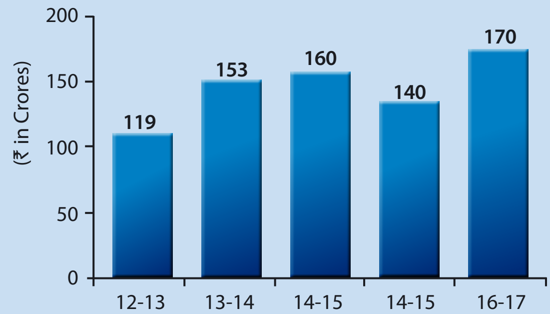
CONSOLIDATED

Gross Sales



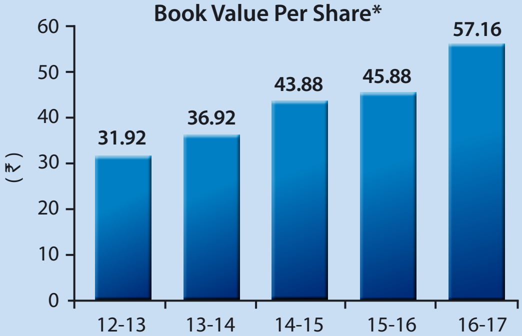
Note: Previous years figures have been regrouped, wherever necessary.

PAT*



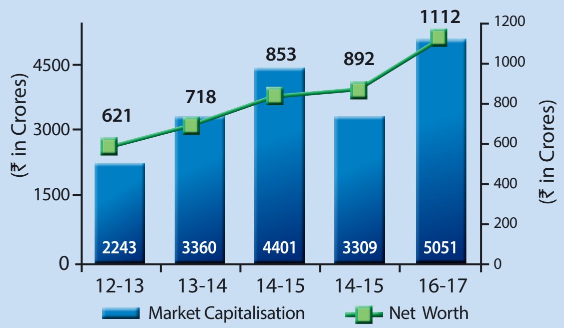
* PAT excludes exceptional items.

Book Value Per Share*



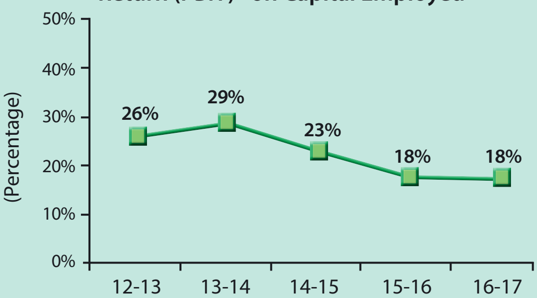
* Figures considering stock split and bonus issue for all years

Market Capitalisation and Net Worth



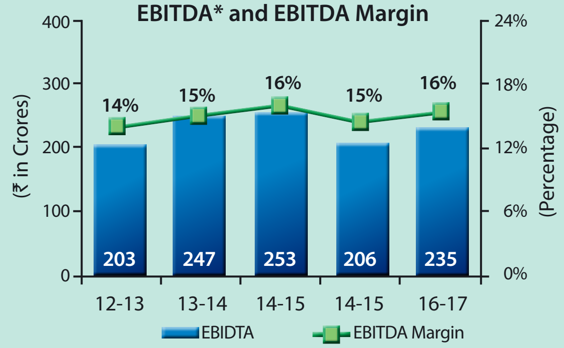
STANDALONE

Return (PBIT)* on Capital Employed



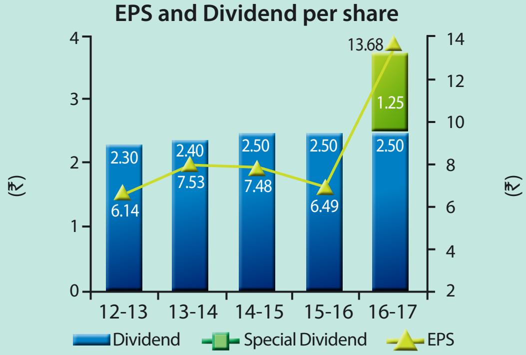
* PBIT excludes extra-ordinary gains and losses such as cessation costs.

EBITDA* and EBITDA Margin



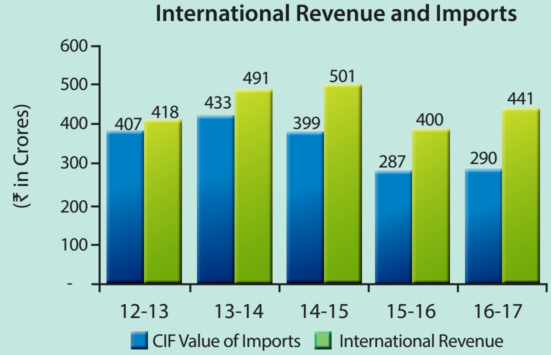
* EBITDA excludes extra-ordinary gains and losses such as other income & cessation costs*

EPS and Dividend per share



Note: Previous years figures have been regrouped, wherever necessary.

International Revenue and Imports



Effluent Treatment Plant at Ankleshwar

RO Plant at Ankleshwar Unit -
Facilitating total recycling of treated water

Water Usage - Efficiency and Conservation

Pond desilting at Akola in Vidarbha

Check Dam at Beed in Marathwada

Members from the community with MD and Rallis team at Jal Dhan site at Latur in Marathwada

RALLIS INDIA LIMITED

Corporate Identity No. L36992MH1948PLC014083

A TATA Enterprise

REGISTERED OFFICE 156/157 15TH FLOOR NARIMAN BHAVAN 227 NARIMAN POINT MUMBAI 400 021
Tel 91 22 6665 2700 Fax 91 22 6665 2827 Email Address: investor_relations@rallis.co.in Website: www.rallis.co.in

ATTENDANCE SLIP

69TH ANNUAL GENERAL MEETING ON FRIDAY, 23RD JUNE, 2017 AT 3.00 P.M.
at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020

I/ We hereby record my/ our presence at the SIXTY-NINTH ANNUAL GENERAL MEETING of the Company at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020, on Friday, the 23rd June, 2017 at 3.00 p.m.

....	....	....
Member's Folio/ DP ID-Client ID No.	Member's/ Proxy's name in Block Letters	Member's/ Proxy's Signature

NOTES:

1. Only Member/ Proxyholder can attend the Meeting.
2. Please complete the Folio/ DP ID-Client ID No. and name of the Member/ Proxy, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. Shareholder/ Proxyholder desiring to attend the Meeting should bring his/ her copy of the Annual Report for reference at the Meeting.

Particulars for voting through Electronic means

For Members opting to vote through electronic means, instead of voting at the Annual General Meeting, facility is available at the web link: https://www.evoting.nsdl.com. Particulars for electronic voting are as under:

EVEN (E-Voting Event Number)	User ID	Password

Note: Please refer to the instructions printed under the Notes of the Notice of the 69th Annual General Meeting. The e-voting period starts from **9.00 am on Tuesday, 20th June, 2017 and will end at 5:00 pm on Thursday, 22nd June, 2017.** The voting module shall be disabled by NSDL for voting thereafter.