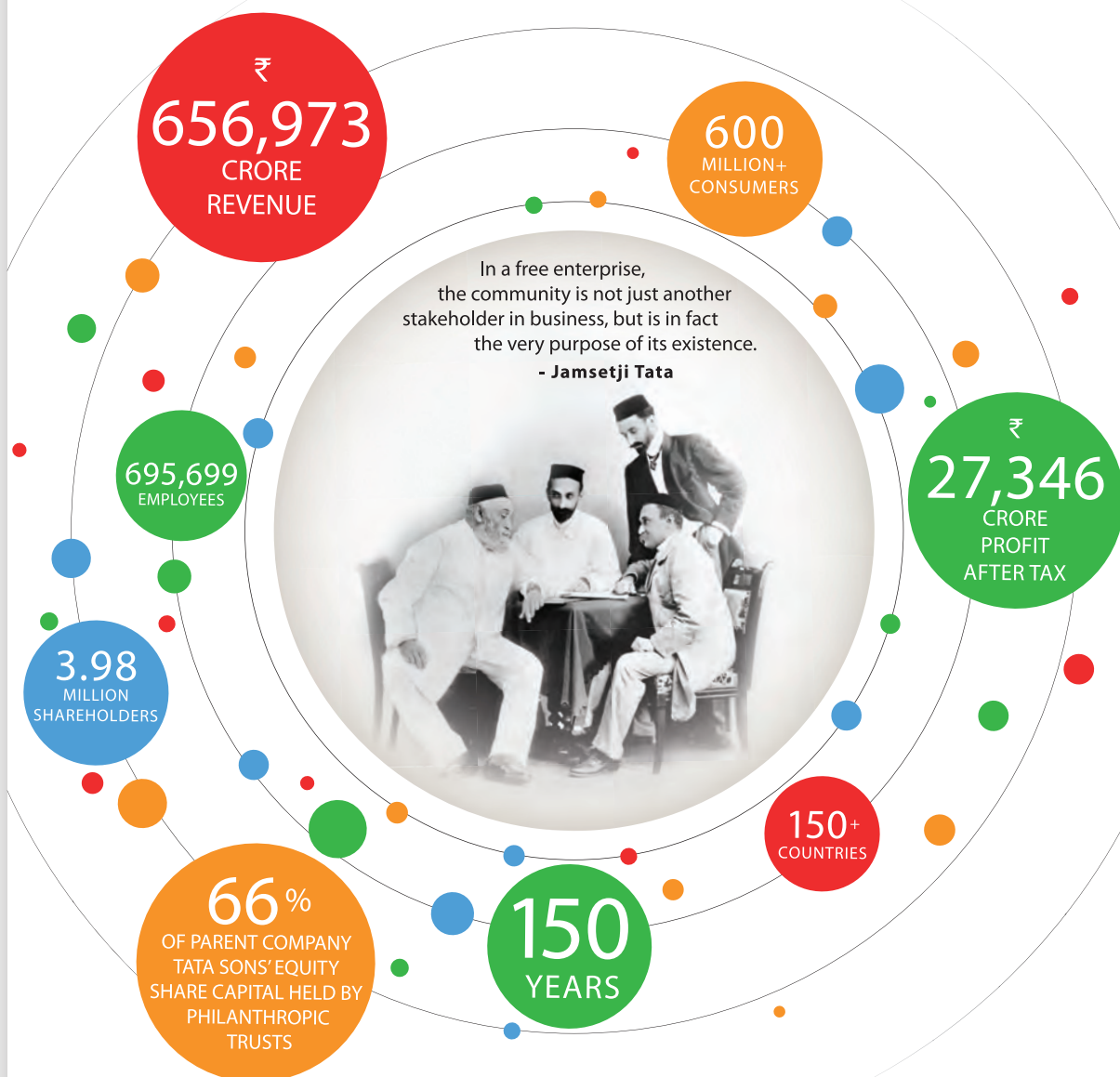




70th Annual Report | 2017-2018



LEADERSHIP WITH TRUST — SINCE 1868 —



The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata;
Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.



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Farming Trust & Transforming Lives



Rallis India. A 167-year old enterprise and a Tata Group Company. This Company's role in India's cropping programme has extended beyond farms to integrate with farmers' lives. Our connect with farmers has intensified and evolved from manufacturing quality micronutrients, bio-stimulants and crop protection products to providing significant agri-solutions and value added services, introducing farmers to new digital technology that helps to improve practices, increase farm yield and farmer revenues.

Our field personnel engage with farmer communities through regular visits, workshops and field demonstrations, providing timely interventions at critical crop stages, besides farming solutions and high impact products. Our digital aids and apps have introduced farmers to technology at their fingertips, that helps predict the weather, provides market price information and virtual linkages with soil and agri-experts. Rallis India is poised to scale up operations, empower farmers, help them to optimise costs, increase yield and transform the face of Indian agriculture.

We don't merely manufacture and market innovative agri-products and services. We are bringing solutions and building relationships. In line with the Tata Group's 150-year legacy, Rallis India inspires trust and transforms lives by

CARING FOR FARMS... CARING FOR FARMERS

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Annual General Meeting	Monday, 2nd July, 2018
Time	3.00 p.m.
Venue	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020
Book Closure Dates	21st June, 2018 to 2nd July, 2018

Corporate Snapshot

– A Legacy of Trust



With an over 150 years' legacy of trust, Rallis India, India's leading crop solutions Company, has a rich history of pioneering accomplishments.

With experience in serving three generations of the farming community, our comprehensive range of innovative crop protection products are made available to the Indian farming community through an extensive distribution network of loyal and supportive dealers and retailers. Our support to farmers is not limited to products; we provide solutions across the crop cycle, including agronomic advice and knowledge of best practices, so farmers can increase their yield and income sustainably. Armed with a vast experience in our domain and led by sustained investments in research and development, we have been at the forefront of meeting global expectations too.

Quality Assurance

Meeting international standards, Rallis India can boast about its four internationally accredited manufacturing facilities in India. All our plants are OHSAS 18001:2007 certified.

Other Business

In addition to a comprehensive product portfolio and providing agri solutions to the farming community, Rallis is also in the business of contract manufacturing for global corporations. The Company enjoys the trust of international business alliances for manufacturing, marketing and distribution of technical-grade crop care, polymers and fine chemicals.

Areas of business		
Domestic: Rallis Samrudh Krishi®	International Business	Contract Manufacturing
Agri Solutions comprising: <ul style="list-style-type: none"> ◆ Crop Protection ◆ Package of Practices ◆ Seeds & PGN ◆ Agri Services ◆ Information 	Through alliance partnerships and direct distribution. Technical-grade Crop Care and branded formulations.	For a range of Specialty Chemicals, including: <ul style="list-style-type: none"> ◆ Agro Chemicals ◆ Polymers ◆ Pharma Ingredients ◆ Animal Care

Reach

The Company's range of formulation and crop care products reaches farmers across the country through its extensive network of distributors and dealers. The Company also exports its products around the world.

How We Reach You		
3,500	43,000	80%
No. of Distributors	Retail Counters	Geographical reach across Indian Districts
50	10,000	25,000
Countries	Metric Tonnes p.a.	KL/MT p.a.
Products are exported	Volume of technical grade crop care products manufactured	Volume of formulations manufactured

Corporate Legacy – The Tata Group

As part of the Tata Group of Companies, Rallis India keenly adapts to the corporate culture of commitment to customers, community development and sustainability. The Company has taken initiatives that promote these values, support the community and ensure shareholder returns.

Rallis India lives the 'Tata' culture and some key initiatives taken by the Company that resonate this corporate legacy and reflect its values, are as follows:



LIVING THE 'TATA' LEGACY

Reflected in our manufacturing

Tata Business Excellence Model is the driving force across all the manufacturing units and KAIZEN/DWM with emphasis on analytical tools is used for continuous improvement. This guarantees total customer satisfaction with value to the money paid by him to buy our products.

Reflected in our products

All our products reflect the 'Tata' ethos, the brand equity reassuring customers about quality, price and safety.

Reflected in our association

Collaborating with other Tata Companies as appropriate, such as Tata Chemicals, Tata Coffee, Tata Global Beverages, Tata Group Innovation Office, etc.

Reflected by our employees

The Tata Volunteering Week, that actually runs for four weeks, is an 'Engage' programme that is held twice in a year during September and March, when Tata employees, their families and retirees experience volunteering. Different programmes are held in schools, rural areas, old age homes, hospitals etc. inspiring volunteers with various interventions like teaching or simply spending their time to touch lives through Volunteering.

Reflected in our initiatives

Rallis, along with Tata Chemicals, is partnering the Tata initiative of 'Grow More Pulses (MoPu)'.

Reflected in our sustainability efforts

Our Sustainability cell works closely with Tata Sustainability Group and other Tata Companies such as Tata Chemicals, Tata Power, Tata Steel etc.

Reflected in our CSR efforts

One of the key areas where Tatas is also contributing are STs and SCs - we call it affirmative action and we have a programme with Tata known as the 'Affirmative Action Programme'.

Chairman's Address



Dear Shareholders,

It is with great pleasure that Rallis India, a Tata Enterprise celebrates the Tata Group's 150 years, with the same commitment to its customers, the community and the Earth.

Growth in Revenues - A Reason To Smile

I am pleased to report that your Company has achieved a better market performance and revenue growth over last year, driven by increase in volumes in both its domestic and international businesses, despite the environmental and business headwinds through the year. Rabi cropping acreages came down by 1 per cent as did wheat acreages. However, paddy and pulses improved, as did your Company's performance.

Rallis India recorded standalone revenues (net of excise) of ` 1,498 crores (Previous Year ` 1,386 crores) for the year ended March 31, 2018. Consolidated Revenues net of excise grew by 8 per cent at ` 1,791 crores (Previous Year ` 1,664 crores). Consolidated Profit before tax was ` 227 crores with total comprehensive income at ` 167 crores. The Company's broad-based portfolio of agriculture solutions and robust farmer relationships has driven revenue growth.

Performance Overview

The Company has come a long way, from a solo play on agrochemicals to sustained contact with farmers, research and development initiatives, branding and marketing expertise along with a strong product portfolio and environment initiatives. It has made its presence felt across the value chain of agriculture inputs-right from seeds to organic plant growth nutrients. All our products are manufactured across four state-of-the-art production facilities in Gujarat and Maharashtra, in western India.

Our new crop protection solutions, Odis, Cenator and Pulito were launched this year and having received an encouraging response from farmers, registered good growth in 2017-18. These products will be the key drivers of growth.

The national rollout of **Rallis Samrudh Krishi®** (RSK), a solution-based endeavour

to create value for farmers, supported by a slew of digital measures, has helped to enhance farmers' productivity. Our digital interventions-Drishti, Samadhan and Sampark-shall drive this expansion forward.

Our holistic approach towards the entire ecosystem within which we operate has helped farmers make constant improvements at each critical stage of the farming cycle and helped them improve their farming practices, crop yield and revenue. The Company is looking to work out synergies with start-ups to explore novel and innovative solutions to improve crop health.

Risks

Being largely dependent on imports for procurement of raw materials, the Company is vulnerable to currency fluctuations. However, we have partially mitigated this risk by growing our global business which offers a natural hedge against the rising cost of imports.

Another risk impacting the Company's agrochemicals business is the seasonality factor, which is sought to be mitigated by growing in other businesses like seeds and plant growth nutrients, besides herbicides and fungicides, which are high growth segments for export.

New Product Opportunities

An unusual opportunity has opened up in the Indian agrochemicals industry with agrochemicals products worth US\$ 2.9 billion going off patent between 2017 and 2020. We are evaluating opportunities as a consequence and are gearing up to soon launch high potential products.

Contract Manufacturing

Contract manufacturing is yet another high growth area. Globally acknowledged for developing new processes and formulations in addition to our manufacturing capability, we are a preferred contract manufacturing partner for global corporations, examining substitutes and affordable raw materials



~ **1,498** crores

Standalone Revenues

~ **1,791** crores

Consolidated Revenues

~ **227** crores

Consolidated Profit Before Tax

~ **167** crores

Consolidated Total Comprehensive Income

following the focus of global corporations to find reliable sources from India.

Partnerships

Rallis India has successfully developed marketing alliances with several multinational agrochemical companies.

Exports

Despite market challenges, increased raw material prices and pricing pressure, exports have improved due to a positive economic outlook and a strong demand for herbicides. With a presence in 50 countries, Rallis India has invested on registrations, product development, capacities and building relationships to make its mark in the global market.

Research & Development

Rallis Innovation & Chemistry Hub (RICH), the R&D centre identifies potential areas for new product development and participates in the Company's farmer connect programme, driven by its mission to increase agricultural yield. Through motivated research and development, the Company achieved 12 registrations for its international business. In fact, the Company's Innovation Turnover Index increased from 7 per cent in 2016-17 to 11 per cent in 2017-18. Rallis India will be increasing its R&D budget going forward to support development of new products over the next five years.

Environment & Climate Change

Agriculture is an industry most susceptible to weather conditions for its yield, especially water, energy and climate change. Rallis India is committed to natural resource management, conservation, industrial waste reduction and reuse.

In a leadership role, it has initiated measures for CO₂ reduction and a zero liquid discharge programme to control pollution. A safety awareness programme for farmers prepares them for protected handling of agrochemicals. Under its Jal Dhan project, the Company harvested 1.06 million cubic

meters, or 5.3 crore buckets of water. It harvested over three times more water than it utilized in its operations.

While it makes ethical and business sense to drive environmental awareness and implement best practices, Rallis India's deep connect with rural communities enables it to initiate behaviour change.

Economic Trend

Globally, the economy picked up on the cyclical recovery that started in late 2016 and gathered pace to record a growth of 3.7 per cent in 2017. More than 120 countries registered a pickup in growth in year-on-year basis. Global trade volumes also increased 4.7 per cent in 2017. The IMF expects the global economy to grow at 3.9 per cent in 2018 and 2019.

Although, economic growth in India dragged under the impact of demonetisation and the rollout of the Goods and Services Tax, it picked up from the third quarter onwards. The Indian economy is projected to have grown at 6.6 per cent in FY 2017-18. India's sovereign credit rating was also upgraded. The forecast of a normal monsoon augurs well for the Company. Today, India's crop protection industry (excluding seed and plant growth nutrients) is around ~ 16,800 crores.

Shareholder Return

The Board has recommended a dividend of ~ 2.50 per share.

Looking onward to a better tomorrow, I thank each shareholder for their continued support as well as Tata Group, our commercial partners, the Board of Directors and the Company management for its continued guidance and support that have made the Company successful.

Warm Regards

Chairman



A Caring Partner

The Mission

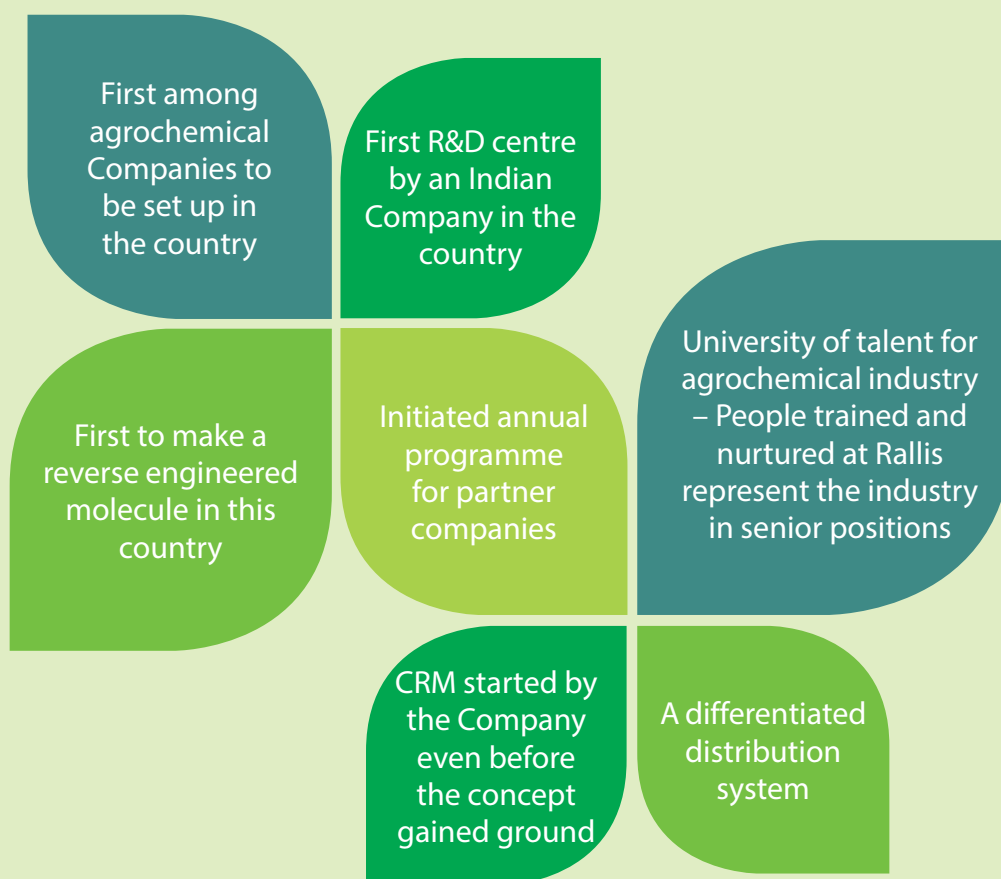
– To enhance value for farmers

With this goal, Rallis India reinvented itself. The Company undertook a slew of path-breaking initiatives to alter a well-settled and functioning paradigm in the crop protection industry and evolved from a product-based Company to a end-to-end solutions-based Company offering farm services across the crop cycle – from seed to harvest.

Driven by the Tata Group philosophy of responsibility towards the communities it serves, Rallis India embodies the passion of enabling new possibilities and forging pathways for mutual benefit.

From manufacturing the best crop protection inputs to making available value-added services and using technology for the benefit of farmers, the Company has developed strong bonds with the farmer community, making itself and its research and development available for the greater good.

Some of the key highlights of its transformation over its 167- year history are as follows:



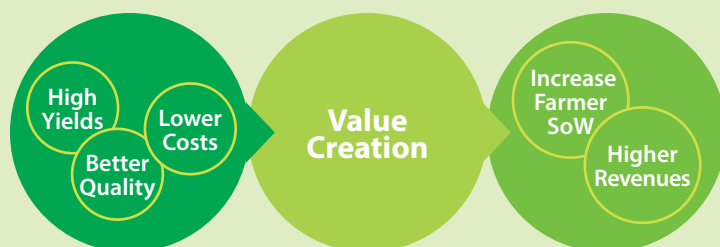


Rallis Samrudh Krishi®



As a Tata Enterprise, Rallis India believes that good corporate governance must create value for all stakeholders. **Rallis Samrudh Krishi®** (RSK) is an initiative that aims to create value for the farmer community. RSK has shifted the Company's operational paradigm from sale of its own products to create higher revenues for this community, which has yielded rich dividends. The programme, backed by the Company's resources - product, research and development, technology and commitment, has benefitted farmers and made the Company a household name. Following the Company's successful execution of 200 RSK pilots during 2016-17, it was rolled out across the country touching about a million farmers in 2017-18.

The Company provided farmers quality seeds, crop protection products, customised package of farm practices, right product dosages and soil conditioners, supported farmers' linkages with agricultural experts through digital initiatives that provided market price information, forecast weather as well as addressed customised agricultural queries relating to soil or crops.



Over the Kharif and Rabi seasons in 2017-18, the Company reached out to one million farmers across 12,600 villages. The project was supported by a 1,500-strong field force at the front end connecting with farmers supported by 14 Helplines as well as digital support. The Company supported the farmers with its technology and digital initiatives like Drishti, Samadhan and Sampark.