

SERVING FARMERS THROUGH SCIENCE



RALLIS INDIA LIMITED
A **TATA** Enterprise



Excel



Enable



Engage

What's Inside

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Basis of Reporting

Our Approach to the Adoption of Integrated Reporting

<IR> enhances and enriches reporting primarily due to its (i) wider focus on creating value for all stakeholders and (ii) utilisation and interlinkages of multiple capitals in the value creation process. While <IR> is not yet statutorily mandated, Rallis India Limited ('Rallis' or 'the Company') has voluntarily commenced its <IR> journey as part of its constant endeavour towards transparency and disclosures beyond statutory norms.

Reporting Principles

The financial and statutory data disclosed in this Report is in line with the requirements of the Companies Act, 2013; Indian Accounting Standards; the Securities and Exchange Board of India ['SEBI'] (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards. The non-financial data has been prepared in accordance with the <IR> framework of the International Integrated Reporting Council (IIRC), Global Reporting Initiative (GRI) and SEBI.

The Company has also referred to the Global Reporting Initiative (GRI) while disclosing the Key Performance Indicators (KPIs).

Scope and Boundary of Reporting and Reporting Period

The Report covers financial and non-financial information and activities of Rallis for the period April 1, 2020 to March 31, 2021. While the financial information has been audited by B S R & Co. LLP, Chartered Accountants, the non-financial information as referred to in the assurance report has been assured by Price Waterhouse Chartered Accountants LLP (PWCALLP). The assurance is in accordance with the limited assurance criteria of the International Standards on Assurance Engagements (ISAE) 3000 Revised. The assurance criteria, methodology and conclusion are presented in the assurance report. The assurance report is available on the Company's website at <https://www.rallis.co.in/AssuranceStatement20-21.htm>

Forward-looking Statements

Certain statements in this Report relating to the Company's business operations and prospects may be forward-looking statements. These statements can be identified by usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

These forward-looking statements are dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. Such statements are not guaranteed of future operating, financial and other results, but constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



To view / download this report online and for any other information please visit:
<https://www.rallis.co.in/AnnualReports.htm>

Performance at a Glance*

₹ 2,429 crore

₹ 2,252 crore (FY 2019-20)

Revenue

₹ 323 crore

₹ 259 crore (FY 2019-20)

EBITDA

₹ 304 crore

₹ 237 crore (FY 2019-20)

Operating Profit

₹ 11.75

₹ 9.51 (FY 2019-20)

Earnings Per Share

Above numbers are on consolidated basis

*As on March 31, 2021

Engage



The year under review saw us tackling a challenge never encountered before. At Rallis, we moved with speed, nimbleness and responsiveness to adapt quickly in a rapidly changing environment. We responded to challenges by reinforcing our priorities, recalibrating our strategies and by adopting a pragmatic approach to navigate through the tough times.

Amid a paradigm shift in agriculture landscape and given the continued resilience of our business, we leveraged through our outreach programmes to engage with farmers. With good resilience and with more efficient ways to use resources, we developed and delivered the best possible crop care products and solutions, aimed at better crop yields and quality – readying our business for the future.

Enable



Excel



We enabled safe and responsible agriculture through supply of plant growth nutrients, crop protection chemicals and seeds. With a single-minded aim to further build business resilience and with deep agronomic knowledge, we created crop care solutions that helped farmers optimise yield and profitability.

With sharp focus on our strategy and potential of our products, we excelled in maintaining strong customer relationships. We follow the Rallis philosophy of sustaining win-win relationships with every stakeholder in a transparent, purposeful and ethical manner. We believe this will continue to strengthen our foundation and help us embark on our next growth phase.

Well-entrenched Connect with Farmers and Partners



Crop Care

3,879

Dealers

47,687

Retailers

28

Depots

12

Regional Offices

31

Export Destination



Seeds

2,881

Dealers

31,358

Retailers

1,700

Employees

19

Depots

25

Regional Offices



Being the Partner of Choice

Rallis is one of India's leading crop care companies. It is known for its deep understanding of Indian agriculture, quality agri-inputs, branding and marketing expertise and a strong product portfolio of comprehensive crop care and seed solutions.



Sustained Connect with Farmers



Rallis is closely connected to around **1.5 million farmers** through its outreach programmes

Our Value System



Our Mission

Serving Farmers through Science



Our Vision

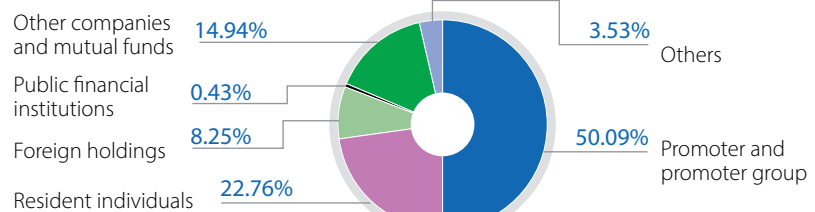
We aspire to be amongst the top 3 leading enterprises by 2026 in the chosen areas within farm inputs and chemistry-led businesses



Our Values

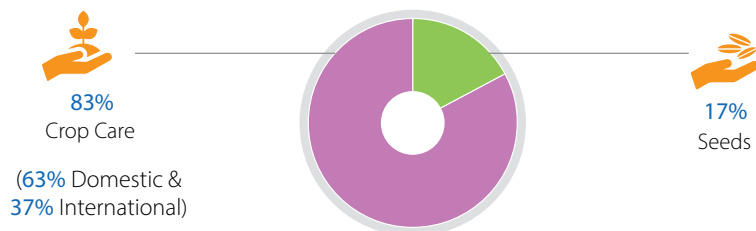
- Safety
- Passion
- Integrity
- Customer-centricity
- Excellence

Ownership Structure*



*As on March 31, 2021

Business Divisions



Contribution to Revenue for FY 2020-21

CROP CARE

Crop Protection

- Domestic branded formulations and Institutional business (Fungicides, Insecticides, Herbicides)
- International business (Active Ingredients, Formulation and Contract Manufacturing)

Crop Nutrition

- Organic fertilisers
- Biostimulants
- Biofertilisers
- Water soluble fertilisers
- Secondary and Micronutrients

SEEDS

Field Crops

- Paddy, Maize, Pearl Millet, Cotton and Mustard

Vegetables

- Chilli, Okra, Tomato, Gourds, Cucumber, Cauliflower, Cabbage and Watermelon among others

OUR INDIA PRESENCE



Manufacturing Facilities

- Ankleshwar, Gujarat
- Dahej, Gujarat
- Lote, Maharashtra
- Akola, Maharashtra



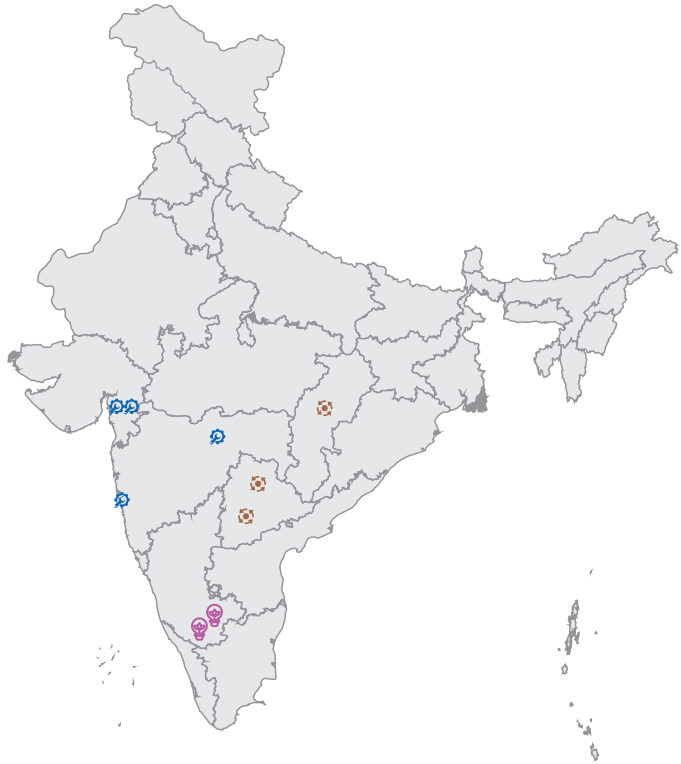
Processing and Drying Plants

- Malkajgiri district, Telangana
- Medak district, Telangana
- Durg district, Chhattisgarh



Innovation Centres

- Rallis Innovation Chemistry Hub (RICH), Bengaluru
- Agri-Biotech R&D facility, Bengaluru



OUR GLOBAL MARKETS



The above maps are not to scale and are for illustrative purposes only.

Chairman's Message to Shareholders

Dear Shareholders,

As I prepare to present to you Rallis India Limited's Annual Report 2020-21, the world is continuing to face the greatest threat to life and livelihood due to the Covid-19 pandemic. This is impacting the global economy and all of its citizens.



We are grateful to the frontline healthcare workers and other support teams who are selflessly and fearlessly serving humanity during these challenging times. The silver lining is the success of large-scale vaccination in a few countries in controlling the pandemic that is giving hope to humanity at large.

India was relatively successful in managing the first wave of the pandemic outbreak but unfortunately, the second wave of Covid-19 is spreading the virus much more rapidly across India, including the rural areas which were relatively less impacted in the first wave. We are cautious and hopeful that with an all-out effort, we will be able to overcome the challenging situation the country is facing.

We are proud of the resilience Rallis has shown in this challenging time to ensure personal safety and at the same time, running the operations with limited interruptions, which led to a sustained performance during the year.

As per the World Bank, the global economic output is recovering from the downturn triggered by Covid-19 but it will remain below pre-pandemic trends for a prolonged period. A well-coordinated response to the pandemic will shape the future of the global economy for years to come.

The Indian GDP, after a steep fall of 24.4% and 7.3% in Q1 and Q2 of FY 2020-21 respectively, has shown recovery with 0.4% growth in Q3. Based on this recovery trend, the GDP for 2021 is estimated to be contracting by 8% which is a clear outcome of the efforts undertaken in minimising the impact of Covid-19 on the economy. But the second wave of the Covid-19 pandemic has struck India with unforeseen fury and it will compound the misery of repeated economic disruptions and slowdowns over the past few years. The extent of economic loss will primarily

depend on how fast the chain of infections can be broken and how India manages to contain this with mass vaccination efforts.

Your Company, together with the Tata Group, has been working in several ways to help in containment of the spread of the pandemic and in alleviating human distress and suffering caused by the pandemic.

India's Agri-sector

Agricultural activities as well as a majority of those directly engaged in agriculture other than migrant labour, have had a limited negative impact due to the pandemic.

The Government took important steps to boost the agricultural sector, an important pillar of our economy, by bringing in some key reforms. These steps are expected to make the agricultural sector more organised and will attract the necessary technological interventions to improve productivity and quality of agriculture produce in the long run, thus benefiting millions of farmers and the entire agriculture value chain.

The global and Indian crop protection industry has been aiming for geographic diversification of supplies to mitigate associated risks emerging out of geopolitical developments. Your Company is partnering with industry peers and the Government for appropriate policy support in building a supportive ecosystem and making India a global agrochemicals powerhouse.

During the year, weather conditions were largely favourable and this was reflected in a record production of 303.34 million tonnes of foodgrain, as per the second advance estimates. This was an outcome of the hard work of Indian farmers, agricultural scientists and farmer-friendly policies of the Government.

India's Increasing Agricultural Production

(Million tonnes)

	2021	Average of last five years
Rice	120	112
Wheat	109	100
Nutri/Coarse Cereals	49	44
Pulses	24	22
Oil Seeds	37	33
Sugarcane	398	362
Cotton	37	32

Managing Covid-19

With the wholehearted support from all our employees, suppliers and channel partners, we managed to serve our domestic as well as international customers and ensured growth in our business. Measures on continuous engagement with our employees facilitated us in safeguarding our workforce and their family members from the Covid-19 impact. We, at the Board level, are very appreciative of the support offered by the team and their family members. Without their commitment and support, we would not have been able to adopt and successfully adapt to the newer ways of working during the year. We are intensifying our efforts in managing the Covid-19 situation in view of the intensity of the ongoing second wave. We are cautious and yet hopeful, that our efforts in this direction will help us in managing the safety of all our relevant stakeholders and serve our customers with limited disruption.

Performance Review

Our Consolidated Revenue from Operations during the year stood at ₹ 2,429 crore, reflecting 8% year-on-year (YoY) growth. EBITDA grew by 24% to reach ₹ 323 crore, while Profit After Tax stood at ₹ 229 crore, recording 24% growth over the previous year. Your Company deployed several market-conducive strategies to expand the domestic and exports businesses. Rallis' stable performance over the years has been backed by multiple levers including a rejuvenated strategy, new product launches and a significant capital expansion plan.

Going Ahead

Your Company is fully aware and well-positioned to tap both domestic and international opportunities by making the right investments in manufacturing and research & development, strengthening its brands and improving internal processes through digitalisation. We are banking on these to achieve our next leg of growth.

Your Company is embarking on an exciting journey of transformation with several initiatives for which I, on behalf of the Board, seek the support of all stakeholders. Some of these are:



Enhancing manufacturing capacities of Active Ingredients and formulations



Building a new integrated research & development centre



Launching new products in crop protection, crop nutrients and seeds



Enhancing brand visibility with new pack designs and leveraging digital media for market promotion activities



Sales Force Automation, Dealer Management System and other relevant applications to support business processes

With the wholehearted support from all our employees, suppliers and channel partners, we managed to serve our domestic as well as international customers and ensured growth in our business.

As I had mentioned to you in my message in the previous Annual Report, I once again reiterate that Rallis-ites have been working on the near-term priority of 'Repositioning Rallis for Leadership', and some of the above-mentioned achievements are a reflection of the action taken in that direction.

Before I conclude, I wish to thank all my fellow Board members, management team, employees, customers, suppliers, regulatory authorities and our shareholders for their unflinching guidance and continued support throughout the year.

Wishing you all a safe year ahead!

Regards,

Bhaskar Bhat

Chairman

Business Review

Rallis is engaged in research, development, manufacturing and distribution of crop protection and crop nutrients formulations. The Company has its presence across the value chain, with a healthy pipeline of sustainable products facilitated through investments in R&D and strategic alliances. The promotion of biological products reflects its commitment towards integrated pest management.



CROP CARE

Highlights of FY 2020-21

- ✓ Achieved a revenue of ₹ 2,028 crore in FY 2020-21 compared to ₹ 1,881 crore in FY 2019-20
- ✓ Recorded 10% growth in domestic business year-on-year ('YoY'); 3% growth in exports including contract manufacturing
- ✓ Launched 4 new products in Crop Protection (including 3 in-house formulations) and 6 new products in Crop Nutrition (including 2 in Biopesticides)
- ✓ Enhanced reach through dealer network realignment, resulting in 5% increase in distributor network
- ✓ Working on New Brand Architecture and rolled-out 26 products in FY 2020-21
- ✓ With strong collections, maintained optimum cash flow throughout the year
- ✓ Undertook digital acceleration through campaigns, sales meetings, trade, product development trials and engagement with farmers and employees
- ✓ Continued up-stocking of raw materials to avert production disruptions due to potential supply chain issues and price hike
- ✓ Maintained smooth availability of contract manpower through regular and alternate vendors, while maintaining safety and health norms during Covid-19
- ✓ Conducted daily review of operations in view of Covid-19 and resultant Work from Home/virtual working situation. With this, the right stocks were delivered to the markets with timely stock corrections and transfers





OUR DOMESTIC BUSINESS

Highlights of FY 2020-21

- ✓ Achieved a revenue of ₹ 1,287 crore in FY 2020-21 compared to ₹ 1,165 crore in FY 2019-20
- ✓ Domestic Formulation business registered 14% revenue growth YoY. Strong performance of flagship brands like Blitox, Contaf, Takumi, Master, Panida and Tata Metri
- ✓ Wider crop protection portfolio of generic and niche products across crops and crop cycles
- ✓ Brand trust built over long association with the Indian farming community
- ✓ Closely connected with farmers through ground level activities
- ✓ Channel network of 3,879 distributors covering 80% of India's districts
- ✓ Trained and engaged salesforce supported by digital tools



Key Focus Areas

- Research team is well connected with farmers to develop customised products and packages of practices by understanding their emerging needs
- Identified category, segment and portfolio gaps for future product development. More than 20 segments across categories have been chosen for new product development and commercialisation
- Crop nutrition portfolio to enhance yield and quality of produce



Outlook

To maintain a well-entrenched connect with farmers by facilitating better crop productivity through Crop Care solutions

To launch new products to strengthen presence in various segments and offer multiple options in key segments



OUR INTERNATIONAL BUSINESS

Highlights of FY 2020-21

- ✓ Achieved a revenue of ₹ 741 crore in FY 2020-21 compared to ₹ 722 crore in FY 2019-20
- ✓ Trusted supply partner to global innovators and generic players
- ✓ Acquired 9 new registrations
- ✓ Attained global leadership in most Active Ingredients manufactured
- ✓ Invested further in research, registration and manufacturing to expand portfolio
- ✓ Leveraged chemistry strength for contract manufacturing



Key Focus Areas

- Committed to expand product and customer portfolio in contract manufacturing
- Investment in strengthening R&D, process scale-up and manufacturing
- Expanding synthesis capacity at the R&D Centre at Bengaluru
- Upgrading pilot plants to strengthen process scale-up capabilities
- Adding 2 new manufacturing plants at Dahej – for Formulations and Active Ingredients and Intermediates, to strengthen capabilities across multiple business segments



Outlook

Aiming to leverage expanded capacities in current Active Ingredients to meet growing demand

R&D team focussed on developing cost-effective process chemistry and product registration

Supported by appropriate investment in manufacturing capacities to expand Active Ingredient portfolio and drive growth with existing and new partners

Focussed on expanding contract manufacturing base, while dedicated techno-commercial team is engaging with potential customers

 SEEDS

Rallis is engaged in research, development, production, processing and distribution of hybrid seeds in the domestic market for field crops including Paddy, Maize, Millet, Cotton and Mustard. Its vegetables seeds portfolio includes Chilli, Okra, Tomato, Gourds, etc. and this is supported through partnerships with leading players.

The R&D facility at Bengaluru carries out research & development activities in the agri-biotechnology space in multiple crops. Conventional breeding activities are carried out at research stations across multiple agro-climatic conditions.

✓ Highlights of FY 2020-21

- ✓ Achieved a revenue of ₹ 401 crore in FY 2020-21 compared to ₹ 364 crore in FY 2019-20
- ✓ Reported sustained growth, despite a challenging business environment
- ✓ Addressed portfolio gaps in field crops with new launches
- ✓ Widened market-relevant vegetable portfolio through partnerships
- ✓ Focussed on employee safety and health
- ✓ Successfully launched 4 new products
- ✓ Leveraged breeding technologies for differentiated products
- ✓ In-licensing arrangements in vegetables and mustard improved performance

