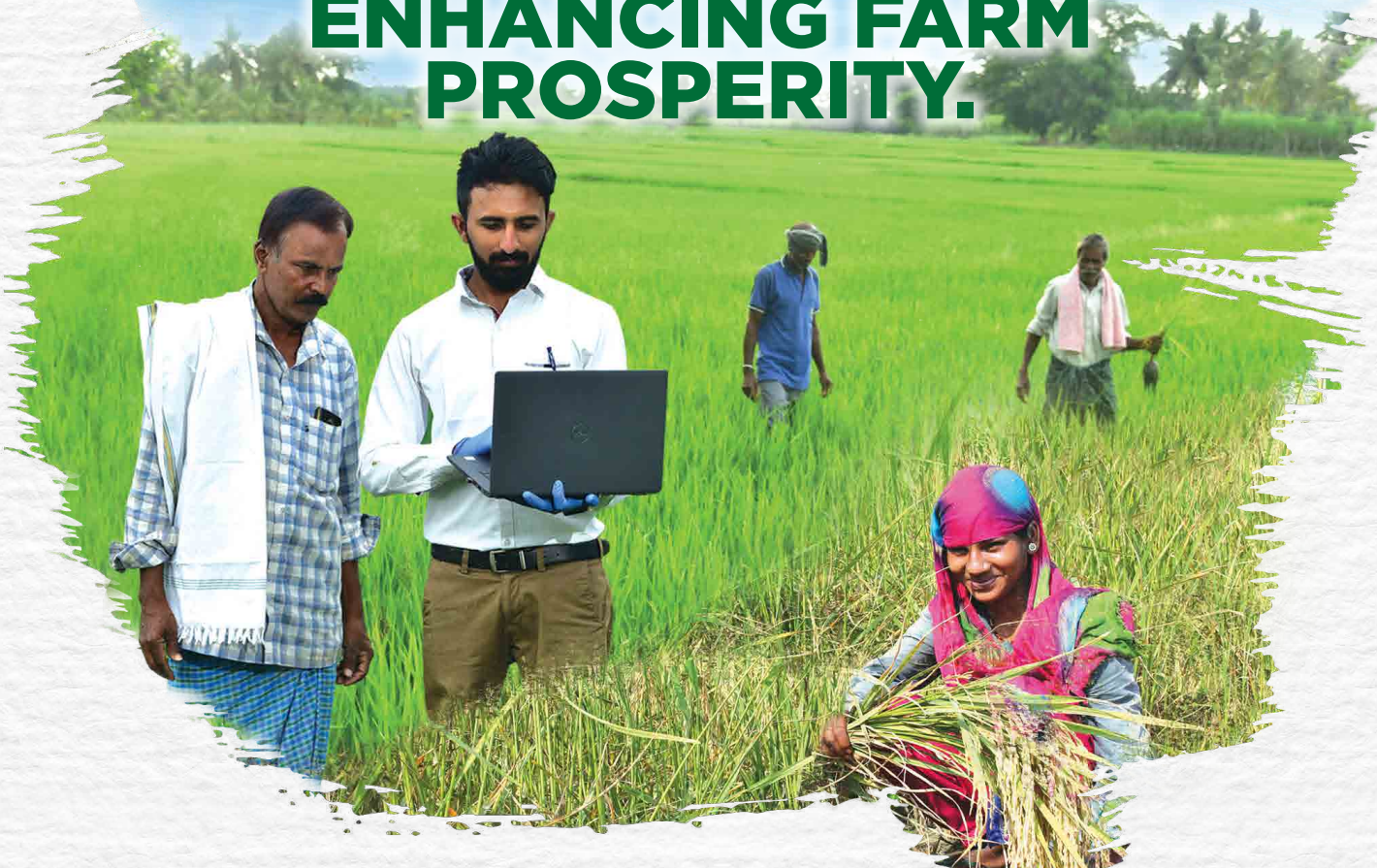




RALLIS INDIA LIMITED
A **TATA** Enterprise



CREATING VALUE. ENHANCING FARM PROSPERITY.



Integrated Annual Report 2021-22 | 74th Year
SERVING FARMERS THROUGH SCIENCE

Basis of Reporting

Our Approach to Integrated Reporting

As Rallis India Limited ('Rallis' / 'the Company') proceeds with its fourth year of Integrated Reporting, our endeavour to evolve in the journey of transparency and enhanced disclosures continues. The Integrated Report <IR> provides information about our performance across six capitals, efforts undertaken to create value, material risks and opportunities, strategy, safety and sustainability, innovative steps, governance and beyond.

With each passing year, our focus continues in developing an <IR> that provides both qualitative and quantitative disclosures on our goals / objectives to create long-term value in line with our Mission, Vision and Values to enable the stakeholders to make informed decisions.

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 (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).

The following principles of AA1000 Accountability Principles 2018 have been applied:

Inclusivity

We commit accountability to stakeholders directly or indirectly impacted by our organisation. We have mapped them and have

processes to ensure inclusion of their concerns and expectations. We continue to develop our stakeholder engagement and sustainability capacity at corporate and manufacturing levels.

Materiality

We cover key material aspects, identified through ongoing stakeholder engagement and addressed by various programmes or action points with measurable targets.

Responsiveness

This Report, amongst one of our interaction and communication elements, reflects our ability to manage our operations while accounting and responding to stakeholders' concerns.

Impact

We are accountable to the larger ecosystem and continuously monitor and evaluate our impact across our value chain. The Report covers the information that is material to our stakeholders and the Company and presents an overview of the Company's operations along with associated activities that help in short, medium and long-term value creation. These issues have significant business impact and are key to the Company's value-creation process.

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, 2021 to March 31, 2022. 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 Ernst & Young LLP. The assurance is in accordance with the limited assurance criteria

of the International Standards on Assurance Engagements (ISAE) 3000 Revised and Type 1 "Moderate Level" of Assurance under AA1000 Assurance Standard (AA1000ASV3) in respect of the Principles of inclusivity, materiality, responsiveness and impact as defined in the AA1000 Accountability Principles Standard (2018) (the "AA1000 Accountability Principles"). 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.com/AssuranceStatement2021-22.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 there is a possibility that the same may not be realised. Such statements are not guarantees 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.

WHAT'S INSIDE

 COMPANY OVERVIEW	1-43
Creating Value. Enhancing Farm Prosperity.	1
Trusted Partner for the Agri-Input Value Chain	2
Chairman's Message	4
Innovating and Evolving Our Business	6
Operating in a New Normal	9

Growing a Climate Positive Future	10
The Value We Create Across the Six Capitals	12
Determinants of Our Value Creation	14
Materiality Analysis	16
Stakeholder Engagement	19
Our Risk Management Framework	20

Our Strategies to Accelerate Growth	22
Delivering Our Commitments and Looking to the Future	24
Rallis' Platform of Digital Excellence	28
Driving Innovative Growth. Achieving Economies of Scale.	30
Safety is our Key Priority	32



TRUSTED PARTNER FOR THE AGRI-INPUT VALUE CHAIN

We are one of India's leading Crop Care and Seeds companies with over 7 decades of experience in serving rural markets. We have the most comprehensive portfolio of agri-input products.

Known for our deep understanding of Indian agriculture, connect with farmers and quality agri-inputs, our comprehensive product portfolio is supported by research and manufacturing infrastructure. Further, our branding and marketing expertise helps us in developing, launching and scaling up the new products. We are a preferred partner for the domestic market and for sourcing Active Ingredients and Formulations by leading global players.

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



Closely connected with

1.9 million

farmers through outreach programmes

Our India Presence



Manufacturing Locations

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



Processing, Drying and Packaging Plants

- Telangana:
 - Kokkonda
 - Gundlapochampally
 - Medchal



Innovation Centres

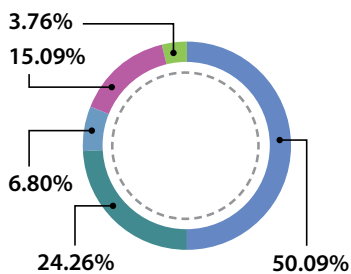
- Karnataka
 - Bengaluru
- Rallis Innovation & Chemistry Hub (RICH); and Agri-Biotech R&D facility



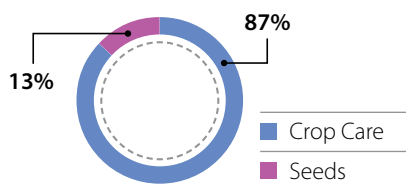
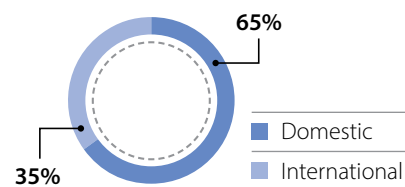
The above map is not to scale and is for illustrative purposes only.

Ownership Structure

As on March 31, 2022



- Promoter and Promoter Group
- Resident Individuals
- Foreign Holdings
- Other Companies and Mutual Funds
- Others

Revenue Breakup for FY 2021-22**Total Revenue****Crop Care Revenue****CROP CARE****Crop Protection**

- Domestic Branded Formulations and Institutional Business (Fungicides, Insecticides and Herbicides)
- International Business (Active Ingredients, Formulation and Contract Manufacturing)

Crop Nutrition

- Biofertilisers
- Biostimulants
- Micronutrients
- Water soluble fertilisers
- Organic fertilisers
- Biopesticides

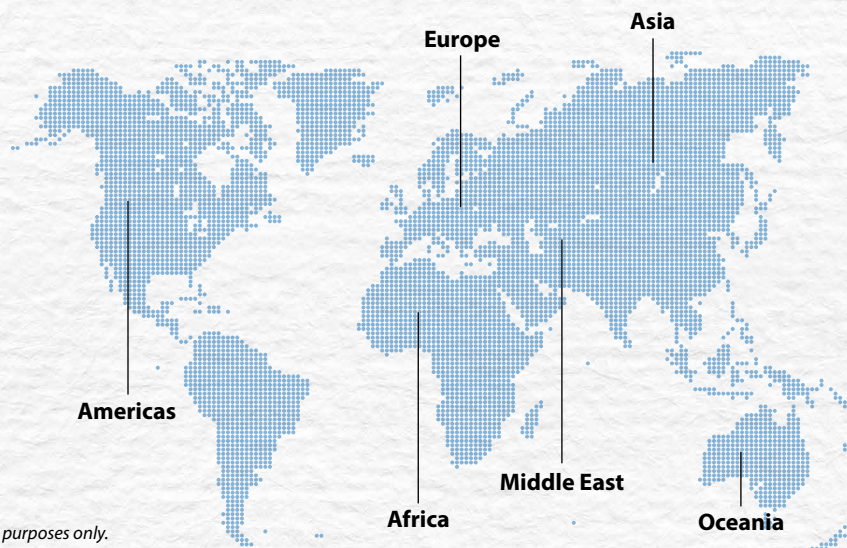
SEEDS**Field Crops**

- Paddy
- Maize
- Millet
- Cotton
- Mustard

Vegetables

- Chilli
- Okra
- Tomato
- Gourds
- Cucumber
- Cauliflower
- Cabbage
- Watermelon

(For further details, refer Page 74-75 of Management Discussion & Analysis)

Our Global Presence

The above map is not to scale and is for illustrative purposes only.



CHAIRMAN'S MESSAGE



Dear Shareholders,

It gives me great pleasure to address you all as we collectively continue to navigate through the challenges posed by the pandemic. We express our gratitude to all those with whose support India managed to quickly return to the growth path.

The relentless commitment and dedication of every member of the Rallis family helped our business navigate through the many challenges of the past year. Even while we manoeuvred the challenges, our focus remained steadfast on the health and safety of our people and the adoption of appropriate COVID-19 protocols across locations. The Company encouraged all the employees to get vaccinated and to leverage the vaccination drives initiated by Tata Group companies.

As we celebrate “Azadi Ka Amrit Mahotsav” this year, we continue to be proud of our nation's past achievements and remain confident of advancing further on the path of

progress. We are proud of our association with the Indian farming community and salute the spirit as well as the conscientious and tireless efforts of millions of Indian farmers who continue to ensure India's food security.

Importance of agriculture to economy

With a 4% share of global GDP, the value addition generated by agriculture and allied sectors is estimated at USD 3.5 trillion. It is gratifying to note the dual role agriculture has been playing in providing food security to the global population and employment to large sections of the society as it continues to remain the second largest source of employment worldwide after the services sector.

Agriculture has been the primary source of livelihood for more than 50% of India's population and represent around 16% of the country's Gross Domestic Product. It is indeed worth pointing out that agriculture largely remained unaffected in India during the course of the COVID-19 pandemic and a 3.3% growth in FY 2021-22 is estimated which is similar to the previous fiscal year of FY 2020-21.

With an increased thrust on sustainability globally, we foresee further intensification of agricultural activity for biofuels, an alternative to fossil fuel. The Government of India has advanced ethanol blended petrol target timeline to 2025 from 2030 and this will increase dependency on agriculture for biofuels in India as well, leading to higher areas under cultivation of crops such as Sugarcane, Maize, etc.

With customer-centricity as one of its values, Rallis will continue playing a pioneering role in agriculture. Our single-minded aim is to help millions of farmers achieve prosperity with our diversified and innovative portfolios of Crop Protection, Crop Nutrition and Seeds.

Foodgrain production at record high in FY 2021-22

The Southwest monsoon, which is critical for agricultural activities in India, was normal for the year, being the third consecutive year of above or near normal rainfall. This provided huge benefits to agriculture aiding total foodgrain production, estimated at 316 million tonnes, as against 311 million tonnes in the fiscal year 2020-21.



In this challenging environment, the Consolidated Revenue from Operations continued to grow to ₹ 2,604 crore in FY 2021-22 compared with ₹ 2,429 crore recorded in the previous year ”



Crop protection market development

Strong commodity prices fuelled demand and price increase to offset input cost escalation steered growth in the global crop protection industry. Global crop protection market value (including non-crop usage) crossed USD 73 billion in the calendar year (CY) 2021 compared to USD 69 billion in CY 2020. This also benefited the export business of domestic companies including that of Rallis. Global crop protection market continues to be buoyant but growth is expected to be slightly moderated in CY 2022 with gradual softening of input prices.

The domestic crop protection industry continues to be impacted by input availability especially of material sourced from China, cost escalation and freight cost increases. Nevertheless, relevant actions by your Company and the Indian industry in general are seen addressing these challenges in the short and medium term. In 2021-22, uneven and delayed pick-up of monsoon and unseasonal rains resulted in missed spraying of crop protection inputs. There were also crop shifts in high-input-use crops such as cotton and groundnut, which impacted sales during the Kharif season. The domestic crop protection industry is expected to have registered a nominal growth in top-line in FY 2021-22, along with margin contraction.

At Rallis, we responded to the challenging environment through effective sourcing, frequent pricing decisions, an acute cash focus, agile internal and external

coordination with logistics partners and optimising operating expenses, among other strategies.

Performance review

In this challenging environment, the Consolidated Revenue from Operations continued to grow to ₹ 2,604 crore in FY 2021-22 compared with ₹ 2,429 crore recorded in the previous year. Despite of our best efforts to offset cost increases, the Profit After Tax was ₹ 164 crore compared to ₹ 229 crore achieved during FY 2020-21. Growth in the Crop Care business was buoyant at 11%, with margins coming under pressure due to steep cost inflation. We continued our strong performance in the Crop Nutrition business by registering a 20% growth over the previous year. The Seeds business had a challenging year and reported degrowth of 13%, impacted by both internal and external factors. The measures undertaken by the management are expected to address the challenges of the Seeds business and achieve sustainable profitable growth in the near and long term.

Way forward

To drive future growth, we will intensify our focus and investments towards increasing our manufacturing capacities, product portfolio expansion and digital initiatives. We will also intensify our marketing investments to improve reach and visibility of our products.

Even as we visualise a promising future, efforts are underway to align and integrate our goals with the Environment, Social and Governance (ESG) aspects to build innovative business models.

Your Company has undertaken an ambitious initiative "30 by 30", targeting 30% absolute reduction of carbon emission by the year 2030.

Recent unfortunate geopolitical developments in Europe are directly and indirectly impacting the global economy, including the agriculture sector which withstood the COVID-19 challenges to a greater extent. We are optimistic, yet cautious in managing associated risks, which are too early to predict.

I extend my sincere appreciation to my fellow Board members, the leadership team, employees, our suppliers and business partners for their continued support which has helped us serve our customers even better during these challenging times.

I would like to thank all our shareholders and look forward to your continued support and guidance, as the Company progresses towards its mission of 'Serving Farmers Through Science' in the coming years.

Regards,

Bhaskar Bhat
Chairman



INNOVATING AND EVOLVING OUR BUSINESS

We have a significant presence in the agri-input value chain. We provide wide range of safe and sustainable products in Crop Protection, Crop Nutrition and Seeds. Our innovative solutions and offerings enable farmers in improving their productivity, thereby reinforcing our mission of 'Serving Farmers through Science.'



CROP CARE

We are engaged in research, development, manufacturing and distribution of Crop Protection and Crop Nutrition solutions. Our Crop Protection portfolio of Active Ingredients, bulk and branded formulations covers fungicides, herbicides and insecticides and caters to domestic and international markets. Our Crop Nutrition portfolio, which is largely focussed on the domestic market, consists of biostimulants, biofertilisers, biopesticides, organic fertilisers, water soluble fertilisers as well as micro and secondary nutrients.





OUR DOMESTIC BUSINESS

Leveraging Tata and Rallis brand equity, the Company has established long and strong bonds with the farming community across the country to provide Crop Care solutions.

What Sets Us Apart

- Strong brands and strong connect with farmers
- Research & Development investments and strategic alliances for innovative products



Key Priorities

- Enhancing manufacturing capacities and digitalising customer engagement processes
- Launching new products, increasing brand visibility and enhancing distribution reach



Outlook for FY 2022-23 and Beyond

- Good Rabi season, remunerative crop prices and encouraging water levels are expected to lead to positive farm sentiments and higher demand for crop protection inputs
- Enhanced portfolio and better market reach to drive long-term growth

OUR INTERNATIONAL BUSINESS

Chemistry capabilities in process development and manufacturing make us an attractive partner for companies globally.

What Sets Us Apart

- Established portfolio of products and partnerships
- Research lab, pilot plants and manufacturing infrastructure with experienced team



Key Priorities

- Widen chemistry and customer base to tap opportunities with appropriate investment in multi-purpose plants for flexible manufacturing
- Enhance both formulation and Active Ingredients businesses in key geographies supported by registrations and distribution partnerships



Outlook for FY 2022-23 and Beyond

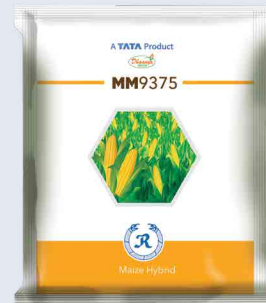
- Strong demand for crop protection products driven by agriculture commodity prices
- Launching more off-patent molecules supported by investment in research, registration and manufacturing to drive medium to long term growth



INNOVATING AND EVOLVING OUR BUSINESS

SEEDS

Rallis has adopted conventional and biotechnology-based approaches for developing hybrid seeds to deliver market relevant traits to enhance yields and optimising the cost of cultivation.



What Sets Us Apart

- Diversified crop portfolio of field crops and vegetables to tap India's agro-climatic diversity
- Pioneering efforts in indigenous development of Genetically Modified (GM) traits



Key Priorities

- Creating inhouse portfolio for Mustard and high-value Rabi and Spring Maize
- Strengthening Cotton and Vegetables footprint



Outlook for FY 2022-23 and Beyond

- Demand to remain strong due to favourable commodity prices
- Scaleup promising products and introduce new products for long-term growth