INTEGRATED ANNUAL REPORT 2022-23

SERVING FARMERS THROUGH SCIENCE

RALLIS INDIA LIMITED
A TATA Enterprise

CELEBRATING 75 years

**ROOTED IN VALUES,
SEEDING GROWTH.**

Basis of Reporting

Our Approach to the Adoption of Integrated Reporting

As Rallis India Limited ('Rallis' / 'the Company') proceeds with its 5th 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 the six capitals, efforts that were undertaken to create value and deal with material risks and opportunities, strategy, safety, sustainability, innovation, governance and beyond. With each passing year, our emphasis is towards 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 and to enable the stakeholders in making 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 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 our stakeholders, directly or indirectly, impacted by our organisation. We have mapped our stakeholders and have set up processes to ensure the inclusion of their concerns and expectations. We continue to develop our stakeholder engagement and sustainability capacity at the corporate and manufacturing levels.

Materiality

We cover key material aspects, identified through ongoing stakeholder engagement and addressed by various programs 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 for and responding to our stakeholders' concerns.

Impact

We are accountable to the larger ecosystem and continuously monitor and evaluate our impact across our value chain. This Report covers 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 the Reporting Period

The Report covers financial and non-financial information and activities of Rallis for the period April 1, 2022 to March 31, 2023. 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/AssuranceStatement2022-23.htm

Forward-Looking Statements

Certain statements in this Report relating to the Company's business operations and prospects may be forward-looking. 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 some 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.

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CELEBRATING 75 years

ROOTED IN VALUES, SEEDING GROWTH.

Today, Rallis is more than just a business. It is a principal agent of social change.

75 years is a key milestone that makes us celebrate and introspect on our journey so far.

For over 75 years, Rallis established a solid and sturdy reputation of being a trusted solutions provider of agricultural inputs. Having grown from strength to strength, it remains committed to building a better tomorrow and is striving to contribute to a nation where agriculture is the core economic activity.

Today, Rallis provides support to 5 million Indian farmers who continue to benefit from our agricultural solutions. We have established a reputation for our deep understanding of Indian agriculture, sustained contact with farmers and supply of quality Crop Care and Seed solutions.

Led by a value-centric system, the journey of Rallis is aimed at repositioning it for leadership. With its thorough knowledge of farm science, strong distribution network, innovation capabilities and a healthy pipeline of comprehensive and sustainable Crop Care and Seeds solutions, it has created a strong presence across the agri-input value chain.

With a compelling sense of purpose, we work to make a difference to the lives of all our stakeholders.

Making A Difference Over Generations

From The Archives

The origins of the Ralli family are from Southern Greece. Though there were references to the Ralli family in the early 1500s, the documented history is from 1690, having multiple businesses in and around Greece.

Ralli Brothers – A Preamble to Rallis India Limited

Five brothers from the Ralli family – Zannis Ralli (1785-1859), Augustus Ralli (1792-1878), Panidas Ralli (1793-1865), Toumazis Ralli (1799-1858) and Eustratios Ralli (1800-1884) – established Ralli Brothers in England during 1818. They were pioneering, enterprising and highly ethical in conducting business.

With the enactment of the Charter Act in 1813 at the Parliament of the United Kingdom, East India Company lost its monopoly of Indian trade. In 1833, the Act ended the activities of the Company as a commercial body and turned it into a purely administrative body. Seeing this as a business opportunity, Ralli Brothers opened a branch office in Calcutta way back in 1851, managed by John Eustratio Ralli and Nicholas John Pasapati.

Ralli Brothers, which was already a large business internationally dealing in wheat, oilseeds, silk and hemp, made a foray into India to expand their trade.

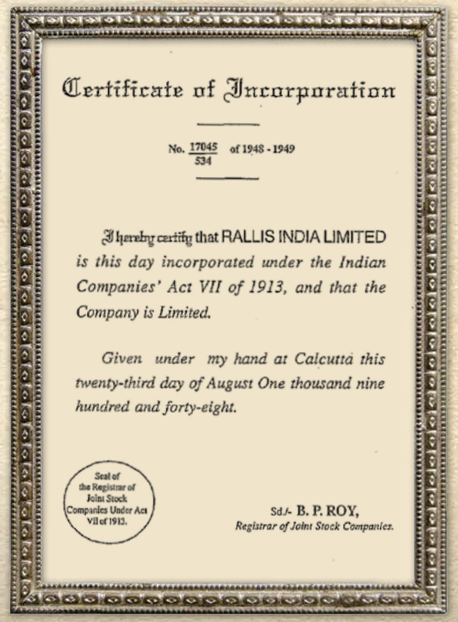
Lucas Ralli (1920 to 2003), a World War II veteran and the last member of the Ralli family to have worked with Rallis India Limited, wrote as below:

> I had learnt from the beginning the philosophy of Ralli Brothers, "**my word is my bond**". In all my years with Ralli Brothers and Rallis India, it was clear that this was paramount in establishing the reputation of the Company. It applied everywhere.

Ralli Brothers Office, Clive Street, Calcutta

Trust Over Generations

Founded in 1948, Rallis India Limited has established a solid reputation of being a trusted solutions provider for agri-inputs globally, with an emphasis on innovation, a thorough knowledge of farm science and a widespread distribution network.



Certificate of Incorporation

No. 17045/534 of 1948 - 1949

I hereby certify that RALLIS INDIA LIMITED *is this day incorporated under the Indian Companies' Act VII of 1913, and that the Company is Limited.*

Given under my hand at Calcutta this twenty-third day of August One thousand nine hundred and forty-eight.

Seal of the Registrar of Joint Stock Companies Under Act VII of 1913.

Sd/- B. P. ROY,
Registrar of Joint Stock Companies.

A Perfect Start and Successful Diversification into the Agri-Inputs Play

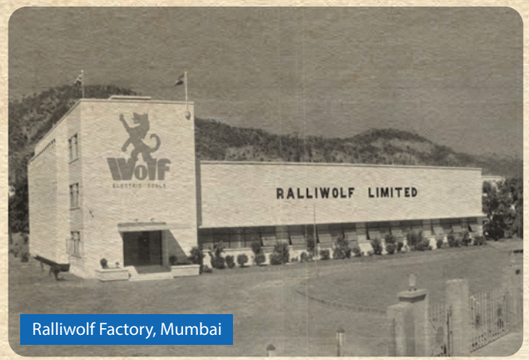
Rallis India Limited came into existence on August 23, 1948, under the holding company Ralli Brothers London.

The Company was set up with a paid-up capital of ₹ 3 crore. At that point, Rallis' business mainly consisted of trading in cotton, jute and oilseeds and the urge for diversification continued.

This clearly paved the way for the successful diversification strategy of fertiliser distribution through its partnership with the Nitrate Corporation of Chile. This was Rallis' first foray into agri-inputs, by way of leveraging its already well-established association with the Indian farming community.

Inauguration of Rallis India Limited, 1948

Rallifan Factory, Mumbai



Ralliwolf Factory, Mumbai

Later, the Company also added fertiliser mixtures made from oil cakes and further got engaged in the distribution of pesticides. It also extended to light electrical engineering (iconic brands of Ralli Fan and Ralli Wolf Electric Tools), export houses, pharmaceuticals and others.

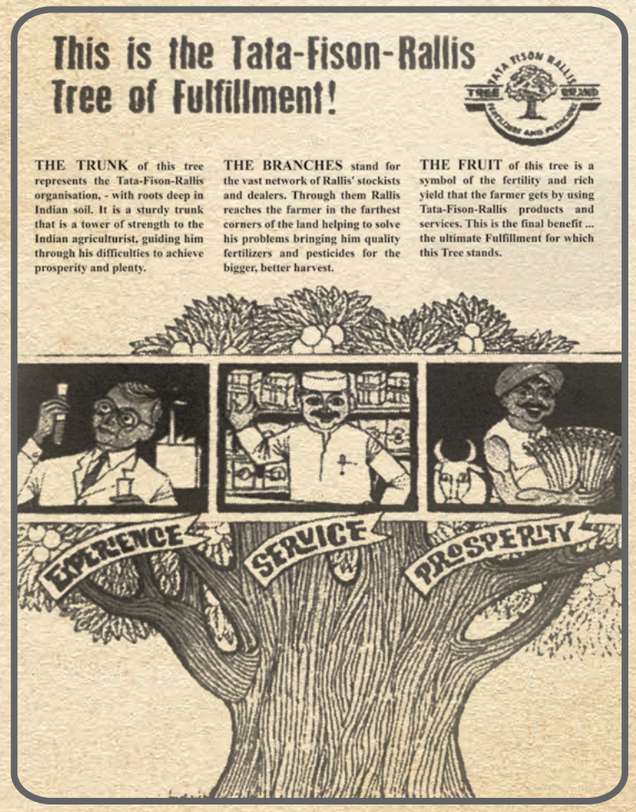
The Rich Legacy of the Tata Group

Coming under the Tata fold and emerging as the number one Agrochemicals Company

Mr. J. R. D. Tata, with the Tata ethos of serving the society, was concerned about the health of millions affected by malaria in India. He struck a 50:50 alliance with Fison, the largest manufacturer of granulated fertilisers and organic horticulture mixtures in England and formed Tata-Fison in 1957. This Company later acquired Geigy's DDT formulation business in India.

Mr. Tata joined hands with the Government of India's National Malaria Eradication Programme. This high visibility campaign proved successful as India was declared malaria-free by the World Health Organisation (WHO) in the 1960s. The DDT pesticide activities also created a market in agriculture.

In 1962, Tata-Fison acquired Rallis as the new owners of Ralli Brothers London decided to disinvest the Indian company. Later, Tata-Fison was merged with Rallis.



JRD Tata at R&D Lab, Bangalore

A Differentiated Approach

In 1966, the first technical manufacturing plant was commissioned and Rallis soon became a master of organophosphate chemistry in India with the introduction of further molecules with the same chemistry. Market development and farmer education activities were given special emphasis and it was this differentiated approach that helped Rallis in emerging as the number one Agrochemicals Company in India at a later stage.

Multiple business challenges led to divestment of engineering, tanning chemicals, gelatine and the pharmaceutical business. Rallis continued its journey of **"Serving Farmers Through Science"**.

Stakeholders' Speak

Domestic Crop Care: Channel Partner

We have been associated with Rallis as a distributor of its Crop Care since 1985. It started with a few kgs of Rallis Products / Solutions in a small shop in a remote South Indian village - Ooty and over the last forty years Rallis has built us through three generations as we spread our business to multiple geographies. We appreciate Rallis for its commitment to the upliftment of the farmers and the communities it is associated with.

Mr. SH. Selvaraj
MD Nethra Group

Seed Processing and Packing: Business Partner

During our long association, we have built state-of-the-art infrastructure and skilled manpower to support Rallis as they built "Dhaanya" brand of innovative and quality seed solutions to the Indian farming community. Our association is the testimony of dedication and hard work as one team and we wish for our collaboration to find even more success going forward.

Mr. Hari Prasad
Jam Jam Agritech

Crop Care Exports: Business Partner

We extend our warmest congratulations to Rallis on their 75-year Anniversary. Our journey with Rallis started in 1991 and ever since our business relationship evolved to be a true symbol of mutual growth, trust and sustainable success in the marketplace. During our association, Rallis has never failed in showcasing professionalism, product quality and commitment. We wish Rallis continuous success in the years ahead.

Mr. Quazi Ehsanul Abedin
Auto Crop Care Limited

Crop Care Exports: Business Partner

Nsanja Agrochemicals Limited, Uganda, is proud to be associated with Rallis India Limited for over two decades. We salute you on this occasion when you celebrate 75 years of existence as a vibrant and impact oriented Company.

Mr. Kazibwe Abby
Nsanja Agrochemicals Limited

Seeds: Farmer

I am a satisfied farmer using Rallis Diggaz cotton seeds and intend to widen its usage in my field. I encourage my fellow farmers to use it.

Mr. Jagsir Singh
Cotton Farmer

Crop Care: Business Partner

Congratulations on completing your 75th year of establishment this year, 2023 from Nihon Nohyaku (NNC). The business between Rallis and NNC started from Isoprothiolane (FUJIONE) in 1980's and our business relationship has been robust by increasing products handled by Rallis such as Buprofezin (APPLAUD) and Flubendiamide (TAKUMI and ZYGANT) year by year. Rallis has been one of our strategic alliance partners over the years in India. We are looking forward to seeing your further success in the future.

Mr. Yoshi Nakatani
Nihon Nohyaku

Crop Care: Business Partner

Many Congratulations to Rallis India Limited for 75 years of unwavering support to Agriculture in India. The trust & quality of Rallis brands strongly reverberates amongst the farmers as we celebrate this momentous journey. As an important strategic ally, we, at BASF India, cherish the longstanding relationship with Rallis. I am sure with this close collaboration, professionalism, solution orientation & customer centricity, Rallis would grow much stronger in the times ahead. We wish continued progress & success together in these exciting times.

Mr. Sasi Kiran Lingam
BASF

Contract Manufacturing: Customer

Congratulations to Rallis on its 75th anniversary! Rallis has been Kureha's trusted Contract Manufacturing partner for over 20 years. During this period, both partners have worked closely together to overcome several challenges and strengthen the partnership. Even at the most difficult of times, the Rallis team has always been with us. We sincerely appreciate your efforts and our long-standing partnership. Best wishes for your future endeavours!

Mr. Satoshi Yonezawa
Kureha Corporation

Corporate Social Responsibility: Beneficiary

Borgaon Budruk village has today become water-sufficient, thanks to the efforts undertaken by Rallis. Through the Rallis Jal Dhan project, the village water ecosystem was revitalised, which resulted in an improvement in the water table and thus water availability throughout the year. Rallis along with water conservation also supports our villages with education under CSR and farm productivity enhancement projects under its MoPu farmer initiative from Business. Overall, the work carried out in 50-60 villages of the Latur district is indeed noteworthy and is expected to set the tone for the upcoming green revolution for villages.

Dr. Kailas Prabhakarrao Kale
Borgaon Budruk

Crop Care: Farmer

I have used the newly launched Rallis Insecticide "Clasto" on my cotton crop. The results are excellent in control of whitefly pest on my cotton crop and I have observed greenery on my cotton crop because of that I take more yield of cotton.

Mr. Yogesh Gomase
Cotton Farmer

Evolving Every Step of the Way

For 75 Years

Timeline of heritage and key milestones, chronicling the journey of Rallis since inception.

1948 - 1960s

Incorporation and Emerging as an Agri-input Company

- Incorporated on August 23, 1948
- Initial public offer
- Diversification into Fertilisers, Pesticides, Pharmaceuticals and Engineering

1960s - 1980s

Rallis Becoming A Tata Enterprise and Making its Foray into Manufacture of Agrochemicals

- Tata Fison acquired Rallis and later, Tata Fison merged with Rallis
- Full-fledged agri-input company with establishment of manufacturing facilities for Fertilisers and Pesticides
- The first technical manufacturing plant at Navi Mumbai to manufacture the iconic Dimethoate (insecticides brand now sold as Tafgor changed the face of Rallis). This was followed by further manufacturing of organophosphate chemistry-based products

1980s - 2000

Strengthening Agrochemicals

- Agrochemicals manufacturing infrastructure set-up at Ankleshwar, Derabassi, Akola and Lote
- Launched Contaf, the iconic fungicide brand
- Exited from the Engineering business

Beyond 2000

Enhanced focus on Agri-inputs

- Subdued financial performance led to exit from non-core activities and sharpened the focus on agrochemicals. Became a subsidiary of Tata Chemicals
- NABL Accreditation across Quality Labs. Commissioned Rallis Innovation and Chemistry Hub (RICH) in Bengaluru. Accredited with Responsible Care (RC) Logo, JRD QV and CII EXIM award
- Manufacturing infrastructure set-up at Dahej SEZ and CZ including captive solar power plants. Acquired Seeds (Metahelix) and Soil Conditioners (Zero Waste) businesses

JRD QV - 2011

CII-Exim - 2012

Way Forward - The Next Decade

The Indian agri-input industry is critical for the country's agriculture sector, the backbone of the rural economy. With an increasing population and rising incomes, one can expect higher demand for agricultural commodities which provide food, feed and fibre and even fuel. The whole of agriculture is undergoing transformation to ensure that the sector will continue to contribute and support the balanced growth of the fastest-growing major economy in the world. The Government is focussed on facilitating this transformation through appropriate policy measures.

Farmers are expected to switch to herbicides, seed solutions and mechanisation, including the use of drones as an alternative to agricultural labour. There is an increasing trend of "combination" products that not only reduce the number of sprays but also more effective against pests across crops. The proliferation of drone-based applications of agri-inputs is expected to revolutionise the safety and efficiency of input usage going forward.

There is an increasing trend of data-driven agriculture across the world and one can expect wider adoption of these solutions among the Indian farming community. Farmers' Producer Organisation platforms are expected to play an important role in farm aggregation which will improve operational efficiencies and farm income through forward and backward linkages with agri-inputs and output value chain partners.

The industry will continue to partner with the farming fraternity not only to increase the production of agri commodities but also to address the climate change and sustainability challenges. Superior and safer chemicals, biologicals, seed solutions, etc. are capable of addressing these challenges. Evolving regulations will fast-track the research, development and adoption of new sustainable solutions.

India is becoming a preferred choice for manufacturing as part of the supply chain diversification strategy adopted by global industries. The Indian agrochemical manufacturing sector has already intensified investments and partnerships to tap these opportunities by leveraging its competitive advantage.

Rallis is focussed on innovation and manufacturing-led growth to tap the emerging opportunities in domestic and export agri-inputs markets. The portfolio expansion strategy includes differentiated, newer, safer and high-efficacious chemicals, biologicals, crop nutrition and seeds solutions. This will be supported by digital solutions that strengthen the internal processes and facilitate access and adoption by farmers.

Tata InnoVista Award - 2022

The World of Rallis, Today

A Preferred Partner. A Pioneering Force.

Rallis is one of India's leading agri-input companies.
It is known for its deep understanding of Indian agriculture, a strong portfolio of comprehensive Crop Care and Seed solutions, branding and marketing expertise.

Mission

Serving Farmers through Science

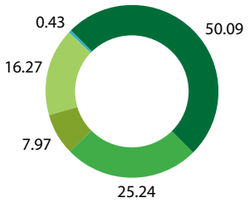
Vision

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

Values

Safety • **Passion** • **Integrity** • **Customer Centricity** • **Excellence**

Ownership Structure
(as on March 31, 2023)
(%)



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

FY 2022-23 - A Snapshot

₹ 2,967 crore
Revenue

₹ 218 crore
EBITDA

₹ 92 crore
Operating Profit

₹ 4.7
Earnings Per Share

Partnering for Greater Impact

2.7 million
2.5 million
No. of Farmers Connected With

4,500
2,677
No. of Dealers

60,000
41,255
No. of Retailers

- Crop Care in India
- Seeds in India

Our India Presence

Manufacturing Facilities
- Akola
- Lote
- Ankleshwar
- Dahej SEZ
- Dahej CZ

Seed Drying, Processing and Packaging Plants
- GP Pally
- Kokkonda
- Medchal

Innovation Centres
- RICH (Rallis Innovation Chemistry Hub), Bengaluru
- Agri Biotech Lab, Bengaluru

Our Global Presence

Global Access to 61 Countries

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

Products

Crop Care

Crop Protection
Domestic Branded and Institutional Business (Herbicides, Insecticides and Fungicides)

Exports (Active Ingredients, Formulations and Contract Manufacturing)

Crop Nutrition
Biofertilisers, Biostimulants, Micronutrients, Water Soluble Fertilisers, Organic Fertilisers, Biopesticides

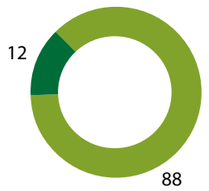
Seeds

Field Crops
Paddy, Maize, Millet, Cotton, Mustard, Wheat, etc.

Vegetables
Chili, Okra, Tomato, Gourds, Watermelon, etc.

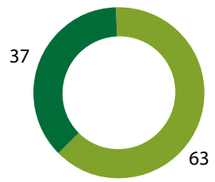
(For further details, refer Page 82 to 84 of Management Discussion & Analysis)

Total Revenue
(FY 2022-23)
(%)



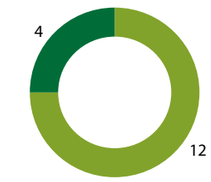
- Seeds
- Crop Care

Crop Care Revenue
(FY 2022-23)
(%)

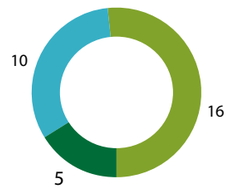


- Exports
- Domestic

Regional Offices



Depots



- Crop Care
- Seeds
- Common

Chairman's Message to Shareholders

Dear Shareholders,

It gives me great pleasure to address you all on this special occasion marking the Platinum Jubilee celebration of your Company.

As our nation transitions from India@75 to India@100 and aspires to be a USD 30-35 trillion economy by 2047, prosperity for the country and its citizens are important outcomes. Your Company's contribution to agriculture over the past many decades positions it to continue building the food security of our nation. Despite volatile external environment, your Company has continued its focus to deliver sustainable and profitable growth.

75 years of Rallis: Rooted in Values, Seeding Growth

As your Company enters into its 75th year since incorporation in August 1948, it has positioned itself as a trusted partner with all the stakeholders, more so the farmers where the Tata and Rallis brands are well recognised. Over the decades, investments in manufacturing and R&D have helped establish your Company in bringing innovative products and solutions to support the farmers in their agricultural activities. The manufacturing capabilities have been strengthened over time and Rallis has emerged as the partner of choice for its export business.

Along the way, your Company also won laurels like CII EXIM and JRD QV awards which established the passion for business excellence. Your Company has also won accolades for its CSR initiatives to various communities, especially the disadvantaged. Over the last few years, your Company has been investing in growth as we seek to reposition ourselves for leadership.

Global Uncertainty

The Covid pandemic and geopolitical developments including the ongoing conflict in East Europe has elevated global economic uncertainty. Inflation driven by supply chain disruptions has impacted the economies across the world and the steps undertaken by the central banks for macroeconomic stability through tight monetary and fiscal policies has further dented consumer confidence across the world. The IMF is outlooking a growth of around 3% till 2028 which is below the 3.8% recorded in the past two decades. As per the IMF, the Asian economies are expected to contribute to around 70% of global growth in spite of challenges associated with inflation, debt and other macro and micro economic factors. The Indian economy performed well and emerged as the fastest growing major economy and expected to sustain the momentum as reflected in the GDP growth forecast of 6 to 6.8% for 2023-24.

Cost pass-through to off-set high input cost and demand driven by inflated agro commodity prices and supply uncertainties are reflected in two consecutive years of record growth reported by the global agrochemicals industry. Expecting normalisation of demand and supplies, globally industry is estimated to have a low growth for 2024. Your Company is cautiously optimistic in addressing these challenges and tapping the opportunities in this volatile and uncertain environment.

Indian Agriculture

India was more or less insulated from the severe global food inflation as we are self-sufficient in most of the food crops and the projected 324 million tonnes of foodgrain production for the year demonstrates the stellar role agriculture plays in food security of the country. India also emerged as an important global agri commodity player as the country tapped the export opportunities in a calibrated way. Government continues to support the agriculture sector with appropriate policy support not only to sustain food security but also to transform the agriculture sector aligned to long-term economic growth aspirations.

Research and Development

Research and development is core to your Company's growth agenda. Your Company has been investing in research infrastructure, registration and manpower. Through its dedicated research lab for crop care and seeds based at Bengaluru supported by research stations spread across various agro climatic zones of India, Rallis continues to create value for farmers in the domestic market and to its partners in the export market.

Manufacturing

India is emerging as the global manufacturing hub as it is uniquely positioned to tap the opportunities emerging from supply diversification strategies adopted by global players across the industries. India ranked second in the agrochemical exports and has been attracting global majors as they are working on their supply chain diversification strategies. Your Company has been investing in manufacturing infrastructure to enhance the capacities of existing products, flexible manufacturing capacities and pilot plants to tap these opportunities. The Board is committed to further investments in manufacturing to support your Company's growth aspirations.

Digital Transformation

Your Company believes that Indian Agriculture, as a sector, is at the cusp of far-reaching transformation in response to the new opportunities and the threats emanating from sustainability, climate change, digitalisation, greening food chains, etc. This provides Rallis with opportunities to further strengthen its presence in its existing business by leveraging its long and trusted association with the Indian farming community while adopting technology-driven business models.

Digital preparedness has been at the forefront of your Company's future-ready strategy. Your Company continues to focus on building on Artificial Intelligence (AI), remote sensing, big data analytics, Internet of things (IoT), smart manufacturing, and demand forecasting to de-risk the supply chain. Diagnostic analytics and alert mechanisms based on sensor data, allows managers to monitor the production operations and reduce risks. Drones usage will be another big leap in Agriculture.

Sustainability

Corporations are increasingly being evaluated on environmental and social metrics as well as their corporate governance. We are committed to doing things the right and ethical way as this is the road to consistent, competitive, profitable, and responsible growth that creates long-term value for our shareholders, our business partners, and society at large.

Your Company is committed to reducing its environmental impact in manufacturing through the use of renewable energy with an objective of reducing its carbon intensity by 30% by the year 2030. Agrochemical formulations are being developed with high efficacy and R&D teams are working on green chemistry principles to make manufacturing more sustainable. Principles of recycle, reuse, and reduce are being focussed on by the manufacturing teams.

Some of the work that your Company is undertaking in the community has resulted in significant enhancement to the lives of those living in drought-prone districts of Maharashtra through the flagship Jal Dhan program. The success of the Unnat Gram (Tribal Model village), has been well recognised in Maharashtra and the same has now been extended to the Narmada district of Gujarat.

Future Outlook

Energised by the emerging opportunities in the Indian market, and the de-risking approaches adopted by the global agro-chemical peers, your Company's focus on investment in research activities and manufacturing infrastructure to further strengthen the product portfolio, will accelerate the pace of profitable growth. At the core of this transformation journey to reposition Rallis for leadership are the Company's employees.

The Board of Directors has recommended a dividend of ₹ 2.5 per equity share of ₹ 1 face value for the Shareholders' approval at the forthcoming Annual General Meeting.

As I reflect back on the year, I would like to convey special thanks to our supply and trade partners whose efforts made sure that our products were available at the right time and place.

On behalf of the Board of Directors, my sincere thanks to our employees and their families and heartfelt thanks and appreciation to our shareholder family, for your continued trust and confidence in the Company.

Regards,
Bhaskar Bhat
Chairman

Managing Director's Message to Shareholders

Dear Shareholders,

This report looks back at a year characterised by volatility, favourable commodity prices and two years of significant growth of the global agrochemicals industry. Domestically, adverse climatic conditions like unseasonal rains, drought-like conditions and floods limited the growth in consumption of agrochemicals. At Rallis, we continued to make progress across all our strategic priorities whilst navigating a challenging external environment.

Aligning Agriculture with Indian Economic Prosperity

Agriculture with 18% share of GDP and engaging 42% of the labour force plays a critical role in providing national food security and stimulus to the Indian rural economy. The vision of a technology-driven and knowledge-based economy as we march towards India@100 is expected to fuel rapid transformation of agriculture going forward.

Overall, the industry is an important sector of the Indian economy and its continued growth and development will be critical for food security and promoting sustainable agriculture in the country. The success we achieved in the last 75 years is testimony of the hard work of farmers, proficiency of scientists and Governments' farmer-friendly policies supported by the agri-input value chain partners.

The performance of the Indian agriculture sector has been buoyant over the past several years. However, growth in FY 2022-23 is estimated to be moderate at around 3.5%.

India continues to be the net exporter of agricultural products in recent years and total agriculture exports for the year expected to surpass USD 50 billion mark reported for FY 2021-22. As per the second Advance Estimate released by the Ministry of Agriculture and Farmers Welfare, Foodgrain production for FY 2022-23 is estimated at 324 million tonnes, 2.5% higher than in FY 2021-22.

Indian Agrochemicals Industry

Strong exports and stable domestic industry is favouring the Indian agrochemicals industry which is well positioned to tap opportunities from the supplier diversification strategy of global peers and molecules going off patent.

The growth of the crop protection market in India can be attributed to various factors, such as the increasing demand for food for the growing population, the need to improve crop yields and quality and the rising adoption of modern agricultural practices. To further the impetus on technology, the Ministry of Agriculture and Farmers' Welfare, Interim approval for commercial use of drones for applying 477 registered pesticides is an important milestone to Indian agrochemicals and agriculture.

Domestic Business

The domestic business portfolio of Rallis is crafted to empower the farmers through sustainable and path-breaking crop input solutions. Field force, spread across the country, works closely with the farmers supported by an extensive distribution network which spans 80% of India's districts.

Exports

Rallis serves select global farming communities directly and through global agro-chemical companies by exports of technical grade agrochemicals as well as formulations. Rallis also partners with customers to offer them contract manufacturing services.

Overall Performance in FY 2022-23

Your Company recorded revenues of ₹ 2,967 crore for the year ending March 31, 2023, an increase of 14% over PY of ₹ 2,604 crore. Profit before tax (before exceptional items) was at ₹ 127 crore as compared to PY profit before tax (before exceptional item) of ₹ 222 crore and the Profit after tax (after exceptional items) was ₹ 92 crore, as compared to PY profit after tax (after exceptional item) of ₹ 164 crore. Company's performance in FY 2022-23 was also impacted due to reassessment of intangible assets under development which has resulted in impairment of technical know-how of seed development technology amounting to ₹ 30.41 crore. Also, reassessment of future sales potential has resulted in the company recognising the provision for slow moving inventory

Product demonstration

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in seeds amounting to ₹ 52.81 crore. Revenue for Domestic Crop Care business grew by 12% (Crop Protection 8% and Crop Nutrition 22%) and Exports grew by 24% during the year. Whereas the Seeds business de-grew slightly during the year.

Key Priority Areas

The journey of transformation continues to comprise of investment in growth through new product introductions, expanding our retail footprint, investing in flexible manufacturing plants for our new product pipeline and building a new integrated R&D centre.

Leveraging technology across the agri value chain is critical for sustainability and we are also consistently prioritising technology and digital transformation projects in our operations across manufacturing, customer engagement and supply chain. Investing in brand visibility and marketing will continue to be a focus area.

I am proud to share that your Company has been conferred with multiple awards during the year including:

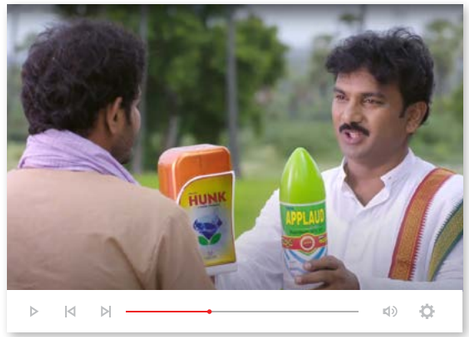
- FICCI Chemicals and Petrochemicals Award for "Sustainability – Best Green Process", recognising our model approach for promoting sustainable and green practices
- 36th National Convention on Quality Concepts Award under the Allied Six Sigma Concept category
- Agri Business Summit Award 2022 for Most Innovative Marketing Campaign
- CII – Tata Communications Centre for DX (Digital Transformation) Awards under Most Innovative category for "DRISHTI" and "Integrated Acceleration of Product Development using genomics"
- NASSCOM enterprise Cloud adoption award under Leveraging Cloud for Sustainability category for DRISHTI

Commemorating the platinum jubilee year of your Company, I wish to express my gratitude to you for your faith in the Company and continued loyalty, support and trust over generations. I sincerely thank all my fellow Ralli*ites* and their families and express appreciation to all our stakeholders.

I also extend sincere thanks to the Board for the unstinting support and guidance to your Company.

Regards,
Sanjiv Lal
Managing Director & CEO

A Glimpse of Our Branding Journey



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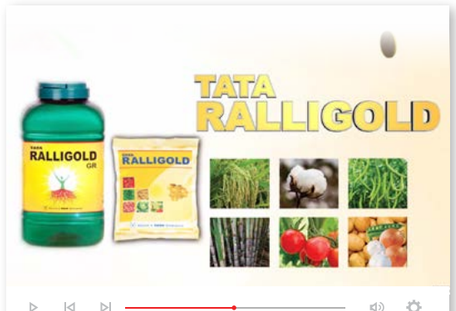

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From then...

...To now

Our New Brand Architecture across the portfolio brings uniformity, distinct visibility and simplified identification