



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