

Management Discussion and Analysis

Economic Environment

Global Economic Overview¹

Global growth held steady at 3.4% in CY 2025 amid escalating geopolitical tensions and policy recalibration. Subdued inflation and AI-driven investments supported global growth.

Growth remained divergent across regions. Emerging markets and developing economies ('EMDEs') outperformed advanced economies, growing at 4.4%. EMDEs benefitted from improving financial conditions, supportive capital flows, and currency appreciation against the US Dollar. Advanced economies registered a relatively modest growth rate of 1.9%, constrained by weaker demand and the lingering effects of policy tightening.

Trade dynamics became increasingly complex during the year. Tariff measures increased during the year, largely driven by policy actions in the USA, and are expected to remain elevated during CY 2026. Although global trade volumes rose due to the front-loading of imports, heightened policy uncertainty continues to weigh on investment decisions and supply chains. Smaller, less diversified economies remain vulnerable to cost escalation and external shocks.

In response, countries are reconfiguring trade relationships through bilateral and plurilateral agreements, with an emphasis on supply resilience and strategic diversification.

Global Economic Outlook

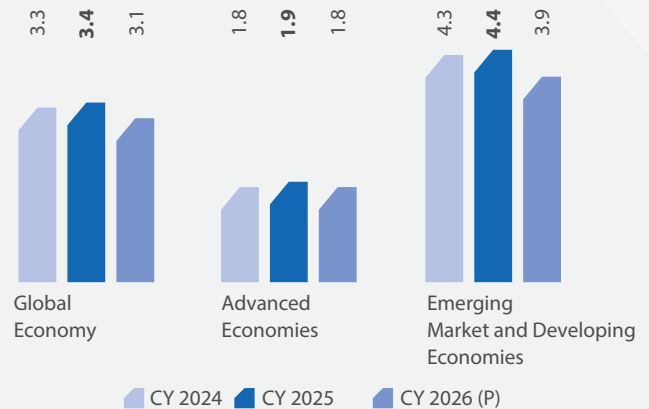
Global output is projected to sustain growth of 3.1% in CY 2026, broadly in line with the previous year. This outlook indicates continued resilience in aggregate demand. However, the outlook remains subject to elevated uncertainty, with persistent geopolitical conflicts and tariff-related trade disruptions posing downside risks.

Energy prices are expected to remain volatile during the period. Downward pressures stemming from moderating demand may be offset by supply-side constraints, particularly those linked to geopolitical instability in the West Asia. This situation could result in price unpredictability in the near term.

Upside to growth could arise from accelerated productivity gains through AI adoption and sustained investment in the private sector investment. In developing economies, demographic momentum, characterised by a rising working-age population, is expected to support medium-term growth prospects. Advanced economies are expected to sustain fiscal impetus with a strategic focus on energy and food security.

Overall, while the baseline outlook remains stable, continued monitoring of the evolving geopolitical landscape, along with the agility and adaptability of economies, will be crucial in the years ahead.

Global GDP Growth Trend (in %)



P – Projection | Source – IMF World Economic Outlook January

Indian Economic Overview²

In FY 2025-26, India's economy demonstrated resilient growth of ~7.6%. This performance was driven by stable rural demand and strong domestic consumption. India remained one of the fastest-growing major economies globally, as policy reforms continued to enhance productivity and encourage private investment.

Agricultural activity rebounded during the year following a moderate start, caused by an erratic monsoon, leading to a recovery in rural demand. Rural two-wheeler and tractor sales expanded on the back of post GST impetus and a healthy kharif harvest. The sustained contraction in employment demand under the Viksit Bharat-Guarantee for Rozgar and Aajeevika Mission (Gramin) (VB-G RAM G) during the year indicates improving conditions in the rural labour market.

Consumer Price Index ('CPI') inflation declined to historic lows during the fiscal year, primarily due to a sharp fall in food prices. Consequently, the Reserve Bank of India ('RBI') aligned its growth objectives with inflation management amid pressures arising from external economic uncertainties.

Indian Economic Outlook

India's economic outlook remains positive, driven by robust rabi sowing, a rebound in the manufacturing sector and sustained policy reforms. Government initiatives and ongoing labour reforms are expected to further benefit manufacturing and labour-intensive industries. Healthy corporate balance sheets and favourable financial conditions continue to support business activity and credit growth.

On the fiscal front, the Government's continued focus on agriculture and rural resilience remains evident, with the agricultural outlay increasing to ₹ 1.32 lakh crore in the Union Budget 2026-27 from ₹ 1.25 lakh crore in the previous Union Budget. Public capital expenditure, particularly towards infrastructure development and the energy transition, is expected to support broad-based growth outlook.

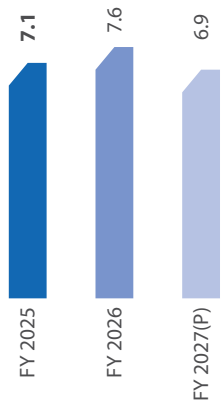
¹<https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>

²https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx



Collectively, resilient domestic demand, continuity in reforms and targeted fiscal support position the country well to navigate the year ahead, regardless of external uncertainties.

Indian GDP Growth Trend (in %)



P – Projected | Source: MOPSI and RBI

Industry Overview

Global Agriculture Sector

The global agriculture and fisheries sector currently stands at a critical juncture. Middle-income countries account for the majority of production growth and have established themselves as major players in global supply. While overall demand remains strong, the industry continues to face volatility in energy and fertiliser costs, which could potentially fuel food inflation and create production-related challenges. Looking ahead, the industry is projected to witness a 14% increase in production levels over the next ten years.³

A fundamental threat to global food security lies in the accelerating pace of anthropogenic land degradation. The broader process of resource depletion and land abandonment is adversely impacting agricultural productivity and reducing actual crop yields. Addressing these challenges are going to be critical to stabilising global food systems and safeguarding high-production regions.

In addition to land degradation, increasing climate variability has accelerated the sector's reliance on superior biological products and innovative agrochemicals. The emphasis remains on the application of highly effective chemical inputs, that minimise environmental spillovers. These innovations highlight a wider trend of reconciling intense production demands with heightened worldwide sustainability criteria.

³<https://www.fao.org/newsroom/detail/oecd-fao-agricultural-outlook-2025-2034--emerging-economies-will-drive-growth-in-animal-source-food-consumption-and-production/en>

⁴<https://unctad.org/publication/global-trade-update-january-2026-top-trends-redefining-global-trade-2026>

⁵<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/JANUARY21012026AE1994B897514877BD512ABB2CFA7A81.PDF>

⁶<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BUL2002206F396B049E0627497EAEF853A3FD2B7F79.PDF>

⁷<https://upag.gov.in/dash-reports/allindiaapy>

⁸<https://upag.gov.in/dash-reports/allindiaapy>

⁹<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222296®=3&lang=1>

Trade Environment

Agricultural trade remains indispensable to global food security, with food products accounting for nearly 87% of commodity exports.⁴ For many developing economies, import dependence is structural and is critical for sustenance.

Despite its significance, the broader trade ecosystem continues to undergo a consequential shift. Nearly two-thirds of global trade now flows through value chains that are being recalibrated by geopolitical tensions, industrial policy and new-age technologies. Companies are increasingly diversifying suppliers and relocating production closer to major markets to reduce risks. In this evolving environment, countries with strong infrastructure, skilled workforce and policy stability are expected to emerge as preferred investment destinations.

India's Agriculture Sector

India's agriculture sector plays a significant role in the country's economic growth, contributing to 13.8% to GDP in FY 2025-26.⁵ During the fiscal year, agricultural growth remained stable, despite supply constraints and incessant rains in several parts of the country.

Kharif foodgrains production in FY 2025-26 is estimated to be 2.3% higher than the final estimates of FY 2024-25.⁶ Cereal output during Kharif is estimated at around 1,659 lakh tonnes.⁷ Robust rabi sowing signals positive prospects and agricultural activity will be further supported by favourable reservoir levels and improvement in crop vegetation conditions.

Supporting this positive outlook, the Government of India continues to undertake several initiatives to strengthen agricultural exports and value addition. The Indian Government is modernising infrastructure, promoting adoption of innovative and automated machinery, encouraging new value-added product development and undertaking training programmes to upskill the workforce for producing value-added products.

India's Crop Acreage

Total cultivated area for food grains in FY 2025-26 kharif in India reached 742.15 lakh hectare, exhibiting an increase of approximately 7 lakh hectare over FY 2024-25.⁸ Encouragingly, the rabi sowing has witnessed higher acreage across all major crops, supported by conducive soil moisture and healthy reservoir levels. Progressive area sown under rabi crops has reached 676.84 lakh hectare, exhibiting an increase of 15.88 lakh hectare over the corresponding period of the last year (as on January 30, 2026).⁹



Sustained policy support and favourable climatic conditions continue to support a positive outlook for the agricultural sector. Higher acreage is envisioned to support both foodgrain prospects and rural income, while also lending stability to agricultural demand heading into FY 2026-27.

Global Agrochemicals Market

The global agrochemicals market continues to be driven by intensive farming practices and a rising dependence on chemical Crop Protection. The increasing incidence of crop diseases and sustained use of synthetic fertilisers continue to augment demand across regions.

Tariffs on imported raw materials, active ingredients and formulated products have elevated production and sourcing costs, particularly for fertilisers and pesticides.

India's Agrochemicals Industry

Driven by the globalisation of agricultural trade, Asian Crop Protection markets are undergoing significant structural changes. An expanding population and rising food requirements are accelerating demand for herbicides, insecticides and fungicides. Moving forward, the industry is projected to exhibit 8-10% growth by the next fiscal, with prospects hinging on demand resilience.¹⁰

During FY 2025-26, the kharif season was impacted by a protracted monsoon, causing crop damage, product returns and delayed, field readiness. In response, inventories are now balanced and stricter environmental enforcement ensures a more consistent supply flow. Realisations are expected to remain stable throughout the calendar year. Key factors to monitor include climate-related disruptions, tighter regulations and currency fluctuations.

The Crop Protection industry makes extensive use of more than 400 different agrochemical formulations. While the introduction of combination products is a growing trend, newly developed active ingredients continue to receive priority acceptance in the market.

Exports

Over the past five years, the USA and Brazil remained the primary importers of Indian insecticides and fungicides. More recently, Japan has overtaken Brazil to emerge as the second largest export destination for India.

The export landscape has faced pressure from aggressively priced Chinese products and erratic weather patterns. However, the medium-term outlook appears steadier as global inventories stabilise and cropping cycles gain momentum. Indian manufacturers, who

continue to focus on cost-efficiency and diversification of portfolios, are expected to benefit from this recovery.

Insecticides

Erratic rainfall patterns and the lower incidence of key pests, including black thrips and fall armyworm, impacted insecticide demand during the year, leading to higher sales returns and price pressure. India's insecticide market is valued at ₹ 10,700 crore in FY 2025-26. Therefore, the market is expected to exhibit a CAGR of 3.82%¹¹ between 2026-2031. Subdued per-hectare consumption, heightened adoption of precision spraying technologies and a shift towards integrated pest management protocols are expected to be the primary drivers of insecticide demand.

Herbicides

The herbicide market in India is valued at ₹ 8,200 crore in FY 2025-26 and is projected to reflect a CAGR of 8.64% till 2031.¹² Rising farm labour costs and incentivisation of precision spraying methods are accelerating the transition towards chemical weed control.

Fungicides

India's fungicide market is valued at ₹ 5,600 crore in FY 2025-26, growing with a CAGR of 3.97% till 2031.¹³ Demand is being driven by the country's shift towards precision Crop Protection, agro-climatic risk mitigation and increasing regulatory support for modern chemistries. Policy incentives targeting drone spraying are shortening application windows and reducing labour exposure. Overall, these factors continue to strengthen the long-term prospects of the fungicide segment.¹⁴

Soil & Plant Health

By rebuilding soil health, supporting diverse ecosystems and strengthening water retention, regenerative agriculture plays a significant role in securing a sustainable future. The industry is witnessing a notable shift towards bio-fertilisers and bio-stimulants.

Biostimulants are substances or materials that support soil health by improving nutrient uptake, tolerance to climatic stress and crop quality. The Indian government brought bio-stimulants under the Fertiliser Control Order ('FCO'), 1985, in 2021. Provisional certificates (issued via Form G3) allowed over 8,000 products to be sold. However, the same expired in June 2025, leaving only 146 fully approved products in Schedule VI. Following a Delhi High Court writ petition, the Honourable Court ruled in August 2025 that companies with pending applications may continue manufacturing and selling their products until a final decision is made. Consequently, certain biostimulants have received continued market permission, averting a complete supply disruption. However, the specific restriction on animal-origin protein hydrolysates, coupled with the need for high-efficiency nutrition, is driving demand for water-soluble fertilisers.

¹⁰<https://www.crisilratings.com/en/home/newsroom/press-releases/2025/12/export-bounce-back-to-lift-revenue-of-agrochemical-makers-6-7-percent.html>

¹¹<https://www.mordorintelligence.com/industry-reports/india-insecticide-market>

¹²<https://www.mordorintelligence.com/industry-reports/india-herbicide-market>

¹³<https://www.mordorintelligence.com/industry-reports/india-fungicide-market>

¹⁴<https://indianexpress.com/article/explained/explained-economics/india-pesticide-market-change-growth-fungicide-10167612/>





Domestic Seeds Market¹⁵

India's seed industry was valued at ₹ 30,000 crore in 2025. Government support, the growing adoption of certified seeds and climate-resilient varieties continue to fuel the growth momentum. Schemes such as the National Mission on High-Yielding Seeds and the Clean Plant Programme are accelerating the adoption of high-quality seeds.

The proliferation of unauthorised seeds impacted the industry in FY 2025-26, particularly due to the heightened supply of unapproved Herbicide-Tolerant ('HTBt') cotton. To safeguard R&D investments by the organised sector and restore market discipline, the Indian Government has proposed the Seeds Act, 2026. The regulation aims to curb the sale of poor-quality, fake, and unauthorised seeds by introducing strict penalties and traceability along the product lifecycle.

Government Initiatives

Minimum Selling Price ('MSP')

The Indian Government has elevated MSP for all mandated Kharif and Rabi crops for the Kharif Marketing Season ('KMS') 2025-26 and the Rabi Marketing Season ('RMS') 2026-27, respectively.¹⁶

Pradhan Mantri Dhan-Dhaanya Krishi Yojana ('PMDDKY')

Approved in July 2025 with an outlay of ₹ 24,000 crore over six years, PMDDKY aims to transform 100 low-performing agricultural districts across India, directly benefiting 1.7 crore farmers.¹⁷

Mission for Aatma-Nirbharta in Pulses

Launched in October 2025 with an outlay of ₹ 11,440 crore over the period from 2025-26 to 2030-31, the initiative focuses on seed production, certified seed distribution, demonstrations, area expansion, capacity building, post-harvest infrastructure, R&D and flexi components to strengthen the domestic self-sufficiency in pulses.¹⁸

National Mission on High-Yielding Seeds

The National Mission on High-Yielding Seeds, announced in the Union Budget 2025-26, aims to bolster the research ecosystem to develop climate-resilient, highyielding crops and accelerate the commercial rollout of over 100 new seed varieties.

National Project on Management of Soil Health and Fertility

Recognising the decline of soil health as a major challenge to agricultural productivity in India, the Indian Government has introduced the Soil Health Management ('SHM') and Soil Health Card ('SHC') schemes under the National Project on Management of Soil Health and Fertility. The initiative aims to encourage integrated nutrient management by utilising chemical fertilisers

coupled with organic manures and bio-fertilisers. Over 25.55 crore cards have been issued to beneficiaries under this scheme (as of November 14, 2025).¹⁹

Digital Agriculture Mission

The operationalisation of the Digital Agriculture Mission ('DAM') with an outlay of ₹ 2,817 crore is a major boost for the sector. A digital registry of farmers and land parcels 'AgriStack' enables faster access to credit and welfare schemes.

Pradhan Mantri Kisan Samman Nidhi ('PM-KISAN')

PM-KISAN continues to support investments and farm incomes, benefiting more than 11 crore eligible farmers from over ₹ 4.09 lakh crore released under the PM-KISAN scheme.²⁰

Company Overview

Rallis India Limited, a Tata Group company and a subsidiary of Tata Chemicals (the 'Company' or 'Rallis'), is a major agri-input player with a legacy spanning more than seven decades. The Company leverages its in-depth knowledge of the Indian agriculture sector to provide a diverse range of Crop Protection products, including Soil & Plant Health ('SPH') solutions and seeds. With coverage spanning 80% of the districts in India and presence in more than 70 countries, Rallis' manufacturing expertise and sustainable operations align with the international Environment, Health and Safety ('EHS') norms.

Business Portfolio

Domestic Crop Care

The Company's domestic crop care offerings cater to both B2B and B2C customers. In FY 2025-26, the segment demonstrated resilience with strong volume growth despite weather, crop, and pest-related challenges.

Uneven rainfall led to elevated sales returns across the industry during the year. However, the Company returned to 1% above plan by capitalising on opportunities in fungicides and non-selective herbicides through new product introductions, demand generation and expanded reach.

Crop-specific weedicides, including Allato, Penflor, Teer, and Fateh Nxt, helped the Company improve market share across paddy, wheat, tea, and pulses. In the non-selective herbicides segment, Laafa and Glytaf 71 emerged as major growth drivers.

Export Crop Protection and Custom Synthesis and Manufacturing

Globally, the Company exports active ingredients and bulk formulations to major markets. Rallis also provides Custom Synthesis and Manufacturing ('CSM') services for Intermediates, Active

¹⁵<https://fsii.in/ease-of-doing-business-in-the-indian-seed-industry>

¹⁶<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219954®=3&lang=1>

¹⁷<https://www.pib.gov.in/PressNoteDetails.aspx?id=154909&NotelId=154909&ModuleId=3®=3&lang=2>

¹⁸<https://www.indiabudget.gov.in/doc/impbud2025-26.pdf>

¹⁹<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219954®=3&lang=1>

²⁰<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219954®=3&lang=1>



Ingredients ('AI'), Formulations and Specialty Chemicals, further strengthening its position as a preferred partner for international customers. The Company's balanced B2B portfolio ensures that catalogue products drive volumes and revenue while CSM products enhance profitability.

During FY 2025-26, Crop Protection exports recorded 18% year-on-year growth, driven by an expanding customer base and higher volumes, despite a turbulent macroeconomic environment. The Company's implementation of data-driven, agile pricing decisions, along with operational efficiency initiatives, enabled the Company to safeguard export margins.

B2B growth stemmed from new customer acquisition and scaling of key products, including Metribuzin, Hexaconazole, Acephate, and Pendimethalin, across major markets of the US, APAC, and LATAM, supported by expansion of the regional registration base. In the Company's CSM business, some key products faced decline in volumes due to high inventory / low demand at the customer end. However, this drop in revenue was partially offset by commercialisation and scaleup of new CSM formulations.

Seed Business

Rallis' seed business operates exclusively in the B2C space. During FY 2025-26, the Company expanded its product portfolio, successfully entering key crop sub-segments. The Company launched its biologicals brand NuCode™, aligning its product mix with the global shift toward sustainable and regenerative agriculture.

The Company integrated predictive demand sensing and regionalised production hubs to reinforce supply-chain resilience. Agile deployment of resources, including dryers, packing machines, labour and cross-functional teams enabled the Company to meet demand expectations in narrow timeframes.

During the year, the Company achieved 214% against its planned product advancements, with the release of six cotton, two pearl millet and one maize hybrid. The Company's transition to a focused-crop strategy, including a select group of core crops, particularly Cotton, Paddy, Maize, Bajra, Wheat, Mustard and Fodder, enabled resource optimisation and realignment of crop mix across quarters. This move helped the Company regain market share, allowing for more favourable channel leverage.

Soil & Plant Health

Amid regulatory challenges, the Company secured sales permission for its biostimulants, including Tata Bahaar, Gluco-Beta and Uphaar, in compliance with the Fertiliser Control Order ('FCO'). During the year, the Company established manufacturing under its own factory at Akola, Maharashtra, as part of its strategic drive to manufacture and market indigenously. Across all product categories, including bio-fertilisers, bio-stimulants, secondary micro-nutrients, water - soluble fertilisers and organic categories, the Company continues to expand its footprint.

Manufacturing Facilities

The Crop Care business has five modern manufacturing units in Maharashtra and Gujarat, manufacturing technical-grade agrochemicals and formulations. This infrastructure is complemented

by National Accreditation Board for Testing and Calibration Laboratories ('NABL') accredited Quality Assurance Laboratories for rigorous testing. The Company's Seed business has a maize cob drying plant in the vicinity of Hyderabad and has tie-ups with third-party partners for efficient processing. Rallis also manages India's first NABL-accredited seed quality laboratory and has tie-ups with farmers in ten states for maintaining high-quality seed standards.

Innovation Centres

Rallis advances agricultural innovation through its two innovation centres in Bengaluru, Karnataka. Rallis Innovation Chemistry Hub ('RICH'), in Bengaluru focuses on developing differentiated, cost-effective, IP-protected products and solutions in Crop Protection and nutrition to drive sustainable growth. Complementing this, the Rallis Bio-Tech R&D Centre in Bengaluru works on both transgenic and non-transgenic solutions to address emerging agricultural challenges. The Company also supports seed development through its 13 research stations, spread across diverse agro-climatic regions.



Rallis Recognised for Operational Excellence

Manufacturing and supply chain operations received significant external recognition, including the FICCI Award.

Leader in Water Management for Ankleshwar and Manufacturing Process Innovator of the Year for Dahej SEZ.

The Institute of Supply Chain Management ('ISCM') recognised Rallis India Limited as the Supply Chain Champion.

Safety-First

Safety continues to be non-negotiable for the Company across all its manufacturing operations. In FY 2025-26, the Company celebrated the 54th National Safety Week with a Progressive Safety Index ('PSI') of 91.44%. Rigorous audits were conducted, including the Responsible Care Recertification Audit and a Process Safety Risk Management ('PSRM') Gap Assessment Audit.

R&D and Innovation Capabilities

03

Products advanced to commercialisation

28

Domestic and International registrations

05

Patent granted





Crop care R&D

The Company's crop care R&D remains focused on building customer-centric and resilient products, and in FY 2025-26, the Crop Care division commercialised three new products. The Company was also awarded 05 patents and about 28 domestic and international registrations, reinforcing its commitment to develop differentiated and sustainable solutions.

NuCode™

The Company's NuCode™ brand was unveiled to provide biological solutions for Soil & Plant Health. Farmers can avail themselves of a range of scientifically formulated biologicals, including:

- Bio-fertilisers – to enrich soil naturally
- Bio-stimulants – to boost plant growth and resilience
- Bio-pesticides – to protect crops through eco-friendly solutions.

FullPage® Herbicide Tolerance Rice Technology

The Company has a collaboration with Paryan (Paryan Alliance Pvt. Ltd.) to introduce FullPage® Herbicide Tolerance Rice Technology in India. FullPage® is an integrated rice crop-management system that uses herbicide-tolerant seeds and a set of agronomic practices to make Direct-Seeded Rice ('DSR') easier to grow. By optimising water management and weed control, FullPage® improves resource-use efficiency and lowers methane production.

Idea2Impact™

During FY 2025-26, the Company launched Idea2Impact™, an open-innovation platform. The platform aims to expedite the validation and scaling of agricultural innovations by leveraging external innovation alongside the scientific knowledge and reach of Rallis. Idea2Impact™ is committed to responsible innovation and protection of intellectual property rights and aims to impact the agricultural value chain by promoting transparent partnerships with researchers, start-ups and farmers.

Rallis Engagement Framework

Farmer Engagement

Strategic Priority: To amplify engagement through multiple engagement programmes.

Reach: National coverage

~37 lakh

Domestic Crop Care

~43 lakh

Seeds

Digital Touchpoints (As of March 2026)

- **Toll Free Helpline:** 'Dr. Vishwas' (1800-258-2595)
- **WhatsApp Chatbot:** 24/7 Support | 10 Languages | Complaint Resolution
- **Facebook:** 2.16 lakh+ Followers
- **YouTube:** 37K+ Subscribers
- **Instagram:** 41.7K+ Followers



Physical Touchpoints:

- **12 lakh** Field-visit-based advisory
- **Over 21,000** Field Days
- **Over 27,000** Demonstrations
- **1.4 lakh** Farmer Meetings

Segment Specifics

- **Crop Care:**
 - o **Strategy:** Needs-based analysis by crop stage and geography
 - o **Tools:** Rallis Krishi Samadhan App, QR Codes, vernacular landing pages
 - o **Activities:** Crop seminars, Field Days, Annual Focused Group Discussions ('FGDs').
- **Seeds:**
 - o **Strategy:** Early access to new seeds to build community trust
 - o **Tools:** Dhaanya Progressive Farmer Initiative
 - o **Activities:** Pre-season guidance and Product Differentiation Activities ('PDAs').

Seed Production Network

Strategic Priority: To engage retailers through Rewards and Recognition Programmes using Anubandh Edge Application.

- **Reach:** 28,000+ growers across 10 states
- **Tech Stack:** Seed Sure App (real-time tracking and resource optimisation)
- **Activities:** Collaboration with local organisers and Quality Assurance teams.

~30,000

Seeds Retailers

Channel Partner Engagement

- **Strategic Priority:** To engage with Channel partners through favourable policies, involvement in field activities and Rewards and Recognition ('R&R')
- **Reach:** Covers 63,000 active retailers across 80% of Indian districts

~4,700

Domestic Crop Care

~2,200

Seeds

- **Tech Stack:** Anubandh Edge App (unified loyalty and retailer management) added 7,000 new retailers.

Crop Care Partners

- **Loyalty Programmes:** MD Elite Club, Diamond Club and Anubandh Retailer Club
- **Feedback:** Bhagidhari Sabhas and Annual FGDs
- **Digital:** E-Bandhan application for Direct Channel Partners and Anubandh Edge for Retailers.

Seeds Partners (The Growth Ladder)

- **Milan:** For village-level retailers
- **Arohi:** For emerging small distributors
- **Milaap:** For core category contributors (focus on family involvement initiatives)
- **Regal:** For top-performing distributors

90% repeat participation from top dealers

Support: On-field technical consultations on agronomic best practices

Digital Tool: SeedSure platform for real time field monitoring.

Digital and Technology Enablement

Digital Transformation

During FY 2025-26, Rallis continued to scale up its digital initiatives with a focus on delivering tangible benefits, enhancing operational efficiency across the value chain and strengthening customer centricity. A comprehensive Business Process Re-engineering ('BPR') exercise was completed to identify improvement opportunities and digitise processes across Manufacturing, Supply Chain, Sales & Marketing and Finance.

In operations, a consulting-led BPR for utility systems at Dahej SEZ identified targeted improvement projects for implementation in FY 2026-27, with an estimated capital outlay of ~₹ 275.5 lakh and a projected annual benefit of ~₹ 105 lakh post-implementation with a payback of 2.63 years.

The Company launched **Sampark+**, a platform designed to improve customer engagement and demand generation. This was followed by the launch of the **Saksham Geospatial Portal**, which helps with the identification of market centres, route optimisation and monitoring of field activities. The **Rallis WhatsApp Chatbot** was launched for delivering agronomy-driven advisory services and relevant product recommendations to our farmer network.

On the people front, the Company modernised HR operations by rolling out the **Oracle Redwood UX** across core Oracle HCM Cloud modules, boosting self-service adoption and reducing manual support tasks.

Data-driven Decision Making

The Company augmented its **PlanGuru** system to create a single source of truth, enabling end-to-end visibility for the Supply Chain and Sales & Marketing teams. This led to seamless integration,

improved forecast accuracy, and inventory optimisation. Additionally, the Company deployed 'Grahak Bandhan', a centralised digital platform to capture and manage customer-wise Sales Plans and Collection Plans. This significantly improved forecasting accuracy, strengthened financial discipline, and enhanced coordination between Sales, Finance, and Operations.

The roll-out of **Anubandh Edge** scaled rapidly during the year, onboarding over 46,000 retailers. The platform enabled richer analytics, improved scheme participation and strengthened retailer engagement. Successful integration of the **SeedSay** tool, a machine learning-based demand prediction solution, into seed placement planning resulted in the reduction of product returns by up to 10%. To further improve planning accuracy and inventory management, additional forecasting models were created to predict crop-care product returns.

AI Integration

To build AI capability, the **Transcend 2.0 - AI Champions** programme was unveiled. It aims to empower non-coding professionals with effective AI and generative AI skills, expanding on the previous **Transcend - Demystifying AI Programme**. The Company also incorporated AI into its business by launching **SeedSay**, a sales forecasting solution that utilised machine learning-based demand prediction. This tool has been integrated into seed placement planning and has contributed to reducing product returns by up to 10%.

Cybersecurity and Data

The Company continued to strengthen its cybersecurity and data protection framework during the year by enhancing access controls through Multi-Factor Authentication ('MFA'), implementing role-based access management, and conducting regular security assessments to safeguard critical business information and digital assets. Timely corrective actions and patch management practices were undertaken to minimise cyber risks and maintain a secure technology environment.

To further enhance security across its IT infrastructure, the Company deployed advanced cybersecurity solutions such as CrowdStrike Falcon for endpoint protection, Zscaler for secure internet access and Zero Trust connectivity, FortiNAC for network access control, and 24x7 Security Information and Event Management ('SIEM') monitoring for proactive threat detection and response. Robust backup practices and network segmentation measures were also implemented to support business continuity and protection of critical assets.

In addition, the Company conducted several employee awareness initiatives to promote safe digital practices and responsible handling of information. Cybersecurity Awareness Month was observed to encourage vigilance and strengthen awareness on cybersecurity and data privacy in line with the Digital Personal Data Protection Act. Regular phishing simulation exercises were also conducted to assess and improve employee preparedness against cyber threats.



Financial Highlights

Particulars	FY 2026 (₹ crore)	FY 2025 (₹ crore)	Change (%)
Revenue from operations	2,897	2,663	9%
Other Income	43	32	35%
Cost of Materials consumed (including purchase of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress)	1,728	1,581	9%
Power and Fuel	72	81	-11%
Freight, handling and packing	94	90	4%
Employee benefits expenses	283	275	3%
Depreciation and amortisation expenses	117	120	-3%
Finance Costs	10	12	-17%
EBITDA	361	287	26%
Profit After Tax	184	125	47%

Key Financial Ratios

Type of Ratio	FY 2026	FY 2025	% Variance	Reason for variance greater than 25%
Current ratio	1.89	1.93	-2%	NA
Debt Equity Ratio	0.03	0.03	-10%	NA
Debt Service Coverage Ratio	9.15	5.59	64%	Favourable variance driven by improved earnings available for debt servicing, along with reduced utilisation of borrowings and lower lease liabilities.
Return on Equity (%)	9.3%	6.7%	39%	Increase is on account of increased profit as compared to previous years mainly driven by revenue
Inventory Turnover	2.02	2.03	0%	NA
Debtors Turnover	4.96	4.71	5%	NA
Trade Payables Turnover	2.72	2.67	2%	NA
Net Capital Turnover Ratio	2.90	3.18	-9%	NA
Interest Coverage ratio	27.80	15.85	75%	Variance is on account of decrease in finance cost and due to higher profitability during the current year as mentioned above
Operating Profit Margin (%)	12.5%	10.8%	16%	NA
Net Profit Margin (%)	6.4%	4.7%	35%	Increase due to higher profitability during the current year as mentioned above
Return on Capital Employed (%)	12.4%	10.1%	23%	NA
Return on Investment (%)	9.3%	6.7%	39%	Increase due to higher profitability during the current year as mentioned above

Business Tailwinds and Headwinds

Tailwinds

Increasing Adoption of Science-Led Inputs

Farmers are increasingly opting for premium, science-backed seed inputs, supported by the roll-out of climate-resilient, bio-fortified seed varieties and bio-fertilisers. Based on Soil Health Card data, farmers are provided advisory services to ensure optimal input usage and minimal wastage.

To capitalise on this shift toward sustainable agriculture, the Company launched its biologicals brand NuCode™, offering a range of scientifically formulated bio-fertilisers, bio-stimulants and bio-

pesticides. Further, the Company achieved 214% of its planned product advancements by releasing several new crop hybrids during the year, highlighting a strong innovation pipeline.

Export Promotion Mission ('EPM')

The Export Promotion Mission seeks to enhance India's global competitiveness and strengthen its trade architecture. The initiative positions India as a modern, technology-driven economy poised for significant growth, aligning with the Viksit Bharat 2047 vision.

Aligning with these national export goals, the Company's Crop Protection exports recorded an 18% year-on-year growth, driven by an expanding customer base and scaling of key products across major markets such as the US, APAC and LATAM.



Ethanol Blending Programme

The sustained push for grain-based ethanol is augmenting demand for maize. For the Ethanol Supply Year ('ESY') 2025-26 (starting Nov 2025), the government has lifted all restrictions on the use of sugarcane juice and sugar syrup, encouraging application for ethanol production.

Rallis is well-positioned to support this growing maize demand, having successfully released a new maize hybrid this year and maintaining a dedicated maize cob-drying plant near Hyderabad to ensure efficient processing.

Strengthening of Farmer Producer Organisations

As on October 31, 2025, more than 4,600 FPOs have been successfully connected to the Electronic National Agriculture Market ('e-NAM') platform.²¹ This has enabled farmers to access buyers beyond state boundaries and enhanced price realisation.

Through its Centre for Safe Agriculture and Farm Excellence ('C-Safe') programme, the Company actively supports FPOs and facilitates the convergence of government schemes to maximise farmer benefits and strengthen the agricultural value chain.

Horticultural Growth

Horticulture has structurally bypassed food grains, accounting for approximately 33% of Agricultural Gross Value Added ('GVA'), indicating a decisive shift toward high-value cash crops.

Horticultural crops often require more intensive and specialised care compared to traditional food grains. Rallis is expanding its footprint in the Soil & Plant Health segment to meet this demand.

Headwinds

Rising Fertiliser Input Costs

To mitigate margin compression and reduce reliance on imports, the Company established indigenous manufacturing at its Akola factory. Additionally, implementation of data-driven, agile pricing decisions and operational efficiencies has helped safeguard overall margins.

Trade Barriers

Since 2020, around 18,000 new discriminatory trade measures have been introduced worldwide. Technical regulations now influence close to two-thirds of global trade, raising compliance costs, especially for smaller exporters.²²

The Company successfully navigates these technical barriers by aligning manufacturing and operations with strict international Environment, Health and Safety ('EHS') norms.

Deflationary Pressures

Global prices for major commodities, such as cotton, soybean and maize, have eased considerably in the latter part of 2025 owing to the global supply glut.

Despite these economic strains and uneven rainfall driving elevated industry sales returns, the Company managed to control its returns to just 1% above plan by capitalising on demand generation activities and developing cost-competitive products.

Company Outlook

New products introduced in late FY 2025-26, including Fiplam, Kengen, and Alstor, are expected to strengthen the product pipeline and support margin and volume growth in subsequent years. In the B2B segment, a healthy CSM pipeline across multiple customer segments is expected to drive future growth and enhance profitability.

For the Seed Division, business priorities have evolved from stabilising supply to capturing competitive market share through targeted regional expansion and product innovation. Investment in new rapid-breeding facilities, including speed breeding and doubled haploidy, will help reduce development timelines by up to two years.

On the innovation side, FullPage® is expected to undergo field trials and stewardship evaluation to prepare for a gradual rollout, with pilot projects and limited commercial sales planned for the Kharif 2026 season. The Company plans to further expand the use of AI and RPA across the value chain, utilising dashboards across functions and automating core processes, including sales returns automation in SAP from e-Sparsh.

Risks and Concerns

Rallis has a robust risk management policy and framework in place. The major risks and concerns are reviewed on a periodic basis to formulate strategies to mitigate risks and identify opportunities. The risk assessment includes the potential impact of risks, their probabilities, and the time period of risks. The mitigation strategies are tracked on a periodic basis through key monitoring elements, such as measures and milestones. This helps to ensure that risks remain aligned with the risk appetite and tolerance of the Company. Additionally, the Company takes into consideration the risks that exist as well as those that are emerging, which could impact the Company's ability to achieve strategic objectives and goals.

For a deeper insight into the risk governance practices and the Enterprise Risk Management framework, the non-statutory section will provide a dedicated and detailed discussion.

²¹<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2199567&req=1&lang=1>

²²<https://unctad.org/publication/global-trade-update-january-2026-top-trends-redefining-global-trade-2026>

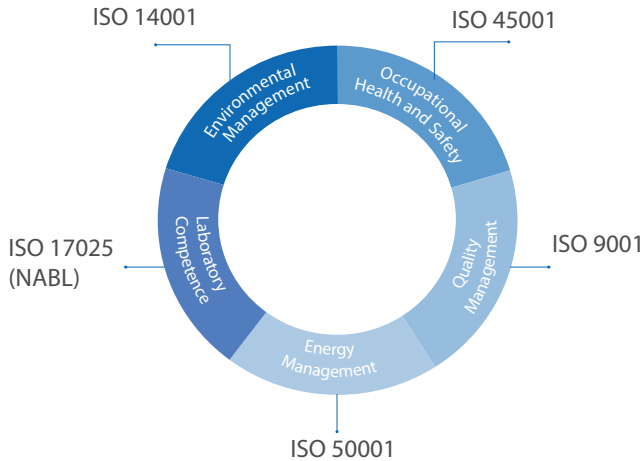




Safety, Health and Environment

Certifications and Recognitions

Rallis has earned a variety of distinguished certifications, highlighting its continued dedication to high standards in sustainability, safety and quality.



Responsible Care® Logo – Symbolising responsible chemical management and sustainability.

Workplace Safety and Process Safety Management

Rallis ensures high safety standards through:

- 10 Golden Rules and 2 Principles to reinforce a strong safety culture
- Contractor Safety Manual and Safety Leadership Workshops
- Collaboration with DuPont DSS+ for advanced safety practices
- Key 3 Action Points for maintaining a safe factory
- Daily BSO rounds, Safety Software and Global Safety Audits
- Process Safety Risk Management ('PSRM'):
 - 14-element framework aligned with Responsible Care and OSHA guidelines
 - PSRM Gap Assessments, External Consultant Implementation and Monthly Reviews at all key sites (Ankleshwar, Dahej SEZ and CZ, Lote, Akola)
- Road Safety Guidelines and Awareness Sessions for employees and contractors.

Sustainability Initiatives

Rallis maintains a strong focus on environmental stewardship through several key initiatives:

ZLD Compliance

The Akola and Dahej CZ facilities have achieved full Zero Liquid Discharge ('ZLD') status, while the Ankleshwar unit is now ZLD-capable.

Water Recycling

The Dahej SEZ site recycles 85% of its treated water; across the Company, the recycling rate reached 60–65% during FY 2025-26.

Future Upgrades

Planned RO system installations at Dahej SEZ and Akola aim to facilitate 6–10 KLD of water recycling at the Akola facility.

Energy Conservation

Implementation of Bio-Briquette Boilers (utilising green fuel) at Dahej SEZ, Dahej CZ, and Lote.

Solar Projects

- Development of 3.5 MW solar plant project to be commissioned in June 2026
- Installation of rooftop solar panels at Akola and Dahej CZ to further promote renewable energy usage.

Industrial Hygiene and Workplace Health

Rallis prioritises industrial hygiene through several key initiatives-

Routine Health and Hygiene Assessments

Conducting regular evaluations to monitor workplace standards.

Personnel Monitoring in Sensitive Zones

Tracking individual movement within high-risk areas to ensure safety.

Environmental Surveys

Performing detailed illumination, noise, and ventilation audits to maintain an optimal working environment.

Data-Driven Safety Measures

Utilizing survey outcomes to implement corrective and preventive actions, ensuring a consistently healthy workplace.

People at Our Core

Organisational Snapshot (as on March 31, 2026):

- Employee Strength: 1540
- Gender Ratio (F:M): 5:95
- Management Mix: 0.85% Leadership | 4 % Mid Management
- Average Age: 38.3 years Average Tenure: 7.8 years



- Function Spread: Corporate 9% | R&D 10% | Manufacturing 43 % | S&M 38%.

The Company is refining its performance architecture to ensure that individual performance contributes meaningfully to business objectives. This initiative encompasses a renewed focus on promotion frameworks, feedback culture and differentiated performance payouts. To ensure equity and market competitiveness, a comprehensive, industry-backed salary benchmarking exercise was also undertaken. Concurrently, the talent agenda has prioritised succession planning and a revitalised managerial effectiveness intervention, while hiring has progressed beyond transactional fulfilment to a more capability-led and skills-based approach.

For a detailed report on HR policies, training programmes and employee-centric initiatives, the dedicated section in the non-statutory portion of the Integrated Report can be referred to.

Prioritising Shared Progress

Water Conservation

Under the Jal Dhan initiative, meaningful strides were made in water conservation across 14 villages. The programme included the desilting of a 11 km nullah, two ponds and two checkdams to improve water security across six states of Maharashtra and Gujarat. In FY 2025-26, 5.24 million cubic metres of rainwater were harvested, spanning 8 villages across the states of Gujarat and Maharashtra.

Education and Skill Development

The Rallis Ujjwal Bhavishya Yojana ('RUBY') programme continues to advance learning, currently impacting 7,260 students through interventions in Science, Mathematics and English. The programme spans 14 schools over four states and includes six schools for differently-abled students, covering 350 students.

The Company's skill enhancement initiatives covered 500 beneficiaries, out of which 51% gainfully engaged. An industrial visit was organised for 50 trainees from ITI Vagra at Rallis India Ltd., at Dahej SEZ in Gujarat, providing trainees with exposure to industrial operations, safety practices and workplace discipline and enhancing their practical understanding and industry readiness.

Rural Development

The Centre for Safe Agriculture and Farm Excellence ('C-Safe') programme enhances farming sustainability and supports the income of around 3,950 small and marginal farmers by strengthening the agricultural value chain. This is achieved through support for Farmer Producer Organisations ('FPOs') and facilitating government schemes to maximise farmer benefits. The programme has enabled the convergence of government schemes, cumulatively benefiting 950 farmers with a total support of ₹ 4.21 crore up to FY 2025-26.

The Unnat Gram programme continues to provide support for sustainable livelihoods through the distribution of 13,000 horticulture plantations and 860 kitchen-garden kits, in addition to promoting short-duration crops. The Saksham Gram initiative aims to improve the quality of life of rural residents through education,

skill development and livelihood opportunities. The Company has commenced work on establishing three Integrated Smart Village Centres ('ISVC') in the State of Uttarakhand.

TaRa ('Tata Rallis')

The TaRa programme empowers women and socially disadvantaged communities through skill development and self-enterprise initiatives. During the year, the Company conducted a session to raise awareness of government schemes for women and engage with the beneficiaries at the Dhasai, Murbad and Akola Skill Centre. This brings the Company's commitment to women's empowerment and sustainable livelihoods to the forefront.

The TaRa programme has enrolled 501 students, of whom 448 have completed their training to date. The programme also extends rehabilitation and educational support to 150 special children, with emphasis on vocational training, crafting, digital literacy, AI, entrepreneurship and employability.

You Are Safe Campaign – Pesticide Safety Training

Under this initiative, a safety training programme on the safe use of household pesticides was conducted for 100+ pest control technicians in the Ghaziabad region, Uttar Pradesh, and covered around 750 farmers in Nagpur region. The session focused on safe handling, application, storage and proper use of PPE, highlighting Rallis' commitment to occupational safety, responsible pesticide use and community well-being. To date, the 'You Are Safe' campaign has successfully reached 750 farmers across 34 villages.

In the coming year, Rallis India Limited will continue to focus on positively impacting 300,000 beneficiaries through targeted interventions in water conservation, tribal development, rural women entrepreneurship, and agricultural and educational initiatives, with an increased emphasis on the Affirmative Action ('AA') category.

A comprehensive description of the Company's CSR projects and outcomes can be found in the detailed non-statutory section.

Business Excellence

Rallis has continued to draw inspiration from the Tata Business Excellence Model ('TBEM') in their organisational operations. The Company considers TBEM dynamic and continuous improvement process. TBEM principles help us to assess the organisational maturity and growth. The leadership team has been instrumental in emphasising engagement while maintaining high standards of work and innovative thinking.

The Company has been commended by external consultants for its advanced use of digital technologies, strong focus on customers and effective social initiatives. These successes have been facilitated by an engaged and enthusiastic team of employees focused on organisational excellence. Organisational excellence helps us to assess the maturity of various processes and outcomes related to aspects such as Business, Social, Data, Cyber and Health & Safety.



In FY 2025-26 Rallis has undergone a TBEM External Assessment and received feedback on Leadership, Strategy, Customer, Operations, Data & Digital and People related processes. The action plan is underway and will be implemented in FY 2026-27. As per TBEM assessment framework, Rallis has been categorised under the 'Good Performance' category. We will continue to strive for excellence in everything we do.

One of the important aspects in nurturing this positive organisational culture has been the development and implementation of the initiative titled Rallites on Continuous Karma ('ROCK'). Rallis' efforts have been recognised through numerous awards that the Company has received, including FICCI's Manufacturing Process Innovator of the Year and Leader in Water Management for chemicals, non-MSME companies. Further, the Company has achieved additional recognitions in its excellence journey, including Kincentric Best Employer Award, the CII HR Excellence Award, the Tata Group JRD QV Award, the CII Exim Bank BE Award, the CII HR Excellence Award, Tata InnoVista and the National Safety awards, highlighting sustained innovation in business processes.

Internal Control Systems and their Adequacy

The Company has implemented effective internal control systems through the development and implementation of adequate policies and procedures across all financial and operating activities. These systems ensure the reliability and integrity of financial reporting and protect the assets of the Company from unauthorised use or loss. These systems further ensure that the Company complies with regulatory and other applicable laws. To ensure maximum automation, the Company has implemented key process control systems through the use of ERP systems, enabling expeditious reporting and minimising the possibility of fraudulent transactions.

During FY 2025-26, the Company completed the Dimensional Variability Analysis ('DVA') study of the utility segment (chilled water and cooling water) at the Dahej SEZ plant. The Company will undertake phased implementation based on the study, which is projected to result in- **15% year-on-year power saving**

Estimated savings of ₹ 50 lakh by solvent losses reduction/lower consumption, targetting savings of 5% in Ethylene Dichloride ('EDC'), 1% in Diethyl Ketone ('DEK') and 5% in Cyclohexane.

Total savings is projected to be ₹ 105 lakh per annum with a payback duration of 2.63 years, against Investment of ₹ 275.5 lakh.

The internal audit department oversees internal control systems through a risk-based audit process. The audit charter outlines the internal audit plan and methodology for conducting internal control systems audit. The scope of internal audit includes key process risks,

operating guidelines and statutory compliances. The internal audit process and findings, along with recommendations, are placed before the audit committee. The audit committee continually monitors the overall adequacy and efficacy of financial reporting, internal control systems and risk management processes.

Cautionary Statement

Certain statements contained in this Management Discussion & Analysis constitute 'forward-looking statements' within the meaning of Section 27 of the Securities and Exchange Board of India Act, 1992, and other applicable laws. These statements do not relate to historical or current facts and are based on the Company's current expectations, estimates, projections, and assumptions as of the date of this report.

By their nature, forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results, levels of activity, performance, or achievements to differ materially from those expressed or implied. Such factors include, without limitation:

- **Operational and Environmental:** Unpredictable weather patterns, climate change impacts, pest and disease outbreaks, and water availability
- **Economic and Market:** Demand-supply imbalances, price volatility of agrochemicals and seeds, input cost inflation, and credit availability to farmers
- **Regulatory and Legal:** Changes in pesticide approval processes, FCO amendments (including Schedule VI biostimulant regulations), patent laws, import/export tariffs, and land acquisition norms
- **Geopolitical and Trade:** Trade restrictions, sanctions, supply chain realignments (e.g., China+1), and currency exchange rate fluctuations
- **Internal:** Delays in product development, failure of R&D initiatives, manufacturing disruptions, and cyber security breaches

Industry data and market estimates presented herein have been obtained from third-party sources believed to be reliable, but the Company does not guarantee their accuracy or completeness. The Company assumes no obligation to update or revise any forward-looking statements, except as required by law.

Readers are cautioned not to place undue reliance on these forward-looking statements.

