



Welcome!



RALLIS INDIA LIMITED

A **TATA** Enterprise

V Shankar
27th April 2016

Performance Highlights: Q4 and 12 Months (consolidated)

- ❖ **Q4 – Net sales** up by 9% at **Rs. 342 Cr**
- ❖ **Q4 - PAT** rises 51% to **Rs. 32 Cr**
- ❖ **12 Months – Net sales** crosses **Rs. 1611 Cr**, drop of 10%
- ❖ **12 Months – PAT** at **Rs 143 Cr**, drop of 9%
- ❖ **Cash generated from operations Rs 233 Cr**, up by Rs 165 Cr
- ❖ *Board recommends a Dividend of Rs.2.50 per share (250%)*



Rs Crs

Rallis Standalone

	YTD 14-15	YTD 15-16
Net Sales	1498.1	1290.9
EBITDA	253.41	207.39
EBITDA %	16.9%	16.1%
Profit before tax*	205.8	164.99
Net Profit After Tax	145.41	126.03
Net Profit After Tax (AfterMI)		

Rallis Consolidated

	YTD 14-15	YTD 15-16
Net Sales	1800.8	1611.6
EBITDA	277.1	230.18
EBITDA %	15.4%	14.3%
Profit before tax*	221.6	185.7
Net Profit After Tax	159.8	146.74
Net Profit After Tax (AfterMI)	157.22	143.04

* Includes non routine items



Agriculture & Industry

2015-16: Year context



Domestic Season

For third time in 143 years, country faces back-to-back drought

Hindu Business Line

Monsoon failure: Twice-cursed!

The effects of a 'strong' El Nino event ultimately proved too much, more than neutralising any 'positive' Indian Ocean Dipole, Madden-Julian Oscillations or other such countervailing weather phenomena.

INDIAN EXPRESS

Overall rainfall deficit at 14%, says Met

The four-month south-east monsoon season (June-September) came into end on Wednesday with an overall rainfall deficiency of 14% from the benchmark long period average (LPA).

By: FE Bureau | New Delhi | October 1, 2015 12:07 AM

Financial Express

Water reserves fall 23% as monsoon season ends

Water reserves in the country remained far from normal for nine consecutive weeks through Wednesday and were at alarming levels in the southern region, even as the summer monsoon season came to an end

By: FE Bureau | October 2, 2015 12:07 AM

Driest India monsoon in six years hurts food crops, shrinks dams

Rainfall was 14% less than the 50-year average of 89cm between June and September, IMD said on Wednesday

Live Mint

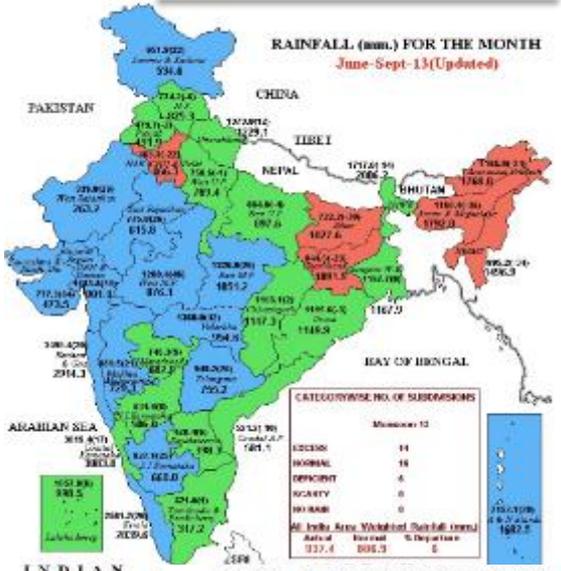
IMD: Wind direction to blame for extreme October heat

TIMES OF INDIA

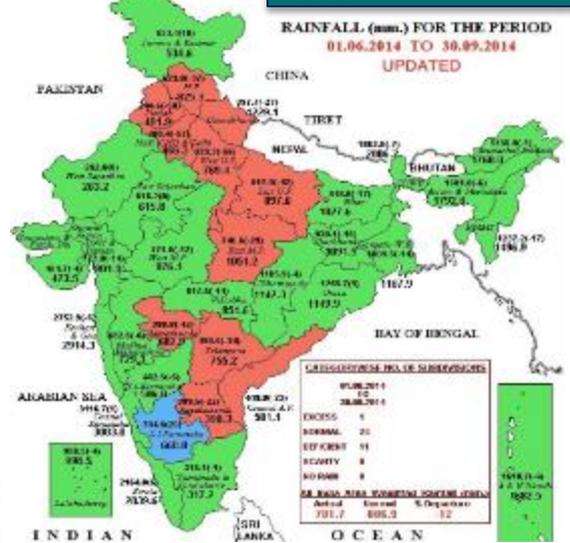


Rainfall Comparison

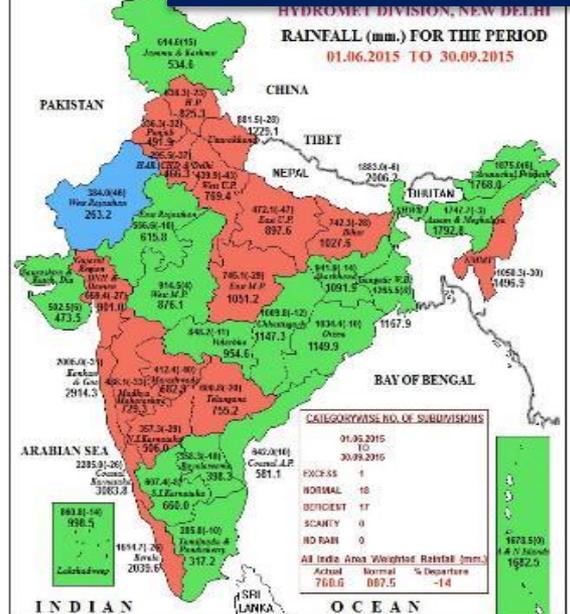
KHARIF 2013 +6%



KHARIF 2014 (-12%)

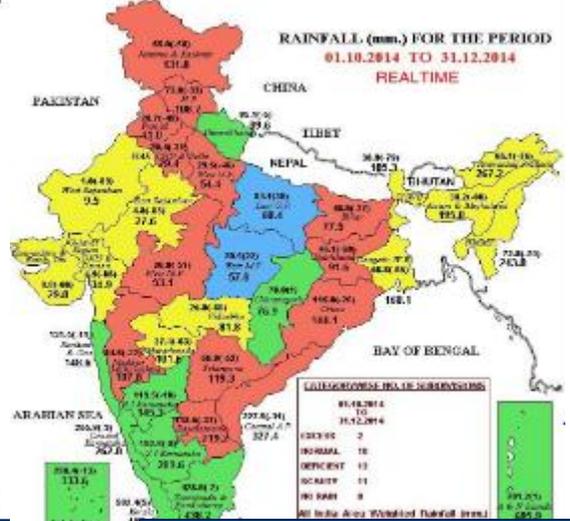
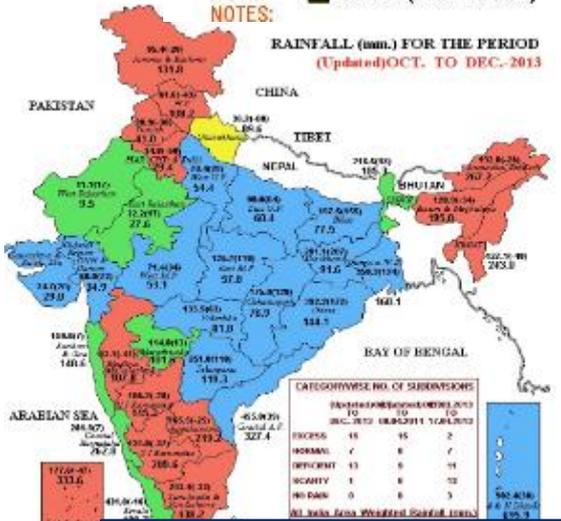


KHARIF 2015 - (-14%)



LEGEND: ■ EXCESS (+20% OR MORE) ■ NORMAL (+19% TO -19%) ■ DEFICIENT [-20% TO -59%] ■ SCANTY [-60% TO -99%] ■ /

NOTES:



Post Monsoon 2013 +18%

Post Monsoon 2014 (-33%)

Post Monsoon 2015 (-23%)

Decrease in Crop Acreages in Kharif & Rabi



Kharif Crops	Area sown in 2013-14	Area sown in 2014-15	Area sown in 2015-16	YoY Change in 2015-16	
				On 2013-14	On 2014-15
Rice	376.41	379.67	378.24	0%	0%
Pulses	109.08	102.89	115.62	6%	12%
Coarse Cereals	196.05	181.87	186.07	-5%	2%
Oilseeds	194.91	177.98	185.15	-5%	4%
Sugarcane	50.32	48.74	48.84	-3%	0%
Cotton	114.37	126.55	117.09	2%	-7%
Jute & Mesta	8.34	8.16	7.8	-6%	-4%
Total	1049.47	1025.85	1038.81	-1%	1%

#Source- www.pib.nic.in. Data updated on 1st Week of October

Rabi Crop	Area sown in 2013-14	Area sown in 2014-15	Area sown in 2015-16	YoY Change in 2015-16	
				On 2013-14	On 2014-15
Wheat	315.32	305.94	292.52	-7%	-4%
Rice	34.14	24.08	22.41	-34%	-7%
Total Pulses	161.9	143.01	139.08	-14%	-3%
Coarse Cereals	60.94	56.76	60.08	-1%	6%
Oilseeds	90.76	79.51	77.43	-15%	-3%
Total	663.06	609.3	591.52	-11%	-3%

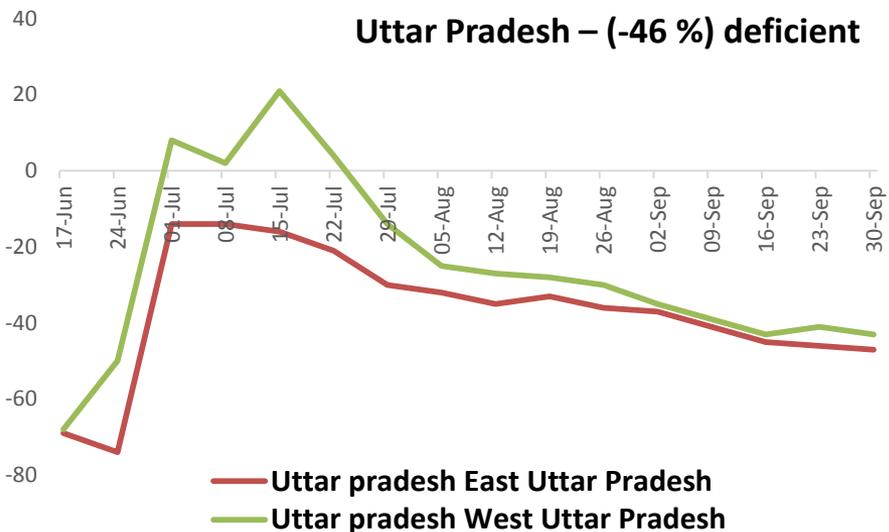
#Source- www.pib.nic.in. Data updated on 2nd week of February

Over & above this, there is 27% drop in Summer Rice compared to last year



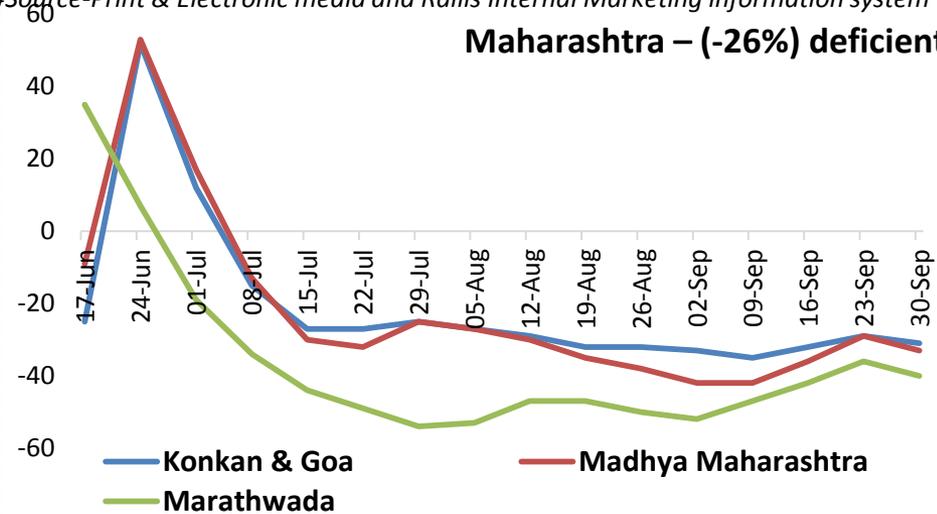
Major Areas Impacted

Uttar Pradesh – (-46 %) deficient

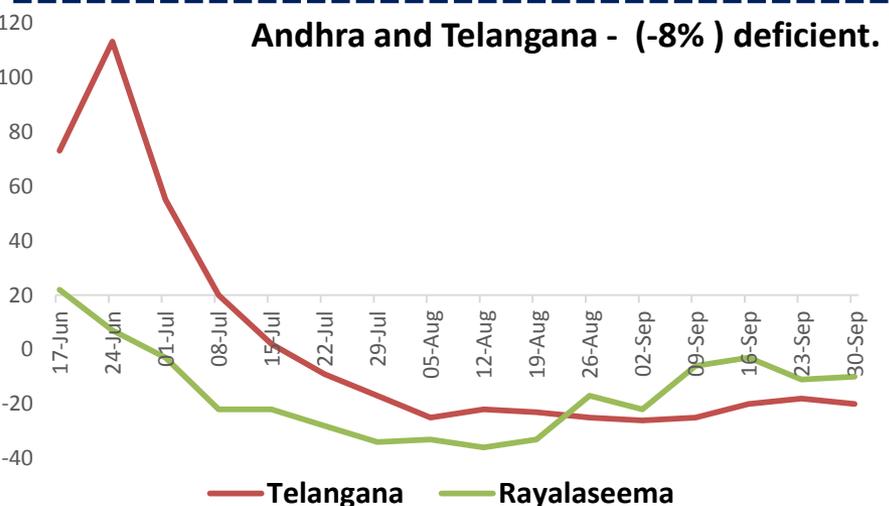


#Source-Print & Electronic media and Rallis Internal Marketing information system

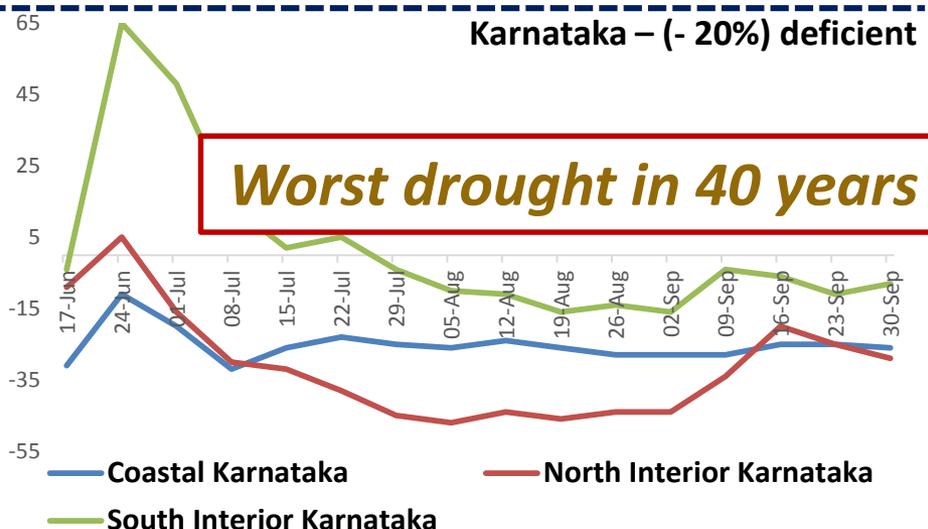
Maharashtra – (-26%) deficient



Andhra and Telangana - (-8%) deficient.



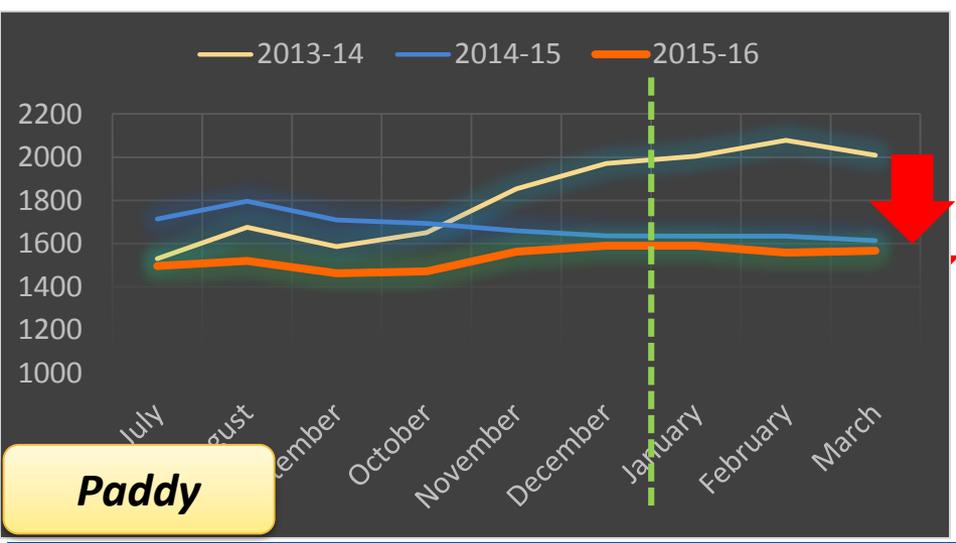
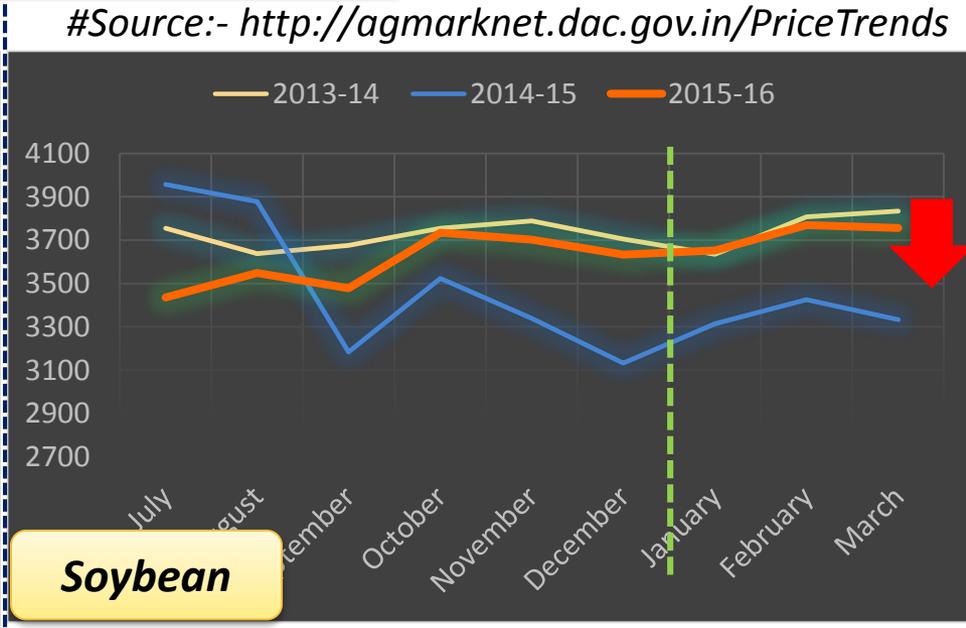
Karnataka – (- 20%) deficient



Maharashtra, UP and Karnataka account for close to 30% of India's Kharif foodgrain production

Crop Prices- 2013 Vs Current Year

#Source:- <http://agmarknet.dac.gov.in/PriceTrends>



Current year during all stages of cropping cycle, Prices are lower than past; leading to lower sentiments which continued even in Rabi season



RURAL INCOME HITS A LOW

Income growth – a measure of how earnings increase or decrease – in rural areas has been stuck in the mid-to-low single digits in 2015 so far, well below the 20%-plus rates in 2011

AVERAGE DAILY RURAL WAGE



INCOMES ARE BARELY RISING

- Since October 2014, rural wage growth has slowed from about 17% to about 3% currently
- The average daily rural wage for ploughing/ tilling in May 2015 was ₹272.87, only 3.3% higher than the wages paid in May last year.

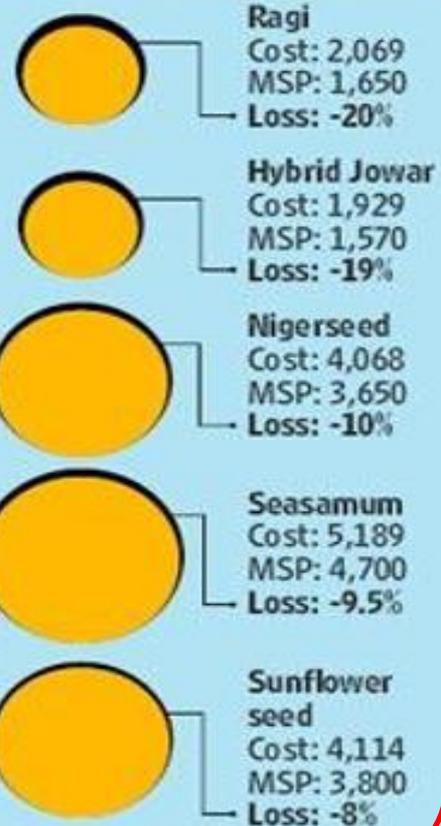
FLOCKING BACK FROM TOWNS?

- Fewer opportunities in urban construction sector may be driving people back to villages
- More such people, in turn, are keeping rural wages from rising fast
- Roads and highways aren't being created fast enough to absorb armies of unskilled landless rural labourers

LOSING MONEY

Incomes have also eroded as minimum support prices (MSPs) haven't kept pace with rising input costs. Only a handful of crops are now profitable.

- Cost (₹/qtl)
- MSP
- Loss over the cost (in %)



SOURCE: MOSPI, RBI, CACP (GOVT OF INDIA)



Rallis Focus Areas & Plans - 2015-16

Important Crops	Paddy	Cotton	Pulses	F&V	Other Crops (Potato, Cumin)
Important States	AP, TN, CG, WB, PB, HR	GJ, MH, KA, PB, AP	MP, MH, KA	All States	WB, Gujarat
Down Against LY (Lac Acre)(All Seasons)	3%	7%	4% Down in Rabi	Shifting on F&V	Growth compared to LY
Opportunity Segments	<ul style="list-style-type: none"> Weeds BPH, SB, LFetc Blast Sheath Blt Grain Shine 	<ul style="list-style-type: none"> Weeds Sucking Pests White Fly 	<ul style="list-style-type: none"> Spodoptera Fungicides Herbicide 	<ul style="list-style-type: none"> Insecticide Fungicides Herbicide 	<ul style="list-style-type: none"> Fungicides Herbicide
Opportunity for Rallis Molecules	<ul style="list-style-type: none"> Applaud+Asataf Fujione etc. Taarak/Duton Origin 	<ul style="list-style-type: none"> Asataf+Mida etc Applaud Tata Panida 	<ul style="list-style-type: none"> Takumi Ergon Tata Panida 	<ul style="list-style-type: none"> Insecticide Fungicides Herbicide 	<ul style="list-style-type: none"> Insecticide Fungicides Herbicide

Good overall growth achieved in F&V segment - which was a major focus area of our growth strategy



Drop in PADDY Segment- 2015-16

Andhra Pradesh

- Significant drop in Paddy Acreages-overall
- De-growth by more than 12 lakh acre Paddy
- No irrigation support through Canal Water
- Rabi is the worst affected crop season

Acreages

Weeds

Irrigation

SB, LF

Pests

Blast, SB

BPH

Telangana

- Big Drop in Kharif Acreages
- Huge drop in sowing in Rabi
- Of the remaining, 50% of Rabi sown area got dried out due to depleting water level
- Nizamabad, Nalgonda worst affected dists.

Acreages

Weeds

Irrigation

SB, LF

Pests

Blast, SB

BPH

Chhattisgarh

- Kharif acreages was normal but standing crops got affected due to long dry spells
- Big drop in Paddy acreages during Rabi
- No Canal Water supply for Rabi Paddy
- High temperature- low disease infestation

Acreages

Weeds

Irrigation

SB, LF

Pests

Blast, SB

BPH

Karnataka

- Kharif acreages was normal but standing crops get affected due to long dry spells
- Big drop in Rabi Acreages

Acreages

Weeds

Irrigation

SB, LF

Pests

Blast, SB

BPH

Dry Spells after initial rains impacted the crop health

Maharashtra

Price Spikes on Low Output

- **Tur crop** harvesting has begun in Maharashtra and Karnataka
- **Below-average** rains have badly hit production in the two states
- **Centre to create** a buffer of 1.5 LT to check price fluctuations

8,000-10,000 quintal Normal daily supplies to Latur APMC	2,500-3,000 quintal Current daily supplies to Latur APMC
--	--

Tur bean price*
(₹/kg)

90-105 (Dec 2015) | 40-50 (Dec 2014)

* IN WHOLESALE MARKETS

Tur dal retail price
(₹/kg)

165-190

GEETANJALI

Karnataka

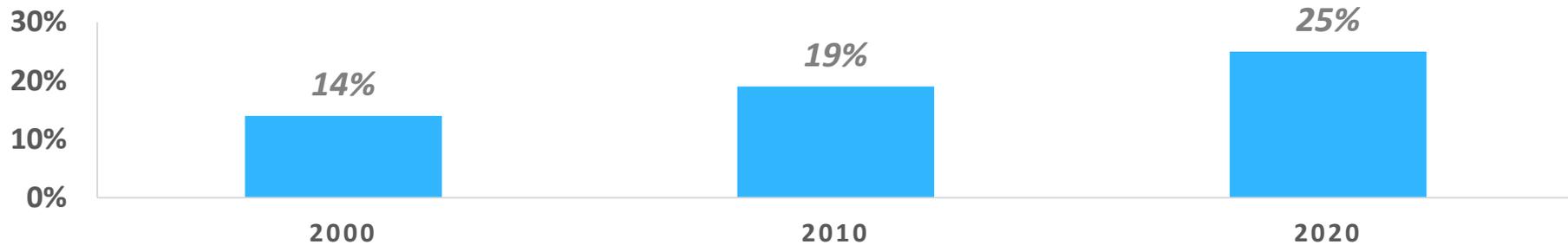
177.99 mm
Total rainfall this season
(normal is about 185.70 mm)

CROPS AFFECTED	
CEREALS	PULSES
7,38,618 <small>Jowar</small>	10,97,371 <small>Bengal gram</small>
20,598 <small>Maize</small>	10,087 <small>Horse gram</small>
92,376 <small>Wheat</small>	460 <small>Cowpea and others</small>

About 56 of the 59 taluks in north Karnataka region have been hit by the failure of North-east monsoon

- Below average rains have badly hit Production in the two states*
- Daily supplies of pulses to Latur APMC is down by ~60%*
- 11 Lac Hectares of Pulses got badly affected in Karnataka*

PER CAPITA EXPENDITURE ON FRUITS



Demand Side Drivers

Rising incomes & Urban lifestyle leading to more awareness & changing food habits

Diet cautious lifestyle leading to more consumption of Fresh fruits & Vegetables

Supply Side Drivers

Assured Acreages

Farm Income is relatively higher

ACTIONS TAKEN

- ❖ Realignment of resources
- ❖ Daily Tracking
- ❖ Helpline support
- ❖ Strengthening relationship with Grower Associations, Universities, etc.

#Source-Print & Electronic media and Rallis Internal Marketing information system

We achieved a healthy growth % in F&V segment compared to LY



Global Agchem Environment

Year 2015-16

2015 – Agrochemicals sales dropped by 8.5% down to the \$51.84 billion

- ❖ Growth stagnant for the second year in a row.
- ❖ 2015 agricultural profitability going downward to a historic low level since 2002
- ❖ All the major regions suffered a decline in nominal US dollar terms

The Brazilian agrochemical market plunged in dollar terms by almost a quarter (23%) in 2015

Brazil is recovering from its worst drought of 80 years , rains affected the wheat harvest, leading to delayed planting in Argentina and Brazil.

Business for key products in Brazil was impacted on account high inventory at Market place

Historic currency devaluation of Brazil

Discouraged imports and reduced access to credit of farmers – bought business to standstill.



Domestic Agchem Environment

Q4

Financial Performance : Key Highlights vs Last Year



Rallis Standalone

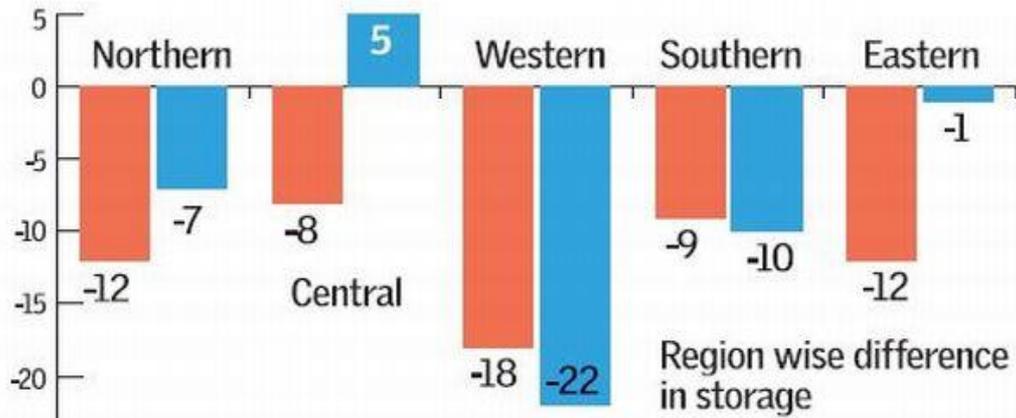
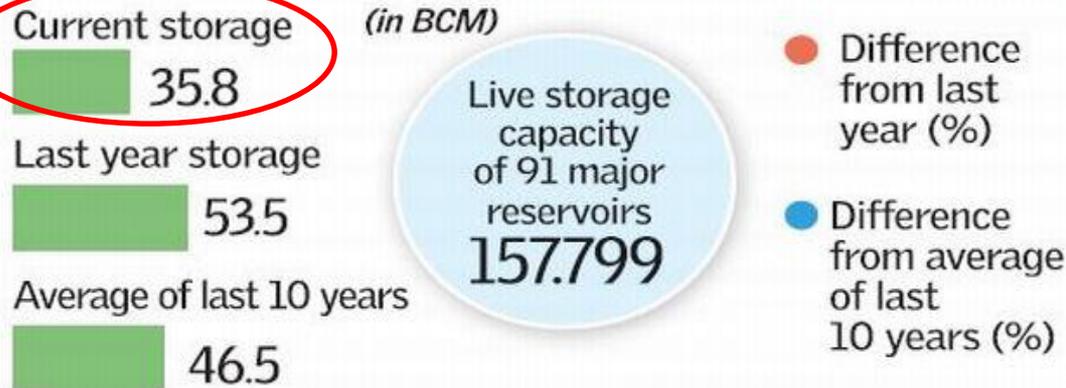
Rallis Consolidated Rs Crs

	Q 4 14-15	Q 4 15-16
Net Sales	280.7	307.2
EBITDA	44.02	46.05
EBITDA %	15.7%	14.9%
Profit before tax*	30.6	40.10
Net Profit After Tax	23.7	30.40
PAT(after MI)		

	Q4 14-15	Q4 15-16
	314.8	342.0 ↑ 9.4%
	44.4	41.9
	14.1%	12.3%
	29.56	41.8
	21.25	32.08
	21.32	32.26

23 per cent of capacity is available – 33% below last year.

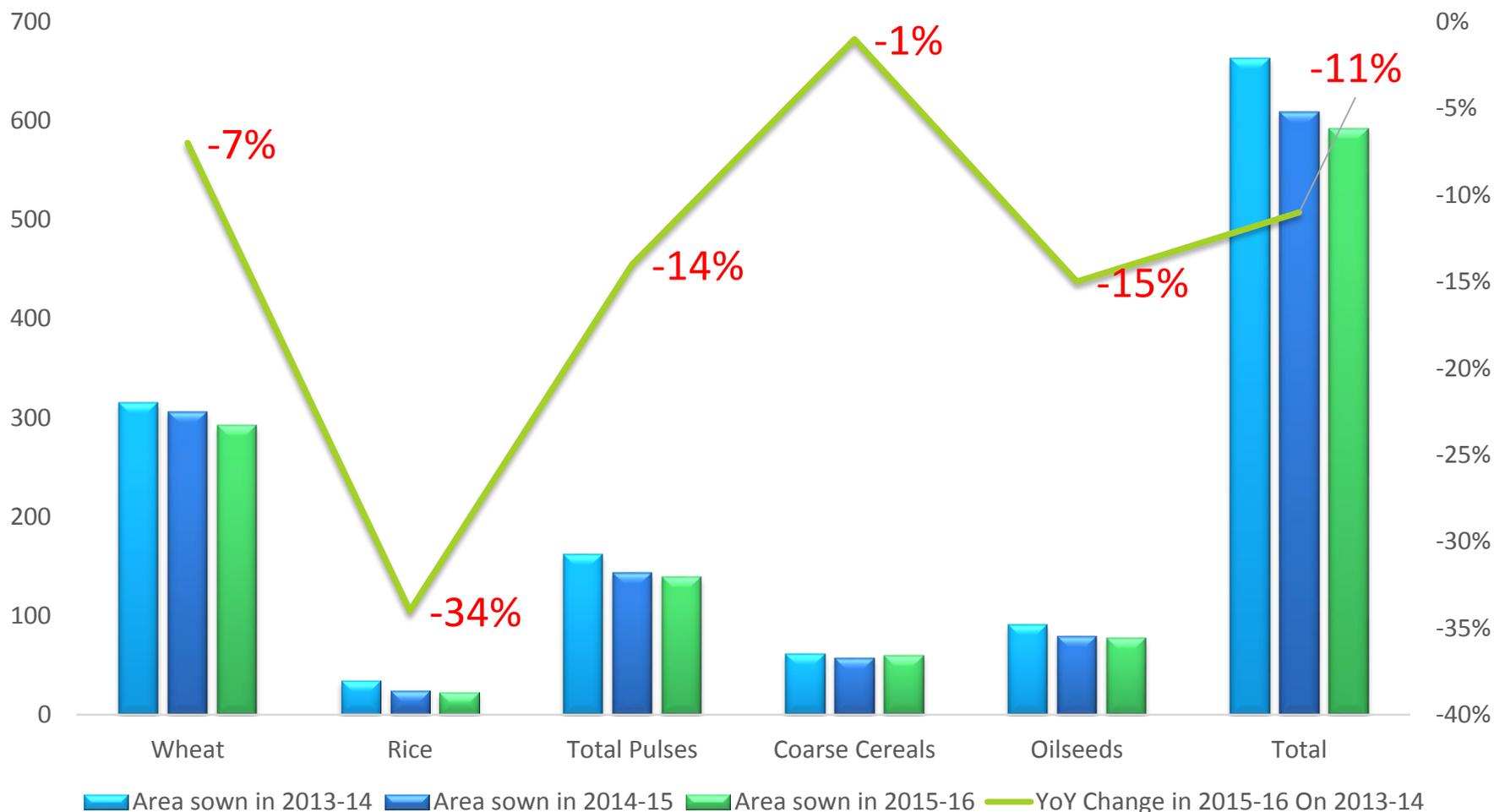
RESERVOIR LAGS



- ❑ Western region with 27 reservoirs (Including Maharashtra and Gujarat), mere 18 per cent (36% LY)
- ❑ Southern region (all states) with 31 reservoirs at 15 %
- ❑ 4 reservoirs – 3 in Maharashtra and 1 in Andhra Pradesh and Telangana – are left with **no water at the moment.**
- ❑ **Overall, 74 of the total 91 reservoirs have storage levels lower than the average of last ten years**



RABI SOWING



Sowing is down by 3% as compared to last year and 11% as compared to 2013-14



Q4 Outlook

Low Soil Moisture & Shortage of Irrigation

: Priority to spend on Irrigation

Low Acreages of Cereal Crops

: Focus on Crops which requires less/Drip irrigation

High Temperature

: Low level of Pest infestation

Low Cash Reserves with Farmers

: To opt Low Value molecules

Carrying of Inventories

Focus Areas - Plans

- **Fruit Crops- Apple, Pomo, Banana, Mango**
- **Cumin**

- **Crop Shift- On Pulses, Vegetables (Drip)**
- **Potato- West Bengal, Gujarat (Irrigation)**

- **Focus on HERBICIDE Segment**
- **Cumin- Tata Panida, Paddy- Taarak**

- **Generic /low value Molecules**
- **Low value Fungicides (Taqat, Captaf, Blitox etc. in Vegetables, Potato, Fruit Crops)**

- **To Improve on Liquidation**
- **Collection**



Over 25% of India's population hit by drought, Centre tells SC

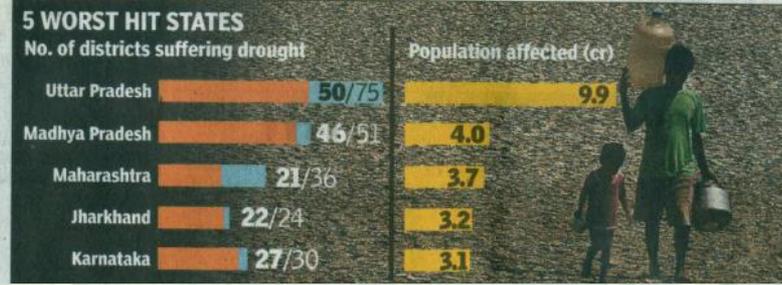
33Cr People In 2.5 Lakh Villages Short Of Water

AmitAnand.Choudhary @timesgroup.com

New Delhi: A staggering 33 crore people, or more than a quarter of the country's population, are in the grip of drought and consequently face drinking water shortage and agricultural distress, the Centre says.

SUMMER WOES

10 CRORE AFFECTED IN UTTAR PRADESH ALONE



Met dept warns eight states to prepare for heat-wave conditions

Farmers hold rally for loan waiver

Why not treat drought as a national disaster: SC t

Seeks Data On Drought-Hit People, Districts

AmitAnand.Choudhary @timesgroup.com

New Delhi: With around 10 states reeling under drought, and jobs, particularly farmers, being driven to suicide, the Supreme Court on Tuesday asked the government to provide data on the drought-hit states and districts.



Water train pulls Latur after 17 long

Syed.Rizwanullah @timesgroup.com

Latur: The first train carrying 5 lakh litres of water from Miraj to Latur covered the 340-km distance at an agonisingly slow speed. The distance is usually covered in nine hours, but it

Water level in Marathwada dams at historic low of 3%

Arid Region Faces Fourth Drought In 5 Yrs

RESERVOIR WOES

In April 2015, water levels in Marathwada's dams were 11% of capacity



Mumbai stares at additional cuts

With reservoirs supplying water to Mumbai and Thane now at one-third of their capacity, the water crisis in the Mumbai Metropolitan Region



Poor back-to-back monsoons, coupled with depleting reservoirs and a heatwave have hit rural India hard

By Sutanuka Ghosal & PK KrishnakumarMadhvi SallyJayashree Bhosale, ET Bureau | 12 Apr, 2016, 07.00AM IST

Business Standard

Rural Distress: Back-to-back drought adds to the woes

The well-irrigated states of Punjab, Haryana, Karnataka, western Uttar Pradesh and coastal states

Crops

Performance of Imperative Enablers

Vegetables

Irrigation

Acreages

Pest Pressure

*Fungicides,
Generics*

Potato

*Irrigation
(Canal Water)*

Acreages

*Pest Pressure
(Diseases)*

Fungicides

**in UP, the infestation was very low; Decrease in pesticide consumption*

Cumin

Water Stress

Acreages

*Pest Pressure
(Insecticides)*

*Herbicides,
Generics*

Paddy

*Reservoirs/
Irrigation*

*Rabi/Summer
Acreages*

Pest Pressure

*New molecules
(BPH Seg.)*



Quality of operations

Steps taken

- *Focus approach on working capital management was the theme for the H2*
- *Q4 collections are generally subdued as Seeds companies collect advance from market*

Focus on collections made Rallis achieve a near zero debt status

Rs Cr

Working Capital

Rs crs

	Actual 2014-15	Actual 2015-16	Variance over PY
Inventories	277	258	
Debtors	206	158	
Total	483	416	-67.32
Creditors	205	191	-13.8
Net Working Capital	278	224	-53.52
Short term borrowings	43	2	-40.69

Reduction in inventories and debtors coupled with substantial reduction in Working capital Loan



Cash generated from Operations

- ❖ Cash generated from operations increases by 155 Crs (Increase from 64 Crs to 219 Crs) & 165 Crs consolidated
 - ❑ Investment in subsidiary of 73 Crs through Internal accruals



RALLIS CUSTOMER CONNECT



Customer Connect

FGD

SAMPARK

Dr Vishwas

***PoP
Demos***

***Mission
Sparsh***

***Special
Campaigns***

Farmers Met

~ 11 lacs

Contact touch points

~ 30 lacs

Rallis – Continues to spend – Marketing Activities

EK TEER DO NISHAN CAMPAIGN



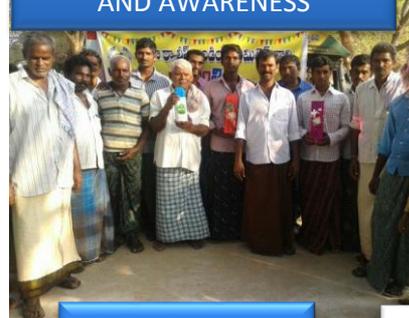
UNIQUE CAMPAIGN ERGON CHILLI AND BLACK GRAM IN AP

Rallis Tenali Sharad



TAQAT- FLOAT VAN CAMPAIGN

ERGON - INNOVATIVE APPROACH TO INCREASE FARMERS ENGAGEMENT AND AWARENESS



CO- Marketing visit to Partners



Takumi Wall - Painting



अप्लाड और हंक की यारी भूरे माहू पे पडे भारी...

330
250

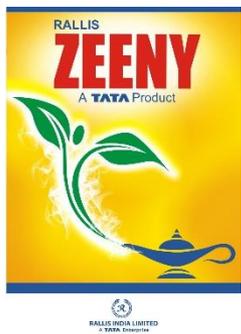
RALLIS INDIA LIMITED
A **TATA** Enterprise



New Products Launched 2015-16



- *New era of pre- emergent herbicide in Soyabean for grassy weeds*
- *In spite of tapping an entirely new segment of pre-emergence, it is well accepted by farmers*



- *Smoothly launched in vegetable segment*
- *Well accepted by farmers for control against sucking pest in vegetables*

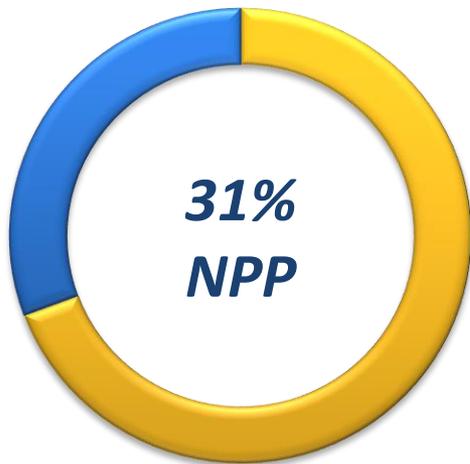


- *Quickly scaled in cotton crop*
- *Zero inventory in market place as complete stock liquidated*

New products are promising and well accepted by Farmers

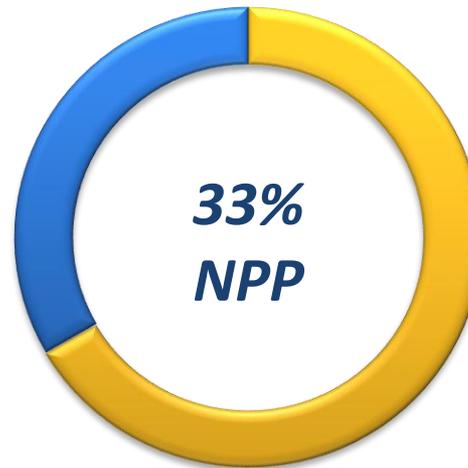
% of CP & NPP

2013-14



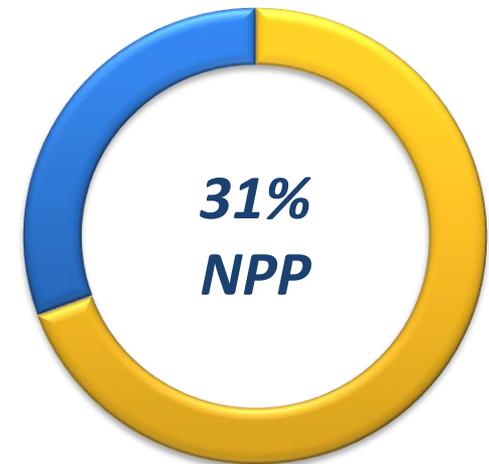
■ CP % ■ NPP %

2014-15



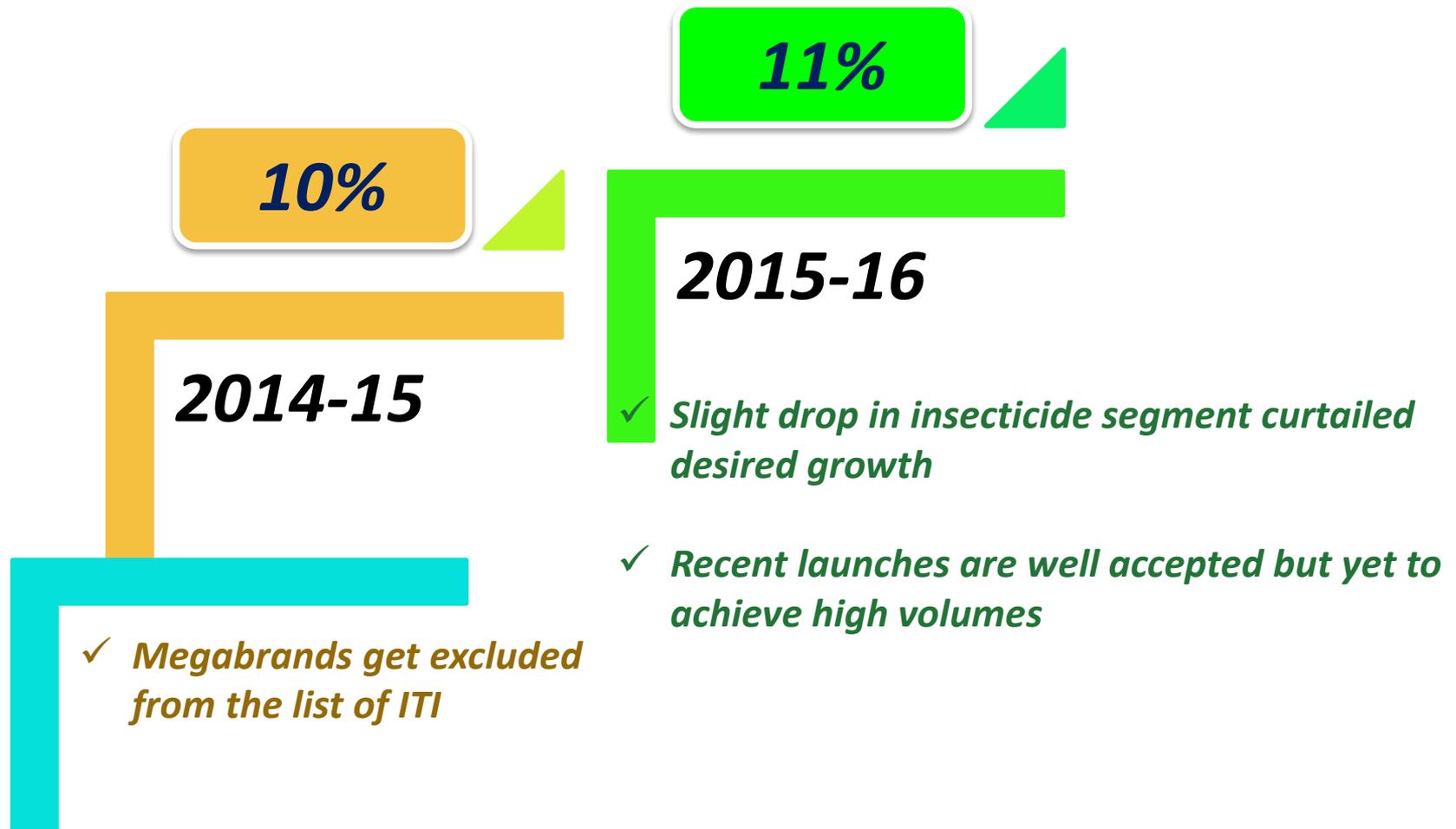
■ CP % ■ NPP %

2015-16



■ CP % ■ NPP %

Innovation Turnover Index





Metahelix

Metahelix

- ❖ **Increased stake to 100% (Rs 73 crs)**
- ❖ **8% growth in revenues to Rs 334 crs despite degrowth in many crops**
- ❖ **Improved market share in paddy; leading position in millets; cotton and vegetables improve**
- ❖ **Better working capital management**



DAHEJ



Contract Manufacturing

- **Made good progress in new CM opportunities**
- **Of the projects pursued made definitive progress in two having qualified now for piloting quantities**
- **During the current year we expect these to blossom into commercial quantities**
- **We will be manufacturing these in our Dahej facility where suitable infrastructure is available**
- **We can customise it to meet the requirements**
- **We have also made progress in obtaining regulatory approvals in Dahej to take care of expansion needs**



Key Wins

For the Quarter & Year 2015-16



Rallis Commitment to Customers, Innovation

“India’s most trusted brand award, 2015”



India’s Most Trusted Brand Award is a recognition of excellence and appreciation of brands and a seal of approval of our products and/or services and also of customer satisfaction and delight.

Origin won award for product innovator – FICCI chemicals & petrochemicals awards 2015





Rallis Commitment to EXCELLENCE

CII EXIM PRIZE FOR BUSINESS EXCELLENCE



RALLIS WON THE SIGNIFICANT ACHIEVEMENT IN HR EXCELLENCE





ICSI Award



Rallis India Limited has received the Certificate of Recognition for adopting Exemplary Corporate Governance Practices



PROJECT SUNSHINE, Dahej





Rallis Commitment to SUSTAINABILITY & SAFETY

50 most influential sustainability leaders

RC logo: re-certification for 3 years



Responsible Care[®]
OUR COMMITMENT TO SUSTAINABILITY



Safety Award



*Rallis India Limited, Lote has won the third level Safety Award **Suraksha Puraskar (Bronze trophy and Certificate) in Group B under the manufacturing sector category***



***Lote** and **Akola** units have been awarded with 'Certificate of Merit' from National Safety Council-Maharashtra Chapter for meritorious performance in industrial safety during the year-2014 in chemicals and fertilizers industrial group.*



Outlook Kharif 2016



Monsoon 2016-17

IMD Forecasts this year's monsoon to be 106 % of LPA (Above Normal Rainfall)

Skymet Forecasts this year's monsoon to be 105 % of LPA (Above Normal Rainfall)

IMD	Skymet
<ul style="list-style-type: none"> 30 % chance of Excess rainfall 34 % chance of Above Normal rainfall 30 % chance of Normal rainfall 5 % chance of below normal rainfall 1 % chance of drought 	<ul style="list-style-type: none"> 20 % chance of Excess rainfall 35 % chance of Above Normal rainfall 30 % chance of Normal rainfall 10 % chance of below normal rainfall 5 % chance of drought

