



RALLIS INDIA LIMITED

V Shankar  
Managing Director & CEO

**Press Release**

**Rallis Q3 Profit rises 55%**

**Mumbai, January 14th, 2010** Rallis India, a TATA Enterprise and a leading player in the Indian crop protection industry, today announced its financial results for the quarter ended 31<sup>st</sup> December 2009.

**Q3 Performance:**

Profit after tax at **Rs 24 Crores** for the third quarter has grown by 55% over the same period last year.

The Company has recorded PBT before exceptional items of **Rs 41 Crores** during Q3, a rise of 58% from last year's figure of Rs 26 Crores, despite net sales marginally declining to Rs 203 Crores. (Previous Year : Rs 208 Crores)

During the third quarter, profitability improved achieving EBITDA of **22%** compared to 15% same period in the previous year. The improvement in EBITDA margin has been achieved through better portfolio mix and improved quality of operations including efficient control over working capital. The domestic business recorded handsome gains in the marketplace with the farmers showing emphatic preference to some of the latest product offerings such as **Taqat, Applaud, Takumi** and **Ergon**. The recently launched Ergon has been developed by the Company's own R&D over a nine year period. Ergon is very effective in controlling a wide spectrum of fungal diseases in crops like Grapes and Paddy. The international business continued with a sluggish pace compared to last year. The Company has also achieved significant improvements in operational efficiencies and has successfully commissioned some additions to its manufacturing capacity. The new project at Dahej has gained momentum during the quarter and is scheduled to commence production by July 2010.

**April - December Results:**

Rallis posted profit before tax (before exceptional items) of **Rs 129 Crores** for the first nine months of the financial year 2009-10. This translates to a growth of 22% over the last years PBT from operations of Rs 105 Crores during similar period.

Net Sales during the first nine months grew by 4% to **Rs 683 Crores**.



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The Company has significantly enhanced its profitability with EBITDA margin of **21%** during the first nine months of the current year, an improvement of 3% points over the previous year in the similar period.

Commenting on the Company's performance, **Mr V Shankar, Managing Director, Rallis India** said, **"I am pleased that we have delivered continuous improvement in the quality of our operations reflected in profit growth and EBIDTA margin increase. Working capital focus and the higher cash generation has helped us contain financing costs as well. The farmer response to our portfolio of products has been very satisfying and our investment into the farmer relationship initiative RALLIS KISAN KUTUMBA has been intensified"**.

Commenting on new vistas **Mr Shankar** added, **"Our value creation initiatives under the DISHA platform continue to drive our performance enhancement programmes. I do look forward to our Dahej project being commissioned in the next few months to take on new businesses in contract manufacturing. We are continuing with our progress on the Rallis Poised growth agenda"**

Following a poor South-West monsoon and lower Kharif output, the acreages and sentiments for the Rabi season look positive. The planting so far shows improvement over last year in most crops and with an overall favourable environment the Rabi agriculture operations is expected to perform better.

Rallis is known for its manufacturing capabilities in crop protection chemicals and various types of chemistries with ability to develop new processes and formulations supported by the capability to register new products. It has contract manufacturing alliances with several multinational agrochemical companies.

Rallis is one of India's leading agrochemicals companies, with a century old tradition of servicing rural markets and a comprehensive portfolio of pesticides for Indian farmers. The Company is known for its deep understanding of Indian agriculture, sustained relationships with farmers, quality agrochemicals, branding and marketing expertise and its strong product portfolio.

During the financial year 2008-09, the Company had posted Profit after Tax of Rs. 72 Crores and Revenues of Rs. 910 Crores.