



RALLIS INDIA LIMITED

**Press Release**

***Rallis Q2 Sales up 13%, Profit rises 10%***

***despite indifferent monsoon***

**Mumbai, October 14th, 2009** Rallis India, a TATA Enterprise and a leading player in the Indian crop protection industry, today announced its financial results for the quarter ended 30th September 2009.

In Q2 the Company recorded net sales of Rs 317 Crores, registering a growth of 13% over the previous year in the same period. Net Profit during the quarter rose to Rs 46 Crores, registering a growth of 10% over the previous year in the same quarter.

Sales during the first half (for the period April – September) period grew by 6% to Rs 480 Crores. Net Profit grew by 20% to Rs 55 crores and Profit from operations (bei) increased to Rs 88 Crores during the first half.

These results have been achieved by the Company despite one of the most erratic monsoons that the country has had. Several strategic initiatives (new products, geographical market focus, growth with cost control) helped to respond aggressively and flexibly.

The Company continued to drive its **Rallis Poised** agenda which stood its performance in good stead under tough operating and environmental conditions. In addition close tracking and the ability to focus on the few opportunities with value creating offerings enabled good market presence. The Company's new products such as **Takumi** and **Ergon** bringing in latest generation offerings have received encouraging response from the farmers.

In the first half of the year the Company sustained EBITDA margins at 20%. Rigorous working capital management is also reflected in the lowest ever interest costs of Rs 78 Lakhs at the end of September. The new plant coming up at Dahej is progressing well and is on track for commercial production in Q2 next year. Setting up modern high class facilities for manufacture of crop protection chemicals in the first phase, this Unit is programmed to deliver over Rs 500 crores of revenue over a three year period.

Commenting on the Company's performance during the second quarter of the ongoing financial year, Mr. **V Shankar**, Managing Director and CEO, Rallis India said, "***I am pleased that we have registered healthy top-line and bottom-line growth when***



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***business environment has been quite challenging in the domestic as well as international markets. We have surpassed quarterly sales of Rs 300 Crores for the first time ever. In the domestic market we continue to get excellent response from farmers for all our new products. Our continued investment in farmer and channel relationships coupled with sharp focus on operating efficiencies have been the bedrock of our delivery. As a part of our Rallis Poised growth agenda our capital investment in Dahej is recording good progress and I believe this will position us well going forward."***

***Commenting on the performance of Monsoon this year, Mr. Shankar further added that, "Progress of South West monsoon has been much below normal expectation till the end of September month severely impacting kharif crop acreages and crop health in many areas across the country. Recent heavy rains during the first week of October month will have a positive impact for the Rabi season."***

A Board Meeting will be held on Tuesday 20<sup>th</sup> October'09 to consider an interim dividend.

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.

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