



Q3 Performance

2015–16

V Shankar
19th January 2016

Financial Performance : Key Highlights

₹ Crs

Rallis Consolidated

	9M 14-15	9M 15-16
Net Sales	1,486.0	1,269.6
Profit before tax (bei)	192.0	143.9
Net Profit After Tax (before MI)	138.5	114.7
Net Profit After Tax (after MI)	135.9	110.8

Financial Performance : Key Highlights - YTD

₹ Crs

Rallis Standalone

	9M 14-15	9M 15-16
Net Sales	1,217.4	983.7
Profit before tax (bei)	175.2	124.9
Net Profit After Tax	121.7	95.6



Financial Performance : Key Highlights

Rallis Consolidated

₹ Crs

	Q 3 14-15	Q 3 15-16
Net Sales	384.7	306.2
Profit before tax (bei)	36.1	18.4
Net Profit After Tax (Before MI)	23.3	18.8
Net Profit After Tax (After MI)	25.5	20.4



Financial Performance : Key Highlights Rallis Standalone

Rs Crs

	Q 3 14-15	Q 3 15-16
Net Sales	350.0	277.4
Profit before tax (bei)	45.3	26.1
Net Profit After Tax	32.5	26.5

Consolidated Results to Stock Exchange

RALLIS INDIA LIMITED
A TATA Enterprise

Registered Office: 156/157, Nariman Bhawan, 15th Floor, 227 Nariman Point, Mumbai - 400 021.

PART I

₹ in Cr.

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015

Particulars	Current 3 months ended 31 December 2015	Preceding 3 months ended 30 September 2015	Previous Corresponding 3 months ended 31 December 2014	Year to date figures for current period ended 31 December 2015	Year to date figures for previous period ended 31 December 2014	Previous year ended 31 March 2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(Refer Notes Below)						
1 Income from Operations						
a) Net sales/income from operations (Net of excise duty)	306.23	499.70	384.70	1,269.56	1,485.98	1,800.82
b) Other operating income	6.38	2.00	4.77	13.06	13.97	21.02
Total income from operations (net) (a)+(b)	312.61	501.70	389.47	1,282.62	1,499.95	1,821.84
2 Expenses						
a) Cost of materials consumed	159.20	244.80	216.29	655.79	758.69	889.50
b) Purchase of stock-in-trade	24.48	47.74	18.54	97.04	146.85	159.61
c) Changes in inventories of finished goods, work-in-progress and stock in trade	(22.80)	(26.12)	(30.14)	(105.18)	(79.26)	(54.57)
d) Employee benefits expense	32.11	34.49	34.16	98.73	98.02	129.35
e) Depreciation and amortisation expense	13.98	13.00	12.61	38.70	36.37	49.58
f) Other expenses	84.45	104.16	100.16	347.96	342.91	420.81
Total Expenses (a)+(b)+(c)+(d)+(e)+(f)	291.42	418.07	351.62	1,133.04	1,303.58	1,594.28
3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	21.19	83.63	37.85	149.58	196.37	227.56
4 Other Income	0.80	2.81	0.86	4.91	3.25	4.16
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	21.99	86.44	38.71	154.49	199.62	231.72

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	(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
6	Finance costs	3.63	2.85	2.58	10.57	7.59	10.13
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	18.36	83.59	36.13	143.92	192.03	221.59
8	Exceptional Items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7- 8)	18.36	83.59	36.13	143.92	192.03	221.59
10	Tax expense	(0.40)	27.79	12.83	29.26	53.48	61.79
11	Net Profit / (Loss) for the period (9-10)	18.76	55.80	23.30	114.66	138.55	159.80
12	Extraordinary Item	-	-	-	-	-	-
13	Net Profit / (Loss) after taxes but before share of profit / (loss) of associates and minority interest (11-12)	18.76	55.80	23.30	114.66	138.55	159.80
14	Minority Interest	(1.65)	(1.48)	(2.19)	3.88	2.65	2.58
15	Net Profit after taxes and minority interest (13-14)	20.41	57.28	25.49	110.78	135.90	157.22
16	Paid-up equity share capital (Face value ₹ 1 per share)	19.45	19.45	19.45	19.45	19.45	19.45
17	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						795.07
18	Earnings per Share (EPS) (of ₹ 1 each) (not annualised):						
	a) Basic	1.05	2.94	1.31	5.70	6.99	8.08
	b) Diluted	1.05	2.94	1.31	5.70	6.99	8.08

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Notes :

- 1 The above results were reviewed by the Audit Committee, and approved by the Board of Directors at its meeting held on 18 January 2016, and the Statutory auditors of the Company have conducted a "Limited Review" of the above financial results for the quarter and nine months ended 31 December 2015.
- 2 The business of the Company and its subsidiaries (the "Group") is seasonal in nature and the performance can be impacted by weather conditions and cropping pattern.
- 3 The Company and its subsidiaries have one reportable business segment viz. "Agri-Inputs".
- 4 The Standalone results of the Company for the quarter and nine months ended 31 December 2015 are as follows:

(₹ in cr)

Particulars	Current 3 months ended 31 December 2015	Preceding 3 months ended 31 September 2015	Previous Corresponding 3 months ended 31 December 2014	Year to date figures for current period ended 31 December 2015	Year to date figures for previous period ended	Previous year ended 31 March 2015
(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Turnover (net of Excise)	277.44	462.23	350.00	983.67	1,217.41	1,498.12
Profit Before Tax	26.09	92.47	45.33	124.88	175.18	205.75
Net Profit After Tax	26.49	64.68	32.50	95.62	121.70	145.41

- 5 Figures for the earlier periods have been regrouped / recast, wherever necessary, to conform to the classification of the current period.
- 6 The standalone results of the Company are available for investors at www.rallis.co.in, www.nseindia.com and www.bseindia.com.

**In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants**

**Sanjiv V. Pilgaonkar
Partner**

Mumbai, 18 January 2016

**For and on behalf of
Rallis India Limited**

**V Shankar
Managing Director & CEO**

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(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income from operations						
a) Net sales/income from operations(Net of excise duty)	277.44	462.23	350.00	983.67	1,217.41	1,498.12
b) Other operating income	6.16	1.98	4.67	11.54	13.74	20.35
Total income from operations (net) (a)+(b)	283.60	464.21	354.67	995.21	1,231.15	1,518.47
2 Expenses						
a) Cost of Materials consumed	145.15	234.27	200.00	533.03	639.79	745.58
b) Purchase of stock-in-trade	27.35	50.85	21.99	118.91	162.96	177.58
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(17.43)	(30.64)	(27.19)	(98.56)	(75.39)	(31.37)
d) Employee benefits expense	24.60	27.09	27.89	75.65	78.82	103.54
e) Depreciation and amortisation expense	12.26	11.32	11.23	33.86	32.24	44.59
f) Other expenses	63.76	79.54	74.78	204.85	216.16	269.73
Total expenses 2(a) to 2(h)	255.69	372.43	308.70	867.74	1,054.58	1,309.65
3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	27.91	91.78	45.97	127.47	176.57	208.82
4 Other Income	0.37	2.45	0.58	3.46	2.21	1.72
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	28.28	94.23	46.55	130.93	178.78	210.54

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(Refer Notes Below)						
6 Finance costs	2.19	1.76	1.22	6.05	3.60	4.79
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	26.09	92.47	45.33	124.88	175.18	205.75
8 Exceptional Items	-	-	-	-	-	-
9 Profit / (Loss) from ordinary activities before tax (7 - 8)	26.09	92.47	45.33	124.88	175.18	205.75
10 Tax expense	(0.40)	27.79	12.83	29.26	53.48	60.34
11 Net Profit from Ordinary Activities after tax (9-10)	26.49	64.68	32.50	95.62	121.70	145.41
12 Extraordinary Item	-	-	-	-	-	-
13 Net Profit / (Loss) for the period (11 - 12)	26.49	64.68	32.50	95.62	121.70	145.41
14 Paid-up equity share capital (Face value ₹ 1 per share)	19.45	19.45	19.45	19.45	19.45	19.45
15 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						778.51
16 Earnings per Share (EPS) (of ₹ 1 each)(not annualised):						
a) Basic	1.36	3.33	1.67	4.92	6.26	7.48
b) Diluted	1.36	3.33	1.67	4.92	6.26	7.48



Notes :

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In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
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Partner

Mumbai, 18 January 2016

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For and on behalf of
Rallis India Limited

V Shankar
Managing Director & CEO



M S Swaminathan described the year 2015 as a "**difficult year**" for farmers and farming.

On the outlook for next year, he said, "There may be a short fall in view of the aberrant weather. Our agriculture has, however, gained sufficient resilience,"

Stating the **major challenge** that the sector faced was in **pulses**, Swaminathan - the father of green revolution said,

"There is a shortage of pulses. In spite of the problems, our farmers have tried to produce as much as they can."

Crop Prices- 2013 Vs Current Year

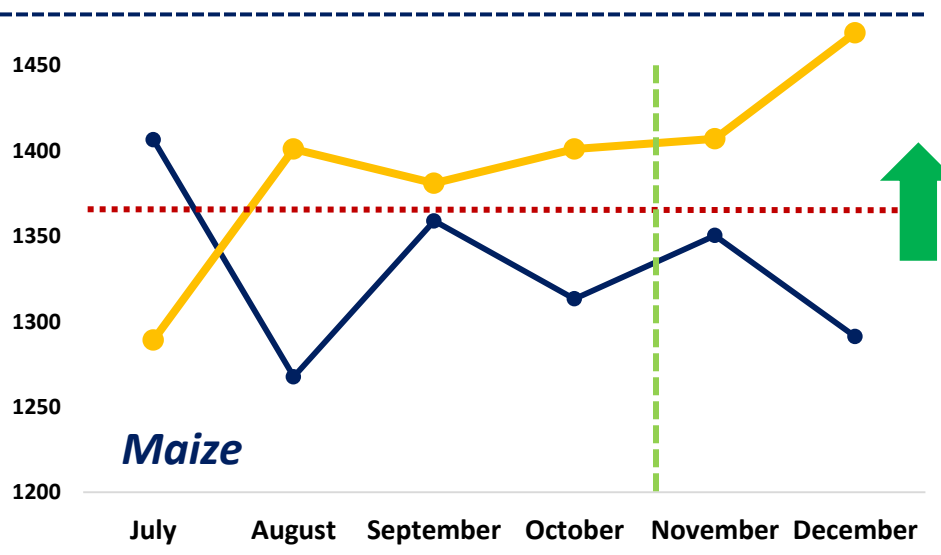
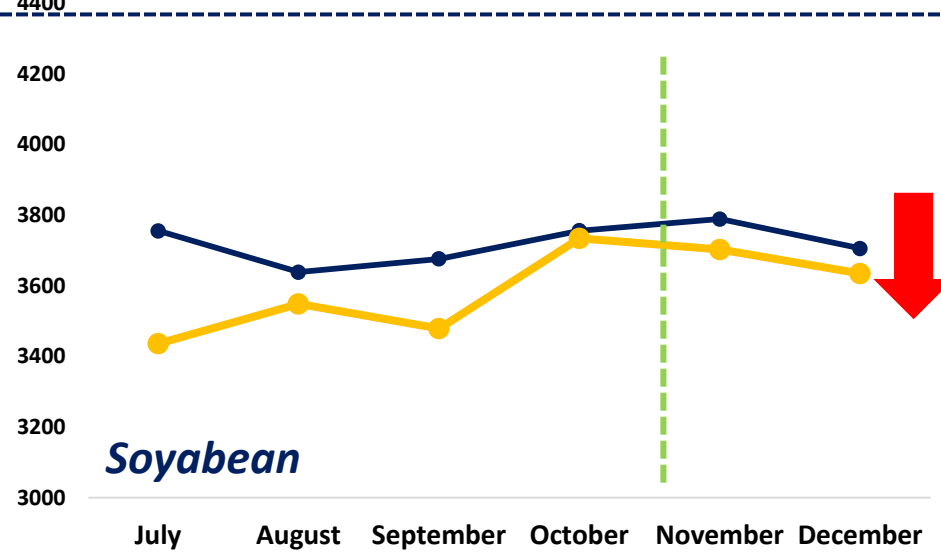
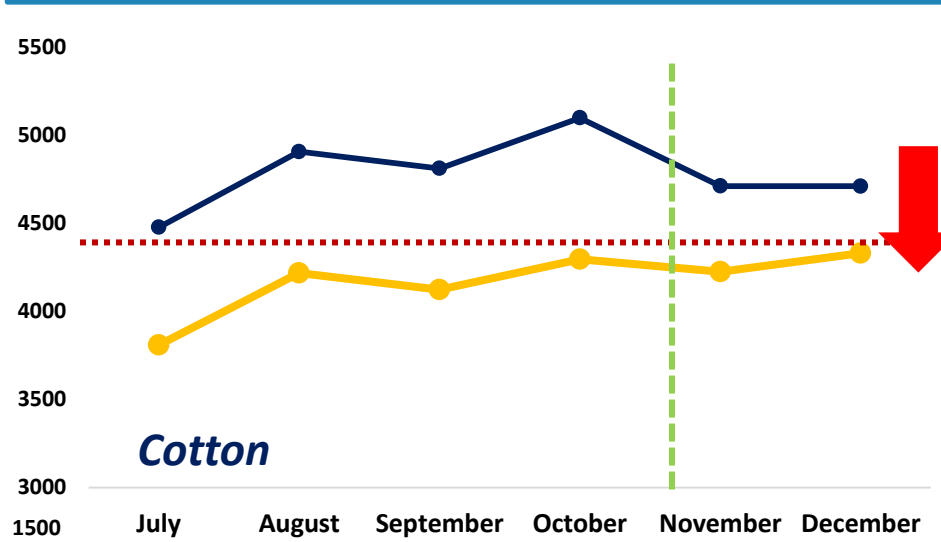
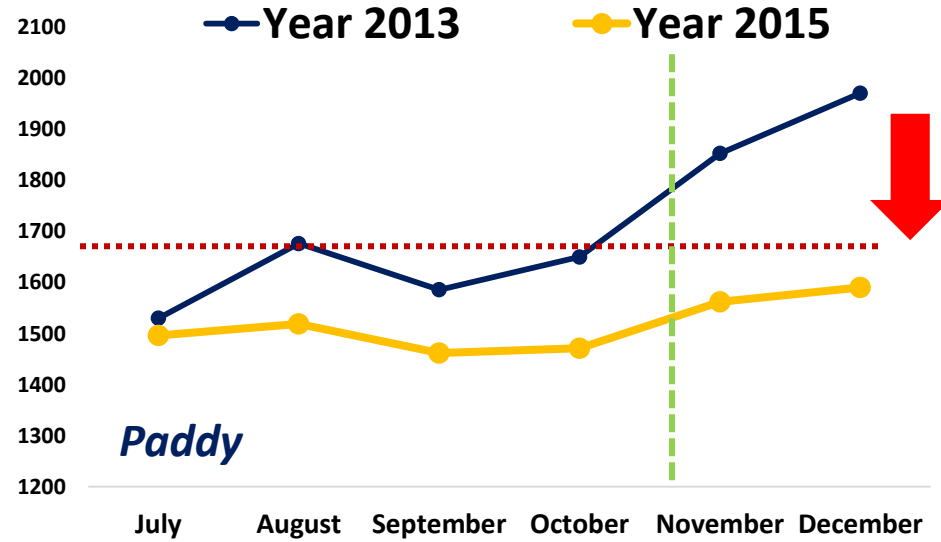


Price Rs/Qtl

● Year 2013

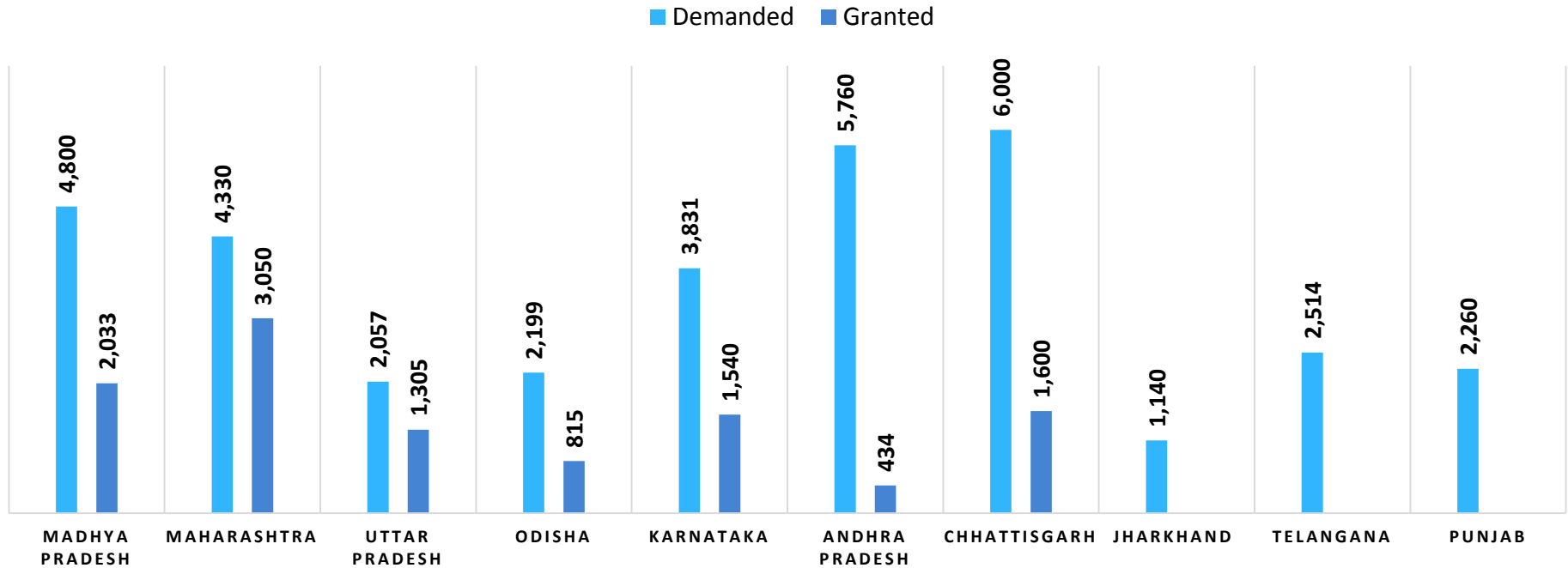
● Year 2015

■ Kharif Pre-Sowing Price Forecast for 2015-16



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

Assistance sought from Central Govt.



- ❖ 10 states had sought a central aid of Rs.38,667 crore; Sanctioned Amount- Rs. 10,800 Crore
- ❖ Rainfall deficit in 2015 has affected crops spread over an area of 19 million hectare
- ❖ Additionally, 3.2 million hectare of crop area was damaged by storms and floods since April.
- ❖ The inclement weather affected 22.2 million hectares in this rain-fed kharif season
- ❖ Central Govt. awaiting proposal by rest of states

**Back to Back Drought-
Worst in a Decade**

**Deferred Sowing, Crop
Health**

**Shift in Season-
Delayed farm activities**

**Change in the Pest
occurrence**

Fickle pest pressure

**Affected international
markets- Brazil**

**Decreasing Commodity
Price Trend**

**Affected Production &
lower farm income**

Low level of reservoirs

**High level of inventories
followed by- Price War**

“Worst” attack of whiteflies in past five years

Whitefly hits cotton crop in three states

HT Correspondents
letters@hindustantimes.com

JAIPUR/CHANDIGARH: A deadly whitefly pest attack has destroyed the cotton crop on swathes of land across the states of Punjab, Rajasthan and Haryana, raising concerns over the vulnerability of genetically modified seeds that yield nearly all of the cotton in the world's top producer.

“Overlapping populations of whitefly due to high humidity followed by high rainfall are the most significant reason for the damage to the cotton crop,” said Dr Satish Sharma, deputy director for agriculture in Ganganagar. Dr Bachittar Singh, senior professor at Agriculture Research Station in Sriganganagar, said spurious pesticides were also responsible for the catastrophe. The Centre



COTTON BLUES

Whitefly attack in Punjab has damaged over 75 per cent crop across cotton belt, triggering farmers' protests

70 per cent cotton crop estimated to be damaged

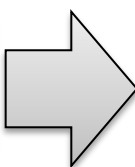
Cotton sown in nearly 11.50 lakh acres; 98 per cent of which is Bt cotton

Government has announced Rs. 644 crore compensation



Farmers' stir to continue, will 'gehrao' ministers, MLAs on October 22

Impacted sales of key molecules



Rabi Season got delayed due to less moisture condition & extended kharif



Higher inventory and market returns

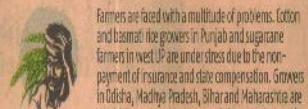


Rabi Season: 2015-16

Beginning of Rabi Season on Low Sentiments

Back-to-back drought adds to the woes

Punjab's basmati farmers to AP's tobacco growers are caught in the vice-like grip of agricultural distress



Farmers are faced with a multitude of problems. Cotton and basmati rice growers in Punjab and sugarcane farmers in West UP are under stress due to the non-payment of insurance and state compensation. Growers in Odisha, Madhya Pradesh, Bihar and Maharashtra are

Cold conditions likely to affect grape output

Maharashtra

Pune, Dec 28: Dipping temperature in Nashik, one of the biggest grape growing regions in the country, is likely to impact growth of the fruit and the overall production for the season.

Temperatures in Niphad and Pimpalgaon regions of Nashik have dropped to 5-



sult, many farmers have

STATES BOGGED AND HOW

Kharif crops have been severely impacted in large parts of Odisha due to inadequate rainfall and 882,000 hectare of cropped area have suffered damage to the extent of 33% In Punjab, cotton growers suffered huge losses as 40% of their standing kharif crop was ravaged by the whitefly The north-western parts of the country, which includes Punjab, Haryana, Uttar Pradesh and Rajasthan, had received the least amount of rainfall In Andhra Pradesh, rural distress plagues tobacco farmers due to a drop in retail prices. Farmers there, had produced 172 million kg of flue cured Virginia tobacco in 2014-15, of which only 142 million kg have been sold thus far In Kerala, tapping of rubber had been stopped in the middle of the season in most big plantations as rubber prices crashed both in the domestic and global markets

Madhya Pradesh let down by monsoon

Most farmers depend on rainwater for farming; shortage of electricity supply and depleting ground water have exacerbated the matters

Rabi sowing down by 4.6% till Jan 1

By Bureau

New Delhi, Jan 1: This season's rabi crop area was 4.6% lower than the year ago period until Friday data released by the ministry of agriculture stated. The difference was reported at around 3.5% in the previous estimate released earlier this week and 17% in the assessment six weeks ago.

This could bring huge relief to farm sector which had already faced two consecutive years of deficient monsoon. With the exception of wheat and oilseeds, the sowing of rabi crops like pulses and coarse cereals have surpassed last year's figure.

The total area sown under ra-

rice. The rabi sowing is expected to continue for next couple of weeks, an agriculture ministry official said.

The area under pulses has just surpassed the last year's figure until January 1. "The production of pulses has remained almost stagnant within the range of 13 to 19 million tonnes during 2005-2015," the government's Mid-Year Economic Analysis released recently stated.

While coarse cereal sowing have jumped by more than 8% compared to last year, the wheat sowing picked up pace this week. However, the wheat sowing is still less by around 7.2% compared to a year-ago period.

"Due to delay in kharif har-

Cotton output to decline 11% as acreage, yield fall

PRESS TRUST OF INDIA

Mumbai

COTTON production in India is estimated to be lower by 11 per cent at 33.5 million bales in the current year due to lower acreage and drastic reduction in yields, says a report.

"The cotton production is estimated at 33.5 million bales (170 kg each) this year against 37.66 million bales of last year, lower by 11 per



Poor return Acreage under cotton

Heavy rains in TN, AP may hit standing turmeric crop

Delayed planting, lower area may hit wheat output

Rabi acreage of the cereal down 7%

Though acreages have been maintained in Punjab and Haryana at 34.75 lb and 24.91 lb respectively, the delayed planting in sev-

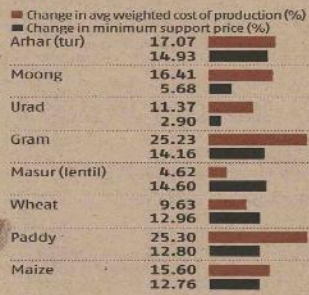


impacted by poor soil moisture levels - a result of weak monsoon this year and also by the higher temperature levels due to delayed planting in several parts of the country. The Bengaluru-based Krishna Flour Mills. Meanwhile, except for gram or chana, the acreages of other major rabi crops remained

Farmers not switching to pulses as MSPs fail to keep pace with rising costs



PULSE RATE
Increase in all India average weighted cost of production of pulses compared with minimum support price from 2012-13 to 2015-16 in percentages



Production of pulses jumped from 15 million tonnes in 2009-10 to 18 million tonnes in 2010-11 but has plateaued since then

SANJEEB MUKHERJEE
New Delhi, 2 January

Farmers are not keen to switch to pulses despite high market prices because their minimum support prices (MSPs) over the last four years have not kept pace with their cost of produc-

tion. Between the two has been narrowing, but an official data furnished few weeks ago in Parliament showed that over a four-year period it is just the opposite. Production of pulses jumped from 15 million tonnes in 2009-10 to 18 million tonnes in 2010-11 but has plateaued

and the MSP by 5.68 per cent. For urad and gram, costs have risen by 11.37 per cent and 25.23 per cent, respectively, and their MSPs by 2.90 per cent and 14.16 per cent. The cost of producing masoor, however, rose by 4.62 per cent over this period and its MSP by 14.60 per cent.

In contrast, the average nationwide cost of production of wheat has grown slower than its MSP from 2012-13 to 2015-16. For paddy and maize, the cost increase is faster than their MSPs, though lower on an annual basis. The Centre last year raised

Worst in 100 years: Non-stop torrential rains ravage southern India

India's Rural Economy

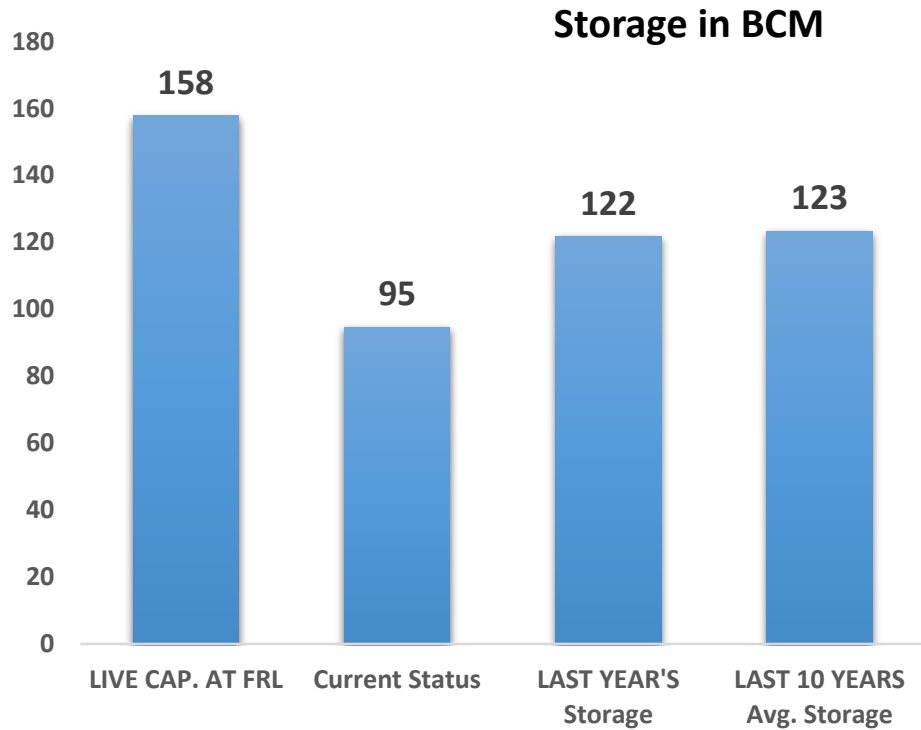
2015-16

The government, in its Economic Survey in February 2015, had projected a growth rate of 8.1-8.5 % for 2015-16, but **has now lowered it to 7-7.5 %**, mainly on **account of deficit rainfall** and **slowdown in exports** because of global factors.

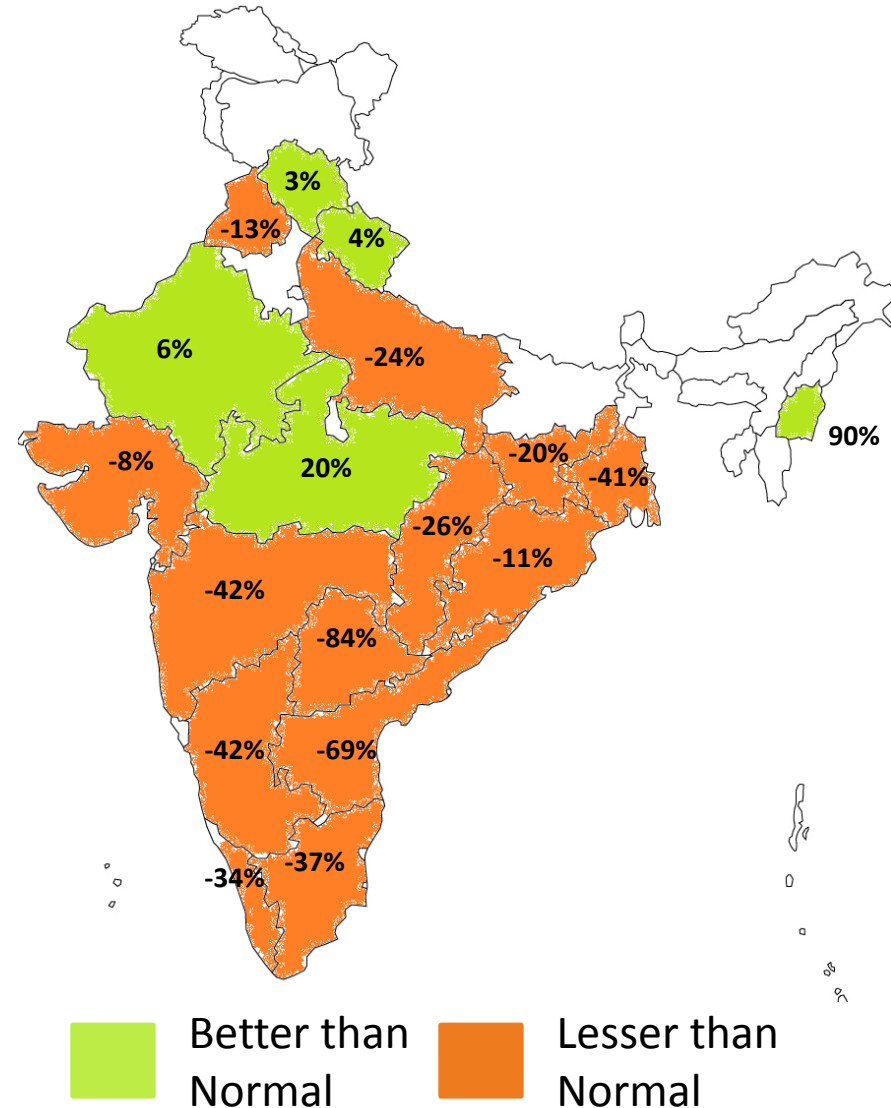


Slowing Rural : Weak Monsoon, Low rural consumption

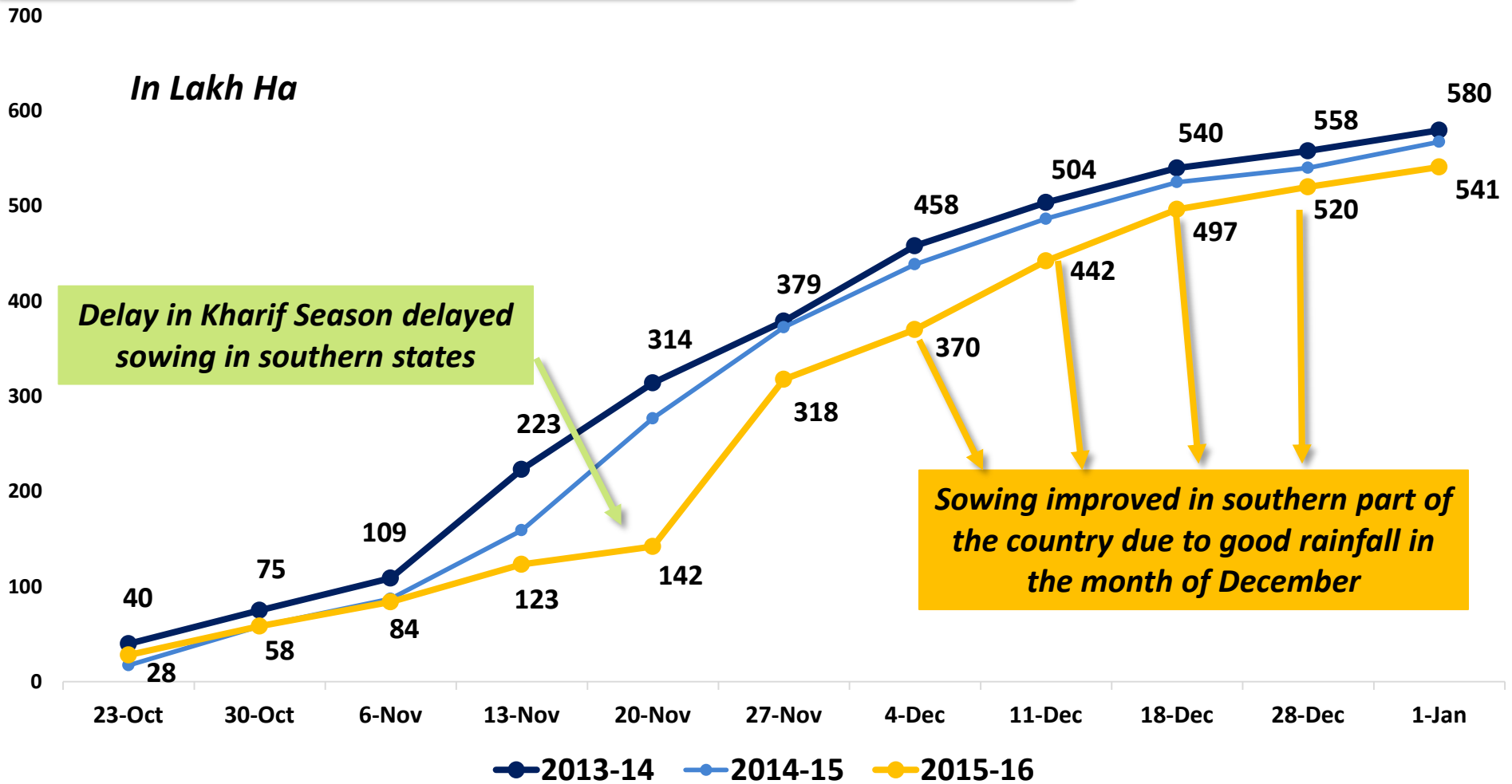
In the past four quarters, **rural growth of household items** right from toothpastes to detergent and biscuits to beverages has been **contracting to single digit growth of 5-6%** compared to 11-12% of last year.



- Water levels before start of Rabi Season was 60 % of total storage capacity
- **(22%)** departure from LY
- **(23%)** departure from Last 10 years Avg.

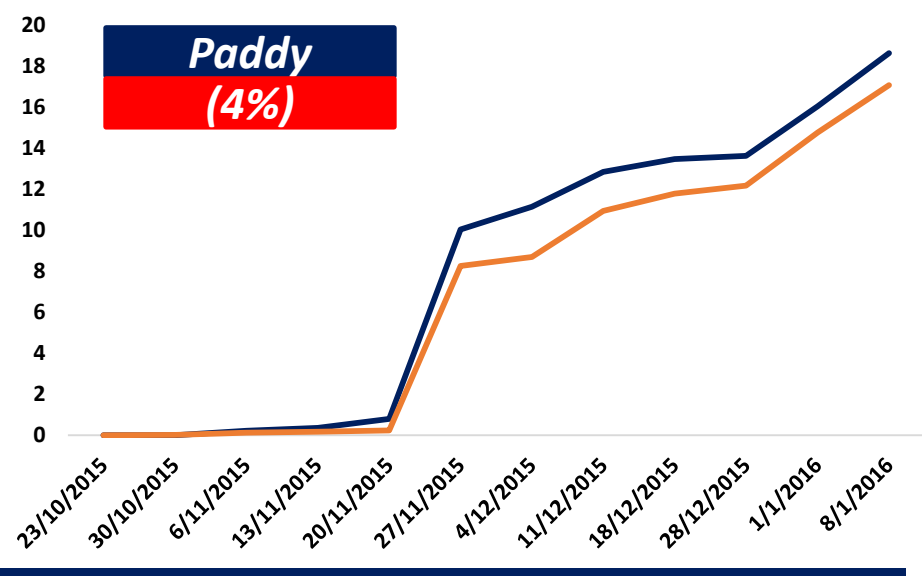
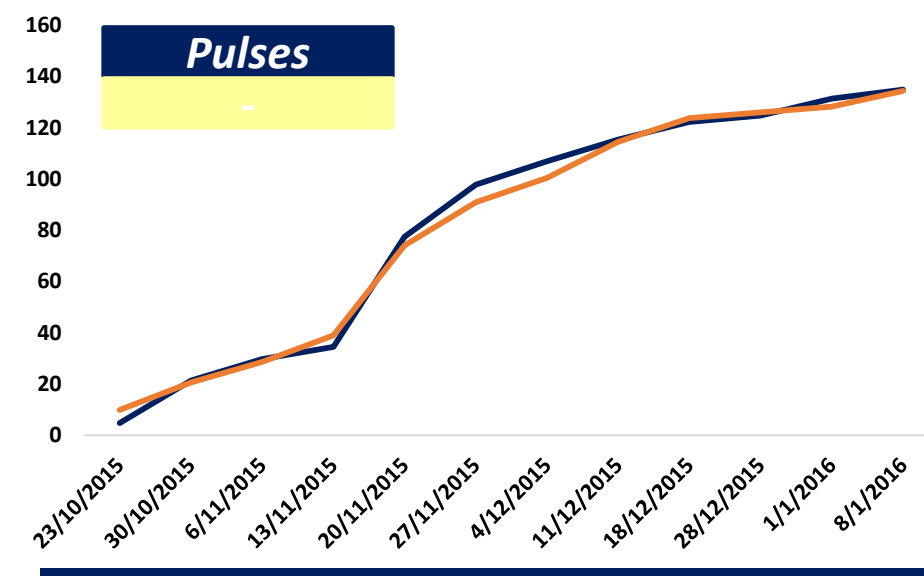
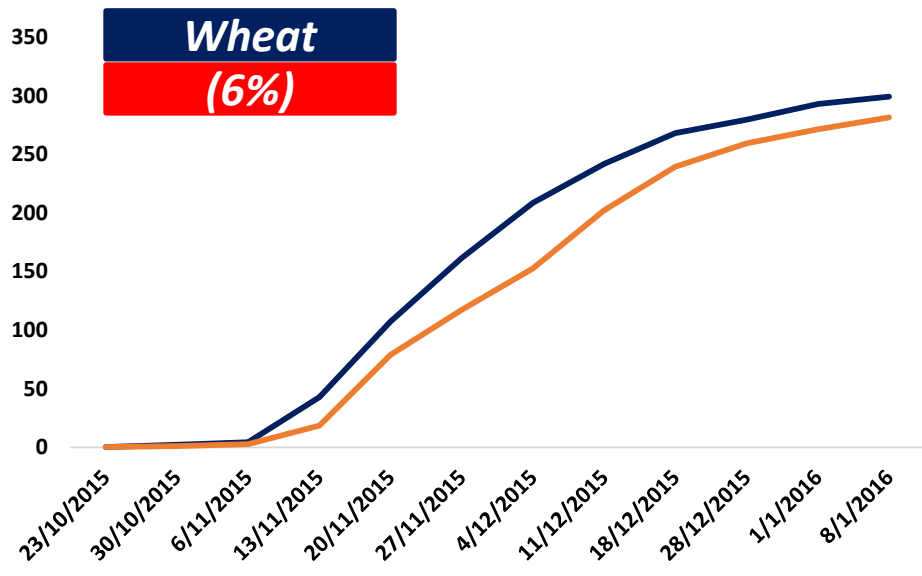
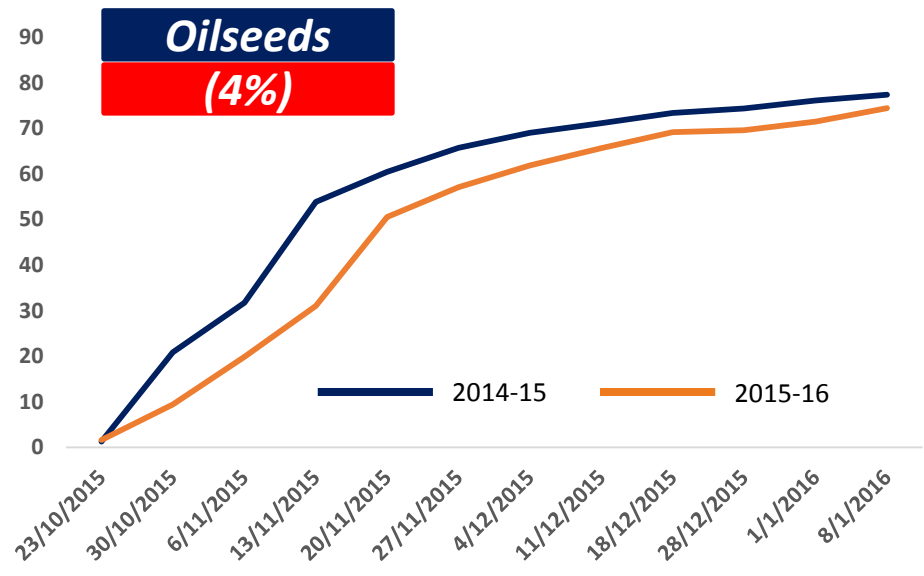


Sowing Progress of all Rabi Crops



Due to the low level of reservoirs across India & supply of less water for irrigation, Rabi Acreage has come down

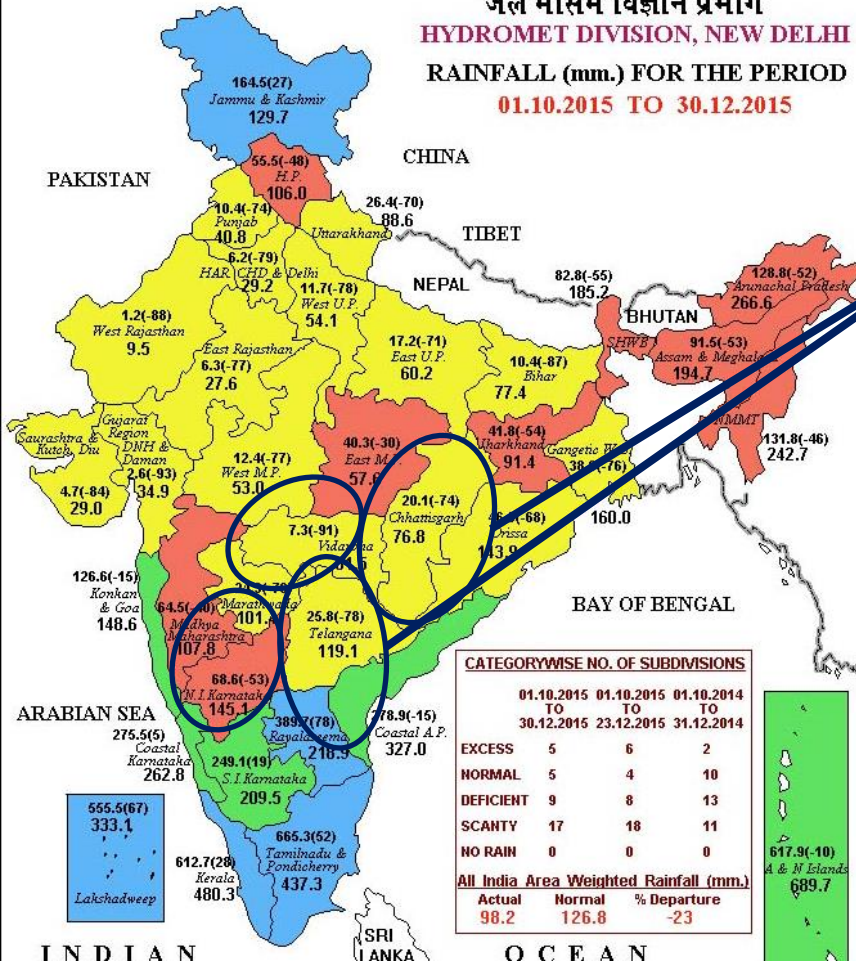
Sowing Progress of Key Crops



Sowing of all key crops lagged as compared to last year

Rainfall Status : October to December 2015

जल मौसम विज्ञान प्रभाग
HYDROMET DIVISION, NEW DELHI
RAINFALL (mm.) FOR THE PERIOD
01.10.2015 TO 30.12.2015



Difficult Rabi Season for Indian farmers

Key Paddy / Pulses growing areas got impacted due to less / erratic rainfall & low level of reservoirs

Less Acreages, Impacted crop health

Impacted sales of Rallis Key Q3 products

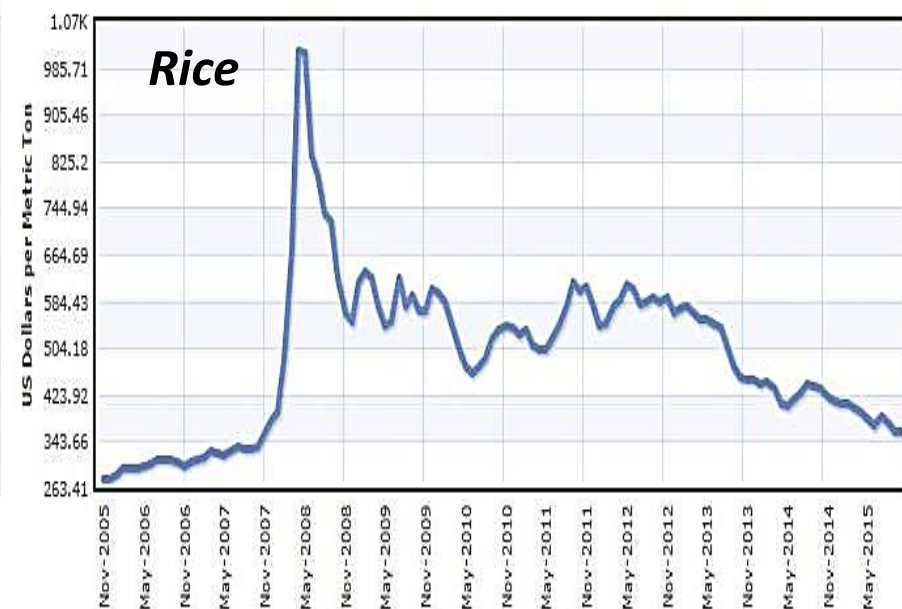
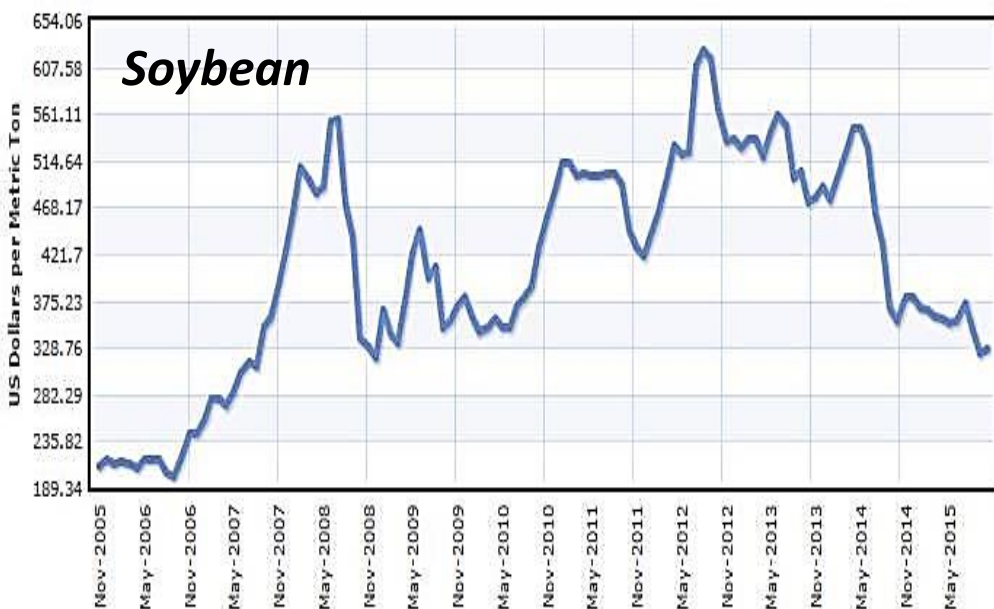
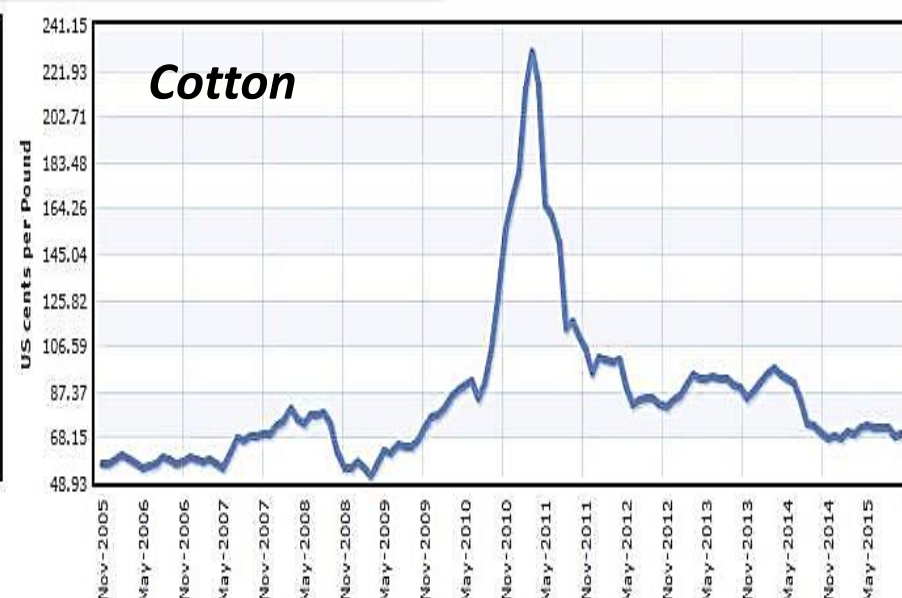
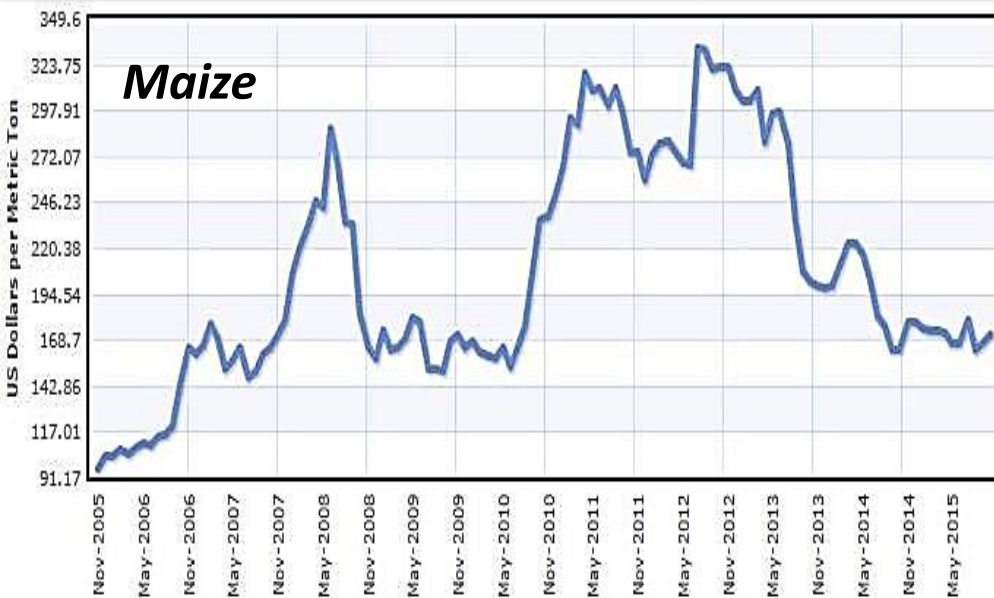
Excess 5, Normal 5, Deficient 9, Scanty 17
All India departure -23%



International Business



Decreasing Trend of Global Commodity Prices- Last 10 Years



U.S. farm income to fall 38 percent in 2015 to 13-year low: USDA

- ❖ U.S. farm incomes are expected to drop 38 percent in 2015, the steepest year-on-year drop since 1983, due to lower crop and livestock prices.
- ❖ Net farm income will drop to \$58.3 billion from \$91.1 billion in 2014, marking the largest percentage decline since 1983
- ❖ U.S. growers this autumn are expected to produce bumper harvests again, which has kept prices depressed for the two commodities – Corn and Soya.
- ❖ The USDA estimated that the corn crop will reach 13.7 billion bushels, the third-largest crop in U.S. history.
- ❖ Government forecasters also estimated the soybean crop would be the second-largest ever.
- ❖ Corn and soybean prices will struggle under the unexpected increase in 2015/16 production.



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

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

Business conditions remains subdued for Brazil and is 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.

Rallis – Pillars of growth

