



# ***Welcome!***

## ***Q2 and H1***

## ***Performance***

**V Shankar**  
**22<sup>nd</sup> October 2013**

## **Highlights : Q2 and H1**

- Q2 net revenue rises 24% ; new milestone of Rs. 600 Crs. (consol.)**
- Q2 net profit at Rs. 75 Crs. ; increase of 21%**
- H1 revenues cross Rs.1000 Crs.; a new high**
- H1 net profit crosses Rs. 100 Crs.**
- Rallis farmer relationship initiatives wins prestigious Porter Prize**
- Board declares interim dividend of Re. 1 per share (100%)**




# ***Business Context***

# First Quarter – Snippets

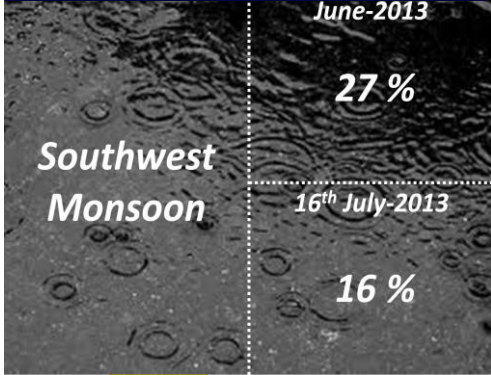
**Sowing – good progress due to Early coverage of monsoon**

### Incidences



- Weeds
- Pest
- Diseases


### Monsoon



June-2013: 27 %

16<sup>th</sup> July-2013: 16 %

**Excellent coverage till June**



### Crop Economics

Moderate increase in MSPs over last years



### Currency

53.7



60.3

# But...

## Monsoon

### Continuous Rains

- Led to Missed sprays
- Floods in Gujarat, Western UP, Bihar and Parts of MP led to crop loss

## FOREX

### Rupee

60

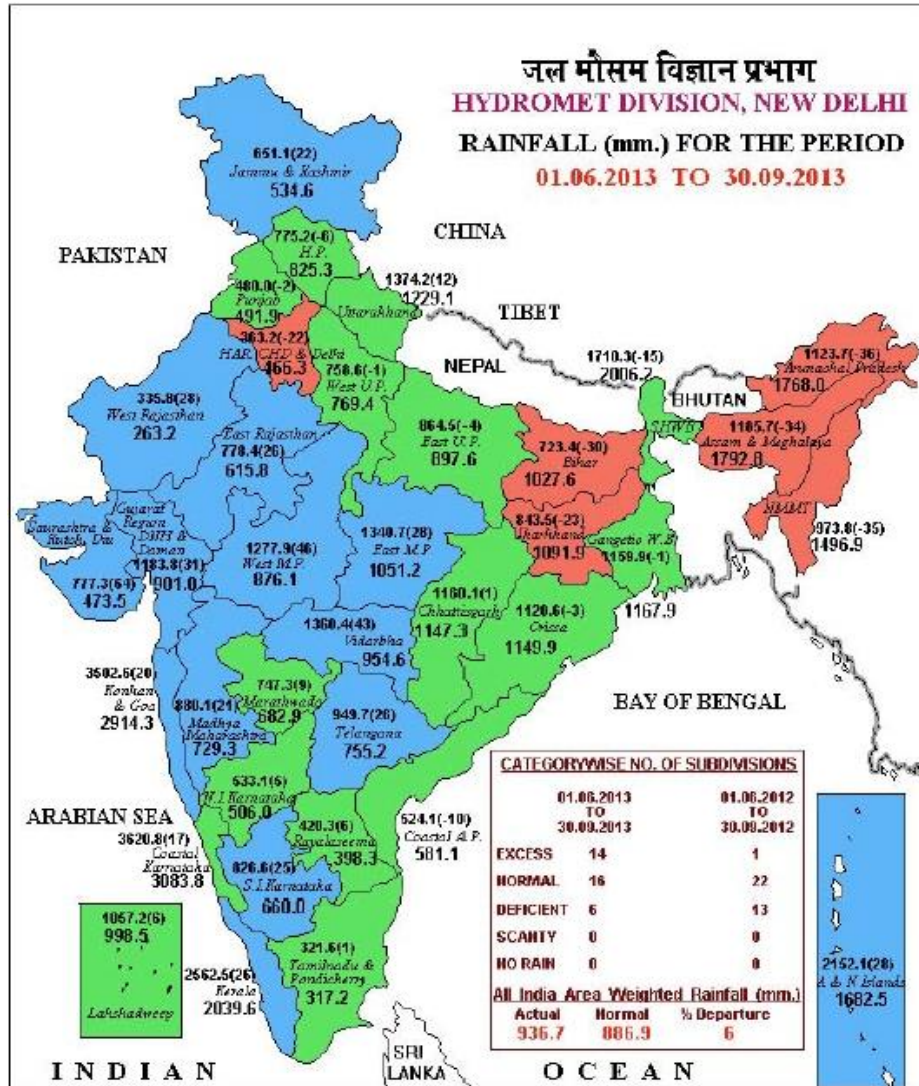


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## Operations

- RM Dispatch from China has been disturbed
- Increase in RM prices
- Increased Competition in Key Brands

# Monsoon till September end

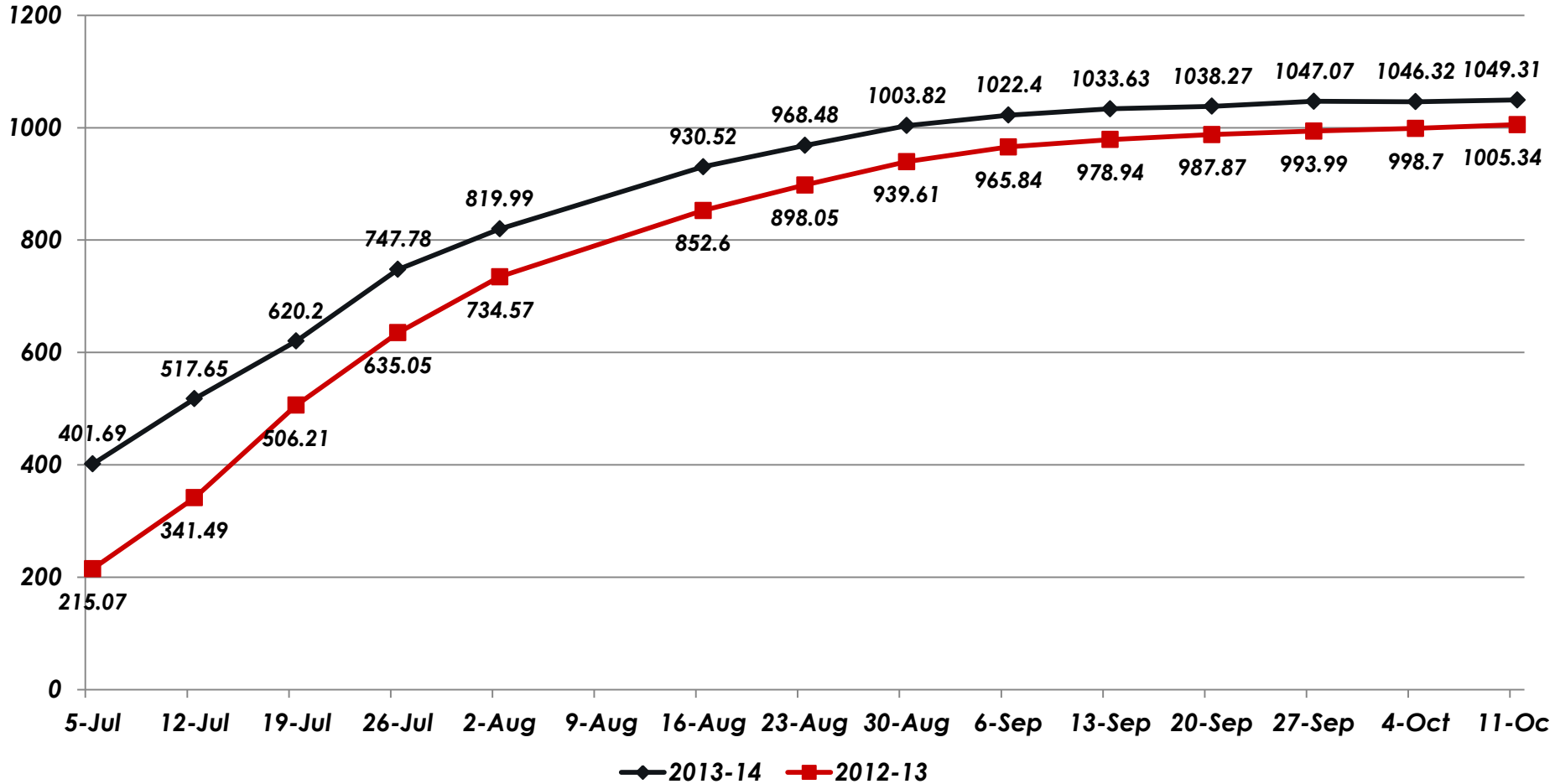


Rainfall till Sept. End	2012-13	2013-14
Excess	1	14
Normal	22	16
Deficient	13	6
Scanty	0	0
No Rain	0	0
All India Departure	-7%	+6%

**Monsoon ends with a 6% Surplus, Best since 1994**

# Crop Sowing Update

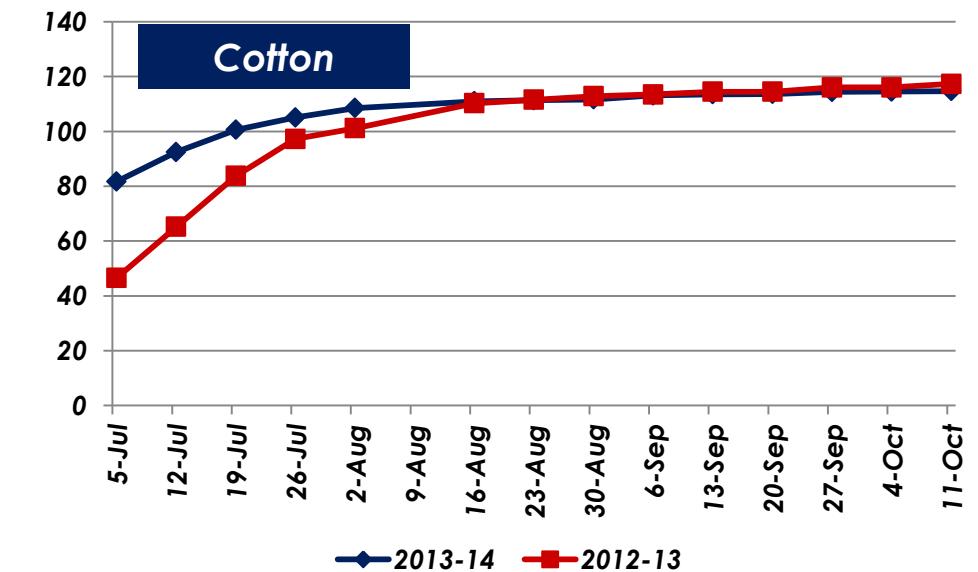
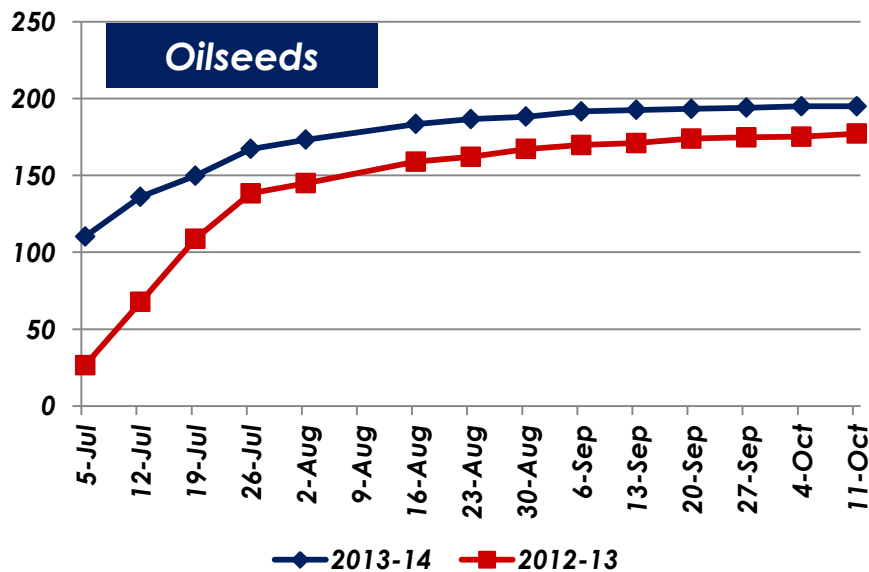
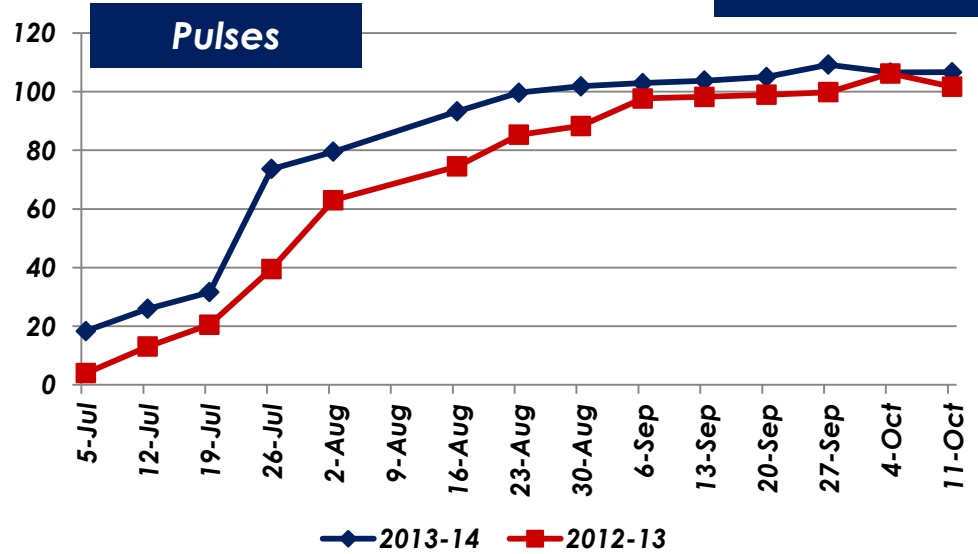
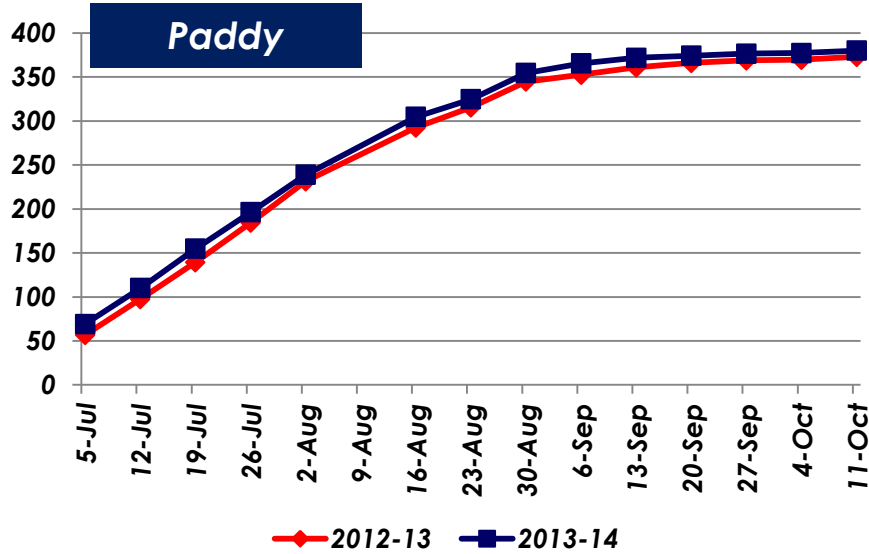
In lakh hectares



Higher acreages contributed by Pulses, Coarse Cereals and Oilseeds

# Crop Sowing Update

In lakh hectares







## Rains were a worry too..

**Total rainfall in the country is a statistically healthy above-average 17%, but heavy downpours - 60% to 80% above average - have jeopardised oilseeds in Madhya Pradesh, which produces 55% of India's soybean.**

This has raised concerns about crop damage and bigger imports of edible oils into the country which has been the world's biggest importer for years.

### **Rains damage Rs 700 cr worth of crops in Gujarat Vadodara/Rajkot October 3, 2013**

Devastating rains in parts of [Gujarat](#) during the past fortnight has wrecked havoc in the state. "As per the preliminary estimates, the damage to overall agriculture including crops, vegetables and horticulture is around Rs 700 crore. We do not rule out impact to groundnut and cotton crops. But the region-specific nature of rains has restricted the impact to these crops," said Rajkumar, principal secretary - agriculture & co-operation, government of Gujarat..

**Estimated Loss of sales to Industry > 1,000 Cr.**

**Heavy rains damage soybean crops in Madhya Pradesh, cardamom and pepper in Kerala**  
Torrential rains in central and southern India and dry spells in the east threaten to spoil the party for many farmers and lift prices, raising concerns after the near perfect start to this year's monsoon triggered an 18% rise in crop planting.

### **Heavy rainfall damages crops over 11.82 lakh hectare area in Maharashtra**

PUNE: Floods and heavy rainfall have damaged crops on 11.82 lakh hectare in Maharashtra. The state government has asked for relief package of Rs 1500 crore from the central government.

### **Three more farmers kill themselves as rains damage crops Wednesday, Jul 24, 2013, 17:37 IST | Place: Maharashtra**

The situation has been particularly bad in the east Vidarbha which has seen unprecedented heavy rainfall in the last 52 days. While maximum damage has been to cotton and soyabean crops, paddy, which requires lot of water, too is being damaged due to the incessant rain and farmers have been forced to sow thrice besides spending on expensive fertiliser.

"Even if the rain stops now, the 5 million hectares on which standing crops have been damaged will not yield more than 50%. That alone works out to a cumulative loss of Rs 10,000 crores,"

# Financial Performance : Key Highlights

## Rallis Consolidated

₹ Crs

	Q 2 12-13	Q 2 13-14	
<b>Net Sales</b>	480.6	596.7	24%
<b>Profit before tax</b>	87.8	104.0	
<b>Net Profit After Tax (Before MI)</b>	60.5	72.8	
<b>Net Profit After Tax (After MI)</b>	61.5	74.7	21%
<b>EBITDA *</b>	97.9	121.6	24%

\* Excludes forex gain of Rs. 2.5 crs for the Q2 12-13 against loss of Rs. 7.4 crs in Q2 13-14.

# Financial Performance : Key Highlights

## Rallis Consolidated

₹ Crs

	H 1 12-13	H 1 13-14	
<b>Net Sales</b>	821.6	1006.0	22%
<b>Profit before tax</b>	121.1	140.0	
<b>Net Profit After Tax (Before MI)</b>	87.6	106.1	
<b>Net Profit After Tax (After MI)</b>	85.7	102.2	19%
<b>EBITDA *</b>	139.4	176.9	27%

\* Excludes forex loss of Rs 2.5 crs for the H1 2012-13 against loss of Rs.15.4 crs in FY 2013-12.

# Financial Performance : Key Highlights

## Rallis Standalone

₹ Crs

	Q 2	Q2	
	12-13	13-14	
<b>Net Sales</b>	461.2	565.6	<b>23 %</b>
<b>Profit before tax (bei)</b>	93	111.5	
<b>Net Profit After Tax</b>	65.7	80.3	<b>22 %</b>
<b>EBITDA*</b>	101.1	127.7	<b>26 %</b>

# Financial Performance : Key Highlights

## Rallis Standalone

₹ Crs

	<b>H1</b>		
	<b>12-13</b>	<b>13-14</b>	
<b>Net Sales</b>	<b>726.7</b>	<b>833.2</b>	<b>15%</b>
<b>Profit before tax (bei)</b>	<b>114.7*</b>	<b>120.1</b>	
<b>Net Profit After Tax</b>	<b>81.1*</b>	<b>86.3</b>	
<b>EBITDA</b>	<b>129.2</b>	<b>153.2</b>	<b>19%</b>

**\*Previous year includes Profit on sale of flat-Rs.7.90 crs**

## **Relentless focus on Cash**

- ***Tight control on Working Capital***
  - ***Reduces interest cost from Rs.8 Crs. to Rs.5 Crs.***
  
- ***Outstanding debt balanced by liquid assets Rs.92 Crs***
  - ***zero debt status***

## EBITDA %

	H1	H1
	12-13	13-14
<b>EBITDA % (Standalone)</b>	<b>17.8%</b>	<b>18.4%</b>
<b>EBITDA % (Consolidated)</b>	<b>17.0%</b>	<b>17.6%</b>

# Metahelix

- ✓ **Net sales grows by 60% in Q2**
- ✓ **Sales in H1 80% higher**
- ✓ **H1 PBT substantially higher**
- ✓ **Operating expenses reflect investments in field activities & brand building**



## MoPu

- PPP with Agriculture Department, Govt. of MP
- PPP IAD Project area of Maharashtra visited by Tamilnadu Agriculture Department Officials
  - Appreciation to Rallis after analyzing results
- Survey of PPP IAD Project completed by FICCI in Maharashtra completed
  - Good improvement in productivity
  - Farmers are happy with services provided by company





## Rallis India wins the prestigious Porter Prize for 'Creating Shared Value'



Rallis India won this award for being a 'High Impact' organisation for creating shared value that has created economic success by redefining markets, products, way of doing business, creating collaborative efforts and in turn creating societal and economic progress.

# Manufacturing Awards



Winner of Golden Peacock award for eco-innovation – DAHEJ Unit

LOTE Unit Received NSC Award (Maharashtra Chapter)



## Inauguration of Pilot plant– DAHEJ Unit





# Looking Ahead

## RABI Outlook

### Good water levels for Rabi

- Good rainfall during Kharif increased ground water and reservoir water levels for Rabi crops.
- Higher moisture content in soils will ensure good Wheat season in Rabi

### Phailin damage & delay in Rabi sowing

- Cotton standing crop damaged in AP due to cyclone Phailin as well as heavy rains in Gujarat. Paddy, Coconut and Cashew crop also damaged.
- October rains have caused water logging in few regions, that has delayed Kharif harvesting and obstructed Rabi sowing.

### Increase in MSP

- For Rabi, Increase in MSP of crops like Wheat (+50), Barley (+120), Gram (+100), Lentil (+50), Rapeseed/Mustard (+50) and Safflower (+200)
- Farmer cash in hand likely to increase
- Farmers anticipated higher hikes

### Agro Chemical Market

- High volumes of stocks in market in anticipation of good Kharif and coming Rabi

# Business Portfolio for Profitable Growth

Crop Solutions : Farmer - centric

Greener Portfolio : Sustainability

