



RALLIS INDIA LIMITED
Corporate Identity No. L36992MH1948PLC014083

PRESS RELEASE

Rallis India report Q3 FY19 results

Standalone Revenue up by 9%; Consolidated Revenue up by 7%

Mumbai, 17th January, 2019: Rallis India Ltd, a part of the Tata group and a leader in the domestic crop protection sector announced its financial results for the quarter and nine months ended December 31st 2018.

On a consolidated basis, the Company registered revenues of Rs 417 crs (Rs 390 crs) up by 7% for the quarter ended December 31st 2018. Total comprehensive income stood at Rs 14 crs. On a standalone basis, revenues totaled Rs 388 crs (Rs 357 crs) up by 9% for the quarter ended December 31st 2018, with total comprehensive income at Rs 23 crs (Rs 34 crs).

Performance Highlights – Consolidated

- Revenue growth of 7% on the back of steady performances in Domestic and International markets. Strategic initiatives in terms of strengthening dealer network and revised incentive structure aided domestic performance. Exports revenue expanded owing to better performance in US & Europe
- EBITDA amounted to Rs. 28 crs; resulting in margins of 7% for the quarter. Higher input cost – imports from China resulted in profitability and margin compression. Working towards improving product mix – share of value added / specialty products to offset impact of rising raw material
- PAT stood at Rs. 14 crore. Margins remain constrained owing to higher raw material prices. Expect profitability to pick up going forward following growth specific initiatives undertaken towards driving growth

Key Developments –

Merger with Metahelix Life Sciences

- The Board of Directors of the Company has accorded its consent to the merger of Metahelix Life Sciences Ltd (a wholly owned subsidiary of the Company) with the Company under a Scheme of Amalgamation subject to necessary statutory approvals from various regulatory authorities

Strategic Initiatives

The Company's strategic initiatives towards driving domestic and international business are starting to deliver positive results. Some of these initiatives include:

Domestic business –

- Refreshing distribution channel refresh – Adding distributors to enhance growth
- Revitalized dealer incentive structure: Higher variable incentives linked to revenue targets
- Expansion of credit period to support select product growth
- Increasing focus on specialty product launches
- Improving connect between distributors and top management

International business –

- Investing in capacity expansion
- Registration in International markets
- Increased higher margin exports to smaller South Asian countries

Commenting on the performance and developments, Mr. R. Mukundan, Managing Director & CEO said “We have delivered a steady revenue performance for the quarter despite multiple headwinds in the domestic market. However recent margin pressure experienced across the Industry have impacted profits. Rallis is in the process of a strategic transformation with efforts being directed towards leveraging our strengths in both domestic and international markets. We are working towards improving the depth and width of our product portfolio by leveraging our in-house R&D capabilities. The board has approved Rs 100Cr investment expanding capacity in key products. We are confident that our initiatives, coupled with supportive macros, will help us deliver sustainable value for our shareholders. Additionally, the board approved the merger of Metahelix which will enable us to offer a unified approach to our Customers.”

About Rallis India Ltd –

Rallis India Ltd. is one of India's leading Crop Solution Companies, with more than 160 years of experience of servicing Rural Markets and with the most comprehensive portfolio of crop protection chemicals for Indian farmers. Rallis is known for its deep understanding of Indian Agriculture. sustained contact with farmers, quality agrochemicals, branding & marketing expertise along with its strong product portfolio. Rallis has marketing alliances with several multinational agrochemical companies.

Rallis is also known for its manufacturing capabilities and ability to develop new processes and formulations, hence is considered as a preferred partner for contract manufacturing by leading global corporations

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