



## RALLIS INDIA LIMITED

October 19, 2020

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001  
Scrip Code: 500355

National Stock Exchange of India Limited  
Exchange Plaza  
Bandra-Kurla Complex Bandra (E)  
Mumbai – 400 051  
Symbol: RALLIS

Dear Sir/Madam,

**Sub: Submission of Analysts/Investors Presentation.**

**Ref: Letter dated October 7, 2020 informing about Analysts/Investors Presentation.**

Further to our referred letter, please find enclosed a presentation to be made to analysts/ investors on the results for the second quarter and half year ended September 30, 2020 for the analysts/investors call to be held on Tuesday, October 20, 2020.

The presentation is being submitted in compliance with Regulation 30(6) read with Schedule III Part A Para A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of the presentation is also uploaded on the Company's website [www.rallis.co.in](http://www.rallis.co.in).

You are requested to take the same on record.

Thanking you,

**Yours faithfully,  
For Rallis India Limited**

**Yash Sheth  
Company Secretary**

Encl: As above

Corporate Office: 2<sup>nd</sup> Floor, Sharda Terraces, Plot No 65, Sector 11, CBD Belapur, Navi Mumbai – 400 614

Tel: 91 22 6776 1700 Fax: 91 22 6776 1634

Registered Office: 23<sup>rd</sup> Floor, Lodha Excelus, New Cuffe Parade, Off Eastern Freeway, Wadala, Mumbai – 400 037

Tel: 91 22 6665 2700 Website: [www.rallis.co.in](http://www.rallis.co.in)

Corporate Identity No. L36992MH1948PLC014083

**A TATA Enterprise**



RALLIS INDIA LIMITED

# Results Presentation

Q2 FY21



DOMESTIC CROP  
PROTECTION



INTERNATIONAL  
BUSINESS



CONTRACT  
MANUFACTURING



SEEDS



PLANT GROWTH  
NUTRIENTS



AGRI  
SERVICES

# Disclaimer

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*This presentation, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise of Rallis India Limited, its direct and indirect subsidiaries and its associates. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government policies and regulations, tax laws, and other statutes and incidental factors. You are urged to view all statements contained herein with caution. Rallis India Limited does not undertake any obligation to update or revise forward look statements, whether as a result of new information, future events or otherwise.*

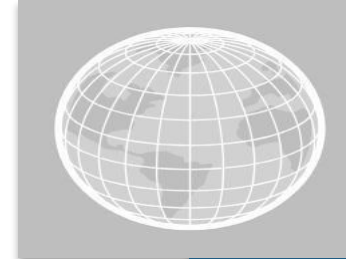
# Rallis – Areas of Strength



**Well entrenched connect  
with the Indian farmer**

(Domestic  
business)

- Crop Protection
- Plant growth
- Nutrients(PGN)
- Soil conditioner
- Seeds



**Chemistry**

(International  
business)

- Partnering with global innovators
- Strong R&D and executional capabilities
- Environmentally adhering products

**Proven capabilities make Rallis a Preferred Partner of Choice for Innovators**

# Domestic business

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Leading Agrochemical Company

Presence across value chain: Seeds – Soil  
Conditioners – Crop Protection Chemicals -  
Plant Growth Nutrients

Market share: ~ **6%** (Crop protection & PGN), ~**3%**  
(Seeds)

Strong & Healthy pipeline of sustainable products

Nationwide footprint – more than **3800**  
dealers & **47377+** retailers



# International Business – Primed for growth

## Alliances

- Developing Technicals for global Agro chemicals players
- **Key products**
  - **Pendimethalin:** Used as a pre-emergence herbicide to control annual grasses and certain broad leaved weeds. Global market size: **413Mn USD**
  - **Acephate:** An organophosphate foliar and soil insecticide used primarily for control of aphids, leaf miners, caterpillars, sawflies, thrips, and spider mites. Global market size: **510Mn USD**
  - **Hexaconazole:** is a Broad-spectrum systemic triazole fungicide used for the control of many fungi particularly Ascomycetes and Basidiomycetes, used chiefly for the control of rice sheath blight in China, India, Vietnam and parts of East Asia. Global Market size: **149 Mn USD**
  - **Metribuzin:** herbicide used both pre- and post-emergence in crops including soybean, potatoes, tomatoes and sugar cane. Global market size: **196 Mn USD**
  - **Metalaxyl:** an acylalanine fungicide used to control Pythium in a number of vegetable crops, and Phytophthora in peas Global market size: **89 Mn USD**

## FACTS

1<sup>st</sup> Indian company to introduce a new molecule in India

1<sup>st</sup> company to set up an R&D centre in the country

## Contract Manufacturing

- Manufacturing molecules for global chemical players
- Key products - Poly Ether Ketone Ketone(PEKK) & Metconazole
- **Poly Ether Ketone Ketone (PEKK)**
  - Major supplier of PEKK for Solvay
  - Polyetheretherketone (PEKK) is a high-performance, engineering thermoplastic characterized by an unusual combination of properties - resistance to chemicals, wear, fatigue
  - PEKK and its composites are widely used in automotive, high temperature electrical, aerospace, structural and biomedical applications
- **Metconazole**
  - Fungicide supplied to Kureha Chemicals, a leader in speciality chemicals

# Seed business

Rallis develops, produces and sells hybrid seeds including Paddy, Millet, Maize and Bt Cotton with main exposure (80-85%) to the Kharif season

Strong market position - among top 3 in Hybrid Paddy (3<sup>rd</sup>) & Hybrid Millet (2<sup>nd</sup>) and Maize (6<sup>th</sup>). With around a million packets sold, our Bt Cotton portfolio is fast growing

Farmer base of **3 Mn** up from 1 Mn in FY15

Seasonal business – Q1 & Q2 accounting for 85% of revenues



# Strategic Initiatives

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## Domestic business

- Customer connect through digital campaigns
- Refresh distribution channel : Add distributors to enhance growth
- Higher focus towards digitisation and technology adoption
- Increase focus on new product launches; portfolio optimisation
- Improve connect between distributors and company

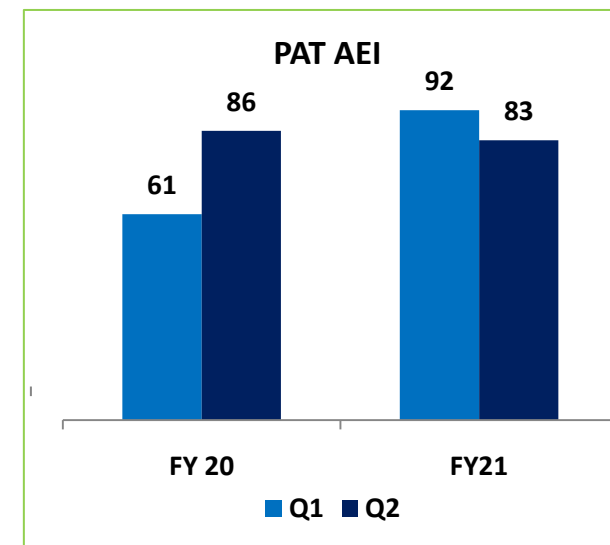
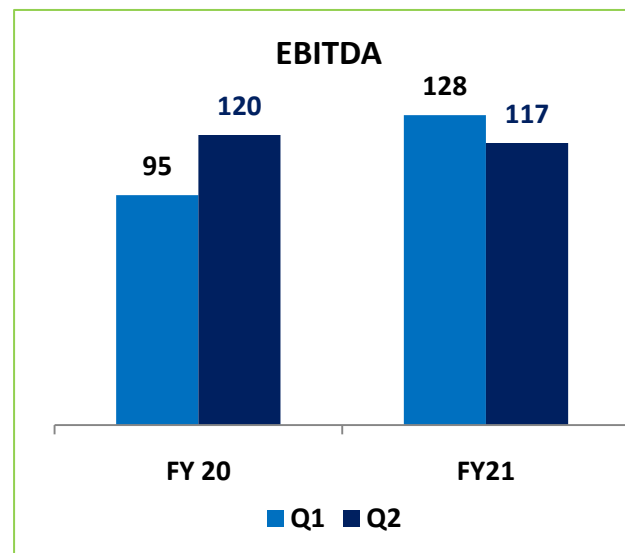
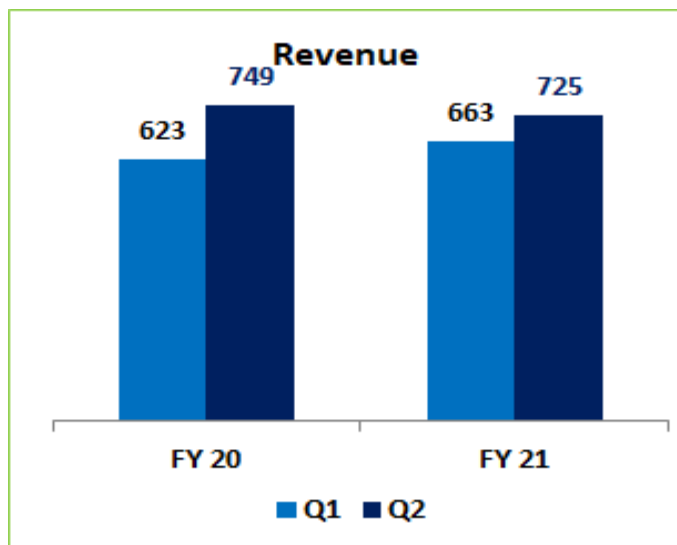
## International business:

- Invest in capacity expansion
- Increase Registrations in International markets
- Expand footprint in South East Asian countries, Africa and LATAM



# Q2 FY21 - Performance Highlights: Overall

Rs Crs

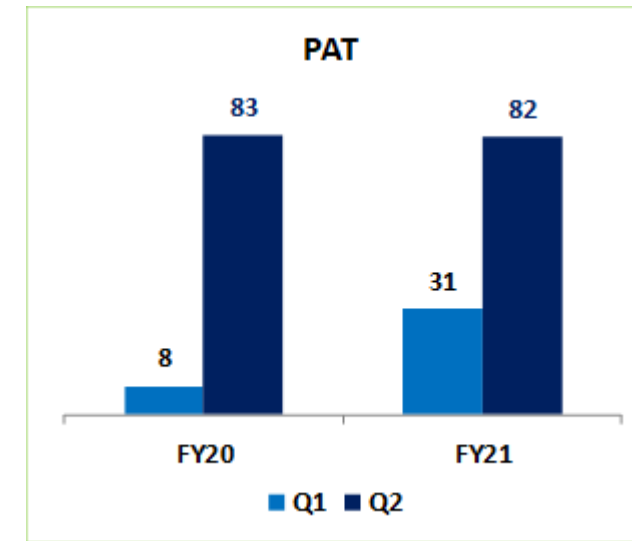
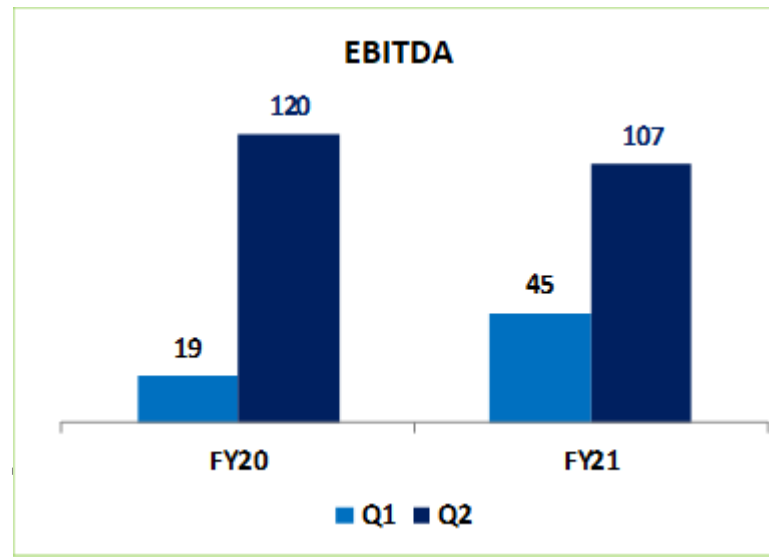
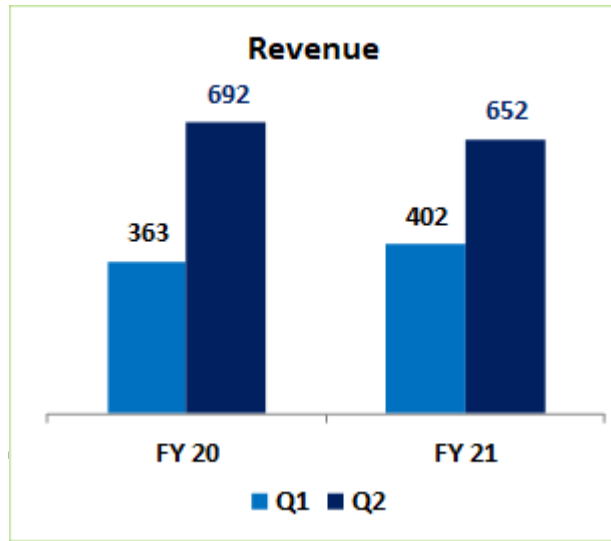


- CY Qtr Revenue was at Rs. 725 Crs i.e. lower by 3% as compared to PY Q2.
- Seeds business has registered growth of 29% in CY Q2.
- Domestic Crop Care Business grew by 8%; International Business saw a drop of 29%

- % EBITDA margins are at 16.1%; similar to 16.0% in PY Q2
- YoY drop in prices of Metribuzin Tech in the international business

- Company has opted for lower Income tax rate from current year. The effective tax rate ~ 24%
- PAT AEI- includes profits on sale of asset

# Q2 FY21 - Performance Highlights: Crop Care division



Rs Cr

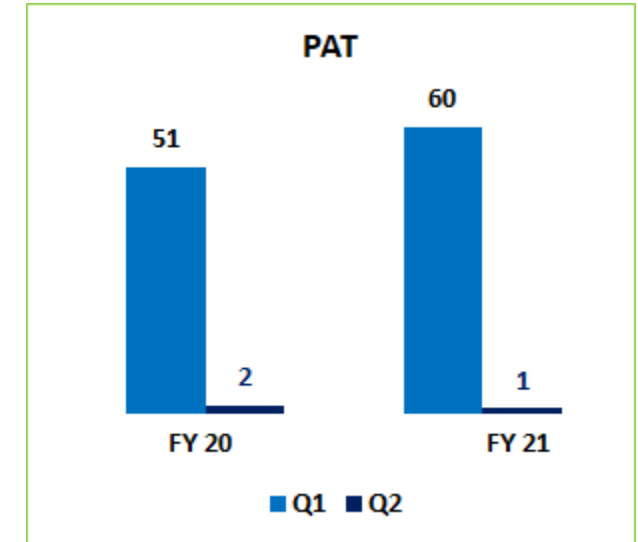
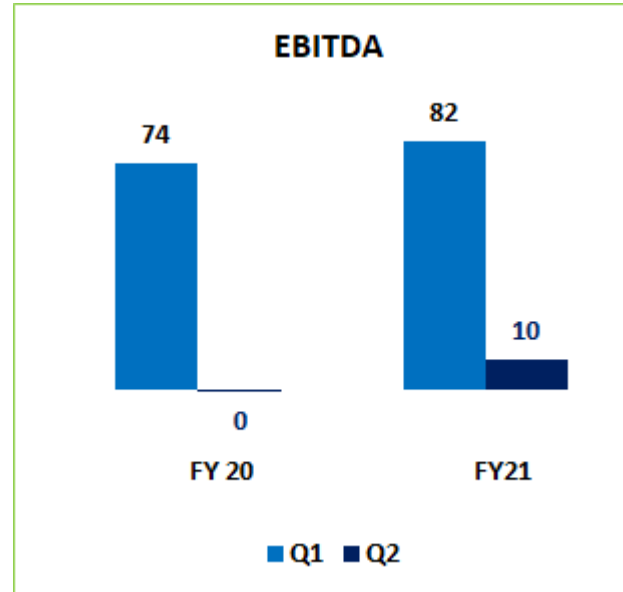
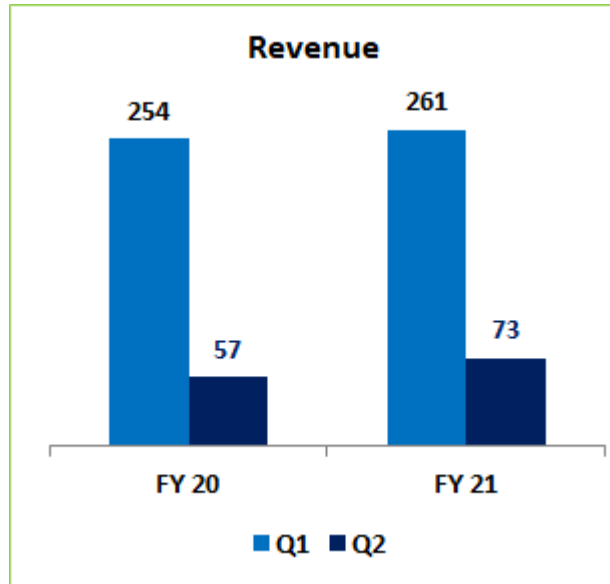
- Overall YoY revenue declined by 6% mainly due to drop in international business.
- Domestic business grew by ~ 8% YoY
- Pressure on Metribuzin in the International business continued in the 2nd quarter as well- both on Volume and Price front
- Contract Manufacturing business also witnessed a degrowth in both the products - -Metconazole & PEKK

- Overall drop in EBITDA due to drop in topline
- Price erosion in Metribuzin impacted margins.
- Better realization on Acephate & Pendi Tech and some of our branded products helped compensate partially

- Company has opted for lower tax rate at the start of the year
- Previous years tax includes adjustment of deferred tax amount resulting due to change in tax rate

# Q2 FY21 - Performance Highlights : Seeds Division

Rs Cr

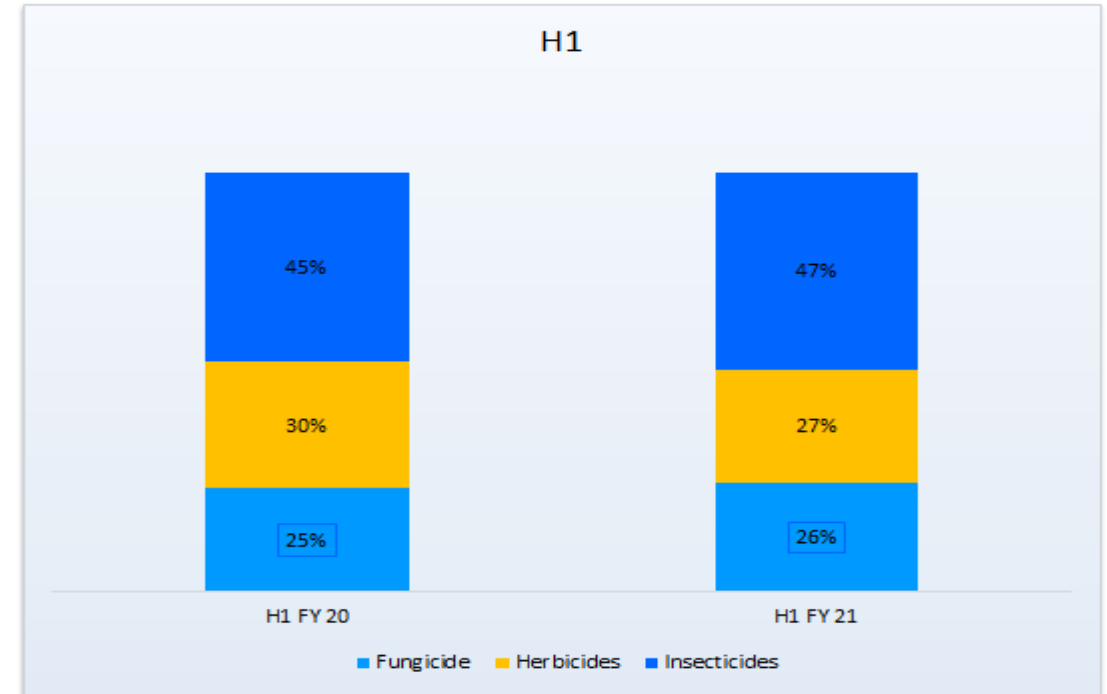
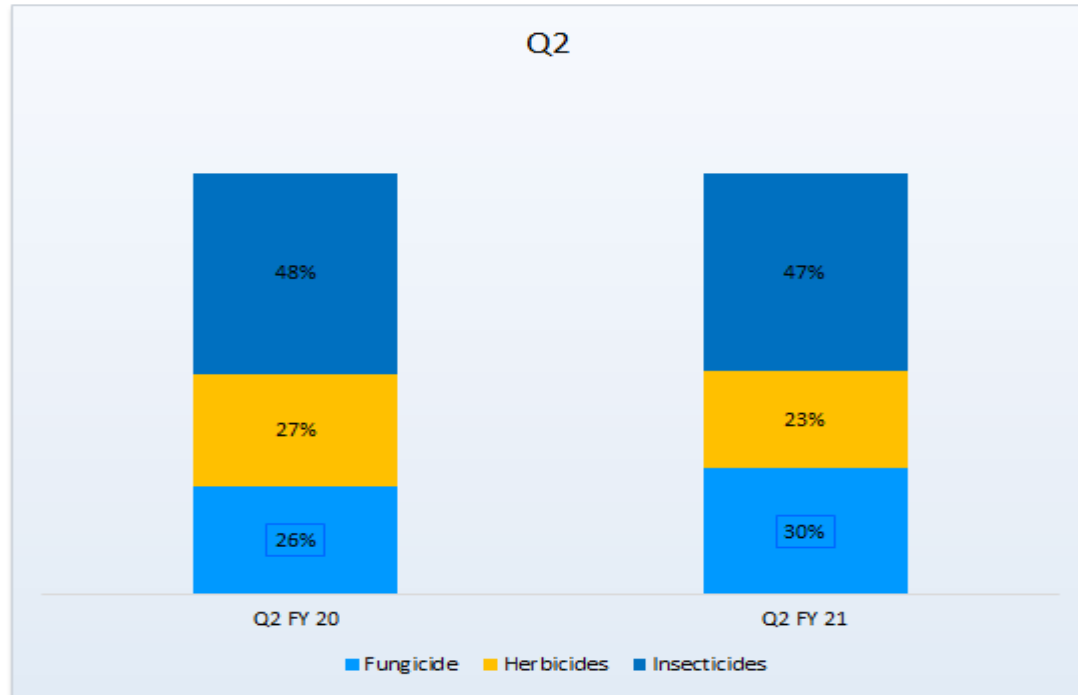


- 29% growth in topline in Q2 FY 21
- Volume growth in Maize
- Better price realization in Paddy

- Growth is due to Volume and Better Price Realization

Tax rate at higher level than PY due to overall effective tax rate being at ~ 24%

# Category-wise Revenue Split Q2 & H1



**Note:**

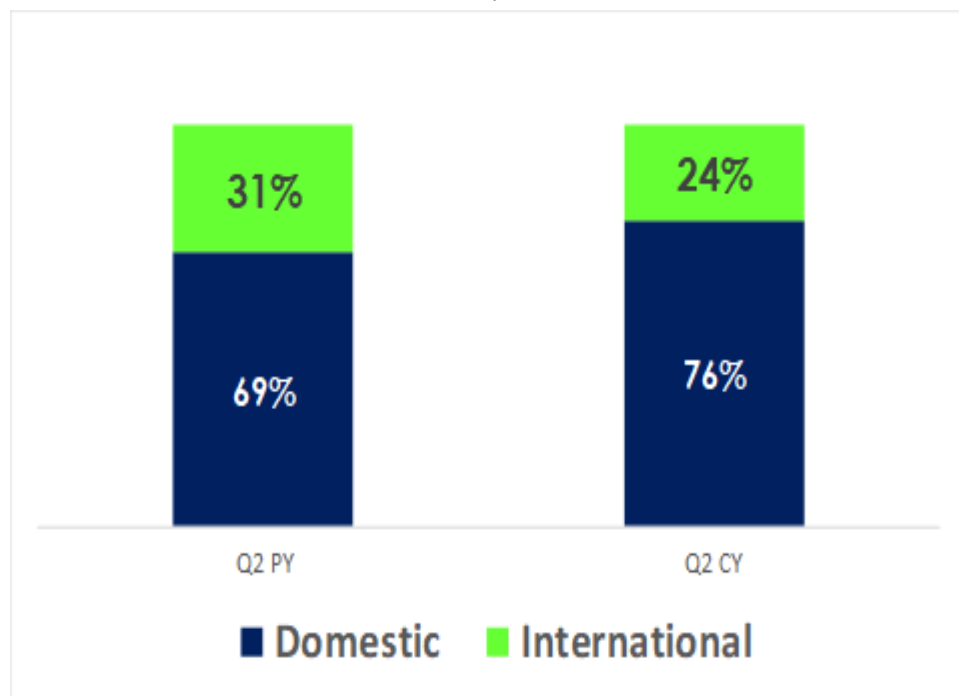
Pl note that these revenue breakups are for Crop Protection

Price corrections in Metribuzin impacting Herbicide revenue compared to PY

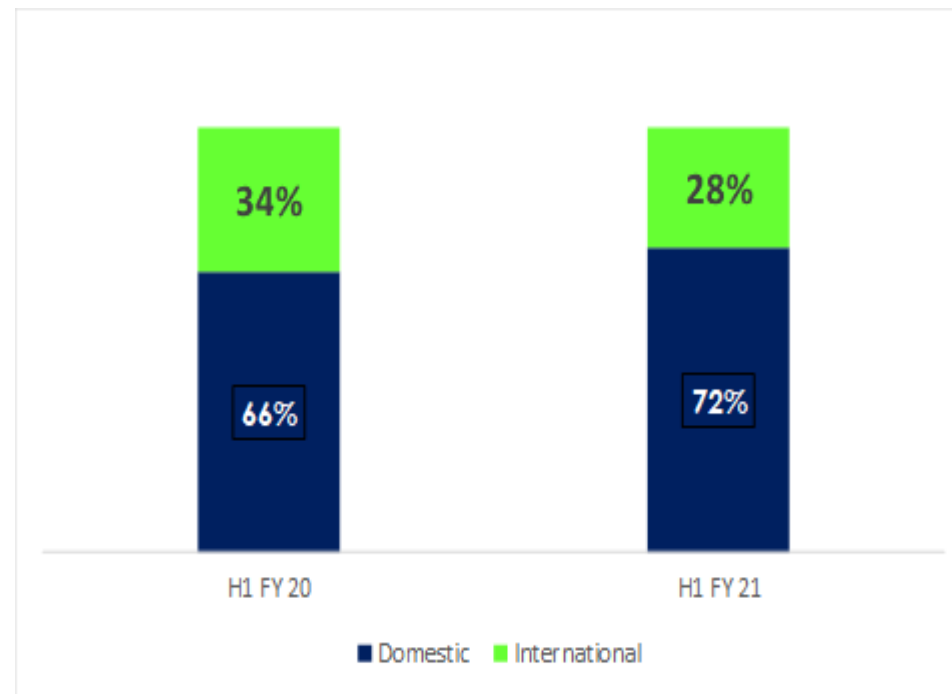
# Revenue Split Domestic/International Q2 & H1

## Category wise

Q2



H1



### Note:

Pl note that these revenue breakups are for Crop Protection

Drop in Volume of Metribuzin with price correction coupled with drop in Contract Manufacturing Volumes leading to overall drop in % share of International revenue

# Capex - Update

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- Overall Capex implementation impacted due to COVID 19 : delayed by 2- 3 months
- Formulation Plant at Dahej, CZ - Phase 1 Expected to be now completed by March 21
- Capacity Expansion of our AI on track.
- Board has approved further investments of ~ Rs. 70 Crs for expansion of MPP, Pilot Plant, automation etc.

# Operational Highlights

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## New Product Progress –

- ❖ Launched 1 formulation in Q2; 2 formulations YTD
- ❖ Received own registration approval for Metribuzin for USA
- ❖ Successful launch of Aquafert – Potato, Onion, Vegetable (FNP) and Flobor in Crop Nutrition category

## Tackling COVID Difficulties and Operational Efficiency –

- ❖ Digital Acceleration: Campaigns, Sales meetings; Trade, Product Development Trials, farmer and employee engagement
- ❖ Rallis Celebrated 25 Yr completion of our flagship brand CONTAF
- ❖ 12% top line product growth in Domestic Crop Protection business in H1
- ❖ Despite higher inventory, improved cash from Operations due to strong collections.
- ❖ Planned Raw Material Inventory build up to cope with Covid challenges.

# *THANK YOU*



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